

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	16 JULY 2018	13
CONTRACT PROCEDURE RULES			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

Council is asked to approve a change to the council's Contract Procedure Rules which will expressly reference the council's obligations under the Public Services (Social Value) Act 2012 to consider at the pre-procurement stage of certain contracts how what is proposed to be procured may improve the economic, social and environmental well-being of their areas and how it may act with a view to securing that improvement in conducting the process of procurement. The requirements only apply to procurements for services which are valued at or above the EU threshold. The changes went before the Audit and Standards committee on 24th May 2018.

RECOMMENDATION

To approve the recommendation from Audit and Standards Committee to adopt the amendments to rule 1.1 of the council's Contract Procedure Rules as set out in the report.

SUMMARY OF PREVIOUS DECISIONS

Audit & Standards Committee 24th May 2018

"Following consideration of this matter, it was RESOLVED to recommend to Council the adoption of the amendments to rule 1.1 of the Council's Contract Procedure Rules as set out in the report."

CORPORATE PRIORITIES	
Spending your money in the most efficient way to achieve excellent services (Value for Money)	✓
Delivering the services that customers expect of an excellent council (Clean and Green)	✓
Working with all partners (Vibrant Economy)	✓
To make sure Fylde continues to be one of the most desirable places to live (A Great Place to Live)	✓
Promoting Fylde as a great destination to visit (A Great Place to Visit)	✓

REPORT

- The [Public Services \(Social Value\) Act 2012](#) requires local authorities to consider at the pre-procurement stage of certain contracts how what is proposed to be procured may improve the economic, social and environmental well-being of their areas and how the contracting authority may act with a view to securing that improvement in conducting the process of procurement. Authorities must also consider whether to undertake any community consultation on their proposals.

2. The requirements apply to services contracts and frameworks whose value is above the EU threshold¹ and which are therefore covered by the Public Contracts Regulations 2015. The council seldom, if ever, lets services contracts of or above the threshold value.
3. The Corporate Governance Action Plan 2017 noted that the council had no express reference in its suite of contract rules and guidance to the need to consider social value in its procurement activities and recommended that a social value policy be introduced. After considering some social value policies introduced by other authorities, the Corporate Governance Group reconsidered the recommendation and felt that it would be more proportionate to include a reference to the requirements of the act in the council's Contract Procedure Rules and to incorporate further information in the 'Guide to Buying for the Council'.
4. The Contract Procedure Rules form part of the council's constitution. Any substantive amendment would normally be approved by the council, following a recommendation by the Audit and Standards committee. The 'Guide' is an internal practice note. Changes to the 'Guide' do require committee approval. The proposed change to the Rules relates to rule 1.1, and is set out below. The change also updates an outdated statutory reference in the same rule:
 - 1.1 Subject to rule 1.2, every contract made by or on behalf of the Council shall comply with:
 - (i) these Rules;
 - (ii) the Council's Financial Regulations;
 - (iii) all relevant statutory provisions, including in particular the Local Government Act 1988, Part II, the Public Contracts Regulations ~~2006~~2015, ~~and the Local Government (Contracts) Act 1997~~ and the Public Services (Social Value) Act 2012;
 - (iv) any relevant European Council Directive; and
 - (v) any direction by the Council or the relevant committee.
5. Council is asked to adopt the change to the policy as set out above.

IMPLICATIONS	
Finance	This amendment, if approved, would not alter the process for determining the most appropriate and financially advantageous tender submission received for the provision of any particular service. Consequently there are no financial implications arising directly from this report.
Legal	The Public Services (Social Value) Act 2102 sets out certain requirements that only apply to above-threshold procurements of services.
Community Safety	The impact on community safety of an in-scope procurement could form part of the consideration of its social value.
Human Rights and Equalities	The impact on human rights and equalities of an in-scope procurement could form part of the consideration of its social value.
Sustainability and Environmental Impact	The sustainability and impact on the environment of an in-scope procurement could form part of the consideration of its social value.
Health & Safety and Risk Management	None arising from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
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BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Audit & Standards Committee	24/5/18	Audit & Standards Committee Minutes

¹ Currently £181,302.