



Havering

L O N D O N B O R O U G H

GOVERNANCE COMMITTEE AGENDA

7.30 pm

**Thursday
26 May 2016**

**Town Hall,
Main Road,
Romford**

Members 13: Quorum 5

COUNCILLORS:

Conservative (6)

Joshua Chapman (Chairman)
Melvin Wallace (Vice-Chair)
Roger Ramsey
Damian White
Meg Davis
Osman Dervish

Residents' (3)

Ray Morgon
Barbara Matthews
Barry Mugglestone

East Havering Residents' (2)

Clarence Barrett
Darren Wise

UKIP (1)

Lawrence Webb

Independent Residents (1)

Jeffrey Tucker

Please Note:

The membership of the Committee was correct at the time of publication (18 May) but may not be the same by the meeting date due to changes made at Annual Council.

For information about the meeting please contact:

Grant Soderberg tel: 01708 433091

e-mail: grant.soderberg@onesource.co.uk

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Members of the public are entitled to report on meetings of Council, Committees and Cabinet, except in circumstances where the public have been excluded as permitted by law.

Reporting means:-

- filming, photographing or making an audio recording of the proceedings of the meeting;
- using any other means for enabling persons not present to see or hear proceedings at a meeting as it takes place or later; or
- reporting or providing commentary on proceedings at a meeting, orally or in writing, so that the report or commentary is available as the meeting takes place or later if the person is not present.

Anyone present at a meeting as it takes place is not permitted to carry out an oral commentary or report. This is to prevent the business of the meeting being disrupted.

Anyone attending a meeting is asked to advise Democratic Services staff on 01708 433076 that they wish to report on the meeting and how they wish to do so. This is to enable employees to guide anyone choosing to report on proceedings to an appropriate place from which to be able to report effectively.

Members of the public are asked to remain seated throughout the meeting as standing up and walking around could distract from the business in hand.

AGENDA ITEMS

1 CHAIRMAN'S ANNOUNCEMENTS

The Chairman will announce details of the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 APOLOGIES FOR ABSENCE & SUBSTITUTE MEMBERS

(If any) - receive

3 DECLARATIONS OF INTEREST

Members are invited to declare any interest in any of the items on the agenda at this point of the meeting.

Members may still declare any interest in any item at any time prior to the consideration of the matter.

4 MINUTES (Pages 1 - 6)

To approve as a correct record the minutes of the Committee held on 9 March 2016, and to authorise the Chairman to sign them.

5 CONTRACT PROCEDURE RULES AND PROCUREMENT STRATEGY (Pages 7 - 58)

6 EXCLUSION OF PRIOR APPROVALS FROM COUNCILLOR CALL-IN PROCESS (Pages 59 - 62)

7 APPOINTMENTS TO OTHER ORGANISATIONS, 2016/17 (Pages 63 - 76)

8 MONITORING OFFICER NO 08 AMENDMENTS TO THE CONSTITUTION (Pages 77 - 80)

Andrew Beesley
Committee Administration
Manager

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**MINUTES OF A MEETING OF THE
GOVERNANCE COMMITTEE
Town Hall, Main Road, Romford
9 March 2016 (7.30 - 8.10 pm)**

Present:

COUNCILLORS

Conservative Group	Joshua Chapman (Chairman), Melvin Wallace (Vice-Chair), Damian White, Meg Davis, Osman Dervish and +Philippa Crowder
Residents' Group	Ray Morgon, Barbara Matthews and +Jody Ganly
East Havering Residents' Group	Clarence Barrett and Darren Wise
UKIP Group	+Patricia Rumble
Independent Residents Group	+David Durant

Apologies were received for the absence of Councillors Roger Ramsey, Barry Mugglestone, Lawrence Webb and Jeffrey Tucker.

+Substitute Members: Philippa Crowder, Jody Ganly, Patricia Rumble and David Durant (for Roger Ramsey, Barry Mugglestone, Lawrence Webb and Jeffrey Tucker respectively).

The Chairman reminded Members of the action to be taken in an emergency.

There were no disclosures of interest.

Decisions were taken without division unless otherwise stated.

21 MINUTES

The minutes of the meeting held on 13 January 2016 were agreed as a true record and signed by the Chairman.

22 RESPONSIBILITY FOR SCRUTINY OF ISSUES RELATING TO THE CHILDREN AND FAMILIES ACT 2014

The Committee was invited to consider a report containing details about proposals to make a minor change to the Constitution to make it clear that responsibility for scrutiny of issues related to the Children and Families Act

2014 was solely that of the Children and Learning Overview & Scrutiny Sub-Committee

This change was to add some clarifying wording to the existing text.

The Committee accordingly agreed to:

Recommend to Council that:

The section of the table in Part 3, section 1.4 of the Constitution dealing with the areas of responsibility of the Children & Learning Overview and Scrutiny Sub-Committee be amended so that the following text was added to the areas of responsibility of the Sub-Committee:

“Issues relating to the Children and Families Act 2014”

23 REVIEW OF THE OPERATION OF THE HIGHWAY ADVISORY COMMITTEE

The report before the Committee reminded Members that the Highway Advisory Committee (HAC) currently reviewed the vast majority of traffic management proposals which often resulted in those proposals being considered multiple times by that Committee. It was therefore proposed to streamline the involvement of the HAC in minor traffic management changes whilst maintaining targeted and local representation of all traffic management proposals.

Various Members raised queries about the application of the proposals and asked for clarification about how the process – if the changes were agreed – would work in practice. One member asked why there was no mention of bus stop accessibility and officers agreed that this could be included within the proposed changes. There was discussion about the involvement of Ward councillors in the “call-in” procedure and about whether non-Ward councillors could also exercise “call-in” and if so, at what stage of the process. There were observations made that the process would benefit from having a clear guide about what constituted “minor” road-works in order to assist councillors decide what course of action (if any) to adopt.

Officers reassured Members that these concerns could – and would - be addressed and also agreed to incorporate a flow-chart designed to provide a simple, schematic representation of the process which could be referred to to assist Members understand the process.

The Chairman informed the Committee that the recommendation as it appeared in the report was incorrect because the Governance Committee could not itself agree the requested changes which were properly for Council to decide.

To address this, he proposed that the wording be amended to read: *“The Committee **resolve to recommend to Council that ...**”*

In addition, as it appeared that further work on the report was needed before it could be presented to Council – and on the advice of the Legal Officer, the Chairman asked the Committee whether, if it agreed the proposals in principle, the matter be delegated to himself, the Interim Deputy Director Legal & Governance and the Committee Administration Manager to ensure that all the proposed changes to the HAC procedure rules be incorporated in the report and that the report be sent to each Member present at the meeting of the Committee for comment and Committee members not present for information before being presented to Council providing a majority of those Members present at the meeting were in agreement that the revisions made addressed their concerns.

The Committee:

- 1 **Agreed** to accept the report “in principle”. It furthermore **agreed** to delegate to the Interim Deputy Director Legal & Governance and the Committee Administration Manager in consultation with the Chairman to make the necessary changes to the procedure rules and to incorporate those elements discussed in committee.
- 2 **Agreed** that if the revisions were acceptable and so could be presented to Council, that the revised wording of the recommendation should be:

The Committee resolved to **recommend to Council** that it **approve** the amendments to the Constitution contained within the report which would permit changes to the range and scope of the Highways Advisory Committee.

The Committee also resolved to **refer to Cabinet** the **authorisation** of additional delegated powers to be given to the Head of Service necessary for approving and progressing relatively minor changes in regard to traffic management orders.

- 3 If the majority of Members present at the meeting did not support the revised report, it would not be presented to Council at this time but was to be brought back to the Committee at a future meeting for reconsideration.

24 **APPOINTMENTS TO ROMFORD TOWN MANAGEMENT PARTNERSHIP**

The Committee was invited to consider making appointments to the newly established Romford Town Management Partnership and, if it agreed with the proposed appointees, to confirm those appointments as appropriate.

Following consideration the Committee appointed the following individuals to the Romford Town Management Partnership:

- Councillor Robert Benham
- Councillor Osman Dervish
- Business Development Manager – Economic Development

- Community Safety Team Leader – Community Safety
- Market Manager – Romford Market

25 **INDEMNITIES FOR MEMBERS AND OFFICERS**

The Committee was informed that a review of the Council's current constitution and policies had failed to identify whether the Council had determined to extend member and officer indemnities by the powers granted under the Local Authorities (Indemnities for Members and Officers) Order 2004. The report before Members proposed to confirm the 2004 Order and extend the powers of the Authority to give indemnities to Members and officers in respect of liabilities arising during the course of their duties.

Following consideration the Committee:

Confirmed the Local Authorities (Indemnities for Members and Officers) Order 2004 and extended the powers of the Authority to give indemnities to Members and officers in respect of liabilities arising during the course of their duties

26 **TERMS OF REFERENCE OF GOVERNANCE COMMITTEE AND DELEGATION OF AUTHORITY FROM COUNCIL**

The report before the Committee anticipated the need for the Council to reach a decision on changes to staff terms and conditions of service in the autumn and invited Members to recommend to Council that it should delegate authority to make the necessary decisions to the Governance Committee and amend its terms of reference accordingly.

The Interim Deputy Director Legal & Governance explained to Members that the work would involve all staff below head of Service and include negotiations with unions and was, by its nature, sensitive. There was a requirement for the matter to be dealt with speedily once decisions had been made and it was considered that full Council was not an appropriate forum for this to be discussed in.

The Governance Committee already had delegated authority to consider and make appointments of Heads of Service and Group Directors, so this could be an extension of those delegated authorities. The only post which remained the responsibility of Council was the appointment of the Chief Executive and that was because it was a statutory requirement.

A Member raised asked whether it was appropriate for the Committee to make the final decision relating to all staff and should any decision be referred to Council for ratification. This was considered to be an unnecessary complication to the process and would furthermore introduce delays which the delegation of authority was designed to eliminate.

The Chairman called for a vote on whether to accept the recommendations of the report as they stood:

In favour of the motion to accept the recommendations as outlined in the report:

Councillors: Joshua Chapman, Melvin Wallace, Damian White, Meg Davis, Osman Dervish, Philippa Crowder, Clarence Barrett, Darren Wise, Ray Morgon, Barbara Matthews, Jody Ganly and Patricia Rumble

Against the motion: Councillor David Durant

The motion was CARRIED by twelve votes to one.

The Committee therefore resolved to:

1. **Recommend to Council**, at its meeting on 30 March 2016, that it delegate authority to the Governance Committee to approve proposals which were likely to arise from the review of employee terms and conditions and make an amendment to its terms of reference to enable this.
2. **Note** that the proposals relating to employee terms and conditions were currently being developed and would be subject to consultation with all Council staff and the recognised trades unions.

27 **APPOINTMENTS TO OTHER ORGANISATIONS, 2015/16**

The Committee was informed that there was a requirement for it to make appointments to the following bodies:

The Havering Sixth Form College and the Poyntz Trust. Both of these bodies received nominations from the Council and recommendations were confirmed by the Governance Committee.

The Committee:

1. In respect of the Havering Sixth Form College, **nominated** Councillor Wendy Brice-Thompson to be a Governor of the Havering Sixth Form College.
2. In respect of the Poyntz Charity, **re-appointed** Councillor June Alexander, Mr David Livermore and the Reverend Michael Sparrow until March 2020.

Chairman

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GOVERNANCE COMMITTEE

26 May 2016

Subject Heading:

Contract Procedure Rules and Procurement Strategy

CMT Lead:

Jane West

Report Author and contact details:

David Pridmore
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Policy context:

The decision on whether to adopt the proposed revisions to the Contract Procedure Rules and Procurement Strategy which will ensure compliance in Havering's Procurement's activities in line with EU legislation.

Financial summary:

N/A

The subject matter of this report deals with the following Council Objectives

Havering will be clean and its environment will be cared for	[X]
People will be safe, in their homes and in the community	[X]
Residents will be proud to live in Havering	[X]

SUMMARY

The attached draft Contract Procedure Rules (CPRs) and Procurement Strategy set out the approach and process for achieving improved procurement performance, greater efficiency and improvement in the delivery of community and economic outcomes from our procurement activity.

The current CPRs were agreed in 2012 and so are overdue for revision. The current Procurement Strategy was agreed in 2011 and expired in 2014 so is also due for revision.

The recent changes in the EU thresholds and the introduction of the Public Contracts Regulations 2015 have also been reflected throughout these documents.

RECOMMENDATIONS

That the Committee **recommend to Council** that it:

1. **Agree to adopt** the draft Contract Procedure Rules set out in **Appendix A** with immediate effect and authorise the Monitoring Officer to make any such changes as may be necessary to the Council's Constitution.
2. **Accept** the attached draft Procurement Strategy (**Appendix B**)

REPORT DETAIL

1. The new Contract procedure Rules (CPRs) and Procurement Strategy will achieve significant savings through improved procurement management. Collaboration is very much at the heart of this as we seek to maximise the efficiencies identified through oneSource and through our work with other councils and public bodies. We will procure in innovative ways, focusing on delivering the best value for residents.
2. The documents attached in appendices A and B set out how we and our partners will work together to drive up procurement efficiency so that the services we provide to residents offer maximum value, are affordable and are aligned to the Council's Objectives.
3. The Council's CPRs were last agreed in 2012 and the Procurement Strategy in 2011. Since that time significant changes have been made to the governance of the procurement process which has resulted in improvements in the way that the Council undertakes its procurement activity, but these changes are not reflected in the documents currently in use.

Key areas of change

Procurement Strategy

The draft strategy sets out key areas for focusing effort and realising improvement:

- **Value for money;** through efficient contracts that deliver high quality goods and services at a competitive price.
- Using the Council's purchasing power to boost Havering's economy and long term economic **sustainability**, through maximising the opportunities for local businesses to provide services and helping ensure that where possible contractors actively seek to employ and train local residents.

- **Community benefit;** to ensure opportunities for local economic, social and environmental benefits are achieved through our contracts to meet local residents' priorities. The specification for our contracts can play a key part in helping to ensure contractors are fully contributing to delivering our vision for Havering.
- **Innovation and partnerships;** to ensure in the right circumstances joint working can deliver efficient, cost effective, risk-sharing solutions and new and better models of service delivery. We are working to develop different ways of providing and buying goods and services so that we can continue to improve value for money while not reducing quality. Local authorities often contain many different departments or business units which have their own purchasing challenges. It can be difficult to ensure that all buyers purchase the best products and procure them at the best price. In the retail sector, innovators like Amazon, set up digital marketplaces that help buyers to access catalogues of products. In these systems, suppliers openly compete against each other in a controlled environment, which is why we are pioneers in helping to develop such a solution and integrating it into local authorities.

Contract Procedure Rules

- The introduction of e-tendering (CPR 2)
- Introduction of the pilot Checkpoint process for all procurements above EU Threshold (CPR 8)
- The publication of opportunities on Contracts Finder (CPR 9.10)
- An increased emphasis on e-auctions to secure additional savings (CPR 9.11 – 9.12)
- The use of *Constructionline* (CPR 13), collaborations and joint commercial enterprise and public sector spin-outs (CPR 23)
- The introduction of the Social Value Act 2012 (CPR 15)
- 70:30 cost:quality considerations in awarding contracts (CPR 18.4)
- An increased focus on Contract Management (CPR 21)
- The introduction of European 'State Aid' Rules (CPR 26)
- The introduction of the Public Contracts Regulations 2015

Changes have been made to the CPRs and Procurement Strategy to ensure compliance with the Public Contract Regulations 2015 and with the new EU Thresholds for Supply, Services and Works.

The new documents ensure best practice, provide an extra emphasis on financial savings and ensure contract performance is maximised. They should deliver a more efficient procurement process and enable cost savings across the Council.

IMPLICATIONS AND RISKS

Financial implications and risks: None

There are no financial implications associated with the proposed changes. E-auctions will secure additional financial savings for the Council which will be captured by the service area.

The introduction of the 70:30 evaluation model centres on having a specification that meets the minimum requirements of the Council when procuring so will ensure that best value is achieved whilst not compromising on quality.

The introduction of the Checkpoint pilot is ensuring that budget and savings are scrutinised at an earlier point in procurements. Finance has a seat on the Checkpoint Panel enabling them to have earlier visibility of all procurements over the EU threshold and identify potential savings from the service areas.

No additional funding is required to implement the new CPRs or Procurement Strategy as there are no additional associated costs to either the Strategic Procurement Unit or to those who procure in the service areas. Many of the changes which the updated documents reflect have already been implemented (e.g. capital Sourcing and the new EU Thresholds).

Legal implications and risks: None

The Council has powers to set CPRs under Section 135 of the Local Government Act 1972. The Council is required to make CPRs for the making of contracts for the supply of goods, services and works. This includes a provision for securing competitions and regulating the manner in which tenders are invited. The Council's CPRs form part of the Council's Constitution.

Human Resources implications and risks: None

Equalities implications and risks:

The strategy sets out the proposed approach for ensuring community services are inclusive and benefit all Havering residents. Existing measures to address equalities through procurement include pre-qualification vetting, the drafting and use of community benefit clauses that are available for inclusion with council contracts, and the periodic monitoring of our performance in areas linked to delivery specific community benefits.

The Council places an emphasis on increasing the personal and economic capacity of residents in the borough, in particular through access to jobs and other economic opportunities. The Procurement Strategy will support this objective through enabling access to local labour and the use of local contractors.

BACKGROUND PAPERS

None.

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PROCUREMENT GUIDANCE

London Borough of Havering Contract Procedure Rules

Strategic Procurement Unit

February 2016

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1 INTRODUCTION

- 1.1 For the purposes of these Contract Procedure Rules (CPR), and instructions and guidance issued, procurement means the ordering, commissioning or entering into a contract (which includes the granting of a Concession) whatever the value or nature with a third party for Supply, provision of Services or the carrying out of building construction Works required by the Council.
- 1.2 These Contract Procedure Rules shall be effective from the date of adoption by the Council and will be reviewed periodically as required but in their entirety once every 3 years.
- 1.3 Nothing in this CPR shall override the Council's duties under UK national legislation and European Law.
- 1.4 If an Officer experiences difficulty in following any process or procedure or understanding the meaning of any part of this CPR please contact the Head of Procurement.
- 1.5 Throughout CPR, where any action is initiated and taken and a decision made by an Officer with authority to act it will be recorded in writing (on e-tendering suite).
- 1.6 Members of CMT and Directors of Service are responsible for ensuring that all:
 - 1.6.1 Contracts are awarded in accordance with these Rules
 - 1.6.2 Persons responsible for awarding contracts are familiar with the Council's Procurement Strategy, and attend relevant Council training as appropriate
 - 1.6.3 Contracts over £25,000 are recorded on the Contracts Register maintained by the Strategic Procurement Unit
 - 1.6.4 Contracts over £100,000 shall have a nominated Contract Monitoring Officer
 - 1.6.5 Contracts over £100,000 shall be signed and sealed by the Mayor via Legal and Democratic Services.
- 1.7 Where possible all spend, collective or individual, must be attained through a present contract or be procured by entering into a new contract.
- 1.8 All Officers of the Council are subject to and will comply with CPR and it is a disciplinary offence if an Officer fails to comply with CPR. All procurement activities carried out by or on behalf of the Council must proceed in accordance with CPR.

2 E TENDERING

- 2.1 All procurements exceeding £25,000 will be processed through the Council's selected e-tendering suite for the life of the contract.
- 2.2 Authorised Procurement Officers (APOs) will conduct a procurement online through the e-tendering suite. The procedure, which is substantially no different from a paper tendering exercise, consists of:

- i. Pre-registration by the applicants/proposed tenderers on the Council's system;
- ii. Online Pre-Qualification (PQQ) assessments (above threshold only) and drawing up a select list of tenderers where relevant;
- iii. Access to soft copies of all PQQ documentation (above threshold only);
- iv. Online clarifications and messaging;
- v. Availability of all tender documentation online;
- vi. Electronic tender submissions, including the making of declarations;
- vii. Online evaluation of tenders;
- viii. Online E-Auction via an authorised hosted service where relevant;
- ix. Online award of contracts;
- x. Electronic storage of all tender material, final contracts and agreements, including changes to a contract during its life.

- 2.3 The Head of Procurement has the overview of all of the Council's procurement systems and processes including training and issuing instructions and directions on their use.
- 2.4 Whilst procurements will be conducted via the e-tendering suite the requirements of the CPR will still apply without exception or reservation.
- 2.5 Final contract agreements will still be entered into in hard format but, unless previously agreed by the Head of Procurement (or authorised deputy), the specification, pricing and other documents where appropriate and practical will be issued in "read only" disk or other soft format.
- 2.6 Copies of all tender and contract documents will be retained and stored on the e-tendering suite.

3 AUTHORITY AND DELEGATIONS

- 3.1 When there is a need to carry out a procurement, Officers must refer to the oneSource Joint Committee Scheme of Delegation to ensure they have sufficient delegated authority to proceed with a procurement activity.
- 3.2 No procurement shall proceed unless a budget has been agreed by the relevant Director (or delegated officer) and expenditure has been fully considered. For the avoidance of doubt, no order will be placed or other commitment made (orally or in writing) unless the authority to spend is in place and there are sufficient funds to cover the commitment.
- 3.3 Where procurements are included in the Checkpoint pilot (CPR 8), the Checkpoint Panel will consider proposed procurements and awards prior to seeking a decision from the Executive, or the Chief Officer Scheme of Delegation where the value exceeds EU thresholds.

Authority to Procure

- 3.4 Subject to the rest of this CPR 3, authorisation to start a procurement on the Council's behalf is granted on the basis that:
- 3.4.1 Any and all proposed Works, Supply or Services are subject to CPR, regardless of value or complexity;
 - 3.4.2 Procurement will benefit and assist the Council in achieving its statutory duties and functions, and/or approved strategies, policies and service objectives;
 - 3.4.3 Full consideration has been given (and noted for audit purposes) to the use of any existing corporate and departmental contracts covering the Works, Supply and Services required but, following such assessment, these have been deemed unsuitable to meet the additional requirement imposed by the proposed contract; AND
 - 3.4.4 Full consideration has been given (and noted for audit purposes) to those in-house Services whose area of expertise covers the Works, Supply or Services required and, based on an outcomes-based value for money assessment, social value and other business efficiency review, it has been concluded that procurement is the most suitable option for the Council.
- 3.5 When seeking authority to procure a contract for Works, Supply or Services on the Council's behalf the APO must:
- 3.5.1 If included within the pilot, obtain authority to proceed via the Checkpoint Procedure (see CPR 8) where a procurement is:
 - Above the EU Services and Supplies threshold
 - Of a value greater than £500,000 for Works
 - 3.5.2 Produce a robust, justifiable and sensible business case, which will be considered under the Checkpoint Procedure and must also be approved in accordance with the oneSource Joint Committee Scheme of Delegation before a procurement activity commences.
 - 3.5.3 Where the Council has prescribed an approved business process, prior to obtaining such approval, this must be followed and contained in a written endorsement by the Deputy Chief Executive Communities and Resources.
 - 3.5.4 Maintain the necessary audit trails to support the business justification and approval process.

Training

- 3.6 No Officer is permitted to authorise or undertake a procurement activity without first attending and successfully completing one or all, depending on the procurement, of the Council's recognised procurement training courses, "Passport to Procure" and demonstrating that they have the competence to conduct a procurement on the Council's behalf.
- 3.7 The Corporate Management Team (CMT) and Directors of Service will ensure that Officers who are authorised by them to conduct procurements have the necessary skills and experience and are properly trained in the tasks they will be expected to carry out. For the purpose of being considered 'trained', Officers designated as 'Tender Managers' must have completed "Passport to Procure" training modules

and, for all EU level tenders, must also have completed training relevant to the creation of specifications and methods of evaluation.

- 3.8 All Officers undertaking procurements over £25,000 or who will manage a contract must have completed “Passport to Procure” training. All contract managers must have also completed the Contract Management Training.
- 3.9 The Head of Procurement will have overall responsibility for Procurement Training and to approve exceptions and waivers of any requirements of this CPR 3.

4 ACCOUNTABILITY, ROLES AND RESPONSIBILITIES

- 4.1 An APO is accountable for all procurement activities authorised by him/her and carried out or conducted on his/her behalf and has a responsibility to comply with CPR and to follow and implement all requirements contained herein.
- 4.2 In line with the General Management Scheme of Delegation, responsibilities outlined in the Financial Regulations and subject to other council procedures:
 - 4.2.1 Directors can authorise procurements in their service area up to a total contract value of £100,000.
 - 4.2.2 A Director can authorise procurements within their service area with a value between £100,000 and £500,000 in consultation with the CMT Member where the contract will be executed. Pre-tender authority, as set out in the Checkpoint Procedure in CPR 8 will be followed first where included in the pilot.
 - 4.2.3 All proposed procurements where the contract value exceeds EU thresholds, and procurements for Works over £500,000 should go through the Checkpoint Procedure at pre-tender stage.
 - 4.2.4 All proposed procurements over £500,000 must be authorised by a Member of CMT.
 - 4.2.5 Irrespective of the value of the procurement, an APO must inform the Director, who will notify the Leader/Lead Member, where a proposed procurement may be controversial or require a ‘key decision’.
- 4.3 Directors must ensure that Officers engaged in any procurement activity are familiar and compliant with CPR, Financial Regulations and the General Management Scheme of Delegation.
- 4.4 On becoming aware of a breach of CPR, an Officer must report this to their line manager and the Head of Procurement. Alternatively, the Officer may choose to follow the guidance contained in the Council’s Whistle Blowing Policy.
- 4.5 In order to determine the level of resources required by the Head of Procurement, each APO will provide, for their service area, an Annual Forward Plan prior to the commencement of the Financial Year. The plan will be agreed by the Head of Procurement no later than the end of January of the previous Financial Year.

5 CONFLICT OF INTEREST

- 5.1 Every Officer must maintain unimpeachable standards of integrity when engaged in a procurement (or any other) activity on the Council's behalf and comply with the anti-fraud and corruption policy.
- 5.2 In accordance with Section 117 of the Local Government Act 1972 all employees of the Council must make a written declaration if they or a family member have a personal or pecuniary interest which may impinge (or might reasonably be deemed by others to impinge) on a contract in which the Council also has an interest. Failure to disclose interests is an offence.
- 5.3 Where an Officer has reason to believe a connection exists between themselves and a participant in a procurement exercise they will inform their line manager and follow the procedure set out in the council's Declaration of Interest Policy and Explanatory Notes.

6 PROCUREMENT VALUES

- 6.1 The APO must produce an auditable estimate of anticipated costs in order to follow the correct procurement route specified in CPR 9. Where EU Public Procurement and national legislation apply, the APO must also ascertain the value of a contract in accordance with those requirements.
- 6.2 Unless otherwise specified, where a value or estimated value is given it must give the aggregate value payable in GBP, exclusive of VAT, over the entire contract period (or as set out in EU and national legislation) including any extensions stated in the contract and any reasonably anticipated level of variation during the life of the contract.
- 6.3 In accordance with EU procurement rules (as transposed into UK law by the Public Contracts Regulations 2015), contracts must not be artificially underestimated, overestimated or sub-divided into two or more separate contracts where the intention or effect is to avoid the application of CPR and/or EU and national legislation.
- 6.4 In the case of mixed contracts where a single contract covers more than one element of works, services or supplies, applicable regulations are determined by the 'main subject matter', based on which of the estimated values is the highest.
- 6.5 In the case of awarding a framework, the value shall be based on all contracts and call-offs over the framework term.

7 EUROPEAN PROCUREMENT LEGISLATION

- 7.1 Every contract made by, or on behalf of, the Council must comply with the EU Treaty principles for the free movement of Supply, Services, Works and capital and the procurement rules of:
- i. Non-discrimination on grounds of nationality or locality;
 - ii. Transparency of award procedures and related decisions;
 - iii. Equal treatment of those wishing to be awarded a contract;
 - iv. Wider market interest;
 - v. Proportionality;
 - vi. Mutual recognition.
- 7.2 All procurements conducted by the Council together with awards and day to day management shall embody these principles and rules and comply with the Council's own procurement procedures as contained in CPR and the Scheme of Delegation.

Procurement Thresholds

- 7.3 European legislation sets out specific procedure which must be followed for procurements above certain values. Where the estimated value of a proposed contract intended to be let by the Council (or on its behalf) exceeds or is likely to exceed EU procurement, the contract must be procured in accordance with the EU Procurement Directive (2014/24/EU) as included in the Public Contracts Regulations 2015.
- 7.4 The thresholds are set out in Articles 4(a) to 4(d) of the Public Contracts Directive and apply from 1st January 2016 to 31st December 2017. Thresholds are net of VAT.

Type of contract	Threshold
Supplies	£164,176 (€209,000)
Services	£164,176 (€209,000)
Works	£ 4,104,394 (€5,225,000)

- 7.5 The Head of Procurement will give written notice of future changes to the threshold figures.

8 CHECKPOINT PROCEDURE

- 8.1 The Checkpoint Procedure was adopted by London Borough of Havering for a pilot period of 12 months, starting in December 2015 and finishing in December 2016. During that time the following Checkpoint Procedure will apply for procurements included in the pilot.
- 8.2 The Checkpoint procedure should be undertaken for Supply and Services over the EU threshold and for Works over £500,000.

- 8.3 The Checkpoint Procedure is an Officer-led procedure in three stages:
- i. Stage 1 – Conduct a review of the intended procurement prior to seeking authority from the CMT or, under Chief Officer delegated powers, to invite tenders.
 - ii. Stage 2 – Consider the results of the tender exercise prior to an award being made under the CMT'S executive powers, a specific delegation to an Officer of the Council or under the Chief Officer Scheme of Delegation.
 - iii. Stage 3 – Review the contract post-award, in particular the monitoring arrangements in place for the contract and their effectiveness in terms of quality and cost. It will take place between 6 and 12 month post-award, dependant on the risk, value and length of the contract.
- 8.4 The Head of Procurement or an Officer designated by the Head of Procurement will chair the Checkpoint Panel. The senior board of the Council will determine the Panel membership.
- 8.5 The Checkpoint Panel will consider activities at each Stage and will make recommendations to the senior board of the Council.
- 8.6 The Strategic Procurement Unit will clerk and record the Panel's activities and decisions.
- 8.7 The governance and overall procedures of the Checkpoint Procedure will be maintained by the Executive Director who has responsibility for the Strategic Procurement Unit. All records of proceeding will be kept by the Head of Procurement, in line with CPR 22.8-22.16.

9 PROCUREMENT ROUTES

- 9.1 Except as otherwise provided, contracts must be awarded following the relevant competitive processes set out in CPR.
- 9.2 In accordance with the Council's Financial Regulations, where a third party has agreed to carry out Works, Supply or perform Services, all such contractual arrangements, notwithstanding the terms and conditions to be used, must be in writing and confirmed by the issue of a purchase order via the i-procurement system.
- 9.3 All procurements which have an estimated value of £24,999 or less are subject to CPR for the purpose of seeking offers. These need not be formalised to the extent required by procurements of higher value but a purchase order must be placed via the i-procurement system (and/or other authorised method), with a sufficient description of the Supply, Services or Works and clearly identifying the requirement, the price and terms of trading previously agreed with the Organisation.

- 9.4 All procurement with a financial value equal to or greater than £25,000 will be supported by the Strategic Procurement Unit (SPU) using the Council's preferred e-tendering suite.
- 9.5 For all procurement with a financial value including and exceeding £25,000 a Procurement Initiation Form must be completed.
- 9.6 All contracts of a value equal to or greater than £25,000 will be procured using documents agreed. Contracts awarded will be entered into under terms and conditions approved by the Director of Legal & Governance (or authorised deputy). All tender documents produced for a procurement will be compliant with procurement legislation and CPR, and be compatible with the strategies, policies and service objectives of the Council at any time in force and effect.
- 9.7 Changes to the approved terms and conditions must be agreed by the Director of Legal & Governance (or authorised deputy) in writing.
- 9.8 For a procurement valued between £25,000 and £99,999.99 inclusive, an Officer is required to obtain at least 3 comparable written quotations using the e-tendering suite Request for Quotation procedure.
- 9.9 Unless stated elsewhere in CPR or for reasons of extreme urgency, each procurement with an estimated value of £100,000 or above must be subject to a formal tender exercise in conjunction with SPU.
- 9.10 Where a contract award opportunity is advertised, SPU shall publish information about the opportunity on Contracts Finder, regardless of what other means it uses to advertise the opportunity.

E-auctions

- 9.11 The Head of Procurement will advise on which procurements should be conducted using an E-auction whilst assessing if the agreed exemptions apply.
- 9.12 E-Auctions will be used where the reverse auction can commercially influence market prices and has the potential to greatly reduce the purchase price for the Council or increase the service level for the same cost. Conducting a reverse E-auction will help deliver cashable cost reductions without reducing quality and service levels. All procurements over £75,000 for services and supply of goods, and £500,000 for works will be considered for E-auction unless the following exemptions apply:
- i. Market Intelligence: Where there is clear market intelligence that bidders [will not/are unlikely to] [engage/participate] in an E-auction and it is [highly] likely a sufficient number of quality bids may not be received to demonstrate an acceptable level of competition.
 - ii. Past Experience: Where an identical style E-auction has been conducted in the past for a particular sector or service and the experience was unsatisfactory, alternative mechanisms to secure value will be considered.

9.13 Any exemptions require the approval of the Head of Procurement.

Small & Medium Sized Enterprises/Local Companies

9.14 Tendering opportunities thought especially suitable for Small and Medium-sized Enterprises (SMEs), Local companies or consortia of both should be flagged by staff during the advertising process. SMEs and local companies are more likely to be used for quotations and these should be sought where possible through the capitalEsourcing portal via the SPU.

10 PRE-QUALIFICATION

10.1 For procurement with a contract value below the Supplies and Services EU Threshold, the APO must not use a set of questions set out as a separate questionnaire (known as a 'Pre-Qualification Questionnaire (PQQ)'), a separate pre-qualification stage or any other pre-tender selection process to pre-qualify or assess the suitability of economic operators to perform the contract, with the purpose of reducing the number of economic operators to a smaller number to be invited to tender at a later stage of the procurement process.

10.2 For procurements with a contract value equal to or above the Supplies and Services EU Threshold, a separate pre-qualification stage or qualitative assessment stage is permitted. The Council may continue to use the industry-standard PAS91 for public contracts for Works.

10.3 Where the estimated contract value is above the Supplies and Services EU Threshold and the contract is subject to a Restricted, Competitive Procedure with Negotiation, Competitive Dialogue, Innovation Partnership, a Negotiated procedure without prior tender process, or for the purposes of establishing an approved list of contractors, a Dynamic Purchasing System (where not using a Framework) shall be used as the Council's pre-qualification process to draw up the select list of tenderers.

Number of Candidates

10.4 In restricted procedures, competitive procedures with negotiation, competitive dialogue procedures and innovation partnerships, the Council may limit the number of candidates meeting the selection criteria that they will invite to tender or to conduct a dialogue, providing the minimum number of qualified candidates is available.

10.5 The contracting authority shall indicate, in the contract notice or in the invitation to confirm interest, the objective and non-discriminatory criteria they intend to apply, the minimum number of candidates they intend to invite and, where appropriate, the maximum number.

- 10.6 For procurements with an estimated value between £100,000 and the EU threshold, and for restricted procedure procurements with an estimated value above the EU threshold, the minimum number of organisations who may be invited to tender is five.
- 10.7 For contracts with an estimated value above the EU threshold and following the competitive procedure with negotiation, the competitive dialogue procedure and the innovation partnership the minimum number of organisations who may be invited to tender is three.
- 10.8 In any event the number of candidates invited shall be sufficient to ensure genuine competition. Where pre-qualification results in fewer than the minimum permitted number of organisations being suitable for pre-selection, the procurement may only proceed to tender if the Head of Procurement is satisfied that there are still sufficient tenderers for genuine competition, and the reasons for continuing are recorded.

11 PRE-TENDER REPORT

- 11.1 All contracts with a value of more than the EU Threshold for Supplies and Services and less than £500,000 must be reported to the appropriate Head of Service, and over £500,000 to the Member of CMT for approval to commence the tendering process. The report must set out:
- i. the likely total cost and budget provision;
 - ii. the appropriate European procurement route;
 - iii. the proposed tendering strategy and timetable;
 - iv. the project team;
 - v. a summary of best value issues and any service improvement requirements;
 - vi. application of TUPE;
 - vii. project risk assessment.
- 11.2 Contracts within the terms of reference of the Pension Committee may be dealt with by that Committee.
- 11.3 Where a contract award for services may result in Council or contractor staff being affected – for example, by possible redundancy, relocation or transfer to the successful tenderer – the advice of the Director of Exchequer & Transactional Services (re pensions), Director of Human Resources/Organisational Development and the Director of Legal & Governance must be obtained before commencement of the tender process. Details must be included in the pre-tender report to the Head of Service or to CMT.

12 TENDER PROCESS

- 12.1 All tender processes shall be conducted in accordance with the requirements of CPR, the Financial Procedure Rules, European procurement rules (if applicable), and the Procurement Strategy.

- 12.2 Where dictated by EU law, tenders must be advertised via the Official Journal of the European Union (OJEU) electronically. This will be done by the SPU on the Council's behalf.
- 12.3 The Invitation to Tender (ITT) for all contracts over £100,000 shall include the following information:
- i. a description of the services, supplies or works sought;
 - ii. the procurement timetable;
 - iii. rules for submitting tenders;
 - iv. pricing mechanism;
 - v. the relevant terms and conditions of contract;
 - vi. the evaluation criteria including weightings;
 - vii. the Council's view on the applicability of TUPE;
 - viii. Any other information necessary to prepare tenders.

Award

- 12.4 The tender or quotation accepted shall be the one which represents the most economically advantageous tender for the Council overall, taking account of whole-life cost, quality of service, risk to the Council and other benefits, as set out in the evaluation criteria chosen for the tender and as described in the Procurement Strategy.
- 12.5 For all contracts above the EU Thresholds all tenderers must be notified of:
- i. The evaluation criteria;
 - ii. Their score using the criteria;
 - iii. The winning score;
 - iv. An explanation as to why the winning tender scored more highly than the tenderer's;
 - v. The identity of the winner of the contract.
- 12.6 For all other contracts with a value in excess of £100,000 all bidders must be notified of:
- i. Their score in the evaluation;
 - ii. The winning score.

In-house Award

- 12.7 An award may be made to an in-house team after competition, provided that:
- i. the in-house team has been evaluated as the most economically advantageous tender in accordance with the requirements set out in the Procurement Strategy;
 - ii. the person making the award can demonstrate that the in-house team represents the best value in terms of quality and price.

Early Authorisation

- 12.8 In the event that there is a need for a contract to commence prior to the completion of the formal contract documentation then a Member of CMT after consultation with

the Director of Legal & Governance may authorise the issuing of an Early Authorisation Approval to the contractor.

- 12.9 The Early Authorisation Approval shall include the following information:
- i. Work to be undertaken;
 - ii. Terms & conditions (this can be by reference to other documents);
 - iii. Subject to completion of formal contract.

13 CONSTRUCTIONLINE

- 13.1 Constructionline provides a list of Works suppliers for contracts below EU threshold. APOs will, in all instances and subject to CPR 3.1 to 3.5, draw up their select tender list from Organisations who have been included on Constructionline.
- 13.2 For procurements valued between £100,000 and £499,999 a minimum of five organisations will be selected and invited to tender.
- 13.3 For procurements valued over £500,000 up the EU threshold a minimum of seven organisations will be selected and invited to tender.
- 13.4 Where pre-qualification results in fewer than the minimum permitted number of organisations being suitable for pre-selection, the procurement may only proceed in accordance with CPR 10.8. Where Constructionline does not have sufficient suppliers to form a select list of tenders the Head of Procurement will issue instructions on how to proceed.
- 13.5 Where a tenderer has advised the Council or been involved in the preparation of a procurement procedure the APO must take appropriate measures to ensure that competition is not distorted by the participation of that tenderer. Such measures shall include the communication to the other tenderers of relevant information exchanged in the context of or resulting from the involvement of the tenderer in the preparation of the procurement procedure and the fixing of adequate time limits for the receipt of tenders. The tenderer concerned shall only be excluded from the procedure where there are no other means to ensure compliance with the duty to treat economic operators equally.
- 13.6 Subject to CPR 10.4, where the voluntary withdrawal of a tenderer originally invited to submit a tender is communicated to the APO within a reasonable time period and this represents a risk to genuine competition, the APO may substitute another tenderer who had participated in the pre-selection process but had not been placed on the Selection List prior to the ITT being issued.
- 13.7 The inclusion of a substitute tenderer will always be subject to it not diminishing the quality and standards set for the procurement and that the substitute scored the highest total of the organisations who met the minimum selection criteria but were not selected to tender.

14 WAIVERS

- 14.1 No exception to these Rules shall be permitted except upon approval by an individual Cabinet member using an Executive Decision or by some other provision in this Rule. The report shall set out the background, the rule being waived, the reasons the waiver is required, how value for money will be demonstrated, any legal or financial risks or implications and shall be approved by the Director of Legal & Governance and the Deputy Chief Executive, Communities & Resources.
- 14.2 Authority to waive any provision contained in CPR will only be permissible if it does not infringe EU or National legislation and is subject to the oneSource Joint Committee Scheme of Delegation.

Exceptions to competitive requirements

- 14.3 Exceptions to the competition requirements may be made only if all relevant law is complied with and one of the following circumstances applies:
- i. the contract falls within one of the exceptions listed in this Rule; AND
 - a. the Competition Financial Thresholds Exceptions, is fully and properly completed and signed by the relevant Member of CMT; AND
 - b. the person awarding the contract can demonstrate that the contract represents the best value that can be obtained in the circumstances.
 - ii. an individual Cabinet member has approved the waiving of the application of these rules, as permitted by Rule (a) above;
 - iii. the contract is solely for the employment of Temporary Agency Workers or interim managers (but not consultants);
 - iv. joint purchasing with or through another public body provided that the public body awarding the contract can demonstrate that the arrangements comply with European procurement, best value and other applicable legislation.
 - v. the instructing of counsel by the Director of Legal & Governance;
 - vi. they are allowed by some other specific provision in these Rules.
- 14.4 The exceptions are:
- 14.4.1 *Genuine emergency* - unforeseen events likely to cause immediate danger to people or property such as bombing or flooding;
 - 14.4.2 *Specialist services/supplies* - available only from one supplier in the European Union – for example, specialist niche consultants or supplies;
 - 14.4.3 *For reasons of compatibility* - with existing services/products – for example, equipment that needs parts from its own manufacturer;
 - 14.4.4 *Urgency NOT of the Council's own making* - the urgency must be unforeseen, for example, a current supplier ceases to operate, or a contract is terminated for poor performance. Urgency caused by previous delay by the Council or a requirement to implement a strategy or project urgently will not justify an exception under this exception;
 - 14.4.5 *Exceptions permitted under European procurement rules* - where the contract is subject to the full application of the European procurement rules and there are specific exceptions which shall be complied with;
 - 14.4.6 *Best Interests of the Council* - where it is in the best interests of the Council or the Borough for a provision in these Rules to be waived to enable a

contract procurement to be rapidly progressed while still complying with European procurement rules.

Emergency Action

- 14.5 A Member of CMT personally may authorise a waiver of any of these Rules if they consider that the circumstances are such that such a waiver is necessary and desirable to further the aims of the Council or for the benefit of the residents of the borough. Such a waiver and the reasons for it shall be fully documented and, if reasonably possible, before giving the authorisation the Member of CMT shall consult with the Deputy Chief Executive, Communities & Resources and Director of Legal & Governance and may consult with the relevant Cabinet Member.

15 PUBLIC SERVICES (SOCIAL VALUE) ACT 2012

- 15.1 The Council has a statutory requirement for above EU Threshold Services procurements to have regard to how a procurement may improve the economic, social and environmental conditions.
- 15.2 For those procurements included in the Checkpoint pilot, consideration will be given in the pre-procurement phase (Checkpoint Stage 1) to the requirements of the Act, however the Council only need consider things which are relevant to what is being procured and proportionate to the circumstances of the matters which are taken into account. The Panel will advise the Head of Procurement at the earliest opportunity of the impact of any of the provisions of the Act on a proposed procurement of Services.
- 15.3 Consideration should be given to the Services being procured on whether it is appropriate to undertake a consultation.
- 15.4 Procurements are exempt under the Act where:
- i. it is impractical or financially not viable;
 - ii. for reasons of real emergency;
 - iii. urgent contractor replacement.

16 POST-TENDER REPORTS

Pre-award report

- 16.1 Contracts with a value between the EU threshold for Supplies and Services and £500,000, except for those subject to CPR 16.3, must be reported to the appropriate Head of Service for approval and award.
- 16.2 Contracts with a value between £500,000 and £5,000,000, except for those subject to CPR 16.3, must be reported to a Member of CMT for approval and award.

- 16.3 Works contracts in respect of the Council's buildings and assets where the total contract value is between the EU threshold for Supplies and Services and the EU threshold for Works are awarded by Heads of Service.
- 16.4 Contracts with a value of more than £5,000,000 and up to £10,000,000 must be reported to an individual Cabinet Member for approval and award.
- 16.5 Contracts with a value of more than £10,000,000 must be reported to the Leader or Cabinet for approval and award of contract, depending upon the powers delegated.
- 16.6 The report shall set out the details of all stages of the evaluation process and criteria, risk assessment and risk allocation, the results, and a recommendation as to the proposed award of the contract.

Post-award notification

- 16.7 An EU notice must be placed if the contract was subject to EU advertising requirement.
- 16.8 All contracts with a value equal to or more than £25,000 must be entered on Contracts Finder.

17 EXECUTION OF CONTRACTS

Contracts over £100,000 to be sealed

- 17.1 Contracts with a total value of more than £100,000 will be executed under seal in accordance with Article 10.04 of the Constitution unless the Director of Legal & Governance approves otherwise. The Legal Document Execution Form must be duly completed by or on behalf of the relevant Director or more senior staff prior to the contract being submitted for sealing.

Contracts under £100,000

- 17.2 Unless the Director of Legal & Governance approves otherwise, contracts with a total value of less than £100,000 will be executed by the signature of the duly authorised Head of Service or more senior staff as appropriate, in accordance with the functions delegated to staff under the oneSource Joint Committee Scheme of Delegation.
- 17.3 Contracts with a total value of less than £100,000 may be executed under seal where the Director or Member of CMT and the Director of Legal & Governance deems this appropriate; for example, where the Council may wish to enforce the contract for more than six years after its end.

Care Contracts

- 17.4 Contracts for the provision of personal social services to an individual (eg residential care) and educational placements may be signed by the relevant

approved officer (as formally designated by the Director or more senior staff and lodged with the Director of Legal & Governance) provided that the annual value of the contract does not exceed £200,000. If it will exceed £200,000 then the contract must be signed by the Director of Legal & Governance.

Consultancy and Specialists Contracts

- 17.5 All requirements for consultancy or professional services should be sourced via the approved framework (currently NEPRO) and procured in accordance with that policy. In general, external resource may only be used when absolutely necessary and where a business case has been approved by the relevant Director of Service and the Head of Procurement.

18 CONTRACT AWARD

- 18.1 All persons awarding contracts for services shall ensure that they can demonstrate that they have complied with the legislative requirements for best value. The contract award report shall set out:
- i. how the legal duty to challenge, consult, compare and compete has been met;
 - ii. how the contract award will meet the Council's statutory duty of economy, efficiency and effectiveness (i.e. best value);
 - iii. how continuous improvements in service provision will be maintained and monitored and ongoing efficiencies will be achieved.
- 18.2 The award of the contract shall be based on the most economically advantageous tender assessed from the point of view of the contracting authority.
- 18.3 The most economically advantageous tender shall be identified on the basis of the price or cost, using a cost-effectiveness approach, such as life-cycle costing and may include the best price-quality ratio, which shall be assessed on the basis of criteria, such as qualitative, environmental and/or social aspects, linked to the subject-matter of the public contract in question.
- 18.4 Tenders will be evaluated against pre-determined best price-quality ratio of 70% cost and 30% quality weighting.
- 18.5 A contract can only be awarded other than on 70% cost and 30% quality, if one the following exemptions apply:
- i. **FRAMEWORK:** Where it is considered that the best procurement route is through an existing framework agreement and that does not allow tender evaluation on a 70/30 basis
 - ii. **RINGFENCED GRANT:** Where the procurement will be funded from a specific ring fenced grant where any under spend would be lost to the Council and a higher quality threshold would enable the grant to be fully spent i.e. where the Council can afford to purchase higher quality

- iii. INNOVATION: Where a service is a completely new type to the market and model of delivery not seen elsewhere in the UK (e.g. the recent procurement of the Troubled Families Initiative)
- iv. PROFESSIONAL ADVICE: Procuring high level specialist advice.

Non-commercial Considerations

- 18.6 Subject to CPR 18.7, no part of the tender process, evaluation, contract award or contract or specification documents shall be based on:
- i. the terms and conditions and composition of the contractor's workforce
 - ii. whether subcontractors are self-employed
 - iii. the contractor's involvement in irrelevant areas of government policy
 - iv. the contractor or contractor's employees' involvement in industrial disputes
 - v. the contractor's business locations – for example, to buy local or buy British
 - vi. any political, industrial or sectarian links or interest of the contractors, its directors or owners, or employees
 - vii. the contractor's financial support (or lack of it) to any organisation which the Council does or does not support.
- 18.7 Contracts for services which are subject to best value legislation may base any part of the tender process, evaluation, contract award or contract or specification documents on the:
- i. terms and conditions and composition of the contractor's workforce; AND/OR
 - ii. conduct of contractors or their workers in industrial disputes between them; provided that such matters are included either because:
 - i. TUPE applies; OR
 - ii. it is reasonably necessary or expedient to permit or facilitate compliance with the best value requirements of the Local Government Act 1999.
- 18.8 For all contracts subject to EU Procurement legislation, all tenderers must be notified of:
- i. The evaluation criteria
 - ii. Their score using the criteria
 - iii. The winning score
 - iv. An explanation why the winning tender scored more highly than the tenderer's
 - v. The identity of the winner of the contract
- 18.9 For all other contracts with a value in excess of £100,000 all bidders must be notified of:
- i. Their score in the evaluation
 - ii. The winning score

19 VARIATIONS, EXTENSIONS AND MODIFICATIONS OF CONTRACTS

- 19.1 Subject to the authority given under the oneSource Joint Committee Scheme of Delegation and CPRs 3 and 4, an officer who has responsibility for the day to day management and performance of an awarded contract may (subject to having the

authority to do so) approve a variation or modification by way of additional works, services or supplies by the original contractor that have become necessary and were not included in the original procurement provided that one of the following applies:

- i. The modifications have been provided for in the initial procurement documentation
- ii. A change in contractor cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, or, would cause significant inconvenience or substantial duplication of costs for the Council provided that an increase in price does not exceed 50% of the value of the original contract
- iii. Where the need for modification has been brought about by circumstances which the Council could not have foreseen, the modification does not alter the overall nature of the contract, any increase does not exceed 50% of the value of the original contract or framework agreement
- iv. Where a new contractor replaces the one to which the Council had initially awarded the contract as a consequence of universal or partial succession into the position of the initial contractor.

19.2 For a variation (or variations) which is near to or exceeds an Executive Director's financial limits as set out in the Chief Officer Scheme of Delegation or a specific delegation of the Executive a report should be prepared initially for Checkpoint with an intention to submit the same to a member of CMT.

19.3 A modification is permitted where it is below the relevant EU threshold and is less than 10% of the initial contract value for service and supply contracts, or 15% of the initial contract value for works contracts, and provided that the modification does not alter the overall nature of the contract or framework agreement.

19.4 An extension to a contract may be made by a chief officer under the Scheme of Delegation provided that it was contemplated at the time the contract was awarded. For an award following an OJEU-compliant procurement, an extension may be approved if the published notice permitted the contract to continue past the defined period, the extension period does not exceed 50% of the awarded contract value, it will not mean that EU Threshold limits are exceeded by more than 5% and performance by the contractor has been satisfactory.

19.5 The extension document will be completed in the same manner as the original contract, except in the case of construction contracts where the extension will be authorised in accordance with the relevant provisions set out in the contract.

19.6 If an officer is uncertain whether a variation or extension of the contract period is permitted under this CPR 19, the Strategic Procurement Unit must be contacted to advise.

19.7 No variation, extension or modification of a contract period may be made unless there is adequate budgetary provision.

- 19.8 The reasons and authority to vary, modify or extend a contract shall be recorded in writing and loaded onto the Council's preferred e-tendering suite.
- 19.9 For an extension with a value between the EU Threshold for Supplies and Services and £5,000,000, approval of a member of CMT is required. For an extension with a value greater than £5,000,000 Lead Member approval is required.

20 CORPORATE AND FRAMEWORK AGREEMENTS

- 20.1 Members of CMT, with the agreement of the Deputy Chief Executive, Communities & Resources and the Director of Legal & Governance may set up corporate and/or framework contracts for goods services, supplies or works across the Council and other public sector bodies. These shall be advertised and competitively tendered in accordance with the Council's competition and selection procedures set out in these rules and the Procurement Framework.
- 20.2 Where an appropriate corporate contract is in place this shall be used wherever appropriate. The Member of CMT responsible for the corporate contract shall issue guidance as to its use, after consultation with the Director of Legal & Governance and the SPU.
- 20.3 Any corporate/framework contracts shall be reviewed regularly by the SPU and shall be re-tendered at least once every four years.
- 20.4 Where a framework agreement is operational, all subsequent purchases under the framework shall either not require further competition (if a single supplier) or, if there are two or more suppliers for those goods or services on the framework, follow the express framework provisions for choosing a supplier. If there are no such express provisions a mini-competition should be held amongst the relevant suppliers.
- 20.5 If the Council is setting up the framework, the framework agreement shall be let in accordance with the requirements of the CPR.

21 CONTRACT MANAGEMENT AND REVIEW

- 21.1 The APO shall ensure that there are adequate provisions in a tender and subsequently awarded contract to manage the performance of the contractor during the period of the contract, that all performance targets relevant to the contract are measurable and that there is a robust structure for ensuring compliance.
- 21.2 Wherever possible national performance indicators shall be reinforced by local targets as set out in the Council's specification and/or published policies, aims or targets; for example in its Corporate Plan, Sustainable Community Strategy, and Equality and Diversity policies and other corporate or local initiatives.
- 21.3 The APO shall ensure that there are regular meetings with the contractor.

- 21.4 For contracts of more than 12 months duration the contract shall be reviewed at least annually. Where the results of the review establish that performance targets are not being met or there is a high level of dissatisfaction (which should be documented and advised to the contractor at the earliest opportunity), appropriate measures will be taken to rectify any failure. Where there is a serious problem with the performance of the contractor and enforcement through the terms and conditions of the contract has been exhausted and has not resulted in an acceptable improvement, termination of the contract should be considered. Where the contractor is performing well, due recognition should be given wherever possible.
- 21.5 For contracts with a period of less than 12 months duration, and at the end of a longer term contract, a performance review should be conducted and the finding acted upon for a future procurement for the same or similar Works, Services or Supply. Due recognition should be given for good performance.
- 21.6 All performance reports or contract reviews will be kept on the council's preferred e-tendering suite by the Contract Manager and made available on request to the Managing Director.
- 21.7 For all contracts that have been through the pilot Checkpoint Procedure, a completed Stage 3 report will be required as part of a contract review. This is the contract manager's responsibility and must be completed within 12 months of contract award.

22 DOCUMENTATION

- 22.1 All documents prepared for a procurement exercise will be, as far as possible, unambiguous and transparent in their intentions, compliant with regulatory requirements and the Council's aims and objectives and shall take account of the Council's strategies, policies and service objectives.
- 22.2 All tenders shall include clear instructions to tenderers on the process that is intended to be used including award criteria and weighting, together with the specification pricing schedule (or other descriptive document), conditions of contract, e-Auction procedure and award process and all other documents relevant to the Works, Services or Supplies that are being procured.

Contracts

- 22.3 All contracts with a value over £100,000 shall be on the Council approved standard terms and conditions for that type of contracts unless:
- i. the contract is let under an existing framework agreement which specifies the terms and conditions under which an individual contract can be let;
 - ii. the Council's standard terms and conditions are not appropriate for the particular contract;
 - iii. the Director of Legal & Governance approves otherwise.

- 22.4 All Council contracts where the Council approved standard terms and conditions are not appropriate must be awarded on the basis of a written specification of the Council's requirements on contract terms and conditions approved by the Director of Legal & Governance in advance.
- 22.5 All contract specifications shall include reference to appropriate domestic or European standards and legislation where appropriate.
- 22.6 Contracts above £100,000 shall include details of:
- i. what is to be provided (description, quality and quantity where relevant) and when;
 - ii. payment provisions (amount and timing); and
 - iii. the Council's standard conditions relating to the following:
 - a. the time scale within which the contract is to be performed;
 - b. the contract review period;
 - c. no sub-contracting or assignment without prior consent;
 - d. sub-contractors to be appointed in accordance with these rules;
 - e. sub-contractors to be paid within 30 days;
 - f. the Council's insurance requirements;
 - g. the Council's health and safety requirements;
 - h. the Council's data protection and Freedom of Information requirements;
 - i. the Council's equalities requirements;
 - j. a right of access to relevant documentation, data and records of the contractor for monitoring and audit purposes;
 - k. a right of termination for the Council;
 - l. a requirement at the discretion of the Council for security for performance – for example, a bond, guarantee or retention sum;
 - m. quality assurance requirements and consequences;
 - n. implementation;
 - o. performance monitoring requirements;
 - p. best value requirements;
 - q. the Council's standard prevention of corruption clause;
 - r. TUPE requirements.
- 22.7 All Council contracts for construction works with a total value of more than £100,000 shall be awarded on the basis of a written specification of the Council's requirements and the current conditions of:
- i. the relevant standard form of Joint Contracts Tribunal (JCT); OR
 - ii. the standard form of Institute of Civil Engineering (ICE) ; OR
 - iii. the standard form of Project Partnering Contracts (PPC) 2000; OR
 - iv. the relevant form of New Engineering Contracts (NEC); OR
 - v. the relevant framework agreement;
- whichever is appropriate or another standard form of contract approved by the Director of Legal & Governance.

Retention of documents

- 22.8 The Members of CMT shall be responsible for ensuring that there is a secure system of filing and storing all tender process documentation.

- 22.9 An APO is required to keep written records of all contracts and the tender processes, including minutes/notes of the tender evaluation panel and other supporting documentation used throughout the procurement process. These will be retained on the Council's preferred e-tendering suite.
- 22.10 Once executed the Council shall retain one original copy of the complete contract documents and one copy of the complete contract documents shall be provided to the contractor. This includes the:
- i. contract conditions;
 - ii. specification;
 - iii. evaluation criteria;
 - iv. invitation to tender;
 - v. pricing schedule;
 - vi. contractor's tender submission;
 - vii. pre-tender correspondence which affects the specification, pricing schedule or contract conditions;
 - viii. post tender correspondence;
 - ix. award letter; and
 - x. documentation of all variations and extensions of the contract.
- 22.11 Where the contract is under seal, one original copy of the contract documents shall be sent to/retained by the Director of Legal & Governance for storage in the Council's deeds room and one copy shall be retained by the person awarding the contract, as well as one copy being provided to the contractor.
- 22.12 All documents of sealed contracts and contracts with a value over £100,000 shall be retained by the Director of Legal & Governance in the Council's deeds room for 12 years from the date the contract was awarded.
- 22.13 Contracts not under seal shall be retained for seven years from the date the contract was awarded.
- 22.14 Unsuccessful quotations and tenders and financial correspondence shall be retained for four years from the contract was awarded.
- 22.15 Service Level Agreements shall be retained for one year after the end of the agreement or the date on which it was superseded.
- 22.16 Where an exception to the Competition Financial Thresholds applies, the following documents shall also be retained:
- i. the Competition Financial Thresholds Exceptions Approval Form signed by a Member of CMT;
 - ii. the contract and correspondence with the contractor;
 - iii. any evidence of how value for money was obtained – for example, alternative written or oral quotes.

23 COLLABORATIVE, JOINT COMMERCIAL ENTERPRISES AND PUBLIC SECTOR SPIN OUTS

- 23.1 Where consideration is being given to collaborative working, whether loosely or by establishing a Special Purpose Vehicle/Economic Entity, the Head of Procurement will be informed at the earliest opportunity and a Checkpoint Stage 1 Report will be prepared to consider any procurement implications and to make recommendations to the Checkpoint Panel.
- 23.2 Where consideration is being given to collaborative working with another local authority (or authorities) and/or public bodies, the Head of Procurement will be informed at the earliest opportunity to determine the legal, governance and procurement implications before proceeding.
- 23.3 Where consideration is being given to establishing an existing in-house service as an economic entity outside of the Council (a public sector spin out) with a primary focus either on providing Services to the authority or offering Services generally, the Directors of Legal & Governance and Finance and the Head of Procurement will be informed at the earliest opportunity to determine the legal, governance, commercial viability and procurement implications before seeking approval from the Executive.
- 23.4 The Officers identified in this CPR 23 will be informed in the same way for any similar types of enterprise before seeking approval of the Executive.
- 23.5 For the vehicles identified in this CPR 23 which involve the making of payments to whatever is created, State Aid implications will be considered.

24 BONDS AND GUARANTEES

- 24.1 A Performance Guarantee Bond and/or Parent Company Guarantee may be required as part of the award of a contract. The final decision to take security will lie with the APO and the form of security to be taken and its terms for reimbursement in the event of default will be determined by the Director of Legal & Governance (or authorised deputy) and the Head of Procurement, with account being taken of market trends.
- 24.2 The APO for a contract with a value between £100,000 and £500,000 will consider whether there is a need to take security against the contractor's performance at Checkpoint Stage 1, taking account of the risks associated with the subject matter of the contract. Where, after an assessment, the risk is judged as low, a bond and/or guarantee need not be taken. Where the risk is judged as medium the Head of Procurement will be consulted as to whether it is desirable to take security. Where the risk is judged as high a bond should be considered.
- 24.3 Where the contract value is above £500,000 the APO shall consult the Head of Procurement whether a bond and/or guarantee should be taken where the risk is judged as low or medium. Where the risk is judged as high a bond should be considered.

- 24.4 Where a tenderer indicates it has a holding/parent company, consideration should be given to obtaining a Parent Company Guarantee regardless of the risks associated with the procurement.
- 24.5 All tender documentation for contracts over £100,000 shall make reference to the provisions of this CPR 24 for taking of security, if required. Where a specification or pricing document includes the taking of security, the drafting should reflect the wording of this CPR 24, and indicative rates be requested subject to the Council decision to require a bond. Where a bond is not thought necessary, premium value will be deducted from the contract sum. Where no sum is identified the amount shall be determined by reference to markets at the time of the procurement.

25 GRANT FUNDED EXPENDITURE

- 25.1 Where the council receives Grant Funding and is named as the accountable body for the expenditure of monies, and where the terms of the grant permits the council to directly carry out Works, or buy Services or Supplies, any procurement will be conducted in line with CPR.
- 25.2 Where the funding received exceeds £500,000 a report will be presented to the CMT for approval to enter into the Grant Agreement (or other funding arrangement) and to record the availability of funding subject to the terms of the grant.
- 25.3 For grants under £500,000 approval will be in accordance with the Scheme of Delegation. Account will be taken in contracts let, in whole or in part, as a result of grant funding, of the terms and conditions and accountability of the Council, and will also have provision to terminate an awarded contract in the event of the grant funding ceasing, in whole or in part.
- 25.4 Where the funding is for use by a third party the obligation to account for the funding contained in the grant terms will be included in the agreement with the third party. Further, the terms of making the grant shall include a clause to competitively tender for Services, Supplies or Works and reflect the Council's strategies, policies and objectives in so much as they apply to, or are compatible with, the funding objectives as set out in the grant terms imposed on the Council and CPR.
- 25.5 Where the Council is making a grant from its own resources the terms as set out in CPR 25.1 will apply, save that accountability conditions will be set by the Council.
- 25.6 Where grant funding is for the employment of staff under a contract of employment (rather than as a consultant or contractor), procurement will not apply and an exemption will be recorded.

26 STATE AID

- 26.1 A grant, or other funding made to a third party (including that to a Direct Service Organisation), either by the Council or from another source, which may be considered as a subsidy will need to be reviewed against the EU "State Aid" rules.

To establish whether a grant, or other contribution, (financial or in kind) affects the procurement or other transaction being considered by the Council. Where a third party who is in receipt of a grant, or other contribution, from the Council is included on a select list of tenderers the extent of its value in terms of affecting the Council's obligations the EU Treaty principles of Equal Treatment, Transparency, Non Discrimination, Proportionality and Mutual Recognition should be considered to establish whether there is any risk of infringement of the "State Aid" Rules.

26.2 European "State Aid" may apply where:

- i. It is granted by a Member State or through State resources;
- ii. It favours certain undertakings or the production of certain Supply;
- iii. It could distort or threaten to distort competition;
- iv. It could affect trade between EU Member States.

26.3 The Rules themselves have permitted exemptions which may mean the grant or, other contribution would not raise a risk infringement but if all four of the above apply advice should be obtained from the Director of Legal & Governance and any procurement activity should be suspended.

26.4 Where State Aid is considered the outcome of any assessment will be recorded and retained with the tender/contract documents.

ANNEX 1: PROCURING SUPPLIES, SERVICES AND WORKS

Value	Process	e-Tendering Suite	Advertise	Checkpoint Stage 01*	Pre-tender Report	Checkpoint Stage 02*	Award Report	Checkpoint Stage 03*
Goods / Services								
£0 - £4,999	One quote	No	No	No	No	No	No	No
£5,000 - £24,999	Two quotes	No	No	No	No	No	No	No
£25,000 - £99,999.99	3 Quotes/Tender if advertised	Yes	No	No	No	No	No	No
£100,000 - EU ¹	Tender	Yes	No	No	No	No	No	No
EU ¹ - £499,999.99	Tender	Yes	Yes	Yes	Head of Service	Yes	Member of CMT	Subject to Panel
£500,000 - £999,999.99	Tender	Yes	Yes	Yes	Member of CMT	Yes	Member of CMT	Subject to Panel
£5M - £10M	Tender	Yes	Yes	Yes	Member of CMT	Yes	Lead Member	Yes
£10M +	Tender	Yes	Yes	Yes	Member of CMT	Yes	Cabinet or Leader	Yes
Works								
£0 - £4,999.99	One quote	No	No	No	No	No	No	No
£5,000 - £24,999	Two quotes	No	No	No	No	No	No	No
£25,000 - £99,999.99	3 Quotes/Tender if advertised	Yes	No	No	No	No	No	No

¹ EU Threshold for Supplies and Services

£100,000 - EU ¹	Constructionline tender – 5 minimum	Yes	No	No	No	No	No	No
EU ¹ - £499,999.99	Constructionline tender – 5 minimum	Yes	No	Yes	Head of Service	Yes	Member of CMT	Subject to Panel
£500,000 - EU ²	Constructionline tender – 7 minimum	Yes	No	Yes	Member of CMT	Yes	Member of CMT	Subject to Panel
EU ² - £4,999,999	Tender	Yes	Yes	Yes	Member of CMT	Yes	Member of CMT	Yes
£5M - £10M	Tender	Yes	Yes	Yes	Member of CMT	Yes	Lead Member	Yes
£10M +	Tender	Yes	Yes	Yes	Member of CMT	Yes	Cabinet or Leader	Yes

¹ EU Threshold for Supplies and Services

² EU Threshold for Works

ANNEX 2: GLOSSARY OF TERMS

Term	Definition
Approved List	An eligible list of potential Contractors who have been assessed as to their suitability in terms of financial and economic standing and technical capability to tender for contracts.
Audit Trail	Evidence showing how, why and by whom certain processes and functions were carried out.
Authorised Procurement Officer	An Officer of the Council who has delegated authority (through the general management scheme of delegation) to procure Works, Supplies and Services on the Council's behalf. To be considered an officer who is directly responsible to the Head of Procurement
Best Practice	The most effective and desirable method of carrying out a function or process derived from experience rather than theory.
Business questionnaire	Also known as a Pre-Qualification Questionnaire (PQQ) A Questionnaire completed by companies that wish to be short listed for procurement activity or placed on an approved list. The purpose is to assess suitability in terms of financial and economic standing and technical capability
Cabinet	The Mayor must appoint a cabinet of between two and nine members (currently 5, including the Mayor), picked from the elected councillors. The Executive is made up of the Mayor and Cabinet and when it meets collectively they are known as the Cabinet. The Cabinet considers all policy and budgetary framework documents, reports from scrutiny bodies on scrutiny reviews.
Competitive Tendering	Awarding contracts by the process of seeking competing tenders
Contract	A binding agreement made between two or more parties, which is intended to be enforceable at law. This may take the form of a written or verbal agreement
Contract Award	The issuing of a formal commitment to a supplier, contractor or service provider to Supplies, Services or Works to the Council.
Contractor	A firm or person who has made a contract to Supply, provide Services or undertake Works
Contracts Finder	The Public Contracts Regulations which came into force on 26th February 2015 require public sector organisations in England (government departments, local authorities, housing associations, armed forces, emergency services, schools, universities, etc.) to publish information on contracts they intend to award following a competitive tender.
Directorate	The staff, Services and functions for which a Level One Officer is responsible.
Emergency	An event or occurrence which could not reasonably have been

Term	Definition
	foreseen and which threatens immediate danger to life, health or property
Framework Agreement	A "framework agreement" is an agreement between one or more contracting authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged.
Invitation to Tender	An invitation to suppliers to formally bid for the provision of Works, Supplies or Services not being the Instructions to Tender.
Letter of Acceptance	A letter, which creates an immediate binding contractual relationship between the Council and the successful tenderer prior to entering into a formal contract
Mandatory Standstill Period Notice	A letter or other communication sent following a mandatory OJEU compliant tender exercise which must be sent to an unsuccessful tenderer to comply with Regulation 86-87 of the Public Contracts Regulations 2015 and CPR 12.5-6 before the final award of a contract.
Most Economically Advantageous Tender	The tender which will bring the greatest benefit to the Council in terms of quality, price, running cost, disposal cost, etc. (MEAT)
Officer	The individual reporting into the service directly responsible for the commissioning activity for that service.
Overview & Scrutiny	Overview and Scrutiny is an essential function which monitors the work of the Leader and Cabinet and provides a route through which the non-executive Members can scrutinise the work of the decision makers and hold them to account. The Overview and Scrutiny Committee monitors performance and draws attention to issues of public concern. In this way, scrutiny drives improvement, sets high standards for the delivery of services and crucially responds to the needs of the borough through maintaining a constant dialogue with residents.
Quotation	Any written offer requested either orally or in writing.
Select List	A list of suitable prospective suppliers that has been drawn up through a pre-qualification short listing exercise for a particular contract or procurement activity.
Service Area	The staff, Services and functions for which a Level Two Officer is responsible.
Director	(Level 2 Officer) or an Officer who reports the Chief Executive or an Executive Director and is responsible for a division or service area.
Specification	A description of what is to be provided under the contract. Depending on the procurement, a specification can be anything from a catalogue or model number to a whole series of documents.
Strategic Procurement Unit (SPU)	Strategic Procurement is based within the Finance Directorate of oneSource and is responsible for overseeing strategic procurement issues, procurement policy, corporate Supply and

Term	Definition
	service contracts.
Tender	A formal, written, sealed response to an invitation by the Council that contains a specification for Works, Services or Supplies required.
Tender Documents	Documents issued to prospective tenderers when they are invited to submit a tender. Such documents would normally include; a business questionnaire or Pre-Qualification Questionnaire (PQQ), except where a Select List or formal Framework Agreement is in place, instructions to tenderers, contract conditions, specification, pricing document, form of tender and tenderers' responses.
Tender Evaluation	Detailed assessment and comparison of supplier offers
The Authority/Council	The London Borough of Havering of Town Hall, Romford, RM1 3BB.
Urgency	A situation whereby the Council is likely to suffer significantly either financially or operationally or will be in breach of an order of court or statutory function or for health and safety reasons associated with the protection of life and property, if immediate action is not taken.
"VEAT" Notice	A Voluntary Ex-Ante Transparency Notice is a notice announcing an intention to award a contract and which sets out the legal grounds upon which the intended award is to be made.
Voluntary Feedback Communication	A non statutory notification to an un-successful tenderer following a non-mandatory procurement (or an award over EU value threshold and Works) following a "mini-tender" exercise under a Framework Agreement) drawn up and containing information required for a mandatory standstill notice or by way of feedback in line with Section 20 Local Government Act 1988 (requirement if requested to give feedback with 15 days of the reasons for an award decision).

Strategic Procurement Strategy

2016- 2018

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1.0 FOREWORD

Good procurement processes have the power to transform public services, improve outcomes and make life better for residents. This Strategy is about making sure that every penny is spent wisely and that what we procure aligns to what our residents want. We are placing a renewed emphasis on using the purchasing power of the borough to deliver our priorities, boost the local economy and contribute to improving the economic and personal capacity of our residents.

We want to achieve significant savings through improved procurement and contract management. Collaboration is very much at the heart of this aim, both internally, utilising efficiencies through our shared service, oneSource, and externally with other Councils and public bodies. We will procure in innovative ways, which focus on residents, and spend public money in line with public expectations.

The Strategy will focus on:

- **Value for money;** through efficient contracts that deliver high quality goods and services at a competitive price.
- Using the Council's purchasing power to boost Havering's economy and long term economic **sustainability**, through maximising the opportunities for local businesses to provide services and helping ensure that where possible contractors actively seek to employ and train local residents.
- **Community benefit;** to ensure opportunities for local economic, social and environmental benefits are achieved through our contracts to meet local residents' priorities. The specification for our contracts can play a key part in helping to ensure contractors are fully contributing to delivering our vision for Havering.
- **Innovative and partnerships;** to ensure in the right circumstances, joint working can deliver efficient, cost effective, risk sharing solutions, and new and better models of service delivery. We are working to think about the different ways of providing and buying goods and services, so that we can continue to improve value for money while not reducing quality.

Above all the Council and its partners will work hard to drive up procurement efficiency so that the cost and quality of services we provide to our residents offers maximum value, is affordable and aligned to the priorities of our residents.

2.0 INTRODUCTION

This strategy seeks to modernise our procurement, introducing a more holistic programme that takes into account lessons learned in recent years. It will also address key issues and challenges likely to be faced over the next three years and is aligned to the overarching vision of the council and priorities as set out in the Corporate Plan.

The procurement strategy and Contract Procedure Rules (CPRs) together set out the council's attitude to procurement procedures and provide a clear mechanism for delivering value for money and legally-compliant contracts.

We aim to continue to achieve significant savings in the coming years through improved category and contract management. Collaboration is at the heart of much of this aim, both internally within commissioning functions and category services areas, utilising operational efficiencies through shared service of oneSource with London Borough of Newham, and externally with other councils, health partners and public bodies to procure in innovative ways. We want to streamline supply chains and deliver procurements which focus on residents' needs and are cost effective.

2.1 oneSource

In 2014 we launched oneSource, integrating corporate services with London Borough of Newham. By working in partnership with Newham we have increased operational procurement efficiency by building on the strengths of our previous team of procurement experts. We will continue to make use of technology and build strong internal and external customer experience and management.

Planned oneSource operational efficiencies will achieve savings through:

- A new shared service procurement team based on category management, eliminating duplication and working more efficiently.
- Generating income through plans to offer procurement services to external organisations.
- Maximising the effectiveness of available technologies through shared resourcing.
- Collaborative procurement, reducing cost through economies of scale.

3.0 THE FUNCTION OF STRATEGIC PROCUREMENT

The Strategic Procurement Unit (SPU) provides technical expertise and advice to service areas on delivering value in procurement. It supports, oversees and provides guidance to commissioning officers to ensure procurement of services and goods meets the wider sustainability goals of the Council, follows legal precedence and offers the Council best value.

SPU offers commercial expertise and knowledge and runs checkpoints to ensure strong procurement governance is in place. It also provides an overview to commissioning processes, spanning the whole life cycle from identification of needs through to the end of the useful life of a service or asset.

4.0 CORPORATE AND STATUTORY DUTIES

4.1 Contract Procedure Rules

The council's Contract Procedure Rules (CPRs) are mandatory and provide more specific guidance on how procurement and contract award procedures are governed and regulated. Together with this

strategy, the CPRs provide the governance framework and processes for letting and awarding council contracts.

4.2 EU Regulation and legislative changes

The EU Procurement Regulations apply to all forms of procurement, particularly in terms of transparency, and it is important that officers understand the constraints within which all procurement must be undertaken. The Strategic Procurement Unit will ensure that sufficient time and resources are allocated to undertake a robust and compliant process.

Where the estimated value of a proposed contract intended to be let by the council (or on its behalf) exceeds or is likely to exceed EU procurement thresholds (Supplies and Services, £164,176 (€209,000) and Works £4,104,394 (€5,225,000)), the contract must be procured in accordance with the EU Consolidated Procurement Directive (18/2005/EC) as included in the Public Contracts Regulations 2015 (as amended).

The Public Contracts Regulations 2015 abolished pre-qualification questionnaires (PQQs) for low-value contracts as part of the Government's drive to ensure that public sector procurement is more accessible to small businesses. This supports Havering's commitment to local enterprise and growth, and we are committed to ensuring that small businesses get a fair chance to bid for council contracts.

4.3 Public Services (Social Value) Act 2012 (the Act)

The Council has a statutory requirement for Service procurements with a value above the EU threshold to have regard as to how a procurement may improve economic, social and environmental (ESE) conditions. Consideration will be given in the pre-procurement phase to the requirements of the Act.

4.4 Localism Act 2011

In June 2012 the Localism Act 2011 came into force. This Act allows local communities and relevant bodies, including voluntary or community bodies, to have wider involvement in and greater power to challenge how local authorities provide and run services. This must be done in the form of an expression of interest which the relevant authority must consider. If the relevant authority agrees to accept the expression of interest, it must run a procurement exercise.

5.0 BUILDING ON OUR SUCESESSES

The Strategic Procurement Unit remains at the forefront of procurement across the UK following being shortlisted for the national 'Outstanding Savings Delivery' award in 2015, and the Head of Procurement being elected to the National Executive Committee.

5.1 Category Management

In 2014 a review of the Strategic Procurement Unit took place as a pre-cursor to the launch of oneSource shared service with Newham. This led to a restructure within the SPU and the creation of categories. Category Management will be a powerful method of supporting procurement activity against strategic business plans by service areas.

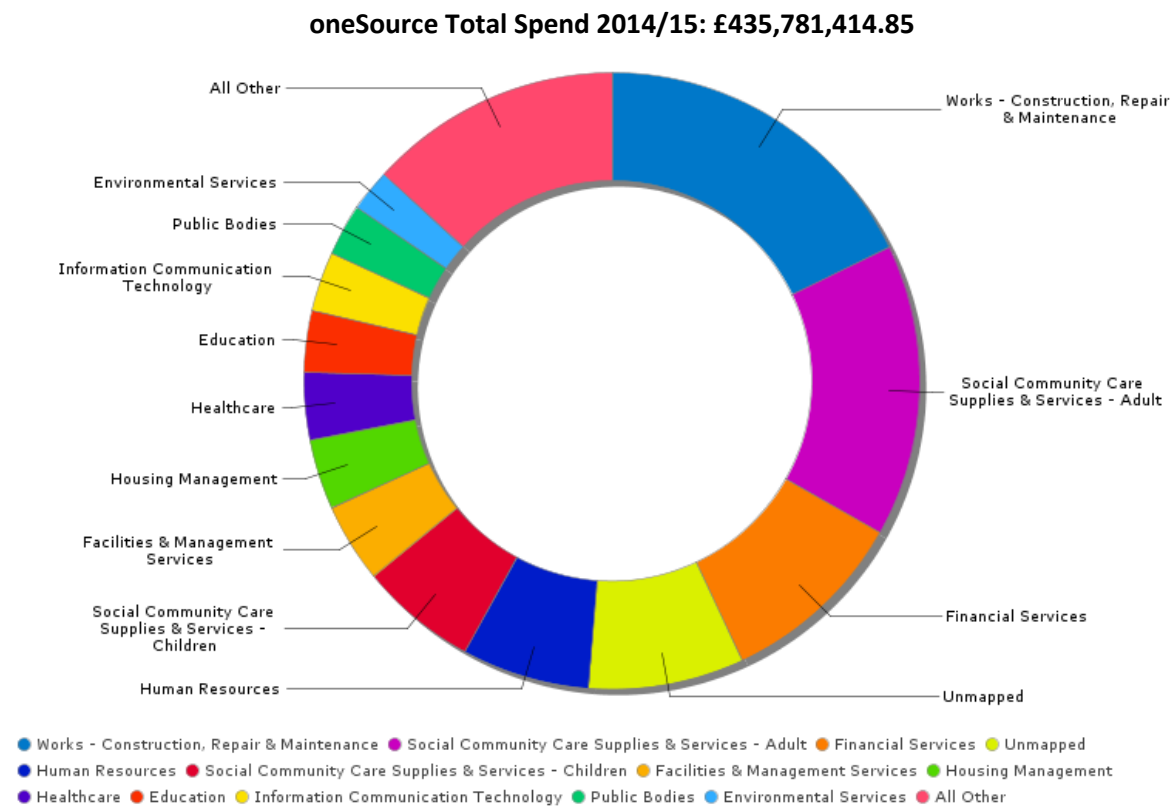
It will enable procurement teams to:

- Better understand wants and needs of the service areas and aligning these with council aims
- Develop a deeper understanding of suppliers and supply markets by category
- Creating and delivering forward category sourcing plans that align to council priorities and forward plans

- Ensure effective cross-functional and collaborative team working

5.2 Category by spend under oneSource

(Bravo Solutions data, 2014/15 spend analysis)



5.3 Procurement Governance

In October 2015 the pilot of a Checkpoint process was approved by CMT/CLT, to run for a 12 month period as part of the procurement governance process. Inclusion in the pilot is optional, but will be encouraged for all procurements of goods and services over the EU threshold (£164,176) and for works with a value of over £500,000.

The aim of Checkpoint is to ensure that service areas are aware of procurement processes at the inception stage of a procurement plan. This helps ensure compliance with procurement procedures throughout the process and puts the council in a stronger position to deliver value for money as officers are helped to evaluate all the options for service delivery.

Checkpoint 1 – Business Justification and Contracting Strategy

This is considered at the Business Case part of the Procurement Cycle.

Checkpoint 2 – Contract Award and Implementation

This is at the Award stage of the Procurement Cycle

Checkpoint 3 – Post Implementation

This is at the Contract Management stage of the process.

The SPU's category and forward plans enable the council to identify all its contracted commitments and are used to inform the Leader and Members of future expenditure and the opportunities to review this ahead of the Governance process.

Whilst the Checkpoint panel will consider all procurements above EU threshold for goods and services and above £500,000 for works, the Corporate Management Team (CMT) act as a pre-procurement gateway, reviewing all procurements over £500,000 and any procurement about which the Checkpoint panel has raised concerns.

Both the Checkpoint Panel and CMT are cross-directorate to ensure a wide range of knowledge is around the table. The Checkpoint Panel is chaired by the Head of Procurement and CMT by the Chief Executive. All procurements over £500,000 or that are regarded as a key decision also go through governance proceedings at the initiation point of a tender and at award stage.

5.4 Making use of up to date technology

The SPU currently use the following systems to ensure that all the council's procurement activity is recorded and provides value for money:

- Bravo Solutions - capitalSourcing
- Bravo Solutions – E Auctioning
- Bravo Solutions – Spend Analysis
- SProc.net –Dynamic Purchasing System
- OneOracle – Finance, iProcurement

Bravo Solutions capitalSourcing System

From April 2015 all procurements over £25,000 are managed through capitalSourcing. This system brings a number of benefits including greater transparency and reduced costs of administering procurements. One of the main advantages of using electronic tendering and procurement systems is the ability to speed up procurement and make use of shortened mandatory timescales. Moreover, the Public Contracts Regulations 2015 introduced a requirement for all contracting authorities to change from paper-based to e-procurement by October 2018. By adopting e-tendering and procurement in advance of that change, the council has put itself in the best position to ensure full compliance.

The system provides control and visibility of the full life-cycle of contracts, from tendering through to contract management and supplier performance appraisals. It supports upstream procurement activities such as identifying suitable suppliers, finding savings opportunities, quantifying and reducing supply risk, negotiating and managing contracts, tracking ongoing supplier and category-level performance and monitoring the overall success of the procurement function.

Additional benefits will be realised from close working with the Tri-Borough Councils who also use the Bravo Capital E Sourcing System, enabling the council to share best practice, support and lessons learnt with the Tri Borough Councils.

E-auction portal

An e-auction portal is also used to drive further cost reductions, allowing for dynamic negotiating on price as suppliers bid to improve their position relative to other suppliers. E-auctions do not compromise on quality thresholds achieved during the tender stage and therefore the final awarded supplier is awarded based on the quality standards specified from the outset.

One Oracle

The One Oracle programme is working towards establishing a shared service between Newham and Havering Councils under oneSource. Six other London Boroughs have adopted a common ERP (Enterprise Resource Planning) system for finance/procurement transactional processing and HR transactional processing services which maximises benefits using Oracle E-Business Suite Release 12.

Havering was a founding borough of the One Oracle programme and has been prominent in bringing on new boroughs such as Newham to improve the economies of scale of the programme.

The programme will deliver cost and efficiency savings, achieved through centralised back-office functions using a single integrated system. The new system also has improved functionality, providing a joined-up view of information, reporting and aligning and adopting standardised processes. For SPU, better procurement categorisation will be captured against spend for forward planning and category management. Contracting strategies will be formulated based on versatile reporting from the single integrated One Oracle system.

Dynamic Purchasing System (DPS)

We have implemented a Dynamic Purchasing System in the borough. This is an electronic system for setting up and maintaining a list of providers from whom the Council can purchase works, goods and services as and when required. The advantage of a DPS is that it is open throughout its duration for the admission of any provider which satisfies the selection criteria and submits an indicative tender which complies with the service specification, encouraging engagement with new suppliers and SMEs at any time.

Dynamic Purchasing Systems were introduced by the Public Sector Contracts Regulations 2006 and are further developed in Directive 2014/24/EU of which was transposed into UK law through the Public Contracts Regulations 2015.

5.5 Electronic Payment Methods

As well as making use of technology to record procurement activity, there is a general channel shift in the way that we spend the Council's money, moving away from traditional manual payments and invoices towards a suite of electronic payment methods. Working with Exchequer and Transactional Services, the SPU will continue to drive progress in this area and will use its position to embed the use of electronic payment methods as standard across all contracts.

5.6 Collaborative working and partnerships

In addition to working within a shared service under oneSource, the council continues to drive collaborative working across London. The SPU works with the wider public sector, facilitating and leading forums and partnership working such as the Contracts Register User Group and Procurement Across London (PAL). These help drive savings and efficiencies through London-wide procurements with a joint approach, and sharing knowledge and best practice

6.0 STRATEGIC PROCUREMENT VISION, AIMS AND OBJECTIVES

6.1 Procurement Vision

Our overriding aim in setting this strategy is to get "more value from every pound spent", be that in cashable returns or better outcomes from our procurement spend. The £120m we spend in Havering each year supports and helps to deliver the council's vision, puts residents first and is commercially focused. Achieving ways in which we can drive down costs must be a key outcome from our procurement activity. We will ensure that all contracts awarded achieve the best possible value for money without compromising on quality or innovation.

We will ensure that all contracts are procured through effective and efficient procurement practice, are tailored to the requirements of the people who use the service and fully comply with national and EU legislation.

There are four key strategic aims to the council's Procurement Vision.

6.2 STRATEGIC AIM 1: Value for Money

Every penny spent on supplies, services or works for the community must deliver the best possible value. We need to continually make sure that the money we spend is put to the best possible use, whether that is achieved by better management of our existing contracts or by more commercially-lead decisions on proposed procurements. Improved procurement processes will not only help the council meet its ambitious procurement savings target but will also ensure the correct procedures are in place to achieve its required outcomes.

Value for money does not simply mean procuring goods and services at the cheapest rate available, but securing the 'most economically advantageous tender' – that which delivers good quality outcomes at the most reasonable price.

Supplier Review

A large proportion of our contracts were negotiated and agreed before the current economic difficulties and budget constraints. This means that we will be reviewing arrangements to test if they are still appropriate and continue to be affordable. This will ensure that money is being spent wisely and investment is being made in those services that the Council agree is the highest priority. Where the opportunities exist, we will work with other like-minded local authorities and partnerships to get the benefits resulting from increased purchasing power and influence.

Consolidation of suppliers

An exercise will be carried out to see if we can reduce the number of suppliers we deal with. This will enable us to provide a smaller number of suppliers with more volume and scale to obtain better prices and greater value for money, and will cost less to manage. However, whilst this should deliver greater economies and efficiencies, we are mindful of the tension this may create with the commitment to develop and increase local enterprise solutions to our supply needs.

Collaboration and leveraging scale

Havering is a member of East London Solutions, a group of 6 London Boroughs working together to establish collaborative efficiencies. We are also increasingly working with PAL to contract with London-wide agreements. By working together and looking at where there are "common" suppliers or needs for future supply we can ensure that we are getting the best deal and also leveraging the larger volume to get even better prices through increased purchasing power.

Governance

Improved category management will allow us to conduct sourcing initiatives by service area and better forward plan. A team of procurement professionals with expertise and knowledge around their specific sourcing category will ensure procurement plans continually capture the intended cost savings. We also have in place Checkpoint processes to ensure savings are realised and procurements are run correctly.

Structure and Systems

We are ensuring best value and good practice through using up-to-date procurement technology such as e-auctions and Dynamic Purchasing Systems. We will maximise use of electronic systems through implementing an electronic purchase to pay system, publishing payments made online and improving accessibility to our electronic tendering system to ensure it operates as an effective contract management tool as well as a procurement system.

Contract Management

A key part of the change towards delivering better value for money is to make sure that the council reaps the full benefit of goods and services that it has procured from third parties. This includes better monitoring and management of performance (including the delivery of community benefits) and, where performance is not being achieved, action and improvement plans will be put in place. Where suppliers do not improve, contracts will be re-tendered or prices adjusted as necessary. We will have a clear, commercially-led framework for contract management to assist those managing contracts on a day to day basis.

For these reasons a contract management strategy is being developed, to be read in conjunction with this procurement strategy, to make sure that, once awarded, contracts continue to deliver value for money and high-quality outcomes.

6.3 STRATEGIC AIM 2 - Economic Sustainability

Havering's existing small and medium enterprises can make significant contributions to community prosperity. The purchasing power of the council gives it a unique opportunity to support SMEs within the borough. Helping local businesses to compete for and win contracts to deliver goods and services to the council means that economic activity is kept within the community and also provides local SMEs with a wider market for their goods and services.

To further support the growth of this sector we will create a level playing field so local enterprises can compete on an equal footing when tendering (or quoting) for opportunities with the Council. In this way we will be better placed to meet the objectives of the Council's Economic Development Strategy and to build the capacity of the local employment, business and voluntary sectors to deliver more of the Council's supply needs and those of other organisations, both inside and outside the Borough.

The following principles will drive our future decisions on how to scope our procurements and how we will award contracts that support and maintain the local area and deliver economic benefits relevant to the procurement in hand. How we can deliver sustainability will vary dependant on the type of procurement and may change over time. We do not want to stifle innovation in this area, but as a minimum we will look for relevant contracts to deliver:

Stimulation/Creation of Supplier Base

Where appropriate, our procurements will be packaged to encourage expressions of interest from SME businesses and the third sector. We will also use the "small lots exemption" where the value, scope of work or geographical area of delivery allows us to, and provided that lots will deliver value for money.

Where services, suppliers, or works are not within the full EU regime, either because they are light touch regimes or below the threshold, we will explore how they can be packaged to encourage SMEs to tender, whilst at the same time ensuring transparency and value for money.

The introduction of Contracts Finder requires the council to advertise contract opportunities and awards above £25,000 on Contracts Finder. This will encourage engagement with SMEs and local suppliers and ensure transparency.

Energy Efficiency and Sustainability

Tender evaluation frameworks will place a greater emphasis on financial assessment, using whole-life cost methodology that results in whole-life value with clear links to community priorities. The

energy efficiency of products will be a fundamental criteria in evaluation. The council will use procurement opportunities to protect and improve the local environment and reduce the negative effect of the environment of the products and services that we use. The council faces various environmental risks and challenges and will use its procurement of goods, services and works to ensure reduced energy consumption and to create a cleaner, greener borough.

Equalities and Diversity

We will ensure our contractors understand and embrace the council's commitment to equality and celebration of diversity by requiring them to provide relevant method statements on how they will fulfil their statutory obligations and, where appropriate, agree key performance indicators so we can monitor their performance.

7.4 STRATEGIC AIM 3 - Community Benefit

The Council takes its responsibility to the economic, social and environmental well-being of the area very seriously and seeks the maximum community benefit throughout the procurement process. We also recognise that there will be occasions when we will have to work with our contractors to help them deliver the outcomes that we expect.

We will maximise the delivery of legally-binding community benefits from our procurements, using contracts to deliver the best possible economic, social and health benefits for the borough. Obtaining these will require the council to take a more commercial and holistic approach to future procurements. Community benefits must be identified at the pre-procurement stage, with the minimum requirements accepted and priced for relevant tenders, key performance indicators requiring contractors to deliver their offer must be agreed and contractors obligated to report their performance against these.

Community benefits will be delivered and measured in a number of different ways:

Contract Opportunities

By incorporating specific economic benefits into our long term partnering arrangements we will enable supply chain opportunities to be maximised. Where appropriate and lawful, we will shape our demand for contractors in ways that support delivery by local enterprises.

Concessions

Where the council proposes to let a services contract as a concession then such arrangements would not be subject to the detailed EU procurement rules if let as a service concession. Such service concessions are subject to the usual rules under EU legislation in relation to prohibition of discrimination on grounds of nationality, free movement of goods, the freedom of establishment, and the freedom to provide services. However this approach offers more freedom with regard to some services and the council will consider the applicability of such arrangements when letting certain services that may be suited to smaller enterprises.

Creating Job Opportunities

We know we need to work hard with our contractors to establish the right mechanisms for ensuring contractors have access to local people looking for employment, training or apprenticeship opportunities. We must also develop appropriately skilled local employment and enterprise markets.

Creating a workforce

We need to ensure that we create opportunities through skill development and apprenticeship schemes. As well as asking bidders for pricing information to enable a Value for Money assessment

to be made on the provision of the benefit, the council may also, in relevant areas, specify for the provision of extra apprenticeships/traineeships in addition to the base specification to be drawn down by the Authority. We will work with our major contractors through formal contractual mechanisms to identify where we may establish a supply chain which can support the creation of job and training opportunities.

Community Engagement

Havering residents have told us that their top priority is reducing crime and antisocial behaviour, followed by maintaining roads and pavements. Other areas which matter to local people are keeping the borough clean, supporting local businesses and reducing traffic congestion. We need to harness our community engagement and use community events to engage with local residents about proposals in their area and reflect their priorities in future contracts. Wherever possible we will seek to identify sought-after community benefits by consulting with local Councillors in that community in the procurement process.

6.5 STRATEGIC AIM 4- Innovation and Partners

Havering welcomes innovative solutions to meet its service enhancement and delivery challenges. We recognise that joint working through partnerships, in the right circumstances, can deliver efficient, cost effective, risk sharing solutions, and new and better models of service delivery.

We know that there will be a growing need to identify ways of making significant savings and this will mean looking at innovative ways of working and creating collaborative arrangements and partnerships where this will deliver those savings. This will mean:

Integration of Shared Services with the London Borough of Newham under oneSource

oneSource provides shared back office support services for local government and other public services – helping make significant savings and work more efficiently as a single procurement unit. This innovative entity has already led to savings of £5.4m in the last financial year and continues to be at the forefront of efficient public sector procurement.

Using regional London-wide procurement alliances

We are a leading member of Procurement Across London (PAL) which comprises 32 boroughs and over 50 London-based national bodies and universities. This allows us to purchase a wide range of common products such as stationery, cleaning materials and furniture from frameworks available through PAL. We also make use of other sub-regional alliances of boroughs and continue to collaborate with other London boroughs to identify opportunities for cross-London collaboration and joint procurement and will continue to do so.

East London Solutions is a grouping of the 6 North East London Boroughs, looking at a range of activities for shared services including Procurement. Where appropriate the council will continue to work with ELS to realise the savings that collaborative procurement can bring.

Use of Cabinet Office and other established Frameworks

We will explore whether Government Frameworks or others such as those that can be accessed through Regional Improvement Efficiency Partnerships, the Homes & Communities Agency Buying Solutions etc., provide an appropriate route for our future procurements. Where we call off third parties' contracts we will ensure we are not paying more than we would as an isolated tender. The council has already started to make good use of available frameworks which will not only bring reduce the costs of contracts but also allow for a faster and lower cost procurement process.

In-house versus external providers

We must continue to deliver best value in our service provision by challenging whether internal or external providers better meet the Council's needs. Both in-house and external providers and contractors need to demonstrate value for money. Where there is a comparable external market capable of delivering services currently provided in-house, the in-house provision must be rigorously and regularly "market tested" to demonstrate it still provides the best value for money. However, for as long as in-house provision is proved to be better value for money, all our relevant service requirements must be channelled through that provider.

DRAFT

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Subject Heading:	Exclusion of Prior Approvals from Councillor Call-In Process
CMT Lead:	Andrew Blake-Herbert , Group Director, Communities and Resources
Report Author and contact details:	Helen Oakerbee Planning Manager helen.oakerbee@havering.gov.uk 01708 432800
Policy context:	Council's Constitution
Financial summary:	None

The subject matter of this report deals with the following Council Objectives

Havering will be clean and its environment will be cared for	[]
People will be safe, in their homes and in the community	[X]
Residents will be proud to live in Havering	[X]

SUMMARY

Alongside the processing of planning applications, the Council is also responsible for the handling of prior approval submissions. Unlike planning applications, prior approval submissions have strict timescales for determination which, if not adhered to, can result in their default approval irrespective of the Council's intended decisions. This report sets out the current approach to handling requests from Councillors to call in these applications to Regulatory Services Committee for determination.

RECOMMENDATIONS

That:

1. The Committee confirms the approach set out within the report that prior approval submissions cannot be called-in for determination by the Regulatory Services Committee unless an Extension of Time Agreement has been sought from the applicant.
2. If the Committee confirms the proposal above then the proposal will take effect in the interim until the matter is put before Full Council.

REPORT DETAIL

1. For certain types of development, rather than submitting an application for planning permission, an applicant is able to make a submission for prior approval. Unlike a planning application where all matters can be considered including the principle of the development, with a prior approval, only certain matters can be assessed depending upon the type of approval being sought.
2. Planning legislation currently allows for various prior approval submissions to be made. The list below identifies those submissions likely to be received by the Council. The timescale quoted in brackets is the period the Council has to make, and for the applicant to be in receipt of, its decision:
 - a. Larger Home Extensions (42 days, 6 weeks)
 - b. Certain changes of use (56 days, 8 weeks)
 - c. Certain temporary uses of building or land (56 days, 8 weeks)
 - d. Certain agricultural development (28 days, 4 weeks)
 - e. Forestry developments (28 days, 4 weeks)
 - f. Click and collect facilities (56 days, 8 weeks)
 - g. Demolition of buildings (28 days, 4 weeks)
 - h. Installation or alteration of solar equipment on non-domestic premises (56 days, 8 weeks)
 - i. Telecommunications development (56 days, 8 weeks)
3. In each case, if the applicant does not receive the Council's written notice of decision within the timescales stated, then the Council's decision automatically defaults to an approval irrespective of what the Council's decision would have been.

4. Committee Procedure Rule 13(e) of the Council's Constitution sets out the framework and circumstances under which a Councillor can call-in an application for determination at the Regulatory Services Committee. Constitutionally, a Councillor is able to call-in any application.
5. Given the consequences of decision making on prior approval submissions outside of timescales identified in paragraph 2, requests to call-in a prior approval submission by a councillor (as per the call-in process) have historically been declined by officers. This is because it can be very difficult to thoroughly consider a submission, prepare a report and present it to a committee meeting (which occurs every three weeks) within the timescales prescribed to enable the subsequent decision to be dispatched and received by the applicant. This is particularly challenging for those prior approval submissions which require determination within 28 or 42 days (4 or 6 weeks) of receipt.
6. As a result of a recent councillor query as to the constitutional basis for declining a request to call-in a prior approval submission (in that case, a proposal for a telecommunications installation), this report has been prepared to seek formal confirmation from the Governance Committee that the approach employed by officers to-date should continue and that prior approval submissions cannot be called-in to committee for decision.
7. The only exception to this arrangement would be in instances where the applicant has agreed to formally extend the time period available to make a decision, as permitted by Paragraph 7 of the Town and Country Planning (General Permitted Development (England) Order 2015 (as amended). In such cases, the applicant has to expressly agree in writing to an extension of time. Securing such an extension would enable the associated prior approval to be reported to the Regulatory Services Committee. Where there is no agreement however, the Council has to make its decision within the prescribed timescales identified so as to prevent a default approval.

IMPLICATIONS AND RISKS

Financial implications and risks:

The described changes to delegated powers would have no material financial implications.

Legal implications and risks:

There are no material legal implications. The Planning Service would continue to seek and incorporate Legal Advice where necessary.

It is noted that the report being presented to the Governance Committee is the correct procedure as set out in Article 11 of the Council's Constitution and will be

presented to Full Council to make the final decision on whether to accept the proposal.

Human Resources implications and risks:

There are no material implications.

Equalities implications and risks:

There are no direct equalities implications arising from this report. Where relevant, the Planning Service would continue to seek and incorporate advice from the Council's Corporate Policy and Diversity team.

BACKGROUND PAPERS

None



GOVERNANCE COMMITTEE

26 May 2016

Subject Heading:

APPOINTMENTS TO OTHER ORGANISATIONS, 2016/17

CMT Lead:

Andrew Blake-Herbert

Group Director of Communities and Resources
01708 432201

Report Author and contact details:

Jacqui Barr
Research & Information Officer,
Committee Administration
jacqui.barr@haverling.gov.uk
01708 432439

Policy context:

The Council appoints Members and others to serve on a variety of other bodies

Financial summary:

There are no significant financial implications.

The subject matter of this report deals with the following Council Objectives

Havering will be clean and its environment will be cared for	[X]
People will be safe, in their homes and in the community	[X]
Residents will be proud to live in Havering	[X]

SUMMARY

The Council makes appointments to a large number of other organisations, some statutory, others voluntary.

Since the new executive governance arrangements came into force, responsibility for making some appointments has passed from this Committee to the Leader of the Council but the Constitution provides that it is for this Committee to make recommendations to the Leader.

RECOMMENDATIONS

That:

- 1 (a) The Committee determine appointments to the organisations referred to in this report for the period until the meeting that deals with appointments for the municipal year, 2016/17 (or such other period as may be relevant in any specific case).
- (b) Where the appointment is executive, the Committee **RECOMMEND** to the Leader that the appointment be made.
- 2 Where the Council's representative (or any deputy or alternative representative where applicable) is unable to attend a particular meeting and the constitutional arrangements of the body in question so permit, that representative may mandate the Chair of the meeting to exercise a proxy vote.
- 3 The Council's voting rights at the General Assembly of the Local Government Association be exercised by Councillor Roger Ramsey (4 votes) and Councillor Ray Morgon (1 vote) (or their respective nominees in the event either is unable to vote in person).

REPORT DETAIL

- 1.1 The Committee is authorised to make all appointments to other organisations (other than executive appointments, which are made by the Leader). Appointments are for the period expiring at the first meeting of this Committee in the municipal year 2016/17 (probably during the last week of May 2017), except where otherwise specifically provided.
- 1.2 **Appendix 1** Executive appointments. **The Committee is asked to review the appointments and to make recommendations to the Leader.**
- 1.3 **Appendix 2** lists the appointments made by office-held and by individual member, but are not executive. **The Committee is asked to review these appointments and either confirm them or agree what changes are to be made.**
- 1.4 Appointments that do not require review or renewal for the present are shown in italics. **The Committee is asked to note these appointments.**

2. Exercise of voting rights:

- 2.1 In some cases, the constitution of an organisation permits the casting of proxy votes if the appointed representative is unable to attend a meeting.
- 2.2 In order to avoid a possible loss of influence, it is the Council's usual practice to agree that, where the Council's representative (or any deputy or alternative representative where applicable) is unable to attend a particular meeting and the constitutional arrangements of the body in question so permit, that representative may mandate the Chair of the meeting to exercise a proxy vote.
- 2.3 **The Committee is asked to agree to that practice continuing for the coming year.**
- 2.4 The Council is entitled to 5 votes in the General Assembly of the Local Government Association. Previously, the Leaders of the Council and of the Opposition were allocated 4 votes and 1 vote each respectively.
- 2.5 **The Committee is asked to confirm that this arrangement should continue.**

3. Havering Sixth Form College

- 3.1 The Council appoints two members of the Sixth Form College's governing body. Currently, the appointees are the Cabinet Member for Children & Learning (by office) and Councillor Wendy Brice-Thompson. Councillor Brice-Thompson wishes to continue as a governor and the College are very keen that she should do so.

It is not necessary for the nominee to be a Member of the Council.

- 3.2 The Committee is asked to **NOMINATE two appointees** to the Havering Sixth Form Governing Body Search Committee. The appointments will be for a term of four years, expiring in July 2020 in respect of the Cabinet Member for Children & Learning and September 2020 in respect of Councillor Wendy Brice-Thompson.

4. Local Government Information Unit

- 4.1 The Council has recently made the decision to re-join the Local Government Information Unit (LGIU).
As part of the LGIU governance arrangements, Councils are invited to nominate a member to attend the Annual Assembly. In the event of no nomination being received, the Leader of the Council is the default representative.
- 4.2 The Committee is asked to **NOMINATE one representative** to attend the LGIU Annual Assembly.

5. Thames Gateway Strategic Group

- 5.1 The Thames Gateway Strategic Group (TGSG) exists to drive forward sustainable economic growth in the Thames Gateway. It brings together senior local authority representatives from Thames Gateway London, North Kent and South Essex together with business leaders and the Minister for the Thames Gateway.

The TGSG is not a formal body. It does not duplicate powers held by the Greater London Authority and London Boroughs or the county, unitary and district councils in Kent and Essex, nor does it hold or spend funds in its own right.

5.2 The Membership of TGSG consists of:

- the Minister for the Thames Gateway
- one leading business representative from each of TG London, South Essex and North Kent.
- four senior local government member representatives from each of TG London, South Essex and North Kent, to be selected by the local authorities concerned (and in London, also by the GLA).
- the Chair of the South East LEP and the Chair of the London LEP

Additionally, London boroughs are invited to attend.

5.3 Membership of this body is an Executive appointment and for the Leader to make appointments.

5.4 The Committee is asked to **NOTE** that Havering's representatives are currently the Leader of the Council and Cabinet Member for Regulatory Services and Community Safety (Councillor Osman Dervish).

6. Executive Officer Appointments

6.1 Havering's representative on the Boards of both CEME and ELWA is Andrew Blake-Herbert, the Deputy Chief Executive, Communities and Resources.

6.2 In the light of Mr Blake-Herbert's recent appointment to the post of Chief Executive, the Leader has agreed to appoint Tom Dobrashian, Head of Economic Development to be the Council's representative on the Board of CEME and Steve Moore Head of StreetCare (Interim) to represent the Council at officer level on the Board of ELWA.

IMPLICATIONS AND RISKS

Equalities and Social Inclusion Implications and Risks

There are no specific implications or risks. Appointments should be made with the Council's equalities policies in mind.

Legal, Finance and Environmental Implications and Risks

These appointments are administrative and have no direct legal, financial or environmental implications or risks. In some cases, membership of an organisation is dependent upon the Council paying a subscription: where relevant, the subscription will be met from within an appropriate budget provision.

BACKGROUND PAPERS

A number of files are held by Democratic Services which provide information on the organisations to which appointments are being made.

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APPOINTMENTS RECOMMENDED BY THE COUNCIL TO OTHER ORGANISATIONS, 2016/17

ORGANISATION AND NUMBER OF APPOINTEES	EXECUTIVE MEMBER APPOINTMENTS	
CEME (Centre for Engineering & Manufacturing Excellence) - 1	Tom Dobrashian – Head of Economic Development	
East London Waste Authority - 2	Councillor Steven Kelly and Cabinet Member for Environment	
East London Waste Authority Board (officer)	Steve Moore- Head of Streetcare (Interim)	
East and South East London Transport Partnership	Leader of the Council	
Greater London Enterprise Limited -1	Leader of the Council	
IESE Ltd	Councillor Michael White	
IWMS Contract Liaison Committee - 1	Leader of the Council	
London Councils (Leaders' Committee)	Representative (1): Leader of the Council Deputy: (1) Deputy Leader of the Council	

Appointments to other organisations, 2016/17

Transport & Environment Committee

Representative (1): Cabinet Member for Environment

Deputies (up to 4): 1. Cabinet Member for Regulatory Services and Community Safety 2. Cabinet Member for Culture & Community Engagement

Grants Committee

Representative (1): Cabinet Member for Culture & Community Engagement

Deputy (up to 4): 1. Cabinet Member for Regulatory Services and Community Safety 2. Cabinet Member for Housing

Greater London Employment Forum

Representative (1): Cabinet Member for Regulatory Services and Community Safety

Deputy Representative (1): Cabinet Member for Culture & Community Engagement

London Riverside (BID) Ltd

Representative (1): Leader of the Council

Appointed
through a Non-
Key Decision
16/41 on April
21 2016

Thames Gateway Strategic Group

Leader of the Council and Cabinet Member for Regulatory Services and Community safety

Appointments to other Organisations 2016/2017

ORGANISATION AND NUMBER OF APPOINTEES	MEMBER APPOINTED (Non Executive Appointments)	COMMENTS AND NOTES
Adoption & Permanency Panel-1	Councillor Wendy Brice Thompson	
Tapestry (formerly Age Concern : Havering) - 2	Councillor June Alexander and Councillor Wendy Brice-Thompson	<i>Cllr Brice-Thompson appointed by Governance Committee on 10 September 2015</i>
Coopers Company & Coborn Educational Foundation	Councillor Linda Van den Hende	
Damyns Hall Aerodrome Joint Consultative Committee-2	Councillor Linda Van den Hende and Councillor David Durant	
Essex Wildlife Trust (Bedfords Park Management Committee)	Councillor Ray Best	
Fostering Panel-1	Councillor Gillian Ford	
Governor Panel - 3	Cabinet Member for Children & Learning, Councillor Gillian Ford Councillor Julie Wilkes	<i>Cllr Wilkes appointed by Governance Committee on 1st July 2015</i>
Havering Arts Council - 5	Cabinet Member for Culture & Community Engagement, Councillor Joshua Chapman, Councillor Jody Ganly Councillor Linda Hawthorn and Councillor Alex Donald	

Appointments to other Organisations 2016/2017

ORGANISATION AND NUMBER OF APPOINTEES	MEMBER APPOINTED (Non Executive Appointments)	COMMENTS AND NOTES
Havering Association for People with Disabilities - 2	Councillor Nic Dodin and Councillor Philippa Crowder	
Havering Bands and Majorettes Association- Executive Committee - 3	Councillor Osman Dervish, Councillor Reg Whitney and Councillor Darren Wise	
Havering & Brentwood Bereavement Service - 1	Councillor Julie Wilkes	
Havering Chamber of Commerce and Industry	Councillor Osman Dervish	
Havering Children's Trust	Cabinet Member for Children & Learning	
Havering Community Safety Partnership – 2	Cabinet Member for Regulatory Services and Community Safety and the Chief Executive	
Havering Joint Forum - 6	Leader of the Council, Deputy Leader of the Council, Leader of the Opposition Group, Councillor Osman Dervish, Councillor Linda Van den Hende and Councillor Lawrence Webb.	

ORGANISATION AND NUMBER OF APPOINTEES	MEMBER APPOINTED (Non Executive Appointments)	COMMENTS AND NOTES
Havering Sports Council - 5	Cabinet Member for Culture & Community Engagement, Councillor Joshua Chapman, Councillor Jody Ganly, Councillor Linda Hawthorn and Councillor Philip Hyde	
Havering Sixth Form College - 2	Cabinet Member for Children & Learning and Councillor Wendy Brice Thompson (till September 2016)	
Havering Theatre Trust - 3	Councillor Philippa Crowder Councillor Gillian Ford and Councillor Patricia Rumble	
<i>Hornchurch Housing Trust (Nomination Trustees) - 6</i>	<i>Ms Pamela Freer and Councillor John Wood (until February 2019) Mr Eric Munday and Councillor Carol Smith (until February 2017) Mr Ivor Cameron and Mrs Peggy Munday (until February 2018)</i>	Ms Freer and Cllr Wood's appointments agreed at Governance on 11.3.15 Cllr Smith's appointment agreed at Governance On 10.09.15

Appointments to other Organisations 2016/2017

ORGANISATION AND NUMBER OF APPOINTEES	MEMBER APPOINTED (Non Executive Appointments)	COMMENTS AND NOTES
Joint O&S East London Solutions	Councillor Frederick Thompson, Deputies: Councillor Julie Wilkes, Councillor Keith Roberts and Councillor Ian de Wulverton	
Local Government Association General Assembly - 4	Leader of the Council, Leader of the Opposition Councillor Michael White and Councillor Clarence Barrett	
Local Government Information Unit	<i>Vacancy</i>	
London Home & Water Safety Council -1	Cabinet Member for the Environment	
London Road Safety Council - 2	Cabinet Member for the Environment and Councillor John Mylod	
London Youth Games-1	Cabinet Member for Culture & Community Engagement	
<i>Lucas Children's Play Charity Nominative Trustees – 2</i>	<i>Cabinet Member for Children & Learning and Councillor Gillian Ford (appointed till November 2019)</i>	Agreed at Governance on 11.11.15

Appointments to other Organisations 2016/2017

ORGANISATION AND NUMBER OF APPOINTEES	MEMBER APPOINTED (Non Executive Appointments)	COMMENTS AND NOTES
North East London NHS Foundation Trust – 1	Head of Adult Services	
Orchard Village Neighbourhood Management Board - 4	Cabinet Member for Housing, Cabinet Member for Environment, Councillor Jeffrey Tucker and Councillor Graham Williamson	
<i>Poyntz (a.k.a. Richard Poyntry's) and other charities</i>	<i>Councillor June Alexander(until March 2020)</i> <i>Mr David Livermore (until March 2020) and</i> <i>Rev. Michael Sparrow (until March 2020)</i>	Appointed by Governance on 9 March 2016
Relate North East - 2	Councillor Wendy Brice-Thompson and Councillor Jody Ganly	
Reserve Forces & Cadets Association -1	Councillor Barry Mugglestone	
Romford Town Management Partnership	Councillor Robert Benham Councillor Osman Dervish	Appointed by Governance on 9 March 2016
<i>Romford Combined Charity</i> <u><i>Nominative Trustees</i></u> – 2	<i>Councillor Joshua Chapman (until 3.11.16) and</i> <i>Councillor Wendy Brice Thompson and Councillor</i> <i>Dilip Patel (until 3.11.18)</i> <i>Councillor Melvin Wallace (until 3.11.19)</i>	CLlr Wallace's appointment agreed by Governance on 9 March 2016
Safer Neighbourhood Board	Cabinet Member for Regulatory Services and Community Safety	

Appointments to other Organisations 2016/2017

ORGANISATION AND NUMBER OF APPOINTEES	MEMBER APPOINTED (Non Executive Appointments)	COMMENTS AND NOTES
Standing Advisory Council for Religious Education (SACRE) - 5	Councillor Joshua Chapman , Councillor Jason Frost, Councillor Gillian Ford, Councillor Dilip Patel and Councillor June Alexander	
Tenant Management Organisations - 3	BETRA (Gooshays) – Councillor David Johnson DELTA (Squirrels Heath)- Councillor Damian White PETRA (St Andrews') – Councillor John Mylod	
Upminster Windmill Preservation Trust – 1	Councillor Linda Hawthorn	
Veolia ES Cleanaway Havering Riverside Trust - 1	Cabinet Member for the Environment	

GOVERNANCE COMMITTEE

26 May 2016

Subject Heading:

**MONITORING OFFICER NO 08
AMENDMENTS TO THE
CONSTITUTION**

Report Author and contact details:

Daniel Fenwick Director Legal &
Governance & Monitoring Officer
Daniel.fenwick@onesource.co.uk
Tel: 01708 432714

Policy context:

Monitoring Officer Amendments to the
Constitution

Financial summary:

These changes are purely procedural and
have no specific financial implications

The subject matter of this report deals with the following Council Objectives

Havering will be clean and its environment will be cared for	[x]
People will be safe, in their homes and in the community	[x]
Residents will be proud to live in Havering	[x]

SUMMARY

Part 2 Article 11.02(c) of the Constitution authorises the Monitoring Officer to amend the Constitution to correct errors or to comply with any legal requirement or to reflect organisational changes to the Council's structure.

The constitution provides that this committee must be notified of any such amendment at the first reasonable opportunity.

RECOMMENDATIONS

That:

The detailed changes to be made to the Constitution attached as Appendix B to this report be noted.

REPORT DETAIL

1. The Monitoring Officer has the ability to make limited amendments to the Constitution as set out in the summary above.
2. The amendments pick up legislative changes, a change in title following a restructure and typographical errors.
3. The meeting of this committee is the first opportunity for the reporting of the most recent amendments made and the committee is requested accordingly to note the amendments made.

IMPLICATIONS AND RISKS

*There is a **corporate** requirement to set out the implications and risks of the decision sought, in the following areas*

Financial implications and risks: None

Legal implications and risks:

The Constitution provides for the Monitoring Officer to make certain amendments to the constitution in given situations and these amendments are pursuant to and in accordance with those powers. There are no legal implications arising from this report.

Human Resources implications and risks: None

Equalities implications and risks: None

BACKGROUND PAPERS

None

SUBJECT: AMENDMENTS TO CONSTITUTION

Notification No. 8

Date 17 May 2016

Notification of amendments to the constitution

Amendments made by the Monitoring Officer

Part 2, Article 11.02(c) of the constitution provides that the Monitoring Officer has a limited authority to amend the constitution. The Monitoring Officer is authorised to amend the constitution to correct errors or to comply with any legal requirement or to reflect organisational changes to the Council's structure. The Governance Committee must be notified of any such amendment at the first reasonable opportunity.

In accordance with this authority, the Monitoring Officer gives notice of the following amendments to the constitution.

Part and article/ section	Page ref	Substance of amendment / amended wording	Reason for amendment
Part 3, Responsibility for Functions, Appendix A		Environmental Health Add the following Enactment : Psychoactive Substances Act 2016	New legislation
Part 3, Responsibility for Functions, Appendix A		Trading Standards Add the following Enactment : Psychoactive Substances Act 2016	New legislation

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