

GOVERNANCE COMMITTEE
10 March 2026

Subject Heading:

**Proposed New Contract Procedure
Rules 2025**

ELT Lead:

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Policy context:

A well run Council that delivers for People
and Place.

Financial summary:

There are no financial implications arising
from this report.

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

People - Supporting our residents to stay safe and well

Place - A great place to live, work and enjoy

Resources - Enabling a resident-focused and resilient Council

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SUMMARY

1. Background

- 1.1. The Contracts Procedure Rules (CPRs) are part of the Council's Constitution (Part 4.4) and set out the rules which must be followed when procuring Council contracts for goods, services or works.

- 1.2. Following the creation of oneSource, and the merger in early 2015 of Havering Council's procurement team with Newham Council's procurement team, changes were made to Havering's CPRs.
- 1.3. These changes were mainly to copy over existing provisions in Newham's contract standing orders so that Havering's CPRs were consistent with Newham's rules. The changes were adopted in 2016.
- 1.4. The changes in places were restrictive and made the processes difficult to follow depending on the type of contract being procured.
- 1.5. UK general public procurement law changed with the Procurement Act 2023 (the Act), which came into force in February 2025. Havering Council is bound by the Act which governs most procurements which start after February 2025. Parts of the 2016 CPRs are now inconsistent with the Act and these other legal changes.
- 1.6. The Act introduces greater flexibility for public bodies when procuring their contracts. It also puts greater emphasis on management of conflicts of interest and contract management.
- 1.7. Furthermore, new laws have been introduced in the last few years to cover the procurement of health-related services (via the 'Provider Selection Regime') and to permit user choice in some social care contracts. These areas were not covered in the 2016 CPRs.
- 1.8. Given the issues with the 2016 CPRs and the change in public procurement law, the CPRs were due an overhaul and updating.
- 1.9. Although Social Value is outlined in the 2016 CPR's there was not enough detail surrounding what was required and the criteria that was needed to ensure it was purposeful.

2. The 2025 draft CPRs

- 2.1. A new set of CPRs has been drafted to achieve the following:
 - 2.1.1. removal of unnecessary restrictions on how contracts are procured, while still meeting key requirements like transparency, proper governance, and maximising public value;
 - 2.1.2. alignment with the latest rules and opportunities introduced by recent legislation;
 - 2.1.3. elimination of rules based on outdated laws;
 - 2.1.4. language that's easier to understand;
 - 2.1.5. provision of clear steps for officers to follow when procuring different types of contracts;

2.1.6. clarification of governance and authorisation requirements.

2.2. The more significant particular changes are as follows:

Subject matter	2025	2016
Legal and policy Framework	Aligned with the Procurement Act 2023, Provider Selection Regime, and User Choice Regime Legacy Public Contract Regulations 2015	Based on EU directives and the Public Contracts Regulations 2015 which no longer apply to new procurements
Thresholds and Delegations	Updated thresholds and clearer delegation: - Cabinet: £2m+ - Lead Member: £1m–£1.99m - Strategic Director: up to £1m - ELT Member: up to £100k	Outdated or unclear thresholds.
Electronic reverse auctions (eAuctions)	To be used where appropriate for above-threshold goods	Mandated for goods/services >£75k and works >£500k, which conflicted with procurement law
Evaluation Criteria	Flexible <i>price:quality</i> ratio, determined case-by-case with toolkit guidance with enhanced governance by the Head of Procurement. Also reduces waivers based on commercial and market conditions	Mandatory 70:30 <i>price:quality</i> ratio in most cases
Social Value	10% weighting required for nearly all procurements over £100k may exclude user choice contracts	Referenced Social Value Act but no fixed percentage

Waivers and Exceptions	More structured approach with emergency provisions. - Strategic Director: competition waivers - Lead Member: other waivers	Fewer safeguards; SLT member could approve competition waivers. Lead Member approval for other waivers.
New Procurement Routes	Permits the new procurement routes prescribed by the Act. Dynamic Markets, Light Touch Regimes, Concession Contracts, PSR and User Choice contracts also covered	Only defined routes which are now obsolete
Sustainability and SMEs	Specific provisions to support climate goals and SME participation	Less developed in these areas
Authorisation	Clear requirements at pre-tender and pre-award stages; includes a chart by contract type/value	Unclear requirements
Temporary Labour & Consultants	Clarifies that all must be sourced via the council's corporate contracts; tighter definition of "consultant"	No specific guidance
Contract Variations and Extensions	Clear rules on when and how contracts can be varied or extended and the governance required including approval levels	Rule unclear in places; inconsistent with legislation
Form Duplication	Removes overlap To use Key and Non Key ED's only which will include elements such as Waivers, carbon reduction, modern slavery etc	Required multiple overlapping forms

	Replaces the Gateway Review Group template	
Pipeline Notification	Strategic Directors must notify Procurement of likely procurements over £2m at least 18 months ahead	No such requirement
Contract management	Contract management requirements made clearer	Unclear requirements
Gateway reviews	'Checkpoint' and its subsequent iteration 'Gateway Review Group' replaced with more streamlined Procurement Review Group which will have revised terms of reference	Introduced 'Checkpoint' procedure

RECOMMENDATIONS

3. That the revised set of Contracts Procedure Rules 2025 be recommended to full Council for adoption in place of the Contract Procedure Rules 2016

IMPLICATIONS AND RISKS

Equalities implications and Risks

4. None.

Legal implications and Risks

- 5** The Contract Procedure Rules are a key part of the constitution and need to reflect the recent changes in procurement legislation. The Contract Procedure Rules set out the Council's expectations on how officers will act when procuring goods, services or works. This can be conducted under the Public Contract Regulations 2015, the Provider Selection Regime under the Health Care Act and the new Procurement Act 2023.
- 5.1** The changes made to the Contract Procedure Rules are to be used in the constitution and are required to be approved by Full Council after approval by Governance Committee.
- 5.2** It is the Head of Procurements responsibility to maintain and propose amendments to the Contract Procedure Rules and subsequently liaise with the Monitoring Officer to ensure the Constitution is kept up to date and the governance steps taken are correct.

Financial implications and risks:

- 6** There are no financial implications arising from the contents of this report. But it should be noted that there could be financial implications when the Contract Procedure Rules are applied.

Human Resources implications and risks:

- 7** The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

Environmental and climate change implications and risks

- 8** There are no direct environmental and climate change implications arising from this report; however, it should be noted that positive impact is expected to support the Council's climate goals as this is an area that is scrutinised as part of procurement strategies and procurement processes, which are governed through the Contract Procedure Rules.

BACKGROUND PAPERS