



NORTHAM TOWN COUNCIL
TOWN HALL
WINDMILL LANE
NORTHAM
DEVON
EX39 1BY

To: All Members of the Review Committee
Cc: All Northam Town Councillors

Town Clerk: Mrs Jane Mills BA(Hons) MILCM
Telephone and Fax: 01237 474976
E-mail townclerk@northamtowncouncil.gov.uk

You are hereby summoned to attend a Review Committee Meeting on Wednesday 7th February 2024 at 6.30pm in the Council Committee Room, Windmill Lane Northam

The Agenda for the meeting is set out below.

M J Mills

Mrs Jane Mills BA(Hons), PSLCC, MILCM
Town Clerk

Date of issue: 1st February 2024

The following are Members of the Review Committee: Councillors: Bach, Edwards, Mrs Hodson, Leather, Newman-McKie, Singh, Tait and the Mayor (ex-officio) but all Members of the Council are entitled to attend.

AGENDA

- 1 Apologies**
- 2 Chairman's announcements**
- 3 Declarations of interest:**
Members are reminded that all interests should be declared prior to the item being discussed.
- 4 To agree the agenda as published**
- 5 To confirm and sign the minutes of the previous Review Committee Meeting held on 3rd January 2024 (herewith)**
- 6 Public Participation**
Members of the public are permitted to make representations, answer questions and give evidence in respect of any item of business included in the agenda. Each member of the public is entitled to speak once only in respect of business itemised on the agenda and shall not speak for more than 4 minutes. The period of time which is designated for public participation in accordance with standing orders shall not exceed 20 minutes.



Lords of the Manor



The local Council for Appledore, Northam, Orchard Hill and Westward Ho!
Twinned with Mondeville, France and Büddenstedt, Germany
Office open: Monday to Friday mornings



Trustees of the Common Right

- 7 To consider Action Points (herewith)**
- 8 To consider reconfiguration of the Council Committee structure moving forward from May 2024 (*amended draft herewith*)**
- 9 To consider the terms of the appointment of the consultant to review staffing (herewith)**
- 10 To review procurement policy (current herewith)**
- 11 To consider a Risk Register, Policy and Financial Risk Management, draft (to follow)**
- 12 To consider the date of the next meeting**

Northam Town Council – Minutes of the Review Committee held in the Council Chamber, Windmill Lane, Wednesday 3rd January 2024 at 6.30pm

The following are Members of the Review Committee

Cllrs Bach, Edwards, Hodson, Leather, Newman-McKie, Singh, Tait and the Mayor (ex-officio)

In attendance

Cllr Whittaker

Town Clerk, Mrs J Mills

Deputy Town Clerk Mr G Langton

- 2401/618 Apologies**
Apologies were received from Cllr Singh
- 2401/619 Chairman's announcements**
There were no announcements
- 2401/620 Declarations of interest**
Members are reminded that all interests should be declared prior to the item being discussed.
- 2401/621 To agree the agenda as published**
It was resolved to agree the agenda as published
Proposed: Cllr Leather, Seconded: Cllr Bach (all in favour)
- 2401/622 To confirm and sign the minutes of the previous Review Committee Meeting held on 8th November 2023**
It was resolved to confirm and sign the minutes of the previous Review Committee Meeting held on 8th November 2023 as a correct record.
Proposed: Cllr Leather, Seconded: Cllr Newman McKie (majority in favour two abstentions not present at the meeting)
- 2401/623 Public Participation**
Members of the public are permitted to make representations, answer questions and give evidence in respect of any item of business included in the agenda. Each member of the public is entitled to speak once only in respect of business itemised on the agenda and shall not speak for more than 4 minutes. The period of time which is designated for public participation in accordance with standing orders shall not exceed 20 minutes.
No members of the public were present.
- 2401/624 To consider Action Points**
It was agreed to note the action points
- 2401/625 To consider information on the Council Committee structure of neighbouring councils.**
The information provided that there is no one size fits all. Structure is dependent on the roles each council has to fulfil

2401/626 To consider reconfiguration of the Council Committee structure moving forward from May 2024

Matters for discussion were

- Proposals for restructuring committees were debated at length

It was **resolved** that this committee wholeheartedly supports that climate is integrated into the functions of every committee and becomes a major component of Full Council agendas, moving forward

Proposed: Cllr Hodson, seconded Cllr Newman McKie, (all in favour)

It was further **resolved** that the proposals are adopted in principle and the suggested amendments are circulated to committee for consideration.

The final draft to be submitted to Full Council

Proposed: Cllr Bach, seconded Cllr Hodson, (all in favour)

Members were asked to acknowledge receipt of the revised draft.

Action point: Draft to be amended according to suggestions received at the meeting, circulated to the committee members for consideration and a final draft to go to Full Council.

2401/627 To consider the appointment of a consultant to review staffing

It was **resolved** to appoint a consultant as used previously through Worknest.

Action point : arrange an appointment

2401/628 To consider the date of the next meeting

It was agreed to arrange the date for 7th February 2024

There being no further business the meeting closed at 8.05 pm

Signed.....Dated.....

REVIEW COMMITTEE

ACTION POINTS FEBRUARY 2024

To Consider reconfiguration of the Council Committee structure moving forward from May 2024	Draft has been amended according to suggestions received at the meeting, circulated to the committee members for consideration at Review and a final draft will go to Full Council.
To consider the appointment of a consultant to review staffing	Arrange an appointment with a consultant as used previously through WorkNest. This is initially going to Finance and HR
To consider the date of the next meeting	It was agreed to arrange the date for 7 th February 2024.

General comments:

1. 1/4ly meetings generally felt to be too infrequent, especially for committees.
2. The number of committees should be kept to a minimum for efficient and effective operation.
3. A scheme of delegation is required, to define what operational decisions would be delegated to Committees and Officers.
4. Policies and terms of reference on maintenance repairs etc would need to be drafted and established.
5. Times of Day of the committees – it was noted that a broad move to evenings had occurred in response to the desire to maximise attendance by members of the public and in recognition of the number of members who were employed. It is important to consider this as part of the pattern moving forward, Full Council and Planning have been identified as evening (PM) meetings. All others have been left at present.

Officer's notes:

6. It was considered that *Allotments (Windmill Lane, Burrough Farm, Golf Links Road)* could sit within the GP elements of F&GP committee or either of the two 'operational' committees (P&R or Environment).
7. Council Vehicles and Machinery have been retained in their original place (Environment) but may be best placed in F&GP?
8. Given the feeling that 1/4ly meetings were too infrequent, the two 'operational' committees have been increased to once every two months. This gives a pattern of:

a. Full Council	quarterly plus 5 special meetings
b. Finance & GP	monthly
c. Planning	every 3 weeks
d. Human Resources	quarterly
e. Review	quarterly
f. Neighbourhood Plan	quarterly
g. Parks & Recreation	every 2 months
h. Environment & Maintenance	every 2 months
9. With just over 60 planned meetings per year, there would be just over 1 scheduled meeting per week on average. This may allow breaks to be planned in the schedule – such as minimising the number of meetings in popular holiday months such as August and December.

Proposed committee structure	Sphere of work	Alignment to Strategic Plan
<p>A. Full Council quarterly (4/year [running total: 4])</p> <p><i>plus</i></p> <p>Special budget meetings (2[6])</p> <p>Annual Meeting of the Council ('AGM') (1[7])</p> <p>Burrows Charity Trustees AGM (1[8])</p> <p>Annual meeting of Electors (1[9])</p>	<ol style="list-style-type: none"> 1. Agreement of budgets (and grants awarded) 2. Agreement of precept required 3. Consideration of AGAR and external audit reports 4. Consideration of Council-wide / Town-wide matters 5. Appointment to committees 6. Oversight of the Speedwatch and Councillor-Police Advocate initiatives with Devon & Cornwall Police. 7. Youth and wider Community engagement. <p>Standing items: Check Standing Orders</p> <ol style="list-style-type: none"> 1. Comprehensive Clerk's Report 2. Review of Council action plans: <ol style="list-style-type: none"> a. Climate Emergency b. Vision and Strategy c. Community Facilities (S106) 3. Adoption of committee minutes (with brief reports from Chairs?) 4. Reports from: <ol style="list-style-type: none"> a. District Members b. County Member c. Police-Councillor Advocate 	<p>Maintain close links with outside bodies that are responsible for community and road safety, including (but not limited to): Devon and Cornwall Police and Crime Commissioner, Devon and Cornwall Police, Devon County Council and Torridge District Council.</p> <p>Review of local car parking.</p> <p>Continue to deliver the Climate Emergency Action Plan.</p> <p>Strive to influence the community to achieve Carbon Neutrality.</p> <p>In partnership, improve the provision of homes for rent for local families <i>(with Planning & Development)</i></p> <p>Working with partners and other agencies to reach the 'hard to reach' members of our community.</p>

<p>B. Finance and General Purposes committee every month (12/year [21])</p> <p>Possible subcommittees, task-and-finish or working groups:</p> <ul style="list-style-type: none"> -Mayfair working group -Allotment group (Inspections, allotment competitions etc) 	<p>Finance elements:</p> <p>Standing items:</p> <ol style="list-style-type: none"> 1. Budget and cost centre review 2. Bank reconciliation 3. Payments and receipts 4. Salary and overtime <p>Consideration of internal audit report</p> <p>Review of Council charges for services/leases</p> <p>General Purposes elements:</p> <p>No standing items</p> <ol style="list-style-type: none"> 1. Health & Safety matters (as appropriate) 2. Community Engagement and Outreach 3. Premises: <ol style="list-style-type: none"> a. Northam Hall b. Westward Ho! Pavilion c. Appledore Boat Park d. Appledore car park (Seagate Hotel and Gig Club) e. Tennis courts f. <i>Blue Lights Hall – if returned to NTC or as occasion requires</i> g. <i>Town Hall – as required for NTC operation</i> 	<p>Manage, in a sustainable way:</p> <ol style="list-style-type: none"> 1. Northam Hall 2. Maintenance facilities premises. <p>Promote local shopping and services.</p> <p>Promote local and community events.</p> <p>Respond to the cost of living crisis. (Work with local food banks and others to improve access for those needing assistance. Assess viability of providing transport to, or a local space for such centres. Investigate and consider the various models of provision to ensure the best fit for Northam and the wider community.)</p>
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<p>C. Planning and Development committee every 3 weeks (17/year [38])</p>	<p>Consideration of planning proposals Consideration of planning appeals Review of Section 106 agreements (requirements/allocations) Street Naming</p>	<p>In partnership, improve the provision of homes for rent for local families. Working with Devon County Council, Torridge District Council and service providers to increase the effectiveness of current [public transport] routes. Working with Devon County Council, Torridge District Council and service providers to identify new [public transport] routes to support new and recent housing developments. Improved access to EV charge points and the emerging low-emission vehicle infrastructure.</p>
<p>D. Human Resources quarterly (4/year [42]) Possible subcommittees, task-and-finish or working groups: -Recruitment panels (shortlisting, interview) -DP&G panels</p>	<p>Standing item: 1. Accident review and reporting 2. Health & Safety (as appropriate) Appraisals and staff development Staff Training Disciplinary procedures and grievance (DP&G) Recruitment Staff contracts and terms of employment, staff handbook</p>	<p>Evaluate the roles and responsibilities of all council employees to develop a modern and sustainable organisational structure.</p>
<p>E. Review committee quarterly (4/year [46])</p>	<p>All policies and procedures (operational, staffing) (note: policies are to be reviewed annually)</p>	<p>Review the governance and operational structure of the Council.</p>
<p>F. Neighbourhood Plan Group quarterly (4/year [50])</p>	<p>Review of the Neighbourhood Plan in the light of changing policy landscape.</p>	<p>Deliver the Northam Neighbourhood Plan in accordance with national and local guidance and with reference to advice received.</p>

<p>G. Parks and Recreation committee</p> <p>every 2 months (6/year [56])</p>	<p>Anchor Park Appletree Gardens Bone Hill and memorial Burrough Farm (not allotments) Churchfields Skatepark Golf Links Road (not allotments) Lords Meadow Ridgeway Drive Westward Ho! Park inc. sensory garden Wren Close Park inspection reports</p>	<p>Deliver phased, continual improvements to the facilities. Continue to implement a landscape and biodiversity management plan for the Council's land and properties (as appropriate).</p>
<p>H. Environment and maintenance committee</p> <p>every 2 months (6/year [62])</p>	<p>War Memorials Public Rights of Way Verges, planting, planters, boats and baskets Street benches Bus shelters Street matters Christmas lights and trees Council vehicles and machinery Training of the Maintenance Team Allotments</p>	<p>Continue to implement a landscape and biodiversity management plan for the Council's land and properties. (as appropriate) Support for the Devon County Council Local Cycling and Walking Infrastructure Plan (LCWIP). To continue to provide an excellent grounds and premises maintenance service for the Council and wider community. Allotments. Manage, in a sustainable way: 1. Bus Shelters and street furniture. 2. Burial grounds and cemeteries (if appropriate). 3. Allotments</p>

Example Annual Calendar (Statutory Holidays indicated in pale yellow)

Week	Monday	Tuesday	Wednesday Meeting		Thursday Meeting	Friday
51	22/04/2024	23/04/2024	24/04/2024		25/04/2024 Planning (PM)	26/04/2024
52	29/04/2024	30/04/2024	01/05/2024	FC AGM & Full Council (PM)	02/05/2024	03/05/2024
1	06/05/2024	07/05/2024	08/05/2024	Finance & GP	09/05/2024 Parks & Recreation	10/05/2024
2	13/05/2024	14/05/2024	15/05/2024	NNP	16/05/2024 Planning (PM)	17/05/2024
3	20/05/2024	21/05/2024	22/05/2024		23/05/2024 Environment & Maintenance	24/05/2024
4	27/05/2024	28/05/2024	29/05/2024		30/05/2024 Review	31/05/2024
5	03/06/2024	04/06/2024	05/06/2024		06/06/2024 Planning (PM)	07/06/2024
6	10/06/2024	11/06/2024	12/06/2024	Finance & GP	13/06/2024	14/06/2024
7	17/06/2024	18/06/2024	19/06/2024		20/06/2024	21/06/2024
8	24/06/2024	25/06/2024	26/06/2024		27/06/2024 Planning (PM)	28/06/2024
9	01/07/2024	02/07/2024	03/07/2024		04/07/2024	05/07/2024
10	08/07/2024	09/07/2024	10/07/2024	Finance & GP	11/07/2024 Parks & Recreation	12/07/2024
11	15/07/2024	16/07/2024	17/07/2024		18/07/2024 Planning (PM)	19/07/2024

12	22/07/2024	23/07/2024	24/07/2024		25/07/2024	Environment & Maintenance	26/07/2024
13	29/07/2024	30/07/2024	31/07/2024	Full Council (PM)	01/08/2024		02/08/2024
14	05/08/2024	06/08/2024	07/08/2024	Finance & GP	08/08/2024	Planning (PM)	09/08/2024
15	12/08/2024	13/08/2024	14/08/2024	NNP	15/08/2024		16/08/2024
16	19/08/2024	20/08/2024	21/08/2024		22/08/2024	HR	23/08/2024
17	26/08/2024	27/08/2024	28/08/2024		29/08/2024	Planning (PM)	30/08/2024
18	02/09/2024	03/09/2024	04/09/2024		05/09/2024	Review	06/09/2024
19	09/09/2024	10/09/2024	11/09/2024	Finance & GP	12/09/2024	Parks & Recreation	13/09/2024
20	16/09/2024	17/09/2024	18/09/2024		19/09/2024	Planning (PM)	20/09/2024
21	23/09/2024	24/09/2024	25/09/2024		26/09/2024	Environment & Maintenance	27/09/2024
22	30/09/2024	01/10/2024	02/10/2024		03/10/2024		04/10/2024
23	07/10/2024	08/10/2024	09/10/2024	Finance & GP	10/10/2024	Planning (PM)	11/10/2024
24	14/10/2024	15/10/2024	16/10/2024		17/10/2024		18/10/2024
25	21/10/2024	22/10/2024	23/10/2024		24/10/2024	Parks & Recreation	25/10/2024

26	28/10/2024	29/10/2024	30/10/2024		31/10/2024	Planning (PM)	01/11/2024
27	04/11/2024	05/11/2024	06/11/2024	Full Council (PM)	07/11/2024	Environment & Maintenance	08/11/2024
28	11/11/2024	12/11/2024	13/11/2024	Finance & GP (Inc Budgets & Grants) (PM)	14/11/2024	HR	15/11/2024
29	18/11/2024	19/11/2024	20/11/2024		21/11/2024	Planning (PM)	22/11/2024
30	25/11/2024	26/11/2024	27/11/2024	NNP	28/11/2024	Review	29/11/2024
31	02/12/2024	03/12/2024	04/12/2024	FC Budget 1 (PM)	05/12/2024		06/12/2024
32	09/12/2024	10/12/2024	11/12/2024	Finance & GP	12/12/2024	Planning (PM)	13/12/2024
33	16/12/2024	17/12/2024	18/12/2024		19/12/2024		20/12/2024
34	23/12/2024	24/12/2024	25/12/2024		26/12/2024		27/12/2024
35	30/12/2024	31/12/2024	01/01/2025		02/01/2025	Planning (PM)	03/01/2025
36	06/01/2025	07/01/2025	08/01/2025	FC Budget 2 (PM)	09/01/2025		10/01/2025
37	13/01/2025	14/01/2025	15/01/2025	Finance & GP	16/01/2025	Parks & Recreation	17/01/2025
38	20/01/2025	21/01/2025	22/01/2025		23/01/2025	Planning (PM)	24/01/2025
39	27/01/2025	28/01/2025	29/01/2025		30/01/2025	Environment & Maintenance	31/01/2025

40	03/02/2025	04/02/2025	05/02/2025	Full Council & Burrows Trustees AGM (PM)	06/02/2025		07/02/2025
41	10/02/2025	11/02/2025	12/02/2025	Finance & GP	13/02/2025	Planning (PM)	14/02/2025
42	17/02/2025	18/02/2025	19/02/2025		20/02/2025	HR	21/02/2025
43	24/02/2025	25/02/2025	26/02/2025	NNP	27/02/2025	Review	28/02/2025
44	03/03/2025	04/03/2025	05/03/2025		06/03/2025	Planning (PM)	07/03/2025
45	10/03/2025	11/03/2025	12/03/2025	Finance & GP	13/03/2025	Parks & Recreation	14/03/2025
46	17/03/2025	18/03/2025	19/03/2025		20/03/2025	Environment & Maintenance	21/03/2025
47	24/03/2025	25/03/2025	26/03/2025		27/03/2025	Planning (PM)	28/03/2025
48	31/03/2025	01/04/2025	02/04/2025	FC Grants & AEM (PM)	03/04/2025		04/04/2025
49	07/04/2025	08/04/2025	09/04/2025	Finance & GP	10/04/2025		11/04/2025
50	14/04/2025	15/04/2025	16/04/2025		17/04/2025	Planning (PM)	18/04/2025
51	21/04/2025	22/04/2025	23/04/2025		24/04/2025		25/04/2025
52	28/04/2025	29/04/2025	30/04/2025		01/05/2025	Parks & Recreation	02/05/2025
1	05/05/2025	06/05/2025	07/05/2025	FC AGM & Full Council (PM)	08/05/2025	Planning (PM)	09/05/2025

2	12/05/2025	13/05/2025	14/05/2025	Finance & GP	15/05/2025	HR	16/05/2025
3	19/05/2025	20/05/2025	21/05/2025	NNP	22/05/2025	Review	23/05/2025
4	26/05/2025	27/05/2025	28/05/2025		29/05/2025	Planning (PM)	30/05/2025
5	02/06/2025	03/06/2025	04/06/2025		05/06/2025	Environment & Maintenance	06/06/2025
6	09/06/2025	10/06/2025	11/06/2025	Finance & GP	12/06/2025		13/06/2025
7	16/06/2025	17/06/2025	18/06/2025		19/06/2025	Planning (PM)	20/06/2025

HR Support

Clare Mellor, an experienced and qualified WorkNest Associate HR Consultant will provide HR Support and guidance to you and your key stakeholders. Specifically, the Consultant will:

- Attend a meeting* with Key Stakeholders (Town Clerk plus up to 3 Councillors), on a date to be agreed, to discuss the current staffing arrangements and testing any major assumptions about the strengths and weaknesses of the current organisational structure and organisational capacities.
- This will be achieved by:
 - Reviewing the organisational structure against Town Council plans and objectives
 - Gaining understanding and obtain further information relating to the desired outcome
 - Reviewing capacity for future workload, in relation to the council's objectives within the Town Plan and any anticipated growth/ contraction of the Town Council
 - Identifying any need for headcount reduction or further permanent, temporary or casual staff recruitment
 - Offering guidance on an appropriate staff structure and line management responsibility in support of the Town Council plans and objectives
- Compiling a summary report of the review findings and recommendations

*** Unless otherwise agreed in advance, all meetings will be conducted remotely, where possible via Microsoft Teams or Zoom.**

On site meetings will be subject to travel time and reasonable expenses

Summary

We hope you are inspired. We are confident that the services outlined in this document will:

- *Help you to achieve a standard of excellence with regard to your implementation of HR policies and procedures through the provision of professional and pragmatic HR consultancy services.*
- *Relieve pressure on management time and resources to allow you to focus on your core activities.*
- *Ensure greater efficiency and confidence in decision making from a position of strength.*
- *Provide peace of mind with budgeting.*

We take great pride in the service we provide to clients, which explains why so many of our clients are delighted with the service they receive from WorkNest HR and are happy to recommend us to other employers.

We hope this proposal is to your satisfaction. If you have any questions about this document, please do not hesitate to contact us.

Kind regards

Adele Blinkhorn
HR Projects Manager

Fee Summary

As the full scope of this assignment has yet to be established, we are unable to provide a fixed fee for the work. We have therefore, quoted our standard hourly rate.

Should you wish to proceed with the proposal, all time spent will be logged and sent to at regular intervals. We will then raise an invoice at the end of each month or for shorter assignments the invoice may be raise on completion of the assignment.

HR Consultancy / Project Support	
Adhoc HR Consultancy Support – Pay as you go exclusive of VAT	£155.00 per hour

Terms and Conditions

All proposals are subject to a formal terms of business agreement between our Company's.

Variations may need to be made as the project progresses. Any significant variations following our engagement would be discussed with you as soon as they become apparent.

Further work may be identified during the course of the project and this will be costed as required.

Any additional and agreed work will be invoiced at the rate as set above, plus VAT and any expenses.

In the event you require support on-site, we charge expenses on a reimbursement basis only, using standard class train travel or where we use a car, at 45ppm. Travel time is charged at the standard rate and reasonable subsistence and disbursements may also be charged.

This proposal is valid for 30 days.



Some details would require amendment due to the recent update by NALC (January 24th 2024) Legal topic note 87 herewith

Northam Town Council

Draft procurement strategy

In order to ensure the best use of public money we need to be smart in how we procure the things we need. Where another public body has a contract we can use, it meets our requirements and offers value for money we should use it. Where there is none then we may need professional advice on how to let our own.

Parish Council Contracts: the new £25,000 Contracts Rule

When Northam Town Council lets a contract for over £25000 excluding VAT

- If we advertise an Invitation to Tender ("ITT") for such a contract anywhere at all, we must (within 24 hours) also advertise it on the Government's Contracts Finder Website and we must then have the contract details available on the internet AND
- We cannot have a Pre-qualification stage in such a contract.
- After we have awarded the contract, whether or not we advertised it on Contracts Finder at the Invitation To Tender stage, we must publish on the UK Government's Contracts Finder Website:
 - the name of the contractor;
 - the date on which the contract was entered into;
 - the value of the contract; and
 - whether the contractor is an SME or a VCSE (small to medium enterprise or voluntary community & social enterprise)

Parish Council Contracts: the new 30-Day Payment Rule:

Every public contract which Northam Town Council awards must contain the following 'suitable provisions':

- The authority must pay the contractor within 30 days of getting a valid and undisputed invoice. (And undue delay in considering and verifying an invoice is not to be regarded as sufficient justification for failing to regard an invoice as valid and undisputed.)
- Every contract which permits sub-contracting must contain similar 30-day-payment provisions - and the same for sub-sub-contracts.

The process of public procurement

A basic step by step guide to public procurement

- Make an estimate of the total cost of the procurement (excluding VAT)
- Work out what category the procurement is in (Works, Supplies, Services or perhaps a mixture of them).
- Work out whether our proposed procurement is above any of the relevant thresholds. The thresholds are fixed by the EU in Euros, but the UK government translates those values into Pounds Sterling or GBP every two years. These can be found on the Cabinet Office website.

If our Council's contract is over the relevant threshold (£181302, £625,050 or £455413), we have to follow the Rules for the Category. Broadly, the Rules are:

- We must advertise the proposed procurement (a) in the Official Journal of the EU (OJEU) and (b) on the UK Government's "Contracts Finder" website.
- We must publish all of the contract documents (notably the specification of the works, the duration etc) on our own website.
- We must use the Timetable set out in the Public Contracts Regulations 2015.
- We must invite tenders without any pre-qualification test.
- We must choose the successful contractor by applying fair assessment procedures and (usually) award it to one who offers the lowest or the highest price or use a MEAT (Most Economically Advantageous Tender) analysis.
- We must publish the name and (usually) the accepted price of the successful contractor and lots of other details, sometimes in the OJEU and always on the UK Government's Contracts Finder website.
- We must keep records of what we did.

All purchasing must comply with the Council's Financial Regulations Standing Orders and tendering process. These regulations cover, amongst other things

The number of quotations to be sought -Tendering procedures:-(Appendix 1)

The purpose of this policy/strategy is to provide guidance on the factors that will be taken into account when purchasing goods and services.

- (1) The Council recognises the benefits to the economy of using local businesses and will seek out local contractors and suppliers wherever possible.
- (2) All contractors and suppliers working on Council sites will be required to comply with the Council's Health & Safety policy and any rules specific to the site of operation.
Provision of suitable risk assessments and method statements will be a condition of all such contracts.
- (3) The Council requires all contractors working on Council sites and projects to maintain adequate insurance, including but not limited to Public Liability insurance for £5 million. The Council would retain the right to increase this requirement for specific jobs and/or contracts where the risk is perceived to be greater.
- (4) All procurement will be in accordance with the Council's Equality Policy.

- (5) The Council recognises the importance of sustainability and will take into account the environmental, social and economic impacts of its purchasing decisions.
- (6) The Council recognises its duty to protect biodiversity under Section 40 of the Natural Environment and Rural Communities (NERC) Act 2006. To meet this duty the Council will wherever possible purchase products that protect biodiversity, for example peat-free compost.
- (7) The Council will, wherever possible, purchase goods that meet international Fairtrade standards (or similar).
- (8) The Council understands the importance of paying suppliers promptly and will wherever possible settle accounts within a maximum of 30 days, or earlier, by agreement. In order to comply with current legislation all payments (apart from petty cash payments) are made by BACS transfer, Direct Debit, or cheque.
- (9) The Council needs to have access to pre-approved contractors to supply **routine** services or who can be called on to provide emergency services, including but not limited to:

Electricians

General builders

Glaziers

Groundworkers

Locksmiths

Memorial masons

Plant hirers

Play equipment repairers

Plumbing and heating engineers

Tree surgeons

Vehicle and machinery service engineers

Contractors wishing to be included on the Council's register of approved contractors will be required to complete a registration form (See Appendix B).

The register of approved contractors will be periodically reviewed.

- (10) In accordance with Standing Order 18(e) the Council is not obliged to accept the lowest of any tender, quotation or estimate, but must give valid reasons for not doing so.
- (11) The Council maintains monthly accounts with suppliers of regular purchases. All purchases on Council accounts may only be made by authorised Council officers who must be provided with a receipt. Limits will be set on each account on the maximum value of individual purchases and the overall balance on the account. Expenditure over these limits must be authorised in advance
- (12) This policy will be monitored and reviewed by the Council's Finance Committee annually, or in response to changes in legislation.

Appendix A (Current Standing Orders)

- a The council shall consider and approve financial regulations drawn up by the Responsible Financial Officer, which shall include detailed arrangements in respect of the following:
 - procurement policies (subject to standing order 18(c) below) including the setting of values for different procedures where a contract has an estimated value of less than [£25,000].
- b Financial regulations shall be reviewed regularly and at least annually for fitness of purpose.
- c **Financial regulations shall confirm that a proposed contract for the supply of goods, materials, services and the execution of works with an estimated value in excess of [£25,000] shall be procured on the basis of a formal tender as summarised in standing order 18(d) below.**
- d Subject to additional requirements in the financial regulations of the council, the tender process for contracts for the supply of goods, materials, services or the execution of works shall include, as a minimum, the following steps:
 - i. a specification for the goods, materials, services or the execution of works shall be drawn up;
 - ii. an invitation to tender shall be drawn up to confirm (i) the council's specification (ii) the time, date and address for the submission of tenders (iii) the date of the council's written response to the tender and (iv) the prohibition on prospective contractors contacting councillors or staff to encourage or support their tender outside the prescribed process;
 - iii. the invitation to tender shall be advertised in a local newspaper and in any other manner that is appropriate;
 - iv. tenders are to be submitted in writing in a sealed marked envelope addressed to the Proper Officer;
 - v. tenders shall be opened by the Proper Officer in the presence of at least one councillor after the deadline for submission of tenders has passed;
 - vi. tenders are to be reported to and considered by the appropriate meeting of the council or a committee or sub-committee with delegated responsibility.
- e Neither the council, nor a committee or a sub-committee with delegated responsibility for considering tenders, is bound to accept the lowest value tender.
- f **Where the value of a contract is likely to exceed (the threshold specified by the Office of Government Commerce from time to time) the council must consider whether the Public Contracts Regulations 2006 (SI No. 5, as amended) and the Utilities Contracts Regulations 2006 (SI No. 6, as amended) apply to the contract and, if either of those Regulations apply, the council must comply with EU procurement rules.**

Current Financial Regulations

11. Contracts

11.1 Procedures as to contracts are laid down as follows:

- (a)** Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that these regulations shall not apply to contracts which relate to items (i) to (vi) below:
 - (i)** for the supply of gas, electricity, water, sewerage and telephone services;
 - (ii)** for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
 - (iii)** for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
- (iv)** for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
- (v)** for additional audit work of the external Auditor up to an estimated value of £250 (in excess of this sum the Clerk shall act after consultation with the Chairman and Vice Chairman of Council);
- (vi)** for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.
- (b)** Where it is intended to enter into a contract exceeding £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk shall invite tenders from at least three firms.
- (c)** When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the Council.
- (d)** Such invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
- (e)** All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one member of Council.

- (f) If less than three tenders are received for contracts above £25,000 or if all the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- (g) Any invitation to tender issued under this regulation shall contain a statement to the effect of Standing Orders 21(a) and 21(b)
- (h) When it is to enter into a contract less than £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £1,000 and above £100 the Clerk shall strive to obtain 3 estimates. Otherwise, Regulation 10 (3) above shall apply.
- (i) The Council shall not be obliged to accept the lowest or any tender, quote or estimate.

12. Payments Under Contracts for Building or Other Construction Works

- 12.1 Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
- 12.2 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 5% or more a report shall be submitted to the Council.
- 12.3 Any variation to a contract or addition to or omission from a contract must be approved by the Council and Clerk to the Contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

24 JANUARY 2024

LTN 87 | PROCUREMENT

Introduction

1. This LTN applies to local councils in England and Wales except for paragraphs 11 to 16 below which apply only to local councils in England.
2. In the context of local councils, “procurement” is the process by which they award contracts to third parties (frequently individuals or companies) to provide goods, services or to undertake works. A procurement process is designed to source the most suitable contractors based on factors such as cost and their knowledge, experience, quality, capability, and financial standing.
3. A procurement exercise by a local council is subject to the requirements in s. 135 of the Local Government Act 1972 (“the 1972 Act”) and the Public Contracts Regulations 2015 (“the 2015 Regulations”). These legal requirements are summarised in the table below.

Contract value (inclusive of VAT)	Legal requirements		
	The council’s standing orders required by s.135 of the 1972 Act (and financial regulations)	The Contracts Finder/ find a tender website and other light touch rules in the 2015 Regulations	Complex requirements in the 2015 Regulations
Low value contracts (in England only, this means up to £30,000).	✓		
All contracts over £30,000 including VAT but below the threshold below (England only).	✓	Use of the Contracts Finder/ find a tender website (see paragraph 11 to 16 below).	

Public service or supply contract over £214,904 or public works contract over £5,372,609	✓		✓ Follow most complex procedure (see paragraphs 17 to 21).
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4. The requirement for councils in England and Wales to have standing orders with respect to procuring and entering into contracts is set out in s.135 of the 1972 Act. This Note provides (A) an explanation of councils' responsibilities under the 1972 Act (England and Wales), (B) an explanation of the bodies and contracts which are subject to the 2015 Regulations (England and Wales), (C) an explanation of the Contracts Finder/ find a tender provisions and other light touch requirements for procuring and awarding contracts covered by the 2015 Regulations which are valued over £30,000 (England only) and (D) an overview of the complex requirements for procuring contracts covered by the 2015 Regulations which are valued over £214,904 for a public supply or public service contract or £5,372,609 for a public works contract (England and Wales).

A. Standing Orders (s. 135 of the 1972 Act)

5. S.135 of the Local Government Act 1972 provides:

- A local authority (which includes local councils in England and Wales) may make standing orders with respect to the making of contracts by them or on their behalf.
- A local authority shall make standing orders with respect to the making by them or on their behalf of contracts for the supply of goods or materials or for the execution of works.
- Standing orders made by a local authority with respect to contracts for the supply of goods or materials or for the execution of works shall include provision for securing competition for such contracts and for regulating the manner in which tenders are invited, but may exempt from any such provision contracts for a price below that specified in standing orders and may authorise the authority to exempt any contract from any such provision when the authority are satisfied that the exemption is justified by special circumstances.
- A person entering into a contract with a local authority shall not be bound to inquire whether the standing orders of the authority which apply to the contract have been complied with, and non-compliance with such orders shall not invalidate any contract entered into by or on behalf of the authority.

6. S.135 (3) confirms that, in England or Wales, a local council may adopt standing orders which exempt contracts from a tendering exercise if they are below a certain value or if specific circumstances apply. The Contracts Finder/ find a tender and other light touch provisions of the 2015 Regulations apply in England only to contracts valued above £30,000. This means that councils in England may have standing orders which confirm that contracts valued at £30,000 or below are exempt from a tendering or procurement exercise. Councils in Wales are not subject to this limit but this figure is included in NALC's model standing orders and financial regulations for Wales. A council's standing orders (and financial regulations) need to confirm the procurement requirements (if any) that will apply for the award of a new contract, which will be dependent on its value (or special circumstances). It is recommended that a council's standing orders (and financial regulations) confirm if contracts below a certain value (for councils in England, this means contracts valued at £30,000 or below) are exempt from a tendering or procurement exercise. It is also recommended that the council's standing orders and financial regulations confirm that the procurement of contracts over a certain value (for councils in England, this means contracts over £30,000) will be subject to the requirements in 2015 Regulations.
- B. Which bodies are covered by the 2015 Regulations?
7. The 2015 Regulations imposes procurement requirements on "contracting authorities" which include local authorities (and therefore includes local councils), associations formed by one or more such authorities (e.g. County Associations) and "bodies governed by public law" (e.g. government departments, NHS trusts, maintained schools and Academy schools) (Regulation 2 of the 2015 Regulations). "Bodies governed by public law" includes an organisation set up for the general as opposed to commercial interest, with its own legal status, and which is financed or managed by a local authority. If a local council is the sole or managing trustee of a charity, appoints most of the trustees or grants the majority of the charity's income that charity will be subject to the 2015 Regulations.

Which contracts are covered by the 2015 Regulations?

8. The 2015 Regulations apply to "public contracts" which are defined as "contracts.... having as their object the execution of works, the supply of products or the provision of services." Regulation 2 of the 2015 Regulations defines each of those three contracts as follows:

"public service contracts" meaning public contracts which have as their object the provision of services other than those referred to in the definition of "public works contracts";

"public supply contracts" meaning public contracts which have as their object the purchase, lease, rental or hire-purchase, with or without an option to buy, of products, whether or not the contract also includes, as an incidental matter, siting and installation operations;

“public works contracts” meaning public contracts which have as their object any of the following:—

- the execution, or both the design and execution, of works related to one of the activities listed in Schedule 2 (see paragraph 9 below);
- the execution, or both the design and execution, of a work;
- the realisation, by whatever means, of a work corresponding to the requirements specified by the contracting authority exercising a decisive influence on the type or design of the work;

9. The activities in Schedule 2 to the 2015 Regulations which are included in the definition of a “public works contract” include site preparation, demolition of buildings, construction of new buildings, erection of roofs, bricklaying, scaffolding, insulation work, plumbing, plastering, joinery installation, floor and wall covering and painting and glazing, civil engineering works and construction of highways, roads, airfields and sport facilities.

Public contracts which are exempted from the 2015 Regulations

10. Regulations 7 to 12 provide that certain public contracts are exempted from the requirements of the 2015 Regulations. Regulation 10 confirms, for example, that contracts for the acquisition of land and buildings, legal services (legal advice and representation), bank services are exempted. In the context of local authorities, Regulation 12, for example, excludes:

- a contract with an incorporated body, controlled by a local authority, where more than 80 % of the body’s activities are controlled by the local authority and there is no private sector ownership of the body, with certain exceptions;
- a contract between two or more local authorities who come together to provide a public service to achieve objectives they have in common and that the joint venture is governed solely by considerations relating to the public interest (e.g. where a parish council enters into arrangements with a principal council) and
- an incorporated body which is a contracting authority awards the contract to its controlling local authority or to an incorporated body controlled by the same local authority;

C. Advertising requirements

Brexit – transitional advertising arrangements

31 December 2020 marked the end of the transition period for the purposes of leaving the EU. There are new advertising requirements, with the introduction of “find a tender”. Government guidance, which also includes procurement policy notes, FAQs and a flow chart, sums up the main points <https://www.gov.uk/guidance/public-sector-procurement-from-1-january-2021>

Below is a summary of the post 31 December 2020 changes:

1. Find a Tender went live at the end of the transition period (23:00 on 31 December 2020) - <https://www.find-tender.service.gov.uk/Search>
2. Procurements on OJEU/TED that were commenced prior to the end of the transition period must be concluded on OJEU/TED.
3. New procurements commenced after the end of the Transition Period must be advertised on Find a Tender.
4. Requirements to advertise on [ContractsFinder](#) and [Sell2Wales](#) remain unchanged (see below).

The Contracts Finder website and other light-touch rules in 2015 regulations (England only)

11. Where the estimated value of a public contract exceeds £30,000 a local council in England must comply with Articles 109 to 114 of the 2015 Regulations (in addition to section 135 of the 1972 Act). Regulation 110, which concerns the advertisement of a contract opportunity, is summarised below.
 - Subject to the above paragraph on the changes post 31 December 2020, a council must advertise the contract opportunity on the “Contracts Finder” website when it advertises the contract opportunity elsewhere. A council will have advertised a contract opportunity elsewhere if it does anything to put the opportunity in the public domain or bring the opportunity to the attention of economic operators generally or to any class or description of economic operators which is potentially open-ended, with a view to receiving responses from economic operators who wish to be considered for the award of the contract (e.g. places details of the opportunity on its website, in a newspaper or a trade paper);
 - A council does not advertise an opportunity where it makes the opportunity available only to a number of particular economic operators who have been selected for that purpose (whether ad hoc or by virtue of their membership of some closed category such as a framework agreement), regardless of how it draws the opportunity to the attention of those economic operators (i.e. if a council has an arrangement with a

limited number of approved organisations to undertake work for the council); Regulation 33 defines a “framework agreement” as 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. Contracting authorities may conclude framework agreements if they apply the procedures in Part 2 of the 2015 Regulations. Regulation 33 provides that framework agreements should not exceed 4 years except in exceptional circumstances. A council must advertise the contract opportunity on Contracts Finder within 24 hours of advertising it elsewhere;

- The information to be published on Contracts Finder shall include at least the following: — (a) the time by which any interested economic operator must respond if it wishes to be considered; (b) how and to whom such an economic operator is to respond; and (c) any other requirements for participating in the procurement;
- Where a council publishes information on Contracts Finder it must — (a) by means of the internet, offer unrestricted and full direct access free of charge to any relevant contract documents; and (b) specify in the information published on Contracts Finder the internet address at which those documents are accessible;
- A council may advertise the contract opportunity on the “Contracts Finder” website when it does not advertise the contract opportunity elsewhere;
- It must have regard to guidance issued by the Minister for the Cabinet Office.

12. Regulation 111 provides that councils cannot include a pre-qualification stage. A “pre-qualification stage” is defined as “a stage in the procurement process during which the contracting authority assesses the suitability of candidates to perform a public contract for the purpose of reducing the number of candidates to a smaller number who are to proceed to a later stage of the process.” A council may ask tenderers to answer “suitability assessment question” which is defined as relating “to information or evidence which the contracting authority requires for the purpose of assessing whether candidates meet requirements or minimum standards of suitability, capability, legal status or financial standing” if the questions are relevant to the subject-matter of the procurement; and proportionate. Councils must have regard to guidance issued by the Minister for the Cabinet Office which can be accessed via www.gov.uk/government/collections/procurement-policy-notes
13. Regulation 113 provides that councils must ensure that contracts contain suitable provisions stating that valid undisputed invoices will be paid by within 30 days. Public contracts must also contain a condition requiring contractors to include similar provisions in their contracts, and

so on down the supply chain. Councils shall have regard to any guidance issued by the Minister for the Cabinet Office.

14. When a contract is awarded, a council, having regard to guidance issued by the Minister for the Cabinet Office, must publish on the Contracts Finder the information set out in Regulation 112. This includes:
 - the name of the contractor;
 - the date on which the contract was entered into;
 - the value of the contract;
 - whether the contractor is a SME (defined as an enterprise falling within the category of micro, small and medium-sized enterprises) or VCSE (defined as a non-governmental organisation that is value-driven and which principally reinvests its surpluses to further social, environmental or cultural objectives).
15. A council may withhold information in paragraph 14 above from publication where its release
 - would impede law enforcement or would otherwise be contrary to the public interest,
 - would prejudice the legitimate commercial interests of a particular economic operator, whether public or private, or
 - might prejudice fair competition between economic operators
16. The above is a summary of the main requirements in relation to use of the Contracts Finder website. Councils are recommended to read the 2015 Regulations which can be accessed via www.legislation.gov.uk/ukxi/2015/102/contents/made
- D. Complex requirements in the 2015 Regulations for high-value contracts
17. The 2015 Regulations incorporated the Public Contracts Directive 2014/24/EU (“the Public Contracts Directive”). In its simplest terms, the Public Contracts Directive facilitates the award of certain contracts to any business entity in the EU.

Financial thresholds

18. Even if the procurement and award of a contract is covered by the 2015 Regulations (see paragraphs 8 and 9 above) and is not an exempted contract (see paragraph 10 above) it will not be subject to the full requirements of the 2015 Regulations unless its estimated value exceeds the thresholds issued by the UK Government in the form of [Policy Procurement Note 10/21](#). As a result of Brexit, the UK Government and devolved administrations must now ensure procurement thresholds are aligned with the World Trade Organisation’s thresholds,

which are contained in its Government Procurement Agreement (“GPA”). One of the most notable impacts of this change to GPA alignment is that contract value estimations must now be inclusive of VAT. Under previous EU rules, procurement thresholds were net of VAT. As a result of this change local councils will need to carefully consider whether or not VAT will apply to relevant contracts. The figures below apply from 1 January 2024. As already mentioned in paragraphs 3 and 4 above, the current thresholds are:

Type of contract	Threshold
Public works contracts	£5,372,609
Public service contracts	£214,904
Public supply contracts	£214,904

19. Few contracts to be awarded by local councils will exceed the thresholds above but, if they do, they will be subject the requirements summarised in paragraph 21 below.
20. As noted above, contracts procured by councils in England which are worth over £30,000 but less than the thresholds in paragraph 18 above will still be subject to the Contracts Finder website and other light touch provisions in the 2015 Regulations summarised in paragraphs 11 – 16 above.

Procedural requirements

21. Contracts awards exceeding the thresholds in paragraph 18 above are detailed and complex. It is likely that councils considering such high value contracts will require technical and or legal advice from those who specialise in public procurement. Set out below is a very brief overview of the full requirements of the 2015 Regulations – where they apply.
 - Procurement must take one of five forms; the open procedure, the restricted procedure, competitive dialogue, the innovations partnership procedure; and competitive procedure with negotiation;
 - Accelerated forms of the open procedure and competitive procedure with negotiation and the restricted procedure in situations of urgency that a local council can duly substantiate;
 - There is a pre-qualification stage;
 - Councils will need to comply with the requirements in respect of tenders;

- Contracts should be awarded on the “most economically advantageous tender (Regulation 67);
- Contracts can be varied without going through a new procurement exercise in specified situations. (Regulation 72); and
- Contracts should be advertised on the Find a Tender/ Contracts Finder website (Regulation 106) – see paragraph 10 above and for the guidance on publishing in the Official Journal of the European Union (OJEU);

N.B. Central purchasing activities (where one body does purchasing for a series of organisations) are covered by the 2015 Regulations.

Other Legal Topic Notes (LTNs) relevant to this subject:

LTN	Title	Relevance
15	Legal Proceedings	Useful for threatened or actual legal proceedings relating to contract disputes.
29	Basic Charity Law	Explains responsibilities of council as a charity trustee.
35	Contracts	Guide to basic contract law.