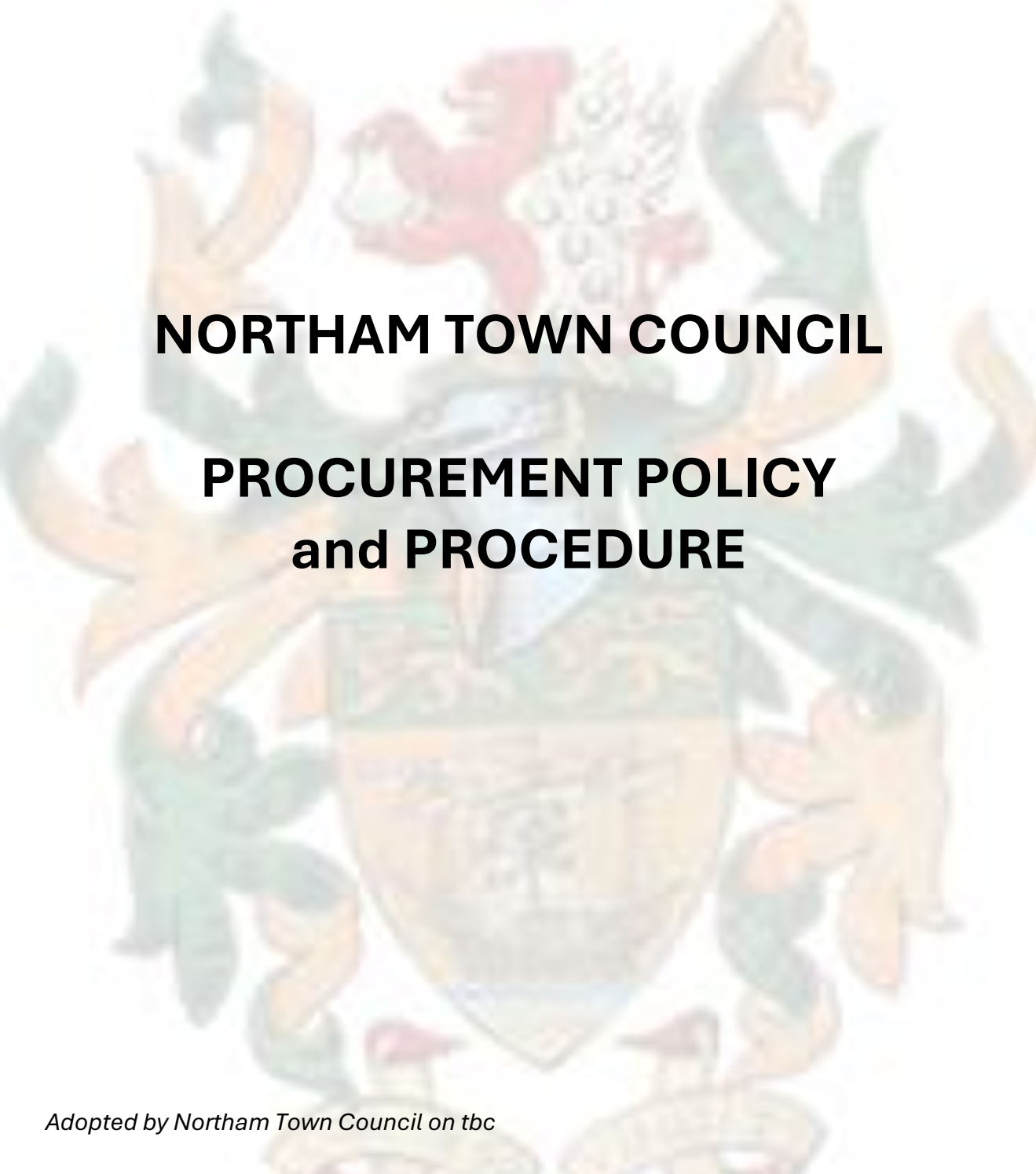


NORTHAM TOWN COUNCIL PROCUREMENT POLICY

The background of the page features a large, faded coat of arms of Northam Town Council. It is a heraldic shield supported by two lions, with a crest on top and a ribbon at the bottom.

NORTHAM TOWN COUNCIL

PROCUREMENT POLICY

and PROCEDURE

Adopted by Northam Town Council on tbc

	Name	Signature
Mayor	Cllr	
Town Clerk	Guy Langton	

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Version	Date	Note	Drafted by
V0.1	28 th June 2024	Revision of draft policy to align with current requirements and standing orders.	Acting Town Clerk
V1.0	14 th November 2024	Recommended policy wording	Town Clerk after Review Committee resolution
V1.1	18 th December 2024	Adopted by Full Council	n/a
V1.2	20 th May 2026	Revised following introduction of the Procurement Act 2023 and the Procurement Regulations 2024	Town Clerk

THE PROCUREMENT ACT 2023 AND THE PROCUREMENT REGULATIONS 2024 CAME INTO FORCE ON 24 FEBRUARY 2025.

SCHEDULE 1 OF THE 2023 ACT CONTAINS THE THRESHOLDS FOR CONTRACTS FOR THE SUPPLY OF GOODS, SERVICES AND THE PROVISION OF WORKS. THE NEW LEGISLATION REPLACES PREVIOUS LEGISLATION.

NORTHAM TOWN COUNCIL PROCUREMENT POLICY

1. INTRODUCTION

1.1 It is the purpose of this policy to set out the strategic aims which inform and direct the Council's procurement activities and to operate in conjunction with the Council's existing Financial Regulations, Standing Orders and Standing Orders for Contracts, and Climate Action Plan. All Council Services involve procurement to some degree. There is a direct link between good procurement and the delivery of high quality and cost-effective services for residents and the wider community.

1.2 The Council accepts its responsibilities throughout the procurement process. It will operate a transparent process through which it will strive to attain best value for all goods, materials and services which it purchases. "Best value" is defined as a balance of price, quality of product and supplier services.

1.3 The procurement process starts with an identification of needs and proceeds through the stages of evaluation, purchase and contract management. This policy shall cover all aspects of procurement, from the day to day purchasing of commodities through to purchasing key strategic items, capital assets or commissioning surveys. The council is committed to minimising any adverse impact on the environment arising from its policies and working practices¹.

1.4 This policy has been drafted with reference to the Council's Standing Orders² and Financial Regulations³, and the National Association of Local Council (NALC) Advice Note on Procurement, updated 3rd February 2026.

2. PROCUREMENT THRESHOLDS (to be reviewed annually)

2.1 Parliament sets thresholds to ensure fair competition in public procurement every two years. Where the value of a contract is expected to exceed the relevant threshold currently in force, the full requirements of the 2023 Act and the Procurement Regulations 2024 must be followed when carrying out the procurement.

2.2 The council can be challenged in court if it fails to comply with the rules. In most situations, the council is legally obliged to use a competitive tendering process to award a contract above the relevant threshold.

2.3 The thresholds below apply to councils from 1 January 2026 to 31 December 2027:

- £207,720 including VAT when procuring goods or services, or
- £5,193,000 including VAT for public works (construction).

¹ Northam Town Council declared a Climate Emergency in August 2019. To support this declaration the Council committed to adopting an action plan by the end of January 2020 detailing how the it plans to secure net zero carbon emissions by 2030 across its buildings, assets and operations.

² Standing Order 18: Financial controls and procurement

³ Financial Regulations 10 (Orders for Work, Goods and Services) and 11 (Contracts)

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"Works" are defined in Schedule 3 of the Procurement Regulations 2024 and include construction, demolition, earthworks, repair, restoration, refurbishment, installation of equipment and the work of tradespeople such as plasterers, carpenters and glazers.

2.4 Where a contract is below the "works" threshold and includes a mixture of works and goods or services, the council must consider whether the goods or services could be supplied under a separate contract. If they could and the value of that contract would exceed the "goods and services" threshold, the council must follow the rules in Section 5 of the 2023 Act to determine whether the whole contract should be treated as an above-threshold contract.

2.5 For a contract that will run for several years, the total value over the life of the contract (not the annual value) is used to determine whether the contract exceeds the relevant threshold. This must include anything that would potentially become payable because of an option in the contract to extend or renew it without competition. For example, if a three-year contract has the option of a two-year extension, the estimated value should be the amount payable over the five-year period.

5.6 The Council must not deliberately underestimate the value of contracts or artificially split them to avoid following the rules.

See [GOV.UK - 2026 Threshold Amounts](#)

3. OBJECTIVES

3.1 Northam Town Council's procurement objectives are:

- a) Community Involvement: taking into account the community's views.
- b) Quality of Service Provision: seeking to continually improve the quality of service.
- c) Easy Access: making services open and available for all.
- d) Best value: provide the best service at the best possible cost with a balance of price, quality of product and supplier services, with a focus on economies of scale where appropriate.
- e) Sustainability: recognition of the economic; social and environmental impacts arising from the Council's procurement behaviour.
- f) Building Partnerships: working closely with community partners to deliver best value services and facilities for the community.
- g) Valuing Staff – Council staff are a key resource and should remain appropriately trained and valued.

3.2 Responsibility for implementing this policy rests with Councillors and Council employees.

4. NATIONAL STRATEGY & BACKGROUND

4.1 [The Procurement Regulations \(2024\)](#) and the [Transforming Public Procurement](#) programme aims to improve the way public procurement is regulated in order to:

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- a) create a simpler and more flexible, commercial system that better meets our country's needs while remaining compliant with our international obligations
- b) open up public procurement to new entrants such as small businesses and social enterprises so that they can compete for and win more public contracts
- c) embed transparency throughout the commercial lifecycle so that the spending of taxpayers' money can be properly scrutinised.

~~sets out how councils can improve the delivery and cost effectiveness of high-quality services through leadership, behaving commercially and achieving community benefits subject to local priorities.~~

~~4.2 The National Procurement Policy Statement (presented to Parliament pursuant to section 13(3)(c) of the Procurement Act 2023) sets out the strategic priorities for public procurement and how contracting authorities can support their delivery. The Procurement Act 2023 came into force on 24 February 2025. You can view the new Procurement Act on the [UK legislation website](#), and the official record of the Bill's progress through Parliament, with all supporting documents on the [Parliamentary website](#). For more information, see [Transforming Public Procurement](#).~~

~~4.3 The Procurement Act 2023 establishes a new public procurement regime, aiming for a simpler and more transparent system to deliver better value for money. Councils have a duty to provide 'value for money' and must continually review and improve services. "Procurement" refers to the process by which councils award and manage contracts to acquire goods, works and services from third parties. It covers the purchase of everything from stationery to the construction of a new building complex. The 2023 Act is not intended to capture purely compensatory or supportive arrangements, such as grants.~~

4.4 One aspect that has been strengthened from the previous Regulations is ensuring that smaller entities can participate in competition for contracts. Councils must have regard to the fact that small and medium-sized enterprises may face barriers to participation and consider whether barriers can be removed or reduced. This requirement is set out in Sections 12 and 86 of the 2023 Act.

4.5 The Act also implies 30-day payment terms for undisputed invoices in all contracts over £30,000 (including VAT), and this overrides any longer timescales written into those contracts (see Sections 66 and 88 of the 2023 Act).

~~4.4 The Public Contracts Regulations (2015) Section 110, as amended, sets a public procurement threshold of £30,000 (inclusive of VAT). Above this threshold, opportunities must be published on the Government Contracts Finder platform⁴. For tenders above £214,904 (including VAT), the Government Find a Tender platform⁵, which replaced the EU platform on 1st January 2021.~~

⁴ <https://www.gov.uk/contracts-finder>

⁵ <https://www.gov.uk/find-tender>

5. ABOVE THRESHOLD PROCUREMENT

Procurement thresholds

5.1 See section 2 above.

Exemptions

5.2 Specific types of contracts (set out in Schedule 2 of the 2023 Act) are exempt from tendering requirements due to the nature of the activity or the relationship between the parties involved.

5.3 Examples of contracts excluded due to the nature of the relationship include:

- Contracts with an entity that the council controls (such as a local authority trading company).
- Arrangements between cooperating authorities to achieve common goals for their public functions.

5.4 Contracts excluded due to their nature include:

- Purchase of land, buildings or related rights.
- Legal representation in disputes and the services of notaries.
- Alternative dispute resolution.
- Public broadcasting and public electronic communications services.
- Loans and Investments.
- Employment.
- Emergency services.
- Public transport (which is covered by separate Regulations).

5.5 Councils should refer to the detailed definitions in Schedule 2 of the 2023 Act and should not assume that a contract is exempt from tendering without checking.

5.6 Local councils are unlikely to be involved in light-touch contracts, which are for specified social, health, education and other public services provided directly to individuals or groups of people.

5.7 The rules for utility contracts are unlikely to be relevant to local councils as they relate to the distribution of gas, heat, electricity or water to the public through fixed networks.

5.8 Similarly, a few councils will be affected by the rules for concession contracts, where part of the consideration for the supply is a right for the supplier to exploit the works or services. These rules only apply above the "works" threshold.

Direct awards

5.9 The council may also directly award a contract without competition in specific circumstances set out in Schedule 5 of the 2023 Act. This includes:

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- Avoiding receiving goods that are incompatible with existing stock (for example, obtaining street light columns that match the existing ones).
- Creation of a work of art or artistic performance.
- Situations where there is only one supplier and the goods or services cannot be obtained anywhere else.
- Contracts where the terms are particularly advantageous due to the fact that a supplier is undergoing insolvency proceedings.
- Situations of unforeseen extreme urgency, not arising from any action or omission of the council.

Preliminary Market Engagement

5.10 Before inviting tenders, the council may engage with potential suppliers and others to develop the council's requirements and approach. This can include designing a procedure, conditions of participation or award criteria, preparing the tender documents and contractual terms, identifying the existence of potential suppliers or building capacity among suppliers.

5.11 Preliminary market engagement is not part of the tender process; it is something that takes place before a council invites participation. A council must ensure that anyone involved in the preliminary engagement does not gain an unfair advantage and that competition is not distorted. Where an advantage cannot be avoided, a council may have to exclude the supplier involved from participation in the tender process.

Duty to consider lots

5.12 Before publishing an above-threshold tender notice, a council must consider whether the goods, services or works could reasonably be supplied under more than one contract, and if so, whether such contracts could be awarded in lots.

5.13 Splitting a procurement into smaller lots does not remove the requirement to carry out the tendering process in accordance with the 2023 Act.

Tenders

5.14 The 2023 Act sets out principles that a council must have regard to:

- Delivering value for money.
- Maximising public benefit.
- Sharing information to let suppliers understand the council's procedures.
- Acting, and being seen to act, with integrity.

5.15 For above-threshold contracts that are not exempt, the 2023 Act requires councils to use a competitive tendering procedure that provides suppliers with the chance to bid for public contracts on a level playing field.

5.16 A tender process ensures that all bids are kept secret and opened together so that nobody can give any bidder an advantage by disclosing their competitor's figures. It also

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generally involves pricing against a detailed specification, rather than simply giving a fixed price for the work, to make it easier for councils to compare tenders.

5.17 The invitation to tender notice (Form UK4) must be advertised on the government's Central Digital Platform (Find-Tender) in accordance with the 2023 Act, and there are two procedures a council can follow:

- Open tender procedure — Anyone can submit a tender, and all responses are assessed together.
- Competitive flexible procedure — Can include several stages to reduce the number of bids considered, such as inviting requests to participate or imposing conditions of participation.

Procedures must be proportionate to the contract's nature and complexity.

5.18 Before publishing a tender invitation, a council must define its criteria for assessing the tenders, indicate the relative importance of each criterion and describe how tenders will be measured against them.

5.19 One of the key requirements for any award criteria is that they must be sufficiently clear, measurable and specific. A council may find it useful to read the Government guidance on award criteria before designing a tender selection process, to ensure that they can clearly explain how they reached their decision.

Framework agreements⁶

5.20 A framework agreement is where a council contracts with one or more suppliers for the future award of contracts for a period of up to four years. Local councils are not expected to have their own framework agreements and the guidance for the 2023 Act indicates that the government aren't expecting to see framework agreements below the £207,720 threshold.

5.21 If a principal authority has a framework agreement in place for certain services and has included local parishes within that agreement, councils may be entitled to procure services (for example, tree works or street light column installation) through the framework agreement, rather than having to seek quotes.

Awarding an above-threshold contract

5.22 The council may award a contract to the supplier that it considers has submitted the most advantageous tender. This should be the tender that satisfies the council's requirements and best meets the award criteria that the tenders were assessed against. It will not necessarily be the cheapest.

5.38 Before awarding a contract above the relevant threshold, a council must provide an assessment summary to each supplier that submitted an assessed tender under

⁶ The Government Commercial Agency (Crown Commercial Service) has a number of framework agreements available to the public sector, and its [website](#) gives a description of how the process works.

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Section 50 of the 2023 Act, explaining their assessment of the submitted tender and also the successful tender.

5.24 A "contract award notice" (Form UK6) must then be published on Find-Tender, and the council must wait eight working days (the "standstill period") before the contract can be awarded.

5.25 This is a notice that the council intends to award a contract and the standstill period gives time for an aggrieved participant to commence legal proceedings. Section 101 of the 2023 Act prevents a council from awarding a contract where it has been notified that proceedings have commenced.

5.26 Once it has awarded an above-threshold contract, the council must publish a Contract Details Notice (Form UK7) on Find-Tender within 30 days of awarding the contract to a supplier, regardless of the process used to choose the contractor. Form UK7 is designed to gather the information required by the Regulations.

6. BELOW THRESHOLD PROCUREMENT

Ensuring competition

6.1 Where the full requirements of the 2023 Act do not apply, councillors and officers still have a general duty to achieve economy, efficiency and effectiveness (often referred to as value for money) when spending public funds. Auditors are required to check that these arrangements are in place.

6.2 Section 135 of the Local Government Act 1972 requires that councils have Standing Orders "for securing competition for contracts" and "regulating the manner in which tenders are invited". Using a formal tender process for every purchase would be slow and time-consuming, so the Act allows councils to exempt contracts from tendering if they are below a chosen value, or where exemption is justified by special circumstances.

6.3 The council has set the level at which it will use a formal tender process to ensure fair competition to £60,000 plus VAT, in line with the NALC model Financial Regulations.

6.4 Formal tenders are not required for items below £60,000 plus VAT and the council's Financial Regulations set out the actions required

Publication of below-threshold tender invitations

6.5 Note 538 to the 2023 Act explains that a contracting authority conducting a below-threshold procurement is not required to advertise the contract in question but may choose to do so.

- Subsection [87](1) requires that if a contracting authority intends to advertise a procurement publicly, it must first publish a "below-threshold tender notice", as defined in subsection [87](5).

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- Paragraph 23 adds that "There is no requirement to publish a below-threshold tender notice where the contracting authority invites quotes, proposals or tenders from a closed group of pre-selected suppliers, or from one or more targeted individual suppliers, provided it does not advertise the procurement in any other way".

6.6 Paragraph 15 of the government's Guidance: Below-Threshold Contracts seeks to provide contracting authorities undertaking a below-threshold procurement greater flexibility in designing and running a procurement and awarding and managing the resulting contract. This flexibility may include, for example, the ability to choose to award a contract without competition, to request quotes from targeted known suppliers only, or to restrict the award of contracts to suppliers that are UK-based or located in a specific county or borough of the UK or to suppliers who are small and medium-sized enterprises (SMEs), or voluntary, community and social enterprises (VCSEs).

Contracts above £30,000, including VAT (that are not exempt from the 2023 Act)

6.7 Referred to as "Notifiable below-threshold contracts". A council has specific notification obligations if it decides to issue an open invitation to tender above that value, and also when it awards a contract above that value to a supplier.

6.8 Section 87(1) of the 2023 Act requires that a council issuing an open invitation to tender must publish the invitation notice on Find-Tender before it appears anywhere else, if the estimated value is above £30,000, including VAT. Notification is not required if a council restricts the tender invitation to "particular or pre-selected suppliers".

6.9 The requirement to advertise does not apply if a council seeks fixed price quotes, design proposals or uses any approach other than a tender invitation.

6.10 Section 85 of the 2023 Act prevents councils from including a pre-qualification stage⁷ (such as a pre-qualification questionnaire) in a below-threshold tender process. They must not restrict any supplier from submitting a tender by assessing their legal, financial, technical or other suitability to perform the contract before the invitation is issued. That assessment should only be done once tenders are received.

Publishing the details of an awarded contract

6.11 For any notifiable contract over £30,000 including VAT, the council must publish a Contract Details Notice (Form UK7) on Find-Tender within 90 days of awarding the contract to a supplier, regardless of the process used to choose the contractor. The post-award publication requirement in Section 87(3) of the 2023 Act refers to "contracts" rather than "tenders".

6.12 The content of the notice is specified in Regulation 36 of the Procurement Regulations 2024 (Regulation 37 of the regulations for Wales), and Form UK7 is

⁷ There is an exception to this rule, and a supplier's suitability can be assessed in advance for "works" contracts that are estimated to be above the value of the goods and services threshold (currently £207,720 including VAT).

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designed to gather the required information. There is guidance in paragraphs 25 and 39-43 of the government guidance for below-threshold contracts.

7. PROCUREMENT BELOW £30,000

7.1 No part of the 2023 Act applies to any procurement where the **estimated value** is less than £30,000, including VAT, so the council must follow its adopted Financial Regulations.

7.2 Where a contract is expected to be less than £30,000 including VAT, but the value turns out to be higher when the contract is signed. There is no requirement to go back and start the procurement process again, but the council will need to publish a Contract Details Notice as described in the section above.

8. LOCAL STRATEGY

8.1 All purchasing must comply with the Council's Financial Regulations Standing Orders and tendering process and other relevant policies as adopted by the Council.

8.2 The Council recognises the benefits to the local economy of using local businesses and will seek out local contractors and suppliers wherever possible.

8.3 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.

8.4 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 retains the right to increase this requirement for specific jobs and/or contracts where the risk is perceived to be greater.

8.5 The Council recognises the importance of sustainability and will take into account the environmental, social and economic impacts of its purchasing decisions. (see section 5 – Sustainable Procurement).

8.6 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.

8.7 The Council will, wherever possible, purchase goods that meet international Fairtrade standards.

8.8 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.

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8.9 The Council needs to have access to pre-approved contractors to supply routine services or who can be called on to provide both emergency and routine services. Contractors wishing to be included on the Council's register of approved contractors will be required to complete a registration form. The register of approved contractors will be periodically reviewed. 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

8.10 In accordance with Standing Order 18 the Council is not obliged to accept the lowest of any tender, quotation or estimate, but seeks to identify the most economically advantageous tender.

9. PROCUREMENT PROCESS

9.1 The procurement process starts with an identification of needs and proceeds through the stages of evaluation, purchase and contract management.

Action	Timeframe
Agree project by Council resolution	1 week*
Develop tender documents	1 to 2 weeks
Full Council reviews tender documents and agrees by resolution and appoints a tender evaluation panel	1 week*
Publish the opportunity on the relevant platform(s)	2 days
Make the opportunity 'live' and respond to questions by potential tenderers	6 to 8 weeks
Tender evaluation	1 week
Report evaluation panel's report to Council with recommendations	1 week*

* The 1-week timescale refers to the number of days between the issuing of a summons and agenda pack and the meeting at which it is considered.

9.2 Tender documents set out the parameters of the project, including:

- a) The Invitation to Tender
- b) descriptions of the project, with instructions of how to submit the tender
- c) the expected timetable
- d) the budget
- e) notes to tenderers
- f) contract specifics
- g) planning considerations (e.g. the contractor to obtain planning permission on the Council's behalf, incurring any of the costs)

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- h) the evaluation criteria to be applied and the respective weighting
- i) Supporting documents, for example:
- j) Service specifications
- k) Location / floor / site plans
- l) Surveys (e.g. topographical, building condition, asbestos, tree)
- m) The tender submission form.

10. EVALUATION PROCESS

10.1 Once the opportunity to tender process has closed and the tenders been received, the panel is contacted and each panel member is to review the documentation, first individually, then jointly at a meeting of the panel.

10.2 Prior to the meeting of the panel, all panel members must complete a tender evaluation sheet, assigning scores to each weighted criteria, for example:

Bidder:				
Criterion	Percentage Weighting	Score Awarded	Weighted Score	Comments
<i>Examples include (but are not limited to):</i>				
<i>Price</i>	(x)%		0	
<i>Quality</i>	(x)%		0	
<i>Life expectancy</i>	(x)%		0	
<i>Timeframe</i>	(x)%		0	
<i>Compliance</i>	(x)%		0	
<i>Environmental Issues</i>	(x)%		0	
<i>Local company/organisation</i>	(x)%		0	
Totals:	100%	0	0	
Maximum = 5 x number of criteria			(x)	

10.3 Scores shall be awarded according to how well the tenderer responded to each criterion, on a 6 point scale (0 to 5), as follows:

Score awarded	Definition
0	Very poor or No response (the response provides no confidence).
1	Poor (the response inspires very little confidence)
2	Unsatisfactory (the response provides some confidence but not to an acceptable level)
3	Satisfactory (the response an acceptable level of confidence)
4	Good (the response provides a high level of confidence)
5	Excellent (the response an exceptional level of confidence)

10.4 The panel pulls together a detailed report to be presented to Full Council for consideration. Following the resolution, the Council advises the tenderers and, if necessary, re-starts the tendering process.