



## **ANNEX A – GOVERNANCE OF PROCUREMENT ACTIVITIES**

### **Constitution**

- 1.1** The Constitution sets out how the council operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent, and accountable to local people. It mandates that the council will act in accordance with the law and the Constitution and decisions made should have due regard to transparency, probity, and equity. The Head of Paid Service, Chief Finance Officer, and the Monitoring Officer have specific duties to ensure the council adheres to legal standards and manages its resources responsibly.

### **Code of Conduct (Employee)**

- 1.2** The Code of Conduct sets out the standards expected from every employee, and all are required to comply with it. The code forms part of every employee's contract of employment and requires employees to adhere to the Nolan Principles.

### **Conflict of Interest**

- 1.3** The code mandates an employee must not place themselves in a situation within which they could derive or be perceived to derive personal benefit from actions or decisions made in their official capacity as an employee. Examples include:
- Liaising with a supplier who employs a close relative.
  - Involvement with interview panel when a relationship exists with one of the applicants.
  - Involvement in a procurement where a relationship exists with one of the suppliers.
- 1.4** The code identifies the role of a manager is to understand their responsibilities under relevant financial, legal procurement, technological, human resources, and other relevant policies and procedures, maintaining the principles of accountability, continuous improvement, fairness, flexibility, and equity in the workplace, as well as setting a good example for employees through their behaviour and attitudes, especially in relation to upholding ethical principles.

### **Code of Conduct (Member)**

- 1.5** In carrying out their duties members are expected to:



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- Observe the Nolan Principles.
- Base their conduct on a consideration of public interest.
- Avoid conflict between personal interest and public interest.
- Not behave in a manner which brings their role or the council into disrepute.
- Ensure decisions are made on merit, particularly when awarding contracts.
- Disclose pecuniary interests.

### **Contract Rules**

**1.6 Compliance:** Every contract entered into by the authority shall be entered into pursuant to or in connection with the authority's functions and shall comply with the Constitution, Contract Rules, and Financial Rules. The Constitution requires that work, goods and services are obtained with probity and propriety to ensure the proper expenditure of public funds.

**1.7 Calculation of Contract Value:** The estimated value of a procurement shall be based on the total amount payable in pounds sterling, net of VAT, as estimated by the authority over the entire contract period. Contracts:

- Should be for a fixed term, where this not possible the contract value should be calculated by multiplying the monthly value by 48.
- Must not be artificially under, over-estimated, or divided into two or more separate contracts where the effect is to avoid the application of these Contract Rules or the Regulations.

### **1.8 Procurement Requirements by Value:**

1. Contracts above £10,000 and up to £25,000 or less require:
  - A minimum of three written quotes sought through the Portal.
  - The contract should be advertised on Contract Finder if estimated to be above £25,000.
  - Contracts shall be by a purchase order with the relevant standard Terms and Conditions attached in full or otherwise drawn to the attention of the supplier.
  - That if the lowest quote exceeds £25,000, the contract shall NOT be awarded unless a contract waiver is approved in accordance with rule 6.1 or approved by



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Section 151 Officer. In the absence of these, new procurement exercise required in accordance with applicable process.

2. Contracts above £25,000 to threshold require:

- Full competitive procurement undertaken through the portal using invitation to tender.
- The opportunity to be advertised on Contract Finder with access to contract documents.
- A formal written contract prepared or approved by Authority's solicitor must be used.
- All contracts with a value of £25,000 and above shall be kept by the authority's solicitor and a copy sent to the procurement advisor.

### **Financial Procedure Rules**

**1.9 Employees:** All employees and/or agents acting on behalf of the Council are responsible for:

- Complying with the Financial and Contract Rules and any other internal regulatory documents of the Council.
- Keeping accurate and comprehensive records to support transactions they undertake on the Council's behalf. These records must be in accordance with the accounting systems and policies established by the Section 151 Officer.
- Avoiding conflicts of interest and ensuring compliance with the employees' code of conduct.

**1.10 Preventing Fraud and Corruption:** The Council maintains a culture which will not tolerate fraud or corruption and has adopted a Counter Fraud and Anti-Corruption Policy to reflect this. Where abuse of position is identified, disciplinary action may be instigated and may also result in criminal proceedings. The Council's expectation of propriety and accountability is that Members and Officers at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures, and practices.

**1.11 Orders for Work, Goods and Services:** Requisitions and official orders shall:



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- In addition to any requirement under the Contract Rules, be in a form approved by the Section 151 Officer and are to be authorised only by Employees designated for that purpose.
- Clearly indicate the nature and quantity of the work or services required and any relevant contract or agreed prices.
- Conform to the guidelines contained in the Council's Contract Rules.

### **Commissioning and Procurement User Guide**

**1.12 Supplier and Contract Management:** A commissioning and procurement exercise does not conclude at contract award. It is the responsibility of the contract owner (manager) to undertake effective contract management once a contract has been awarded and through to the point at which a contract has reached its natural end. The contract owner is the individual who initiated the commissioning and procurement exercise.

**1.13 Governance:** To ensure commissioning and procurement activities are carried out in a controlled environment, the following policies and legislation must always be adhered to:

- Constitution
- Contract Procedure Rules
- Financial Procedure Rules
- Codes of Conduct

**1.14 Thresholds:** The thresholds set out in the Contract Procurement Rules at the time of the activity were:

- Above £10,000 to £25,000 – At least three written quotes shall be sought through the Portal using the Request for Quote template.
- Above £25,000 to Threshold – A full competitive procurement shall be undertaken through the Portal using an Invitation to Tender, and if over £50,000 a Procurement Board is required for all new or existing contracts.

### **Procurement Act 2023**



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- 1.15** This came into force in February 2025 and includes enhanced requirements for the Council to be transparent and open. Failure to comply with the legislation risks scrutiny from Central Governments Procurement Review Unit. Some of the key legislative requirements include a requirement to record and retain information and to record and publish contract spend for all contracts over £30,000.

### **Economic Crime and Corporate Transparency Act 2023**

- 1.16** The Economic Crime and Corporate Transparency Act (ECCTA) received Royal Assent in October 2023 and created the new Failure to Prevent Fraud offence. Guidance was published in November 2024 and officially came into force on 1 September 2025. It makes clear that under the offence, an organisation may be "criminally liable where an employee, agent, subsidiary, or other 'associated person,' commits a fraud intending to benefit the organisation and the organisation did not have reasonable fraud prevention procedures in place."
- 1.17** If liable, penalties could include unlimited fines and other severe commercial and operational consequences.