

**CORNWALL  
COUNCIL**

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# Procurement Act 2023

## Contract Procedure Rules Re-design

Cornwall Voluntary Sector Forum - 16<sup>th</sup> October 2024

 [www.cornwall.gov.uk](http://www.cornwall.gov.uk)



# Purpose and overview

Public procurement needs to achieve best value and the Procurement Act 2023 stands as pivotal legislation reshaping the procurement landscape

## **The Act offers the opportunity to re-design Council Contract Procedure Rules to:**



- Recognise the importance of the Council's supply chain in the delivery of our priorities
- Simplify the Contract Procedure Rules and associated guidance
- Ensure a transparent governance process
- Review and refine our Green Book business case approach
- Design a web based, intuitive and engaging approach to the CPRs



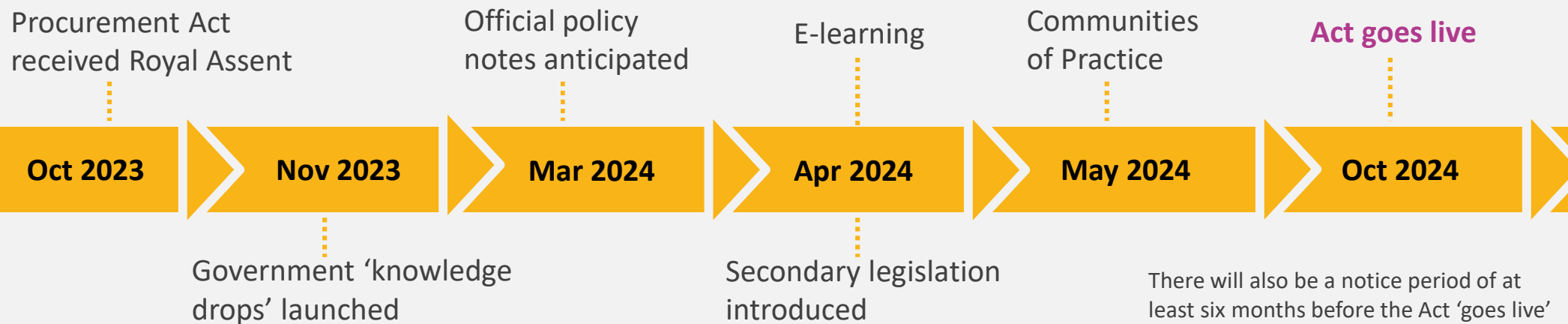
# Reasons for change

## Why The Procurement Act 2023?

- Brexit
- Simpler more flexible system
- Open up to new entrants (small business and social enterprise)
- Transparency throughout commercial lifecycle



## Anticipated timeline:



# CPRs within the Procurement Act Framework

## Flow through:

How will our Contract Procedure Rules maximise the new opportunities in the Procurement Act 2023:

- How will we be easier to do business with?
- How will we support the local economy?
- How will we treat local suppliers?
- How will we drive social value through procurement activity?



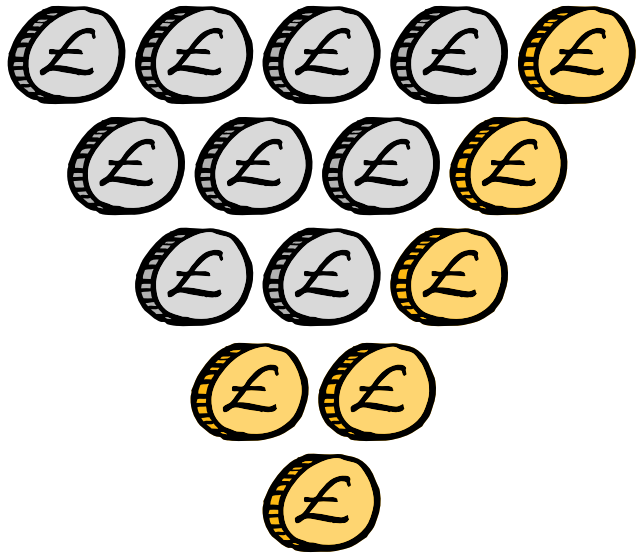
# Procurement Reform Steering Group - Scope



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# Why we need to be on the front foot with our CPRs!



## Transparency

- Under the new expanded transparency obligations, we need to be engaging with the market and publish earlier

## Planning

- We need to plan our procurements earlier and more effectively
- We need to look at the most efficient, effective and compliant routes to market

## Compliance

- If we don't comply with the rules, we will find a greater risk of challenge from external suppliers / the procurement review unit
- If we leave procurements to the last minute, we will have problems
- We need the new rules to support implementation of further savings

The existing CPRs (the “Rules”) are formal procedures and a legal structure explaining how the Council enters into and manages its contractual arrangements and forms part of the formal Council Constitution. These rules could be simplified and be more engaging.



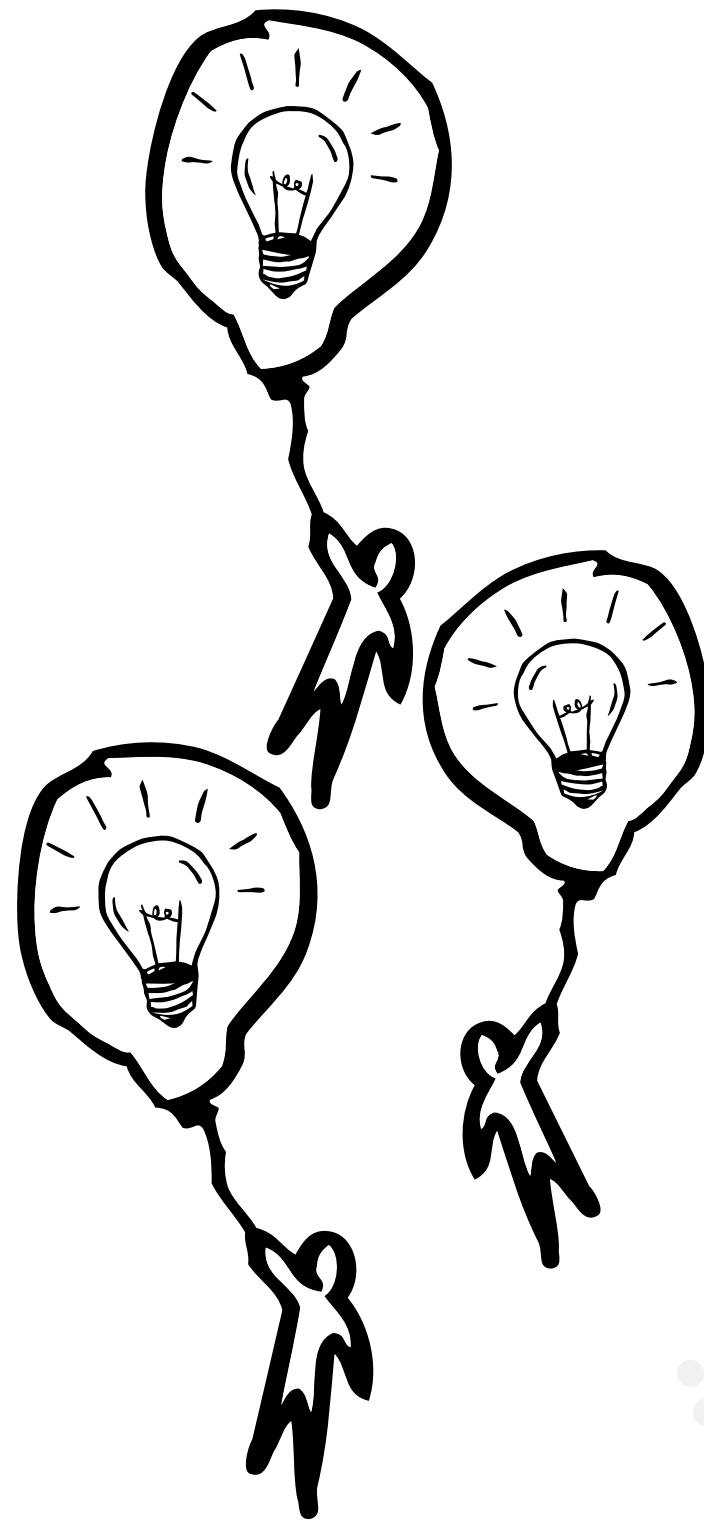
# Scope of the Re-design

As-is position



# Key aims

- ✓ **Simplified / Digitised Contract Procedure Rules**
- ✓ **Delivering Consistency, Compliance, Engagement**
- ✓ **Enhanced transparency** for thresholds, governance and assurance
- ✓ **One set of rules focussing on what to do**
- ✓ **One set of guidance focussing on how to do it**
- ✓ **We will judge ourselves on how we meet these principles**

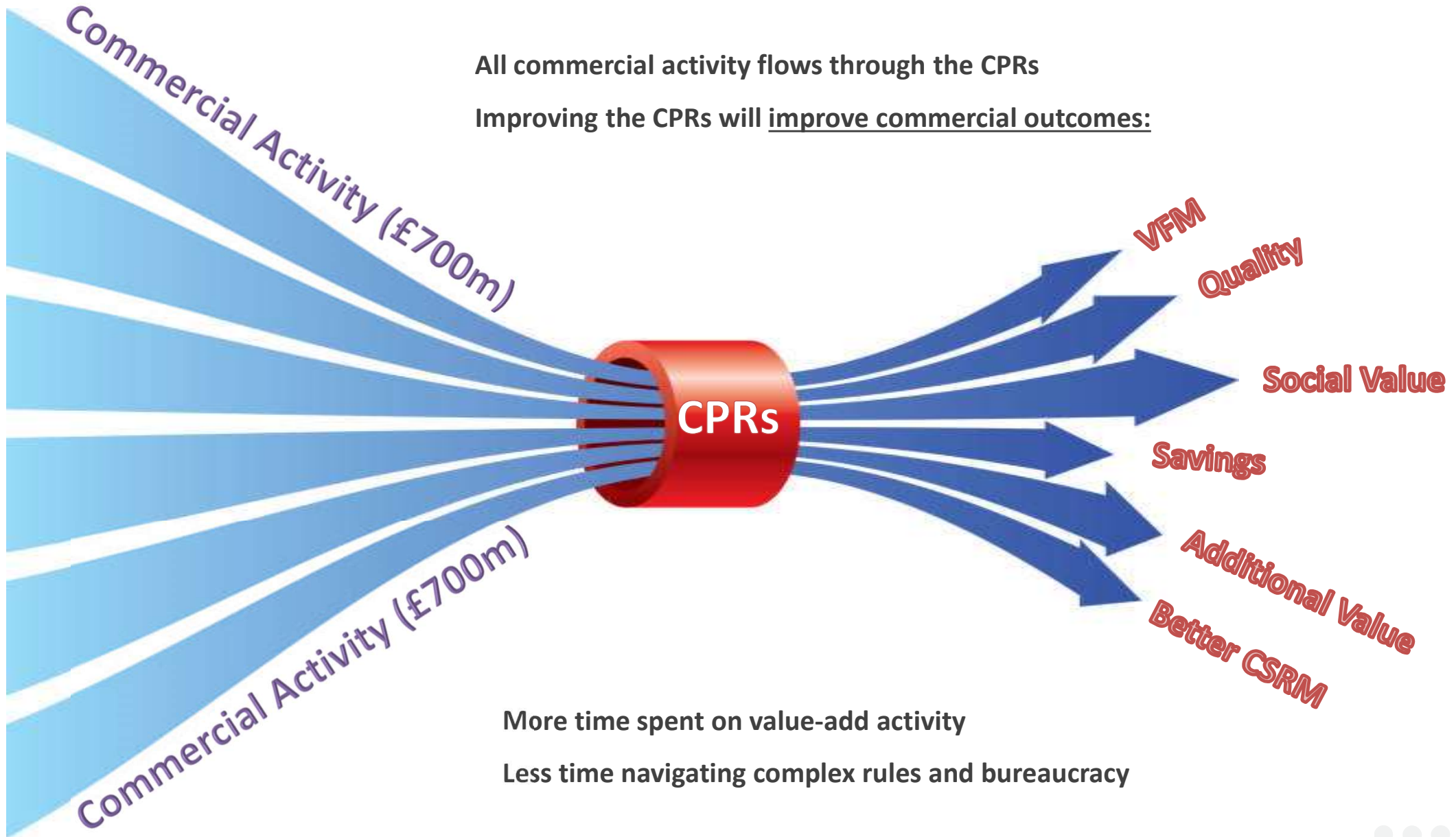




# The Compliance Safety Net

All commercial activity flows through the CPRs

Improving the CPRs will improve commercial outcomes:



# Rules that create a balance between compliance and accessibility

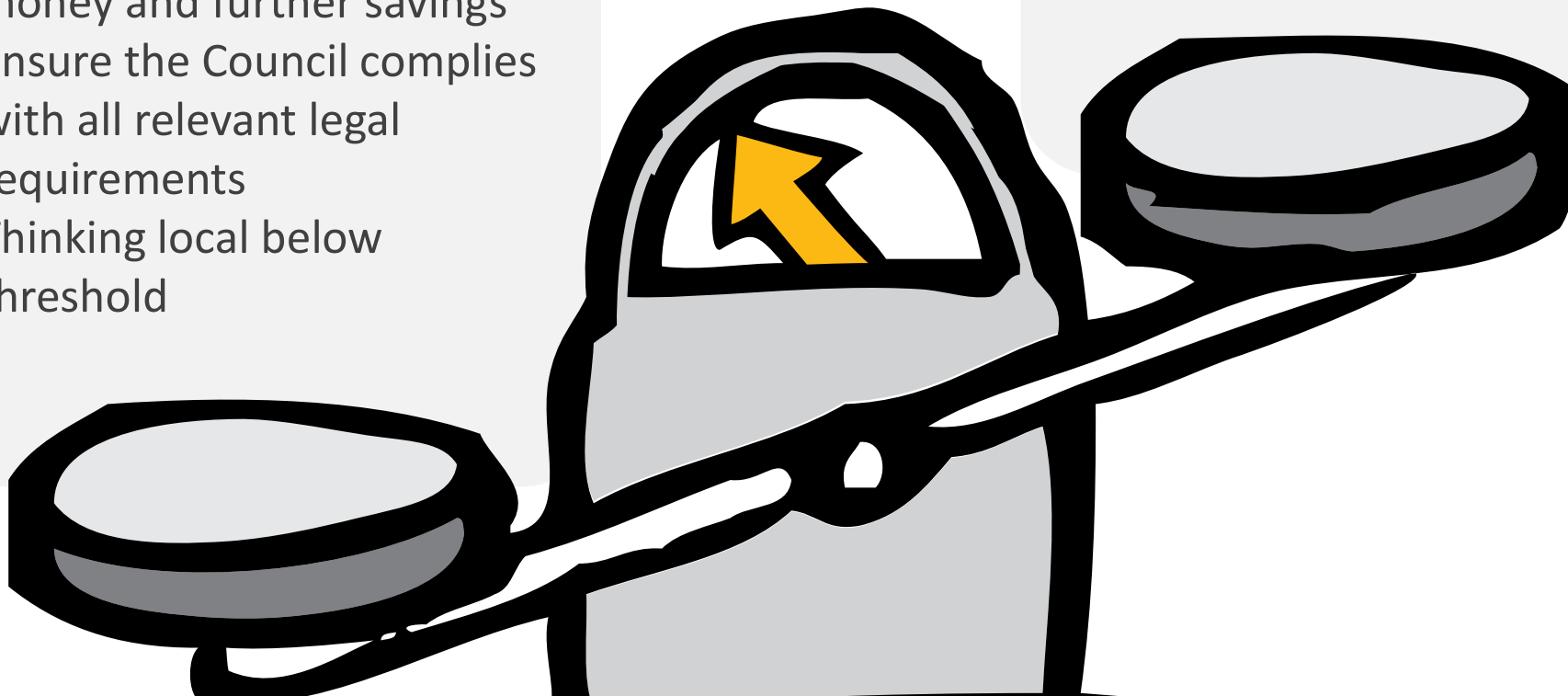
## Compliance and structure

- Protects the Council against the risk of challenge from external suppliers
- Supports colleagues to plan procurements in a timely manner
- A framework for value for money and further savings
- Ensure the Council complies with all relevant legal requirements
- Thinking local below threshold



## Accessible and engaging

- Be the go-to place for all things procurement
- An engaging set of rules that flow through the procurement process
- Rules that enable innovation
- An enabler for self-serve
- Easy to use



# Proposed changes



# Policy Recommendation (1)

## Local Supply Chain

**That Cornwall Council takes advantage of the PA23 policy initiative, allowing Contracts below Regulatory Procurement Thresholds to be reserved to suppliers that are UK based or located in a specific County**

Local government and other authorities that are subject to the Local Government Act 1988 may now reserve competitions for below-threshold contracts to suppliers that are UK-based or located in a specific county or London borough.

Under the previous regime, only central government departments (plus their executive agencies and non-departmental public bodies) were able to take advantage of this policy.

### Key points:

- Local government can boost UK or local suppliers and SME/VCSE participation in public procurement.
- "Based within" has a broad definition referring to where a supplier has established substantive business operations, not taking account of the location of the corporate ownership or control of the supplier.
- The supplier does not need to be solely based in the specified region, but it does need an established presence.
- Large businesses with local outlets will still qualify for reserved tender processes.
- This broad definition is in line with the Council's current approach (Cornwall Postcode on invoice) however, we have not had the ability to reserve competitions before.



## Expected Benefits (Local Supply Chain)

- **Increased local supply chain spend %**
- **More contracts awarded to existing local suppliers**
- **Stimulate more suppliers to set up and operate in Cornwall, bidding for Council contracts and contributing to the local economy**
- **Increased social value**

# Policy Recommendation (2)

## CPR Thresholds

**That Cornwall Council takes advantage of the PA23 opportunity to review the internal approach to Procurement and Governance Thresholds**

### Key points:

- 3 quotes requirement, supported with an evidence-based justification for selection of the three suppliers
- New thresholds are the overarching guide, but the decision on the route to market should also be risk based
- PA23 Notices publication compliance is a risk
- New self-service offer developed to support the increased thresholds



# Summary of main changes

- ✓ **Reserve contracts for local suppliers** (Revenue <£214,904 and Capital <£5,372,609)
- ✓ **Increased threshold for self-serve (Revenue <£214,904)** with lighter touch 3 quote minimum requirement
- ✓ **Interactive and engaging web-based approach** to procurement and CSRM guidance to support consistency and self-serve
- ✓ Stronger approach to Social Value (**Revenue <£214,904 and Capital <£250,000**) together with **opening of local supply chain TOMs**
- ✓ **Streamlined and transparent thresholds** (six thresholds to five) **and governance** (Revenue <£2m and Capital <£1m)
- ✓ **Green Book** Strengthened and proportionate approach to business cases



# Expected Benefits (Thresholds)

- **Channel lower value / lower risk procurements through a lighter touch process**
- **Increased and earlier engagement with the commercial process**
- **Free up resource time to focus on higher value / higher risk contracts**
- **Ensure a proportionate governance approach:**
  - **a higher volume of contracts going through ICSB**
  - **more time available at ICB for strategic contracts**
- **A focus on improving commercialism across the Council through a better self-serve offer**
- **A real focus on commercial preference for supporting local suppliers**



# Policy Recommendation (3)

## Supporting Small and Medium Enterprises (SMEs)

**That Cornwall Council takes advantage of the PA23 policy initiative to reduce barriers and increase access for SMEs and Supported Employment providers**

### Key points:

- To have specific regard to the fact that SMEs face barriers in competing for contracts and consider whether such barriers can be removed or reduced.
- To not restrict the submission of tenders using an assessment of a supplier suitability to perform the contract for <RPT contracts e.g. their legal and financial capability or their technical ability.
- To abide by 30-day payment terms
- To set out reasonable time limits for all suppliers
- To consider reserving contracts for supported employment providers, based on pre-market engagement as an evidence base to support the decision to reserve the procurement



# Expected Benefits (SMEs)

- **Enhanced access to Council contracts and business opportunities for SMEs**
- **A simpler and more transparent system that reduces costs for businesses, making it easier for SMEs to participate in Council procurements**
- **The removal of barriers through the changes to the 'Conditions of Participation' will encourage SMEs to participate**
- **Help SMEs secure a greater share of approximately of Council expenditure**
- **Increased transparency and fair competition, ensuring that all bidders, regardless of their size or financial resources, have an equal opportunity to participate and win Council contracts**
- **Sourcing more goods and services from SMEs will translate into job creation, increased tax revenue, and overall prosperity in the local community.**

# Policy Recommendation (4)

## Driving Social Value

**That Cornwall Council takes advantage of the PA23 policy initiative around reserving contracts for local suppliers and lifts the restriction on not weighting local supply chain social value returns.**

### Key points:

- Currently, the following TOMs are mandatory for purposes of information gathering only (not for evaluation). There is currently no incentive for bidders to maximise social value local supply chain returns :
  - NT1: No. of full time equivalent direct local employees (FTE) hired or retained for the duration of the contract
  - NT1c: No. of local people (FTE) on contract for one year or the whole duration of the contract, whichever is shorter, employed through the supply chain as a result of your procurement requirements
  - NT18: Total amount (£) spent in local supply chain through the contract
  - NT19: Total amount (£) spent through contract with local micro, small and medium enterprises (MSMEs)



# Expected Benefits (Social Value)

- **Significantly increased social value contributions**
- **Social value in the local supply leveraged through competition**
- **Social value in the local SME supply chain maximised**
- **Benefits for the local economy**

# Policy Recommendation (5)

## Full Adoption of the Green Book Approach

**That Cornwall Council fully adopts the government business case Green Book approach in line with the revised thresholds above, and that new templates and guidance is rolled out to support implementation**

### Key points:

- Strengthen approach to business cases
- Proportionate approach
- Improved commercial outcomes



# Policy Recommendation (6)

## Accessible Web Based Approach

**That an accessible web-based approach is developed to support implementation of the Procurement Act and the new CPRs**

### Key points:

- Simplified / Digitised Contract Procedure Rules
- Delivering Consistency, Compliance, Engagement
- Enhanced transparency for thresholds, governance and assurance
- One set of rules focussing on what to do
- One set of guidance focussing on how to do it
- Based on the London Underground Circle line and the Procurement cycle
- Each stage of the process links through to the relevant rules, procedure, guidance and template
- Use existing / centralised guidance resources, rather than creating our own



# Start your procurement journey

**Welcome to the Procurement Journey!**

## **Our vision:**

“ Providing commercial services that create and deliver value for one and all ”

The Procurement Journey provides the rules, process and guidance for council colleagues buying goods, works and services.

Please read the [disclaimer and definitions](#) before you start.

Take a look at our [Welcome Video](#) if you are new to the Procurement Journey.

Start your procurement journey



# Your Procurement Process



Each of these boxes clickable to provide further details on boards and processes



Questions?

Questions?

Questions?

[Updated Contract Procedural  
Rules 2024 - Cornwall Council  
Intranet \(cornwallonline.net\)](#)

**Thank you / Meur ras**

 [www.cornwall.gov.uk](http://www.cornwall.gov.uk)

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