

Meeting of Council

Monday 17 July 2017

Members of Cherwell District Council,

A meeting of Council will be held at Bodicote House, Bodicote, Banbury, OX15 4AA on Monday 17 July 2017 at 6.30 pm, and you are hereby summoned to attend.



Yvonne Rees
Chief Executive

Friday 7 July 2017

AGENDA

1 **Apologies for Absence**

2 **Declarations of Interest**

Members are asked to declare any interest and the nature of that interest which they may have in any of the items under consideration at this meeting.

3 **Communications** (Pages 1 - 2)

To receive communications from the Chairman and/or the Leader of the Council.

4 **Petitions and Requests to Address the Meeting**

The Chairman to report on any requests to submit petitions or to address the meeting.

5 Urgent Business

The Chairman to advise whether they have agreed to any item of urgent business being admitted to the agenda.

6 Minutes of Council (Pages 3 - 18)

To confirm as a correct record the Minutes of Council held on 16 May 2017.

7 Minutes

- a) Minutes of Executive, Lead Member Decisions and Executive Decisions not included in the 28 day notice

The Leader of the Council to formally propose that the minutes of the meetings of the Executive and Lead Member Decisions as set out in the Minute Book (circulated separately) be received and to report that 3 decisions have been taken by the Executive which were not included in the 28 day notice. These decisions related to Strategic Property Acquisition in Banbury; Stratfield Brake Sports Ground, Kidlington; and, New Homes Bonus: Construction Apprenticeships and Skills.

- b) Minutes of Committees

The Leader of the Council to formally propose that the minutes of committees as set out in the Minute Book (circulated separately) be received.

8 Questions

- a) Written Questions

To receive any written questions and answers which have been submitted with advance notice in accordance with the constitution. A written response to the question will be circulated at the meeting.

Question From: Councillor Andrew Beere

Question To: Lead Member for Planning, Councillor Colin Clarke

Topic: Planning Applications and Appeals

Question

Please could you supply the following information based on figures since 2016, when the Whole Council was elected with 3 member wards.

1. The number of household applications by ward across the District.

And for the District as a whole

2. The number of Major residential [10 plus units] and commercial / industrial / infrastructure applications

3. The number of Major and Minor applications that have been deferred once placed on the published agenda

And associated with Planning aspects

4. The cost of Legal representation, including counsel advice / representation in that period related to Appeals and Inquiries.

- b) Questions to the Leader of the Council

The Chairman to invite questions to the Leader of the Council (including any matters arising from the minutes).

Following a response to their question being provided members will be entitled to a follow up or supplementary question.

- c) Questions to Committee Chairmen on the minutes

The Chairman to invite questions to Chairmen of Committees on any matter arising from the minutes of their committee (if any).

9 **Motions**

To debate the following motion which has been submitted with advance notice, in accordance with the constitution.

Naming of Roads and Streets

To mark the centenary of the end of WW1, this council recognises those who made the ultimate sacrifice during the Great War of 1914-1918 from North Oxfordshire and wishes to honour those who gave their lives and commemorate the local families they left behind.

To this end, we as the principle planning authority, let it be known that if Towns and Villages within the Cherwell District wish to honour those who died and are recorded on the local War Memorials by naming roads and streets in new developments after the fallen from within the parish we will look favourably on the request.

Cherwell will work with those Towns and Parishes to research and where possible accommodate such a request in any new developments that the towns and villages may have within the parish boundaries in the coming years.

Proposer: Councillor Mallon

Council Business Reports

10 **Community Governance Review Update** (Pages 19 - 26)

Report of Assistant Director – Transformational Governance

Purpose of report

To consider the draft recommendations from the Community Governance Review (CGR) Working group, ahead of the second consultation phase which will start on 31 July 2017.

Recommendations

The meeting is recommended to approve the following for consultation:

- 1.1 The separation of the existing Upper Heyford Parish into two, as shown on the map at Appendix 1.
- 1.2 The parishes being named Upper Heyford and Heyford Park.
- 1.3 Upper Heyford Parish retaining six parish councillors, and Heyford Park having seven parish councillors.
- 1.4 The number of Parish Councillors for Fritwell being increased by one, from six to seven.
- 1.5 The number of Parish Councillors for Stratton Audley being increased by two, from five to seven.
- 1.6 The number of Parish Councillors for Tadmarton remaining at seven.
- 1.7 The number of Parish Councillors for Weston-on-the-Green being increased by one, from seven to eight.
- 1.8 The number of Parish Councillors for Yarnton being increased by one, from nine to 10.

11 Approval of Amendments to the Joint Contract Procedure Rules (Pages 27 - 96)

Report of Assistant Director Transformational Governance

Purpose of report

To seek approval to amendments required to be made to the Joint Contract Procedure Rules in place at Cherwell District Council and South Northamptonshire Council in order to ensure those Rules continue to reflect current law and procurement practice.

Recommendations

The meeting is recommended, subject to South Northamptonshire Council resolving in similar terms at its meeting on 19 July 2017,

- 1.1 To agree the changes made to the Joint Contract Procedure Rules at Appendix 1.

12 2016/17 Treasury Management Annual Report (Pages 97 - 108)

Report of Chief Finance Officer

Purpose of report

This report presents information on treasury management performance and compliance with treasury management policy during 2016/17 as required by the Treasury Management Code of Practice.

Recommendations

The meeting is recommended:

- 1.1 To note the contents of this report in line with the Treasury Management Strategy.

13 Overview and Scrutiny Annual Report 2016/17 (Pages 109 - 120)

Report of Assistant Director – Transformational Governance

Purpose of report

This report presents the Overview and Scrutiny Annual Report for 2016/17.

Recommendations

The meeting is recommended:

- 1.1 To note the contents of the Overview and Scrutiny Annual Report 2016/17.

14 Build! Programme - Capital Budget (Pages 121 - 124)

Report of Chief Finance Officer

Purpose of report

To approve the capital budget of £200,000 for pre-development costs for Phase 1(b) of the Build! project as recommended by Executive.

Recommendations.

The meeting is recommended:

- 1.1 That in accordance with the agreed recommendations of the Executive, the capital budget of £200,000 for pre-development costs for Phase 1(b) of the Build Programme be approved.

15 Woodpiece Road Parking Project - Capital Budget (Pages 125 - 128)

Report of Director of Operational Delivery

Purpose of report

To consider a capital budget of £40,000 for Phase 1 of the Woodpiece Road parking project as recommended by the Executive.

Recommendations

The meeting is recommended:

- 1.1 To approve the creation of a capital budget of £40,000 necessary to carry out the Phase 1 works with delegated authority given to the Chief Finance Officer to approve the final cost.

16 Exclusion of the Press and Public

The following items contain exempt information as defined in the following paragraph of Part 1, Schedule 12A of Local Government Act 1972.

3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Members are reminded that whilst the following item has been marked as exempt, it is for the meeting to decide whether or not to consider it in private or in public. In making the decision, members should balance the interests of individuals or the Council itself in having access to the information. In considering their discretion members should also be mindful of the advice of Council Officers.

Should Members decide not to make decisions in public, they are recommended to pass the following recommendation:

“That under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business on the ground that, if the public and press were present, it would be likely that exempt information falling under the provisions of Schedule 12A, Part 1, Paragraph 3 would be disclosed to them, and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.”

17 Questions on Exempt Minutes

Members of Council will ask questions on exempt minutes, if any.

18 Build! Programme - Capital Budget - Exempt Appendix (Pages 129 - 158)

19 Woodpiece Road Parking Project - Capital Budget - Exempt Appendix (Pages 159 - 210)

20 Strategic Property Acquisition Update (Pages 211 - 220)

Exempt report of Chief Finance Officer

Councillors are requested to collect any post from their pigeon hole in the Members Room at the end of the meeting.

Information about this Agenda

Apologies for Absence

Apologies for absence should be notified to democracy@cherwellandsouthnorthants.gov.uk or 01295 221589 prior to the start of the meeting.

Declarations of Interest

Members are asked to declare interests at item 2 on the agenda or if arriving after the start of the meeting, at the start of the relevant agenda item.

Local Government and Finance Act 1992 – Budget Setting, Contracts & Supplementary Estimates

Members are reminded that any member who is two months in arrears with Council Tax must declare the fact and may speak but not vote on any decision which involves budget setting, extending or agreeing contracts or incurring expenditure not provided for in the agreed budget for a given year and could affect calculations on the level of Council Tax.

Evacuation Procedure

When the continuous alarm sounds you must evacuate the building by the nearest available fire exit. Members and visitors should proceed to the car park as directed by Democratic Services staff and await further instructions.

Access to Meetings

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named below, giving as much notice as possible before the meeting.

Mobile Phones

Please ensure that any device is switched to silent operation or switched off.

Queries Regarding this Agenda

Please contact Natasha Clark, Democratic and Elections
natasha.clark@cherwellandsouthnorthants.gov.uk, 01295 221589

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EVENTS ATTENDED BY THE CHAIRMAN AND VICE CHAIRMAN

From 16 May 2017 – 17 July 2017

Saturday 20 May

The Chairman and his consort attended the Oxfordshire (The Rifles) Army Cadet Force Battalion Reception and Sounding Retreat at Botheridge House, St. George's Barracks, Upper Arccott at the invitation of The Commandant.

Thursday 1 June

The Chairman attended one of the LGA Royal Garden Parties at Buckingham Palace.

Wednesday 21 June

The Chairman chaired the Parish Liaison Meeting at Bodicote House where many of the parishes in the district were represented.

Thursday 27 June

The Chairman and his consort attended 'An Evening at Dorchester Abbey' with other Mayors and Chairmen from the district which was held to celebrate the start of the new Local Government Year in Oxfordshire. This was hosted by the Lord Lieutenant of Oxfordshire and the Bishop of Dorchester.

Friday 30 June

The Chairman and his consort attended the Independence Day Celebrations at RAF Croughton at the invitation of the Commander of the 422d Air Base Group. In addition to the usual entertainment the local branch of the Historic Military Vehicle Trust showcased World War II vehicles.

Saturday 1 July

The Chairman and his consort attended Armed Forces Day in Banbury Town Centre at the invitation of the Mayor and Banbury Town Council. The event included military demonstrations, static displays, marching bands and military vehicles.

Sunday 2 July

The Chairman attended the Bicester Civic Service and Parade. The service was held at St. Edberg's Church.

Friday 7 July

The Chairman and his consort attended the Oxfordshire County Youth Orchestra Gala Concert at Dorchester Abbey. This was at the invitation of the Chairman of Oxfordshire County Council.

Saturday 15 July

The Chairman and Vice Chairman attended the Royal International Air Tattoo at RAF Fairford at the invitation of Col Douglas Mellars, 422 Air Base Group Air Base Group Commander, and Mr Frank Dailey, RAF Fairford Site Director. RAF Fairford is part of the US Air Force 422 Air Base Group which is headquartered at RAF Croughton

Saturday 15 July

The Vice Chairman and her husband attended the unveiling of a Blue Plaque commemorating Sir Terry Frost RA, an Abstract Artist, at 2 Old Parr Road, Banbury now the home of Councillor & Mrs Alastair Milne Home.

Correct at time of printing (7 July 2017)

Cherwell District Council

Council

Minutes of a meeting of the Council held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 16 May 2017 at 6.30 pm

Present: Councillor Maurice Billington (Chairman)
Councillor Jolanta Lis (Vice-Chairman)

Councillor Ken Atack
Councillor Hannah Banfield
Councillor Andrew Beere
Councillor Claire Bell
Councillor Mike Bishop
Councillor Hugo Brown
Councillor Mark Cherry
Councillor Colin Clarke
Councillor Ian Corkin
Councillor Surinder Dhesi
Councillor John Donaldson
Councillor Sean Gaul
Councillor Chris Heath
Councillor Simon Holland
Councillor David Hughes
Councillor Shaida Hussain
Councillor Tony Ilott
Councillor Mike Kerford-Byrnes
Councillor Alan MacKenzie-Wintle
Councillor James Macnamara
Councillor Kieron Mallon
Councillor Nicholas Mawer
Councillor Andrew McHugh
Councillor Alastair Milne-Home
Councillor Nigel Morris
Councillor Richard Mould
Councillor D M Pickford
Councillor Lynn Pratt
Councillor Neil Prestidge
Councillor G A Reynolds
Councillor Sandra Rhodes
Councillor Barry Richards
Councillor Dan Sames
Councillor Les Sibley
Councillor Nigel Simpson
Councillor Jason Slaymaker
Councillor Nicholas Turner
Councillor Tom Wallis
Councillor Douglas Webb
Councillor Bryn Williams
Councillor Barry Wood
Councillor Sean Woodcock

Apologies for absence: Councillor David Anderson
Councillor Nick Cotter
Councillor Carmen Griffiths
Councillor Timothy Hallchurch MBE

Officers: Ian Davies, Director of Operational Delivery / Head of Paid Service
Scott Barnes, Director of Strategy and Commissioning
Karen Curtin, Commercial Director
Paul Sutton, Chief Finance Officer / Section 151 Officer
Kevin Lane, Head of Law and Governance / Monitoring Officer
Natasha Clark, Interim Democratic and Elections Manager

1 **Welcome**

The Chairman welcomed all Members and guests, including all former councillors and past Chairmen and Honorary Alderman Fred Blackwell.

2 **Declarations of Interest**

There were no declarations of interest.

3 **Communications**

The Chairman made the following announcements:

Annual Council

The Chairman reminded Members that by convention the minutes of Committees, questions, petitions and motions were not taken at Annual Council and these, if any, would be considered at the next meeting.

The Group nominations to committees for the coming year had been tabled.

Chairman's Engagements

The Chairman advised that a copy of the events attended by herself or the Vice-Chairman had been included in the agenda pack.

Post

The Chairman reminded Members to collect their post from their pigeon hole.

4 **Urgent Business**

There were no items of urgent business.

5 **Minutes of Council**

The minutes of the meeting of Council held on 20 February 2017 and the special meeting of Council held on 22 March 2017 were agreed as correct records and signed by the Chairman.

6 **Election of Chairman for the Municipal Year 2017/2018**

(The outgoing Chairman, Councillor Chris Heath, presided for the consideration of this matter and those preceding)

It was moved by Councillor Wood and seconded by Councillor Reynolds, that Councillor Maurice Billington be elected as Chairman for the municipal year 2017/2018. There were no other nominations.

Resolved

That Councillor Maurice Billington be appointed Chairman of Cherwell District Council for the Municipal Year 2017/2018.

7 **Investiture of Chairman**

Councillor Maurice Billington, having made and signed the required Declaration of Acceptance of Office was invested with the Chairman's Chain and took the Chair.

8 **Chairman's Address**

Councillor Maurice Billington thanked members for his appointment and addressed Council.

The Chairman reported that he would be supporting four Kidlington based charities during his term of office: Senile Dementia, The Neighbourhood Scheme and Information Centre, Girl Guides, and Young Adults with Depression.

The Chairman advised Council his consorts for the year would be his sister Marie Silman and former Chairman, Councillor Chris Heath.

9 **Vote of Thanks to the Immediate Past Chairman**

The Chairman of the Council presented Councillor Chris Heath with a gift and her past Chairman's badge as a token of her term of office.

Members paid tribute to Councillor Heath and thanked her for the dedication she had shown representing the Council, the services she had rendered to the District and the gracious way she had presided over the deliberations of Council during her year of office.

10 **Past Chairman's Response**

Councillor Chris Heath addressed Council to report on her term of office.

Councillor Heath reported that she had attended numerous and varied functions during her term of office and hosted events to raise money for her chosen charity, Second Time Around, a Banbury charity that enables adults with physical and learning difficulties to gain hands on skills and improve their confidence.

Councillor Heath presented a cheque for £2600 to representatives from Second Time Around.

Councillor Heath paid particular thanks to her consorts for the year and Liz Matthews, the Chairman's PA and presented them with a token of her appreciation.

11 **Election of Vice-Chairman for the Municipal Year 2017/2018**

It was moved by Councillor Wood and seconded by Councillor Reynolds, that Councillor Jolanta Lis be elected as Vice-Chairman for the Municipal Year 2017/2018. There were no other nominations.

Resolved

- (1) That Councillor Jolanta Lis be elected Vice-Chairman of the Council for the municipal year 2017/2018.

12 **Investiture of Vice-Chairman**

Councillor Jolanta Lis, having made and signed the required Declaration of Acceptance of Office was invested with the Vice-Chairman's Chain.

13 **Annual Council Business Report**

The Interim Chief Executive / Head of Paid Service submitted a report for Council to note the constitution of Political Groups, note the appointment of the Deputy Leader and Executive for the Municipal Year 2017/18, consider and agree the suggested constitution of Committees for the Municipal year 2017/2018 and consider an amendment to the Constitution whereby training would be mandatory for members of the Accounts, Audit and Risk Committee.

In advising Council of Executive appointments for 2017/18, the Leader of the Council, Councillor Barry Wood, explained that Councillor Atack was standing down as an Executive member and thanked him for his hard work as the finance Lead Member.

Resolved

- (1) That the constitution of Political Groups (38 Conservatives, 8 Labour and 2 Independents) and notification of Group Leaders: Councillor Barry Wood, Leader of the Conservative Group and Leader of the Council, Councillor Sean Woodcock, Leader of the Labour Group and Leader of the Opposition and Councillor Les Sibley, Leader of the Independent Group, be noted.
- (2) That the appointment of the Deputy Leader of the Council, the membership of the Executive and the Executive Portfolios for 2017/18 be noted:

Lead Member Portfolio	Councillor
Leader of the Council	Councillor Barry Wood
Deputy Leader of the Council	Councillor George Reynolds
Lead Member for Financial Management	Councillor Tony Ilott
Lead Member for Public Protection and Community Services	Councillor Kieron Mallon
Lead Member for Change Management, Joint Working and IT	Councillor Mike Kerford-Byrnes
Lead Member for Clean and Green	Councillor Debbie Pickford
Lead Member for Estates and the Economy	Councillor Lynn Pratt
Lead Member for Performance Management	Councillor Richard Mould
Lead Member for Housing	Councillor John Donaldson
Lead Member for Planning	Councillor Colin Clarke

- (3) That the allocation of seats on committees that were subject to the political balance requirements be agreed:

	TOTAL	CON	LAB	IND
Accounts, Audit & Risk Committee	8	6	2	0
Appeals Panel	10	8	1 (-1)	1 (+1)

Budget Planning Committee	12	10	2	0
Joint Appeals Panel	3	2	1	0
Joint Commissioning Committee	6	5	1	0
Joint Scrutiny Committee	5	4	1	0
Licensing Committee	12	9 (-1)	2	1 (+1)
Overview & Scrutiny	12	10	2	0
Personnel Committee	12	10	2	0
Planning Committee	18	14	3	1
Standards Committee	8	7	1 (-1)	1 (+1)
Proportional Total by Committee	106	85	20	1
Aggregate Entitlement	106	84	18	4
Adjustment Required	N/A	-1	- 2	+3

- (4) That the allocation of seats on committees not subject to political balance requirements be agreed:

	TOTAL	CON	LAB	IND
Joint Councils Employee Engagement Committee	3	2	1	0

- (5) That members (and where appropriate, substitute members) be appointed to serve on each of the committees and other bodies as set out below in accordance with the nominations made by political groups:

Proportional Committees 2017/18

Accounts, Audit and Risk Committee

Membership (8 members with unnamed substitutes)

Conservative (6)

Labour (2)

Ind (0)

Cllr Hugo Brown – V-CH

Cllr Barry Richards

Cllr Ian Corkin - CH

Cllr Sean Woodcock

Cllr Sean Gaul

Cllr Mike Kerford-Byrnes

Cllr Nick Mawer

Cllr Tom Wallis

Appeals Panel

Membership (10 members with no substitutes)

Conservative (8)

Labour (1)

Ind (1)

Cllr Colin Clarke

Cllr Andy Beere

Cllr Nick Cotter

Cllr Carmen Griffiths

Cllr Simon Holland

Cllr Tony Ilott

Cllr James Macnamara

Cllr Richard Mould

Cllr Douglas Webb

Cllr Brynn Williams

Budget Planning Committee

Membership (12 members with unnamed substitutes)

Conservative (10)

Labour (2)

Ind (0)

Cllr David Anderson

Cllr Barry Richards

Cllr Hugo Brown

Cllr Sean Woodcock

Cllr Ian Corkin

Cllr Carmen Griffiths

Cllr David Hughes

Cllr Alan MacKenzie-
Wintle

Cllr Nicholas Mawer –
CH

Cllr Andrew McHugh

Cllr Tom Wallis

Cllr Douglas Webb – V-
CH

Joint Appeals Panel

Membership (3 seats, 2 named substitutes)

Conservative (2)	Labour (1)	Ind (0)
Cllr Mike Bishop	Cllr Andy Beere	
Cllr James Macnamara		

Substitutes

Conservative (1)	Labour (1)	Ind (0)
Cllr Colin Clarke	Cllr Surinder Dhesi	

Joint Commissioning Committee

Membership (6 members, unnamed substitutes)

Conservative (5)	Labour (1)	Ind (0)
Cllr Mike Kerford-Byrnes	Cllr Barry Richards	
Cllr Debbie Pickford		
Cllr Dan Sames		
Cllr Nicholas Turner		
Cllr Barry Wood		

Joint Scrutiny Committee

Membership (5 members, unnamed substitutes)

Conservative (4)	Labour (1)	Ind (0)
Cllr Simon Holland	Cllr Sean Woodcock	
Cllr Nicholas Mawer		
Cllr Neil Prestidge		
Cllr Jason Slaymaker		

Licensing Committee

Membership (12 seats and 5 substitutes based on proportional representation with each represented party having at least 1 substitute)

Conservative (9)

Cllr Colin Clarke
Cllr Tony Ilott
Cllr Alistair Milne Home
Cllr Debbie Pickford
Cllr George Reynolds
Cllr Nigel Simpson
Cllr Jason Slaymaker
Cllr Douglas Webb – CH
Cllr Bryn Williams –
V-CH

Labour (2)

Cllr Hannah Banfield
Cllr Surinder Dhese

Ind (1)

Cllr Nick Cotter

Substitutes

Conservative (3)

Cllr David Hughes
Cllr Richard Mould
Cllr Barry Wood

Labour (1)

Cllr Shaida Hussain

Ind (1)

Cllr Les Sibley

Overview and Scrutiny Committee

Membership (12 members with unnamed substitutes)

Conservative (10)

Cllr David Anderson
Cllr Mike Bishop
Cllr Sean Gaul
Cllr Tim Hallchurch
Cllr Chris Heath
Cllr David Hughes
Cllr Jolanta Lis – V-CH
Cllr Andrew McHugh
Cllr Neil Prestidge - CH
Cllr Jason Slaymaker

Labour (2)

Cllr Claire Bell
Cllr Mark Cherry

Ind (0)

Personnel Committee

Membership (12 members, unnamed substitutes who shall not be members of the Appeals Panel)

Conservative (10)

Labour (2)

Ind (0)

Cllr Ken Atack

Cllr Shaida Hussain

Cllr Maurice Billington - CH

Cllr Sean Woodcock

Cllr Jolanta Lis

Cllr George Reynolds

Cllr Dan Sames

Cllr Nigel Simpson

Cllr Jason Slaymaker

Cllr Nick Turner

Cllr Bryn Williams

Cllr Barry Wood – V-CH

Planning Committee

Membership (18 members, 12 named substitutes)

Conservative (14)

Labour (3)

Ind (1)

Cllr Colin Clarke

Cllr Andy Beere

Cllr Les Sibley

Cllr Ian Corkin

Cllr Surinder Dhese

Cllr Chris Heath

Cllr Barry Richards

Cllr David Hughes - CH

Cllr Simon Holland

Cllr Mike Kerford-Byrnes

Cllr Alan MacKenzie-Wintle

Cllr James Macnamara
– V-CH

Cllr Alastair Milne-Home

Cllr Richard Mould

Cllr Debbie Pickford

Cllr Lynn Pratt

Cllr George Reynolds

Cllr Nigel Simpson

Substitutes

Conservative (9)

Labour (2)

Ind (1)

Cllr Ken Atack

Cllr Hannah Banfield

Cllr Nick Cotter

Cllr Maurice Billington

Cllr Sean Woodcock

Cllr Hugo Brown

Cllr John Donaldson
Cllr Tim Hallchurch
Cllr Jolanta Lis
Cllr Nick Turner
Cllr Bryn Williams
Cllr Barry Wood

Standards Committee

Membership (8 members, 8 substitute members)

Conservative (6)	Labour (1)	Ind (1)
Cllr Colin Clarke	Cllr Andy Beere	Cllr Les Sibley
Cllr Tim Hallchurch – CH		
Cllr Simon Holland		
Cllr James Macnamara – V-CH		
Cllr Nigel Morris		
Cllr Bryn Williams		

Substitutes

Conservative (6)	Labour (1)	Ind (1)
Cllr Ian Corkin	Cllr Mark Cherry	Cllr Nick Cotter
Cllr Carmen Griffiths		
Cllr Neil Prestidge		
Cllr Jason Slaymaker		
Cllr George Reynolds		
Cllr Barry Wood		

Non-Proportional Committees

Joint Councils Employee Engagement Committee

Membership (3 seats, unnamed substitutes)

Conservative (2)	Labour (1)	Ind (0)
Cllr Nicholas Turner	Cllr Shaida Hussain	
Cllr Barry Wood		

- (6) That Councillor Andrew McHugh be appointed as Cherwell District Council's representative to the Oxfordshire County Council Health Overview and Scrutiny Committee.
- (7) That Councillor Tony Ilott be appointed Cherwell District Council's representative to the Police and Crime Commissioner Scrutiny Panel.
- (8) That it be agreed that the Constitution be amended so that it is mandatory for members of the Accounts, Audit and Risk Committee to have received training before they can sit on the Committee.
- (9) That authority be delegated to the Head of Law and Governance to update the Constitution to reflect resolution (8).

14 **Appointment of Monitoring Officer**

The Interim Head of Paid Service submitted a report to appoint a monitoring officer in place of Kevin Lane, Head of Law and Governance, who leaves his employment with Cherwell District Council and South Northamptonshire Council on 30 June 2017.

Resolved

- (1) That, pursuant to section 5 of the Local Government and Housing Act 1989, James Doble be appointed as the Council's monitoring officer with effect from 1 July 2017.

15 **Community Governance Review Update**

The Interim Chief Executive submitted a report to provide an update on the Community Governance Review (CGR), including the results of the first consultation with Upper Heyford, and to ask Council to approve amendments to the timetable.

Resolved

- (1) That the update be noted.
- (2) That a change in the timetable regarding the second consultation stage of the review be approved.

16 **High Speed Rail - HS2 Determination of Schedule 17 Applications for Approval of Details**

The Head of Development Management submitted a report to seek the agreement of the Council to the proposed revision to the Scheme of Delegation to the Head of Development Management to ensure the expedient determination of applications submitted pursuant to Schedule 17 of the High Speed Rail (London to West Midlands) Act 2017.

Resolved

- (1) That the Scheme of Delegation to the Head of Development Management, as set out in the Council's Constitution, be amended to insert the following application type within the list of delegated application types set out in part A of the Scheme.

"Applications pursuant to Schedule 17 of the High Speed Rail (London - West Midlands) Act 2017".

17 **Exclusion of the Press and Public**

Resolved

That under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the ground that, if the public and press were present, it would be likely that exempt information falling under the provisions of Schedule 12A, Part 1, Paragraph 3 would be disclosed to them, and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

18 **Award of Contract for the Construction of the Eco Business Centre at NW Bicester**

The Commercial Director submitted an exempt report relating to the award of contract for the construction of the Eco Business Centre at NW Bicester.

Resolved

- (1) As set out in the exempt minutes.
- (2) As set out in the exempt minutes.

The meeting ended at 7.25pm

Chairman:

Date:

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Cherwell District Council

Council

17 July 2017

Community Governance Review Update

Report of Assistant Director – Transformational Governance

This report is public

Purpose of report

To consider the draft recommendations from the Community Governance Review (CGR) Working group, ahead of the second consultation phase which will start on 31 July 2017.

1.0 Recommendations

The meeting is recommended to approve the following for consultation:

- 1.1 The separation of the existing Upper Heyford Parish into two, as shown on the map at Appendix 1.
- 1.2 The parishes being named Upper Heyford and Heyford Park.
- 1.3 Upper Heyford Parish retaining six parish councillors, and Heyford Park having seven parish councillors.
- 1.4 The number of Parish Councillors for Fritwell being increased by one, from six to seven.
- 1.5 The number of Parish Councillors for Stratton Audley being increased by two, from five to seven.
- 1.6 The number of Parish Councillors for Tadmarton remaining at seven.
- 1.7 The number of Parish Councillors for Weston-on-the-Green being increased by one, from seven to eight.
- 1.8 The number of Parish Councillors for Yarnton being increased by one, from nine to 10.

2.0 Introduction

- 2.1 In December 2016, Council approved a timetable for a limited scope Community Governance Review (CGR) to be carried out, focussing on a possible split of Upper Heyford Parish and requests from five parish councils for a review of their number of Parish Councillors.

3.0 Report Details

- 3.1 A consultation document was produced regarding the request to split Upper Heyford, and delivered to every address in the existing parish (approximately 1000 households). The consultation ran from 16 January to 17 March 2017, and residents were able to respond on paper or online.
- 3.2 The results of the consultation were reported to Council at the annual meeting on [16 May 2017](#)
- 3.3 The CGR working group have now met and considered the consultation responses, which have informed the recommendations to Council.
- 3.4 The recommendations, if approved, will form the basis of the second consultation stage, which is scheduled to start at the end of July. For Upper Heyford a specific document will again be produced and delivered to each household in the existing parish, asking residents to respond to the recommendations.

Upper Heyford

- 3.5 Regarding Upper Heyford, the responses received during the first consultation indicated clear support for the separation of the parish.
- 3.6 The working group therefore recommend that that the separation of the parish go ahead, on the following basis:

The existing parish of Upper Heyford being split into two parishes
The 'village' parish retaining the name Upper Heyford, with six Parish Councillors
The 'park' parish being named Heyford Park, and a parish council being established with seven Parish Councillors

- 3.7 With regards to boundaries, it is necessary for the Council to consider a new boundary for the proposed Heyford Park parish, as the existing boundary through the middle of the airbase is no longer suitable.
- 3.8 CGR guidance from the Department for Communities and Local Government states that "as far as boundaries between parishes are concerned, these should reflect the 'no-man's land' between communities represented by areas of low population or barriers such as rivers, roads or railways. They need to be, and be likely to remain, easily identifiable"
- 3.9 Having considered the guidance, the working group feel that the logical position for the boundary of the new Heyford Park parish is the outer perimeter of the airfield, as indicated on the map attached at Appendix 1.

- 3.10 The western edge of the airfield still has the security fencing in place, providing a clear visual reference as to the position of the boundary. The northern edge of the airfield carries a well-established tree line, that is clearly visible from the Somerton Road, providing a further strong visible boundary.
- 3.11 With regards to the position of the boundary between the village and park parishes, it is proposed to follow the route of the historic 'Portway' public footpath, which runs alongside the airfield. Whilst it is currently overgrown, it offers a clear route between the parishes, with the airfield fence on one side and field boundary on the other.
- 3.12 The working group have considered the concerns raised by the Parish Council and residents of Somerton who responded to the first consultation stage, due to being immediate neighbours of the parish.
- 3.13 The concerns from Somerton regard the implication of the boundary being moved to the outer edge of the airfield. The feeling is that this change would reduce the buffer area between Heyford Park and Somerton parish, and give the Dorchester group too much control of the Heyford Park parish area.
- 3.14 The working group feel that as the airfield is already in the complete ownership of the Dorchester Group, a change in the position of the parish boundary will not make any difference to the future plans of the group.
- 3.15 Part 1 of the [Cherwell Local Plan 2011-2031](#) (paras C.284 – C.293) specifically discusses Upper Heyford and the former airbase. Page 258 of the document states that "In order to avoid development on the most historically significant and sensitive parts of the site, new development is to be focused to the south of the flying field and on limited greenfield land to the south of Camp Road (and one greenfield area to the north of Camp Road, east of Larsen Road)"
- 3.16 This, along with various legal agreements that are in place to prevent access to the site from anywhere other than the existing Camp Road entrances, mean that the working group are content that changing the boundary will not adversely impact on either Somerton or Ardley.

Review of Parish Councillor numbers – Fritwell Parish

- 3.17 Fritwell Parish Council contacted officers and requested that consideration be given to increasing the number of councillors for the parish from six to seven.
- 3.18 The justification for the request is the increase in electorate during the 1990s, when significant development took place within the parish.
- 3.19 The last parish election for Fritwell was held in 2015, and there were seven candidates for the six seats.
- 3.20 The electorate for Fritwell on 1 December 2016 (annual publication of the new Electoral Register) was 548. Guidance from the National Association of Local Councils (NALC) recommends a parish council of seven where the electorate is up to 900.
- 3.21 On this basis, the working group recommend that the increase of one be approved for consultation.

Review of Parish Councillor numbers – Stratton Audley

- 3.22 Stratton Audley Parish Council contacted officers and requested that consideration be given to increasing the number of councillors for the parish from five to seven.
- 3.23 The justification for the request is the increasing amount of work that the parish undertake, and a larger council would also provide resilience in the event of holidays or sickness.
- 3.24 The last parish election for Stratton Audley was held in 2014, and there were five candidates for the five seats.
- 3.25 The electorate for Stratton Audley on 1 December 2016 was 349. Guidance from NALC recommends a parish council of seven where the electorate is up to 900.
- 3.26 On this basis, the working group recommend that the increase of two be approved for consultation.

Review of Parish Councillor numbers – Tadmarton

- 3.27 Tadmarton Parish Council contacted officers and requested that consideration be given to reducing the number of councillors for the parish from seven to six.
- 3.28 No justification has been provided for the request.
- 3.29 The last parish election for Tadmarton was held in 2014, and there were six candidates for the seven seats.
- 3.30 The electorate for Tadmarton on 1 December 2016 was 484. Guidance from NALC recommends a parish council of seven where the electorate is up to 900.
- 3.31 The working group feel that reducing the number of councillors could potentially cause issues with the quorum, in the event of holiday or sickness absence.
- 3.32 They would therefore recommend that the number of parish councillors for Tadmarton remain seven.

Review of Parish Councillor numbers – Weston-on-the-Green

- 3.33 Weston-on-the-Green Parish Council contacted officers and requested that consideration be given to increasing the number of councillors for the parish from seven to eight or nine.
- 3.34 The justification for the request is the Neighbourhood Plan neighing completion, and the additional work that would be required to implement it as and when it was approved.
- 3.35 The last parish election for Weston-on-the-Green was held in 2014, and there were six candidates for the seven seats.
- 3.36 The electorate for Weston-on-the-Green on 1 December 2016 was 446. Guidance from NALC recommends a parish council of seven where the electorate is up to 900.

3.37 On this basis, the working group recommend that an increase of one be approved for consultation.

Review of Parish Councillor numbers – Yarnton

3.38 Yarnton Parish Council contacted officers and requested that consideration be given to increasing the number of councillors for the parish from nine to 10.

3.39 The justification for the request is the considerable increase in dwellings in Yarnton over the last 30 years, with no subsequent increase to the size of the parish council.

3.40 The last parish election for Yarnton was held in 2015, and there were seven candidates for the nine seats.

3.41 The electorate for Yarnton on 1 December 2016 was 2491. Guidance from NALC recommends a parish council of 10 where the electorate is between 2,001 and 2,700.

3.42 On this basis, the working group recommend that an increase of one be approved for consultation.

4.0 Conclusion and Reasons for Recommendations

4.1 Cherwell District Council committed to undertake a further CGR relating to Upper Heyford at the conclusion of the previous review in 2013. The draft recommendations are considered to be in the best interests of all parishes concerned.

5.0 Consultation

CGR Working Group – Councillors Andrew Beere, Hugo Brown, Nick Cotter, Kieron Mallon, Les Sibley and Sean Woodcock.

6.0 Alternative Options and Reasons for Rejection

6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: Not to approve the draft recommendations. This is rejected, as recommendations have been drafted based on requests and responses received from relevant parishes.

7.0 Implications

Financial and Resource Implications

7.1 There are no financial implications arising directly from this report.

Comments checked by: Paul Sutton, Chief Finance Officer, 03000 030106,
paul.sutton@cherwellandsouthnorthants.gov.uk

Legal Implications

- 7.2 The Council is empowered to undertake a Community Governance Review by the Local Government and Public Involvement in Health Act 2007. In undertaking the review it must take steps to ensure that the outcome of the review reflects the identities and interests of the area being reviewed and the need to ensure effective and convenient community governance. Statutory guidance on the process can be found at <https://www.gov.uk/government/publications/community-governance-reviews-guidance>

Comments checked by: Richard Hawtin, Team Leader - Non-contentious, telephone 01295 221695, email richard.hawtin@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

N/A

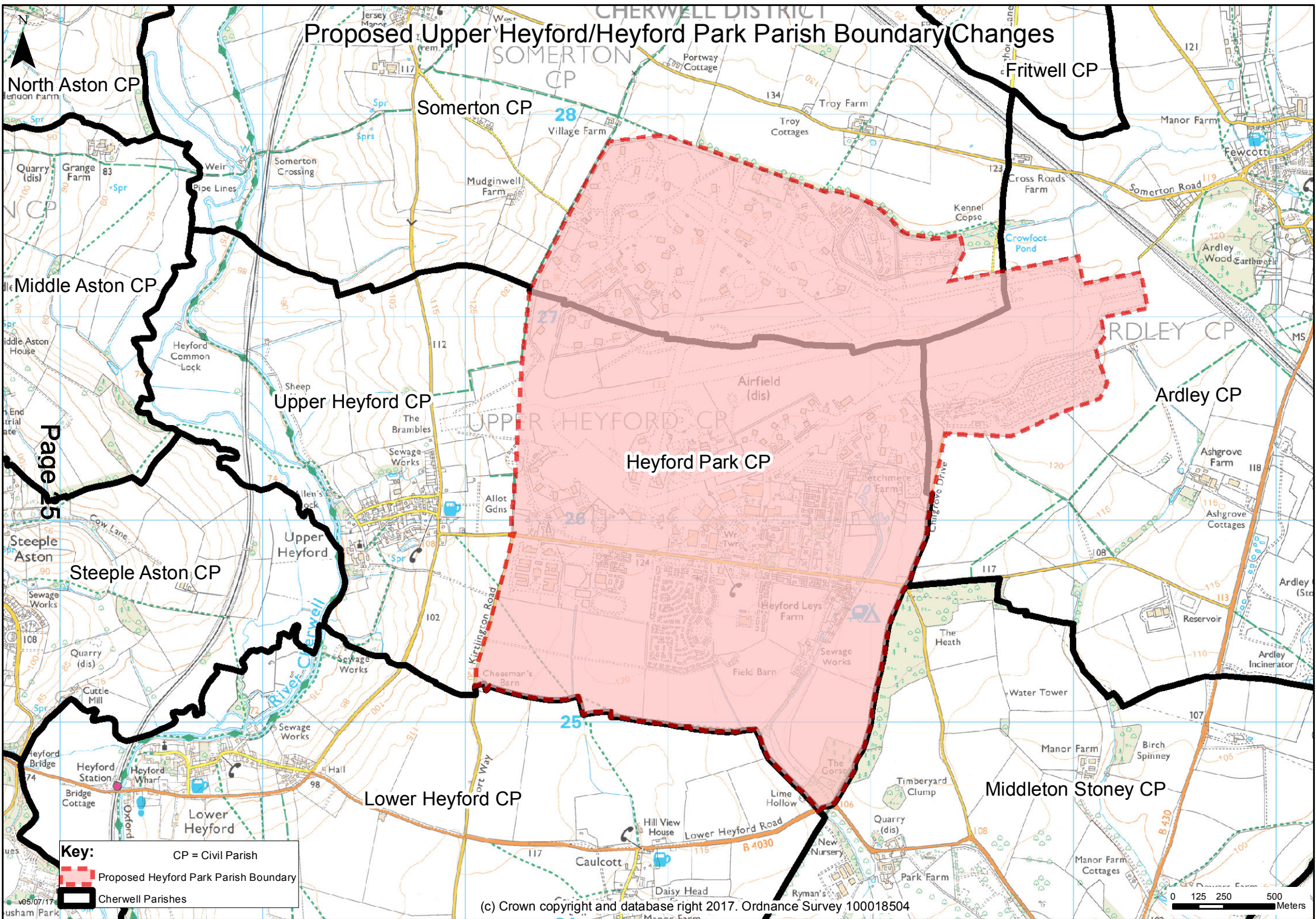
Lead Councillor

None

Document Information

Appendix No	Title
Appendix 1	Map of proposed Upper Heyford boundary
Background Papers	
None	
Report Author	Emma Faulkner – Democratic and Elections Officer
Contact Information	Tel: 01327 322043 Email: emma.faulkner@cherwellandsouthnorthants.gov.uk

Proposed Upper Heyford/Heyford Park Parish Boundary Changes



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Key:

- CP = Civil Parish
- Proposed Heyford Park Parish Boundary
- Cherwell Parishes

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Cherwell District Council

Council

17 July 2017

<p style="text-align: center;">Approval of Amendments to the Joint Contract Procedure Rules</p>
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Report of Assistant Director - Transformational Governance

This report is public

Purpose of report

To seek approval to amendments required to be made to the Joint Contract Procedure Rules in place at Cherwell District Council and South Northamptonshire Council in order to ensure those Rules continue to reflect current law and procurement practice.

1.0 Recommendations

The meeting is recommended, subject to South Northamptonshire Council resolving in similar terms at its meeting on 19 July 2017,

- 1.1 To agree the changes made to the Joint Contract Procedure Rules at Appendix 1.

2.0 Introduction

At its meeting on 17 December 2012 the Council agreed to adopt a common set of contract procedure rules with South Northamptonshire Council in order to ensure that the joint procurement team were able to work to a common set of rules and procedures and to mitigate the risk arising from having different procedural rules at the two Councils. This report is to seek approval to update those rules to ensure they keep pace with current procurement practice and recent developments in procurement law.

3.0 Report Details

- 3.1 In 2012, Council resolved to adopt a common set of contract procedure rules with South Northamptonshire Council in order to ensure that the joint procurement team were able to work to a common set of rules and procedures and to mitigate the risk arising from having different procedural rules at the two Councils.

- 3.2 Those rules, now known as the Joint Contract Procedure Rules, have provided a robust framework for successfully managing the Councils' procurement activity since 2012.
- 3.2 However, following changes in procurement law by the coming into force of the Public Contracts Regulations 2015 (PCR15), and a review of current procurement practice by the Joint Procurement Steering Group in May 2017, those Rules are no longer considered sufficient to manage the volume of the Councils' procurement activity without appropriate amendment to ensure they continue to reflect current law and procurement practice and, in their observance, mitigate the risk of procurement challenge.
- 3.3 The proposed amendments to the Joint Contract Procedure Rules are therefore shown as tracked changes in the draft at Appendix 1, with a clean copy of the same at Appendix 2. The amendments are endorsed by both the Monitoring and Section 151 Officers and are accordingly brought to this meeting for formal acceptance. A similar report is being taken to the meeting of South Northamptonshire Council on 19 July 2017 and, subject to South Northamptonshire Council resolving in similar terms, it is recommended that the amended Rules come into effect on 20 July 2017.
- 3.4 The main changes to the Joint Contract Procedure Rules are as follows:
- 3.4.1 The circumstances in which the Rules do not apply (page 2) now echo the like provisions in PCR15.
- 3.4.2 All contracts above £5K must now be recorded in the Contracts Register.
- 3.4.3 The definition of Principal Procurement Decision (PPD) has been changed to the effect that JPSG can now approve all contract awards of whatever value above £150K (Head of Service has responsibility below that threshold) provided the cost does not exceed the approved budget or, if it does, by no more than a specified tolerance. JPSG has determined this tolerance so that the cost of the award must not exceed the allocated revenue budget by more than 5% or £25,000 (whichever is the greater) and/or the allocated capital budget by more than 5% or £100,000 (whichever is the greater).
- 3.4.4 Section 7 (commencing a procurement) sets out the procedure for commencing a procurement. It still requires the project officer having a budget available to begin the procurement, as well as the project officer engaging with the procurement team, but the need to obtain Executive or other formal authority to kick start a tender process has been removed on the grounds the practice is a superfluous and unnecessary layer of administration where a budget is available and the procurement team alert to the procurement requirement.
- 3.4.5 Section 10(a) (tenders/quotes to be invited) now references the new thresholds recommended by JPSG.
- 3.4.6 Section 10(b) (advertising a contract) has been updated at the recommendation of JPSG to reference only the methods of contract advertising mandated by PCR15. The table now accords with procurement law and current practice.

- 3.4.7 Section 10(e) (tender evaluation) now references an obligation to record and maintain all judgements, observations etc. on which any decision to award (or not to award) is based.
- 3.4.8 Section 10(f) (contract awards) includes the changes requested by JPSG to ensure within budget contract awards can be made as appropriate by HoS/JPSG unless they fall to be made by Executive / Cabinet as PPDs, and there is a reminder as to what constitutes a PPD, with related tolerances, included as a footnote to the table.
- 3.4.9 Section 13 is updated to reflect that tendering procedure is now conducted electronically.
- 3.4.10 Section 23 is updated to accommodate the new values applicable to the publication of contract awards in the (internal) Contracts Register and (external) Contracts Finder.

4.0 Conclusion and Reasons for Recommendations

Council is recommended, subject to South Northamptonshire Council resolving in similar terms, to adopt the revised Joint Contract Procedure Rules appended to this report with effect from 20 July 2017.

5.0 Consultation

Joint Procurement Steering
Group

Who promoted and agreed the amendments to
the Joint Contract Procedure Rules

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To accept the recommendations.

Option 2: To revise the amendments made to the Joint Contract Procedure Rules as Council sees fit prior to formal acceptance. This is not recommended as the documentation attached has been endorsed by the Monitoring and Section 151 Officers.

Option 3: Not to agree the amendments made to the Joint Contract Procedure Rule so that one. This is not recommended for the reasons set out in Option 2.

7.0 Implications

Financial and Resource Implications

- 7.1 The Joint Procurement Steering Group, which includes officers in Procurement and the Section 151 Officer, has contributed to the drafting of the new procedure rules. The changes are accordingly endorsed for acceptance.

Comments checked by:

Paul Sutton, Chief Finance Officer - telephone: 01295 221634, email: paul.sutton@cherwellandsouthnorthants.gov.uk

Legal Implications

- 7.2 It is necessary for the Council to include in its Constitution appropriate procedure rules covering procurement of works, goods and services. The Monitoring Officer strongly endorses acceptance of the changes made to the current Rules in order to ensure they continue to reflect current law and procurement practice and, in their observance, mitigate the risk of procurement challenge.

Comments checked by:

Nigel Bell, Interim Legal Services Manager – telephone: 01295221687, email: nigel.bell@cherwellandsouthnorthants.gov.uk

Risk Implications

- 7.3 The adoption of common procedure rules across both Councils significantly mitigates the risk of misapplication of procedures/rules and unlawful decision taking.

Comments checked by:

Louise Tustian, Team Leader - Strategic Intelligence & Insight Team – telephone: 01295 221796, email: louise.tustian@chwerwellandsouthnorthants.gov.uk.

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

Grow the District – reduce costs of services

Lead Councillor

Councillor Tony Ilott,
Lead Member for Financial Management

Document Information

Appendix No	Title
1	Joint Contract Procedure Rules (with tracked changes)
2	Joint Contract Procedure Rules (clean copy)
Background Papers	
None	
Report Author	James Doble, Assistant Director - Transformational Governance
Contact Information	james.doble@cherwellandsouthnorthants.gov.uk Telephone: 01295 221587

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CHERWELL DISTRICT COUNCIL
and
SOUTH NORTHAMPTONSHIRE COUNCIL
CONTRACT PROCEDURE RULES

Made under
Section 135 of the Local Government Act 1972

A note on Interpretation: reference to *Council* throughout these Rules refers to both Cherwell District Council and South Northamptonshire Council. Any rules peculiar to Cherwell District Council or South Northamptonshire Council alone are set out in text boxes at the appropriate points.

1 INTRODUCTION

Supplemented by complementary rules in the Council's Constitution, including its Financial Procedure Rules, these Contract Procedure Rules, which are made under sections 135 (1) and (2) of the Local Government Act 1972:

- provide the foundation for achieving value for money in pursuit of the aims and objectives stated in the [Joint Corporate Procurement Strategy and Action Plan](#)
- promote transparency, non-discrimination and equal treatment in pursuit of the Council's procurement objectives
- ensure compliance with the obligations governing the spending of public money contained in the Public Contracts Regulations 2015 and deter fraud
- ensure that small and medium enterprises have better access to Council Contracts by simplifying the procurement process for Contracts below the [EU Procurement Thresholds](#), increasing transparency, and reducing bidding costs
- govern the way in which the Council buys works, supplies and services, whether to meet a current need identified by the Council directly or in response to an expression of interest received from a relevant body under the community right to challenge
- govern the way in which the Council *sells* the things it owns, and accordingly support the Council's statutory duty to obtain the best price reasonably obtainable in the disposal of assets belonging to it
- require officers with responsibility for purchasing or disposal to comply.

2 SCOPE OF CONTRACT PROCEDURE RULES

These Rules (and those complementary rules in the Council's Constitution, including its Financial Procedure Rules) apply to **all** spending on works, supplies and services by the Council. They also apply to the disposal of **all** Council assets.

The Rules also apply whether the Council is dealing on a commercial basis with entities in the private sector or the public sector.

These Rules must also be followed where the Council decides to accept an expression of interest received from a relevant body under the community right to challenge.

Further, the Rules apply to arrangements which the Council wishes to enter into in consequence of its having received grant funding from an outside body to procure a service, or to receive an income in return for giving another body the right to run a service.

The Rules **do not apply**, however, to:

- contracts of employment
- contracts with Counsel
- grant/funding agreements¹
- contracts awarded by the Council to a distinct legal entity over which it exercises a control that is similar to that which it exercises over its own departments *and* that distinct legal entity carries out more than 80% of the essential part of its activities for with the Council or other local authorities which control it and there is no direct private capital participation in that distinct legal entity²
- arrangements concluded by the Council with other public bodies within a framework of genuine cooperation between the participants which is aimed at ensuring the public services they have to perform are provided with a view to achieving objectives they have in common ~~carrying out jointly their public service tasks~~ *and which is non-commercial in character (that is, no profit is generated and only reimbursement of actual costs occurs)* ~~and~~ which is governed solely by considerations and requirements relating to the pursuit of objectives in the public interest *and less than 20% of the activities concerned by the co-operation are performed on the open market is of little or no interest to a private sector supplier*³.

All contract letting must at all times comply with Public Procurement Legislation (defined in [section 3](#) below) irrespective of local needs or objectives. EU Treaty Principles, in particular, apply to all Council procurement activity, not just to contracts that exceed the relevant EU thresholds (see [section 6](#)).

The Monitoring Officer may amend these Rules where required by statutory change or administrative error.

3 DEFINITIONS

Significant terms or phrases used in this document are defined as follows:

South Northamptonshire Council

Cabinet means the Council's Cabinet.

Contract means an agreement between the Council and any other organisation, including another public authority, made by formal agreement or by issue of a letter of acceptance or official purchase order for Works, Supplies or Services.

¹ A grant is a gift of funds for a specific purpose. The recipient is not obliged to deliver any goods or services to the Council, although the Council may claw back grant which has not been spent or is misapplied.

² Formerly, the *Teckal* exemption, [now Regulation 12\(1\) of the Public Contracts Regulations 2015](#)

³ Formerly, the *Hamburg* exemption, [now Regulation 12\(7\) of the Public Contracts Regulations 2015](#)

Contracts Finder means a web-based portal provided, under that name, by or on behalf of the Cabinet Office, on which the Council must publish Contract opportunities and Contract awards in conformity with these Rules.

Contracts Register means the centrally held Contracts Register providing data to aid the management, administration, scrutiny and audit of all Contracts entered into by the Council with a value exceeding **£195,000**.

Corporate Contract means an exclusive agreement between the Council and a supplier which facilitates the placing of orders for known quantities of Supplies and Services on standard terms over a predetermined period which, if the total value of all purchases that could be made under the Corporate Contract exceeds the relevant value in the **EU Procurement Thresholds** (see section 5 for determining Contract values), must be no more than 4 years. In this context, the agreement and the orders together constitute a single contract (albeit one in which the scope of the Corporate Contract regularly changes as orders are placed and fulfilled). It is this characteristic that distinguishes the arrangement from, but which otherwise shares similarities to, a **Framework Agreement**

Corporate Procurement Manager means the officer with responsibility for the Council's procurement function.

CPR means the contract procedure rules set out in this document and supplemented by complimentary rules in the Council's Constitution, including its Financial procedure Rules.

Cherwell District Council

Executive means the Council's Executive.

EU means the European Union.

EU Procurement Law means EU Directive 2014/24 (consolidated into English law as the Public Contracts Regulations 2015), EU Treaty Principles, relevant case law and any subsequent directives or legislation relating to EU procurement.

EU Treaty Principles means the principles of transparency, equal treatment, proportionality and non-discrimination in the letting of any Contract.

FoI means the Freedom of Information Act 2000, the Environmental Information Regulations 2004, the Code of Recommended Practice for Local Authorities on Data Transparency (September 2011) and any subsequent amendment or legislation relating to information disclosure.

Framework Agreement means an agreement or other arrangement between the Council (whether acting alone or jointly with other public bodies) and one or more suppliers which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the Council may place one or more orders with the supplier in the period during which the Framework Agreement applies. Until any orders are placed under the Framework Agreement there is no legally enforceable obligation to supply or purchase any Supplies or Services in connection with it. The placing of orders for Works, Supplies or Services through a Framework Agreement (whether established by the Council or by another public body) will satisfy the call for

competition provided Value For Money can be demonstrated. In such cases there is no requirement to subject individual orders to competition because a competitive process will already have been undertaken to establish the Framework Agreement under which they are placed. Where it is proposed to establish a Framework Agreement, and the potential value of all orders that could be placed under it may exceed the relevant value in the [EU Procurement Thresholds](#) (see [section 5](#) for determining Contract values) then its term must be limited to 4 years or less pursuant to EU Procurement Law.

ITQ means an invitation to Quote.

ITT means an invitation to Tender (or to negotiate, as the case may be).

JPSG means the Joint Procurement Steering Group comprising a **Core Group** of:

- The Section 151 Officer ~~(as Chair)~~
- The Monitoring Officer
- The ~~Head of Chief~~ Finance ~~Officer and Procurement~~ (unless represented as Section 151 Officer)

or their nominees, who shall, in relation to Contracts exceeding £150,000 in value or amount, make appropriate determinations at key stages of the procurement lifecycle in accordance with the JPSG Core Group's terms of reference as set out in paragraph 2.1 of [Appendix 1](#), and a **Strategy Group** comprising:

- ~~The Chief Executive~~
- The JPSG - Core Group and
- Heads of Service invited from those who have undertaken substantial procurement activity over the period since the last Strategy Group meeting
- The relevant Council Member(s) responsible for procurement (to be invited as appropriate and at least annually) and
- Such other Council Members as any of the Core Group may invite on a case by case basis

or their nominees, who shall provide a strategic and scrutiny role in relation to the Council's procurement function in accordance with the JPSG – Strategy Group's terms of reference as set out in paragraph 2.2 of [Appendix 1](#).

Monitoring Officer means the Head of Law and Governance, who is designated as such under Section 5(1) of the Local Government and Housing Act 1989.

Most Economically Advantageous Offer means the offer that is the most economically advantageous from the point of view of the Council taking into account such things as price, quality, technical merit, aesthetic and functional characteristics, environmental characteristics, potential Social Value, production processes, running costs, cost effectiveness, life-cycle costs, after sales service, technical assistance, delivery date/delivery period and period of completion.

OJEU means the Official Journal of the European Union, and **OJEU Notice** means a notice advertising the relevant Contract opportunity that is sent to OJEU in conformity with EU Procurement Law.

Partnership means an arrangement involving the Council and one or more organisations from any sector who share the responsibility for agreeing and/or then

delivering a set of planned actions and outcomes. The Council may be a major or a minor participant in any such partnership. The CPR does not apply to the creation of any such Partnership but may apply to any activity of the Partnership connected with the letting of Contracts.

Principal Procurement Decision means any key procurement decision affecting any Contract where the total cost of that Contract would, were it to be awarded, exceed the allocated revenue budget by more than 5% or £25,000 (whichever is the greater) and/or the allocated capital budget by more than 5% or £100,000 (whichever is the greater), having a total value exceeding £500,000 or which falls to be made for the purpose of responding to an expression of interest received from a Relevant Body exercising its Right to Challenge, or awarding a Contract arising from such expression.

Project Officer means the officer designated by the relevant Head of Service as having responsibility for the planning and co-ordination of any particular procurement project. For the avoidance of doubt, the Project Officer may also be the relevant Head of Service. The Project Officer is accountable for the delivery of the project on time, within budget, and in accordance with all relevant internal procurement rules and Public Procurement Legislation.

Public Procurement Legislation means all relevant external procurement rules and regulations, including the Local Government Act 1988 Part II, the Local Government (Contracts) Act 1997, the Local Government Act 1999, the Local Government Act 2000, the Public Services (Social Value) Act 2012, the Localism Act 2011 and EU Procurement Law (including EU Treaty Principles).

Quotation means a priced bid for the provision of Works, Supplies or Services applicable to procurements between £2,500 and £100,000.

Relevant Body means a voluntary or community body, a charitable body, a parish council, two or more employees of the Council or such other persons or bodies as may be specified by regulations made by the Secretary of State.

Relevant Service means a service provided in the exercise of any of the Council's functions, either by the Council using its own workforce, or provided on its behalf under a service contract or some other arrangement.

Right to Challenge means the right embodied in the Localism Act 2011 for a Relevant Body to express an interest in providing or assisting in providing a Relevant Service on behalf of the Council.

Section 151 Officer means the officer appointed by the Council for the purposes of Section 151 of the Local Government Act 1972 to administer the financial affairs of the Council.

Services means any undertaking that does not constitute Works or a Supply, and includes a Relevant Service.

~~**Single Source Supplier** means a Contract for which there is reasonably only one supplier.~~

Social Value means the economic, social and/or environmental well-being to which the Council must have regard before commencing an exercise to procure a Contract for the provision of Services to which EU Procurement Law applies.

Supply means the purchase, hire or lease of any goods or materials (including electricity, substances, growing crops and things attached to or forming part of any land) and their siting or installation where this is incidental to the Supply, and **Supplies** shall be construed accordingly.

Tender means the formal process for obtaining priced bids for Works, Supplies and/or Services and which must be followed for procurements with a value exceeding £100,000.

TUPE Regulations means the [Transfer of Undertakings \(Protection of Employment\) Regulations 2006](#) (as amended by the [Collective Redundancies and Transfer of Undertakings \(Protection of Employment\) \(Amendment\) Regulations 2014](#)), which preserves the continuity of employment and terms and conditions of employees who are transferred to a new employer in cases where Services are outsourced, insourced or assigned by the Council to a new supplier. ~~Further details are set out in section 9 and in the Government's [Guide to the 2006 TUPE Regulations](#) (published June 2009).~~

Value For Money means the optimum combination of whole life costs, quality and other benefits.

Works means the construction, repair or maintenance of a physical asset.

CONTRACTS

4 CONFIDENTIALITY

All information supplied by a bidder invited to submit a Quotation or Tender for a Contract shall be treated in confidence except where references are required to be sought for the purpose of establishing a bidder's credentials, or where disclosure is required to meet an obligation contained in the Public Procurement Legislation (such as supplier debriefing following completion of a competitive tender exercise).

This general duty to maintain confidentiality is, however, subject to the Council's [statutory responsibilities](#) under FoI.

FoI does permit non-disclosure of information which is commercially sensitive, and the Project Officer is therefore recommended to instruct any bidder invited to submit a Quotation or Tender to:

- state clearly which, if any, of the information or other material supplied with their Quotation or Tender is commercially sensitive; and
- explain why, in the bidder's own opinion, commercial sensitivity attaches to that information or other material.

However, whilst bidders may specify in their Quotation or Tender that information or other material being supplied to the Council is commercially sensitive and therefore exempt from disclosure, the Project Officer must make bidders aware when inviting Tenders or Quotations that such information shall be regarded by the Council as having indicative value only and that the Council may nevertheless be obliged to disclose such information if an FoI request is received.

Note under FoI that the Council alone is responsible for determining at its absolute discretion whether confidential, commercially sensitive or other information is exempt from disclosure or is to be disclosed in response to a request for information.

5 CALCULATING THE VALUE OF A PROPOSED CONTRACT

When calculating the value of a proposed Contract, the Project Officer should have regard as follows:

- values are total lifetime Contract values, not annual values;
- account must be taken of the potential for exercising any options or any rights of renewal or extension;
- values exclude VAT;
- the estimated value of a Framework Agreement or a Corporate Contract is the total value of all of the purchases which could be made by the Council under that arrangement;
- where a Contract length is unfixed or imprecise, its value shall be assessed on the basis of the amount the Council might spend on it over 48 months;
- where procurement activity is undertaken jointly with another public body, the value of the Contract to each organisation shall be combined for the purpose of determining the applicability of [EU Procurement Thresholds](#) (and the issue of a Contract Notice to OJEU);
- a Contract must not be packaged in such a way that is chiefly intended to evade the point at which any rule in the CPR or the Public Procurement Legislation may [bite apply](#); but consideration can be given to dividing a proposed Contract into Lots to make them more accessible for small and medium enterprises.

6 EUROPEAN PROCUREMENT THRESHOLDS

EU Procurement Law shall be complied with in respect of all Contracts having a value that exceeds the relevant EU threshold for the Works, Supplies or Services being procured (see [EU Procurement Thresholds](#)).

[The consequences of failing to do so are severe, whether before a Contract is formally awarded or in the aftermath of that decision:](#)

[Before the Contract is Signed](#) the Council:

- Must automatically suspend its award upon receiving, and pending the conclusion of, a legal challenge to that decision.
- May be ordered to set aside any unlawful decisions taken during the tender process or to amend any unlawful documentation.
- Could be liable to pay damages to any bidder proving loss arising from the Council's actions.
- May be required, by virtue of Part 2 of the Localism Act 2011, to pay all or part of any fine or other EU financial sanction levied against the Government for an infraction of EU Procurement Law in circumstances where the Council has demonstrably caused or contributed to the imposition of that financial sanction.

[After the Contract is Signed](#) the Council:

- Could be liable to pay damages to any bidder proving loss arising from the Council's actions.
- May, in any case of serious abuse of EU Procurement Law, be required to cancel its Contract (where a court declares that Contract to be *prospectively ineffective*) and pay a fine.
- May, in any other case, be ordered to shorten the term of its Contract or pay a fine or both.

- May be required, by virtue of Part 2 of the Localism Act 2011, to pay all or part of any fine or other EU financial sanction levied against the Government for an infraction of EU Procurement Law in circumstances where the Council has demonstrably caused or contributed to the imposition of that financial sanction.

Given the draconian consequences that may occur for failing to comply with the public procurement regime, the message is clear: "follow the rules".

Further, EU Treaty Principles apply to all Contracts, not just to those that exceed the EU thresholds.

7 COMMENCING A PROCUREMENT

No procurement shall commence without there being sufficient budget available to cover the estimated cost of for the Works, Supplies or Services being procured, or an outside body providing grant for the procurement of Works, Supplies or Services having given a binding commitment to the Council to provide those funds.

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Further, for all procurements above £25,000 the Project Officer shall first consider and agree with the Corporate Procurement Manager an approach to the procurement that is most likely to achieve the procurement's intended outcomes and objectives, having regard, therefore, to such matters as:

- Whether the procurement may be of interest to any other public body such that an invitation to join in the procurement should be extended to that other organisation; and
- a timetable for the project; the likely total cost of the project;
- the amount and source of the money earmarked for it;
- the length of the proposed arrangement;
- the procedure to be adopted for achieving effective competition;
- the proposed procurement timetable;
- whether procurement jointly with another public body would be of benefit;
- how Value for Money and/or Service improvements may be achieved;
- how Social Value might be secured for the Council's area by the procurement;
- details as to whether TUPE is likely to apply (see section 9); and
- any risk to the Council in undertaking (or not undertaking) the procurement.

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Where capital expenditure on Works, Supplies or Services has not already been specifically identified and approved by the Council during its budget setting process, the following written authority is required to be obtained by the Project Officer prior to commencing a procurement process:

<u>Estimated Value of Contract</u>	<u>Authority in Writing (Without Prejudice to Superior Authority)</u>
<u>Up to £150,000</u>	<u>Head of Service or such other officer of the Council as the Head of Service may delegate to undertake such responsibility</u>
<u>Between £150,000</u>	<u>Unanimous decision of the JPSG – Core Group (see reporting process in section 8)</u>

Principal Procurement Decision	Cherwell District Council Executive decision unless delegated by Executive to JPSG—Core Group
	South Northamptonshire Council Cabinet decision unless delegated by Cabinet to JPSG—Core Group

Dealing With Expressions Of Interest Received Under The Right To Challenge

The Council has a [duty](#) to consider any expression of interest received from a Relevant Body wanting to run a Relevant Service on behalf of the Council. The Council shall fulfil that duty as follows.

Where an expression of interest for a Relevant Service is received by the Council, the head of service responsible for the service to which the Relevant Service relates shall:

- inform the [Corporate](#) Procurement Manager and the Head of Law and Governance of its receipt without delay; and
- forthwith check that it meets the minimum requirements specified in the Localism Act 2011 and accompanying regulations. Expressions of interest must contain:

1	information about the financial resources of the Relevant Body (and the financial resources of any consortium member or sub-contractor with whom the Relevant Body proposes to deliver the Relevant Service)
2	evidence of the Relevant Body's capability to provide or assist in providing the Relevant Service (and the capability of any consortium member or sub-contractor with whom the Relevant Body proposes to deliver the Relevant Service)
3	Information about the Relevant Service sufficient to identify it and the geographical area to which it relates
4	information about the outcomes to be achieved, particularly how the provision or assistance will add Social Value to the Council's area and how it will meet users' needs
5	details about how, in any case where the Relevant Body consists of Council employees, those employees will engage with other employees of the Council affected by the Relevant Service

For each and every expression of interest received, the relevant head of service shall issue the necessary notifications required by the Localism Act 2011 and accompanying regulations in consultation with the [Corporate](#) Procurement Manager and the Head of Law and Governance, including publication as necessary on the Council's website.

The relevant head of service shall report each and every expression of interest to its Executive or Cabinet as appropriate, and seek recommendation from it to [accept](#), [reject](#) or [modify](#) that expression as appropriate.

Where recommendation is made to [accept](#) the expression of interest the Council shall, following notification of the Council's acceptance to the Relevant Body, [proceed to carry out a procurement exercise in respect of the Relevant Service in conformity with the CPR](#). It shall also specify in such manner as it thinks fit (which must include publication on the Council's website):

- the [minimum period](#) that will elapse between:

- the date of the Council's decision to accept the expression of interest, and
- the date on which it will begin the procurement exercise for the Relevant Service, and
- the **maximum period** that will elapse between those dates.

An expression of interest may only be **rejected** where:

1	it does not comply with any of the requirements specified in the Localism Act 2011 and accompanying regulations
2	the Relevant Body provides information in the expression of interest which in the opinion of the Council, is in a material particular inadequate or inaccurate
3	the Council considers, based on the information in the expression of interest, that the Relevant Body or, where applicable (a) any member of the consortium of which it is a part, or (b) any sub-contractor referred to in the expression of interest is not suitable to provide or assist in providing the Relevant Service
4	it relates to a Relevant Service where a decision, evidenced in writing, has been taken by the Council to stop providing that service
5	the expression of interest relates to a Relevant Service (a) provided, in whole or in part, by or on behalf of the Council to persons who are also in receipt of a service provided or arranged by an NHS body which is integrated with the Relevant Service; and (b) the continued integration of such services is, in the opinion of the relevant authority, critical to the well-being of those persons
6	the Relevant Service is already provided under Contract to the Council or otherwise the subject of a procurement exercise
7	the Council and a third party have entered into negotiations for provision of the Relevant Service, which negotiations are at least in part conducted in writing
8	the Council has published its intention to consider the provision of the Relevant Service by a body that 2 or more specified employees of the Council propose to establish
9	the Council considers that the expression of interest is frivolous or vexatious
10	the Council considers that acceptance of the expression of interest is likely to lead to contravention of an enactment or other rule of law or a breach of statutory duty

Where recommendation is made to **reject** the expression of interest the relevant head of service shall notify the Relevant Body accordingly, giving reasons for that decision, and shall also arrange publication of the notification in such manner as he thinks fit on behalf of the Council, which must include publication on the Council's website.

Recommendation may be made to **modify** an expression of interest **by agreement** with the Relevant Body. The relevant head of service shall notify the Relevant Body of any such recommendation, giving details of the modification sought and the reasons for that decision, and shall also arrange publication of the notification in such manner as he thinks fit on behalf of the Council, which must include publication on the Council's website.

8 **ROLE OF JPSG**

The JPSG – Core Group's terms of reference are set out in paragraph 2.1 of Appendix 1.

To obtain authority to begin a procurement process from the JPSG – Core Group (see Table in section 7) the Project Officer must first report to it on:

- the likely total cost of the project;
- the amount and source of the money earmarked for it;
- the length of the proposed arrangement;
- the procedure to be adopted for achieving effective competition;
- the proposed Tender timetable;
- whether procurement jointly with another public body has been considered;
- a summary of how Value for Money and any service improvement requirements will be achieved;
- how what is being procured might improve the economic, social and environmental well-being of the Council's area;
- how the proposed improvements in economic, social and environmental well-being might be secured;
- whether consultation has been, or is proposed to be, undertaken on the potential improvements themselves or how they might be secured;
- details as to whether TUPE is likely to apply (see section 9); and
- the potential risk to the Council (if any) in undertaking the procurement.

After receiving the report of the Project Officer, the JPSG – Core Group will determine whether and, if so, on what basis the procurement can proceed.

The JPSG – Strategy Group's terms of reference are set out in paragraph 2.2 of Appendix 1.

9 REQUIREMENTS IN RELATION TO TUPE

TUPE, and the interpretation of it, changes frequently, and only a brief reference to it is therefore contained within these Rules. The Shared HR and OD Manager/Head of Transformation and / or the Head of Law and Governance can provide further TUPE guidance and advice as necessary or appropriate.

Whenever a new supplier is appointed to take over the provision of an existing Service, employees of the original supplier engaged in the provision of that Service (or the Council, if the Service was provided in-house) may be affected by transferring that Service to another provider. If so, it will be necessary to form a view as to whether TUPE applies, and the advice of the Shared HR and OD Manager/Head of Transformation and the Head of Law and Governance must therefore be obtained by the Project Officer before seeking authorisation to commence a procurement project.

If a Contract is likely to involve a transfer of Council staff then it is important that the Project Officer arranges for the Shared HR and OD Manager/Head of Transformation to begin consultation with the relevant employees that will be affected at an early stage. This is good practice and the Council has a statutory obligation to consult under TUPE.

10 COMPETITIVE PROCESS

(a) Number of Tenders/Quotations to be Invited

This rule 10(a) shall apply unless the call for competition is to be waived in accordance with the procedure prescribed in section 17, or the Council's requirement for Works,

Supplies or Services is to be satisfied using an established Framework Agreement or Corporate Contract from which the Council is expressly entitled to benefit.

While a formal competitive tendering exercise may be conducted by the Council in relation to any procurement of any value, such a process ~~shall~~**must** be undertaken by the Council for all Contracts above £100,000 (see table below).

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For Contracts below £100,000, Tenders may not be required and a Contract can be awarded on the basis of Quotations received and evaluated in accordance with Value for Money requirements **PROVIDED** all stages of that exercise are nevertheless recorded in writing sufficient to demonstrate the decisions taken are robust, fair and auditable.

Where there are a sufficient number of organisations suited to bid for a particular Contract, the Council may limit the number of potential bidders from whom it may seek Tenders/Quotations as follows:

Estimated Contract Sum	Minimum Number of Bidders Invited to Tender
Works, Services or Supply Contract exceeding relevant EU Procurement Thresholds	Determined in consultation with the Head of Law and Governance, having regard to EU tendering requirements ⁴
Works, Services or Supply Contract between £100,000 and relevant EU Procurement Thresholds	3 Tenders invited
£ 2540 ,000 to £100,000	3 written Quotations (unless the proposed Contract is likely to be of interest to enterprises from other EU Member States in which event 3 Tenders meaningfully advertised shall be required in accordance with EU Treaty Principles)
£ 2 ,500 to £ 2540 ,000	2 Quotations (in writing wherever possible)
Up to £ 2 ,500	Procurement Card, petty cash etc. transaction

(b) Advertising a Contract Opportunity

This section applies ~~W~~where Tenders or Quotations are required to be obtained (see section 10(a)) and the use of an established Framework Agreement or Corporate Contract from which the Council is entitled to benefit is not appropriate.

~~T then~~ the Project Officer is reminded that, whilst generally the most effective means of achieving Value for Money in any Contract is to advertise it publicly by, e.g., notice on the Council's website or in an appropriate trade journal or the local press, the following forms of Contract advertisement ~~is considered by the Project Officer~~ ~~advertising the Contract opportunity chosen by the Project Officer:~~ ~~shall~~**must by law** be undertaken in addition to any other means of advertisement.

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⁴ E.g., regulation 65 (3) of the PCR 2015 states that the minimum number of candidates who are invited in a restricted procedure to complete the ITT shall be 5, providing that at least this number have been assessed as sufficiently qualified after completing a PQO or equivalent. This number can be increased if desired, but not decreased.

Estimated Contract Sum	Contract Notice to OJEU	Contracts Finder ⁵
Contracts for Works, Services or Supplies <u>above</u> EU Procurement Thresholds	<u>The OJEU Notice must be placed in advance of any other advertisement of that Contract opportunity</u>	<u>The Contract opportunity must be published on Contracts Finder 24 hours of the OJEU notice</u>
Contracts for Works, Services or Supplies <u>between £25,000 and</u> EU Procurement Thresholds	Optional	<u>It is not mandatory to advertise a Contract in this band on Contracts Finder, but if a choice is exercised to advertise that Contract publicly, then the Project Officer must advertise/also advertise on Contracts Finder</u>

~~Where a procurement project exceeds the EU Procurement Thresholds, the relevant OJEU Notice must be placed in advance of any other advertisement of that Contract opportunity.~~

~~Where a procurement project does NOT exceed the EU Procurement Thresholds, the publication of the opportunity in Contracts Finder must be made in advance of any other advertisement of that Contract opportunity.~~

(c) Shortlisting Applicants to Tender

Shortlisting for Contracts above the EU Procurement Thresholds

If, in advertising a Contract opportunity, the Project Officer wishes to assess the suitability, or unsuitability, of applicants to perform a Contract for the purpose of reducing the number of applicants to a smaller number who are to proceed to a later stage of the process (i.e., to shortlist organisations prior to inviting Tenders), and the Contract value is above the EU Procurement Thresholds, then the Contract advertisement shall state that any person, firm or organisation wishing to express an interest in the Contract must do so by completing and returning to the Council, by a date specified in the advertisement (being not less than 30 days), a Pre-qualification Questionnaire in the standard form prescribed by central government or a document or certificate of equivalent effect ('PQQ')⁶.

All PQQs accordingly received shall be assessed to determine the acceptability, experience, financial standing, capability and capacity of the organisation concerned to deliver the Works, Supplies or Services required.

⁵ The Public Contracts Regulations 2015 require that if a Contract is advertised, the opportunity must be published on Contracts Finder instead of, or in addition to, other portals or websites whenever the value of the contract is greater than £25,000. After 1st April 2015, when new regulations requiring use of Contracts Finder come into force for local authorities.

⁶ Such as a European Procurement Passport or equivalent

The [Corporate](#) Procurement Manager shall have responsibility for co-ordinating such pre-qualification process, including receiving completed PQQs, and, from those considered eligible to bid for the Contract, the [Corporate](#) Procurement Manager and the Project Officer shall together compile a shortlist of persons, firms or organisations from whom Tenders may be invited. That shortlist shall have regard to the minimum number of Tenders required in accordance with the Table in [section 10a](#).

When the selection process has been completed, the [Corporate](#) Procurement Manager shall inform unsuccessful applicants that they were not selected to tender, together with brief reasons as to why they were not so selected.

Shortlisting for Contracts below the [EU Procurement Thresholds](#)

The Council is prohibited by Public Procurement Legislation from demanding a PQQ in relation to any Contract opportunity below the [EU Procurement Thresholds](#) for services or supplies, although it may ask applicants to answer a suitability assessment question provided the question is:

- relevant
- proportionate and
- intended only to elicit information or evidence which the Council requires for the purpose of assessing whether applicants meet minimum standards of suitability, capability, legal status or financial standing.

In complying with this stipulation, the Project Officer shall have regard to any guidance issued by the Minister for the Cabinet Office, which may include guidance on how to establish and assess, without using PQQs, whether applicants meet requirements or minimum standards relating to suitability, capability, legal status and financial standing.

(d) [Getting Tenders and Quotations](#)

Where Quotations or Tenders are required, the documentation comprising the ITT or the ITQ shall be based on relevant model documents available from the [Corporate Procurement Manager](#).

In either case, the competitive procedure the Project Officer has determined to follow (and which, for openness and transparency, should be recorded in the ITT or ITQ) must be sufficiently structured to ensure the Quotations or Tenders received can be properly compared and evaluated in accordance with Value for Money requirements.

A Tender contest may be conducted by the Project Officer using either the open or restricted procedure. Open tendering means that the opportunity to bid for the Council's Contract shall be open to any supplier who can Tender for the Works, Supplies or Services in accordance with the Council's advertised requirements. In such cases, the Council must consider and evaluate all qualifying bids received. The restricted procedure involves a tender process in which the Council limits the number of prospective tenderers to those who have been shortlisted by it in accordance with the pre-qualification procedure prescribed at section 10(c).

No departure from either the open or restricted tendering procedure in favour of another procurement procedure permitted by Public Procurement Legislation, including the Negotiated Procedure, the Competitive Dialogue Procedure, the Competitive Procedure with Negotiation or the Innovation Partnership Procedure, shall be permitted without the authorisation of JPSG – Core Group.

(e) Evaluation Criteria

Any ITT or ITQ must contain details as to the criteria for awarding the Contract to which it relates. Those criteria must be robust, fair, auditable, compliant with any relevant Public Procurement Legislation and, for any ITT, weighted wherever possible.

The award criteria may be based on price alone or on that which represents the Most Economically Advantageous Offer received. In relation to Contracts above the [EU Procurement Thresholds](#), any award *must* be based on the Most Economically Advantageous Offer.

Lowest Price

Awards based on price alone do not permit Value for Money considerations and so will only ever be suitable for Supply Contracts of very low value where the Supplies required can be specified in significant detail at the outset and no after sales service or other special requirements are needed in connection with that Supply.

Most Economically Advantageous Offer

Where the Council intends to award a Contract on the basis of the proposal which is the **Most Economically Advantageous Offer** received, the criteria (and any sub-criteria) to be used in the evaluation shall, as a minimum:

- be pre-determined,
- be listed (in the ITQ) in order of importance,
- be weighted (in the ITT) according to their respective importance (unless, on objective grounds, it is not possible to provide any such weightings),
- be strictly observed at all times throughout the competition for the Contract,
- be framed so as to best achieve any Social Value reported under [section 8](#)
- reflect the principles of Best Value,
- include price,
- be capable of objective assessment, and
- have regard to environmental impact and sustainability considerations relevant to the Works, Supplies or Services being procured.

Where it is possible to apply a scoring matrix to the proposed evaluation criteria, the Contract must be awarded to the tenderer obtaining the highest overall score (i.e., the Most Economically Advantageous Offer) from the evaluation process.

The evaluation must be carried out by a panel consisting of the Project Officer and at least one other officer of appropriate seniority, supported by the [Corporate Procurement Manager](#).

All decisions, scores, judgements and observations of the evaluation panel **must** be recorded in writing and held Full and complete written records of the evaluation process must be maintained by the [Corporate Procurement Manager](#) for the purpose of demonstrating in the event of challenge or otherwise as required that the decisions taken were robust, fair and auditable.

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(f) Award

(**Note** that if the project budget is **not** sufficient to meet a preferred supplier's tendered rates and prices ahead of Contract award then the Project Officer **must** secure

additional project funds before accepting the relevant tender. The Project Officer should therefore refer to the Finance Procedure Rules for relevant and appropriate guidance on project budget increases. Further advice can be provided by the [Chief Finance Officer/Head of Finance and Procurement](#)).

Value	Authority to Award
Up to £150,000 (unless a Principal Procurement Decision) ⁷	Relevant Head of Service to approve Project Officer's award recommendation, detailed reasons for such award to be noted in writing on the Project Officer's project file for audit purposes.
Between-Over £150,000 and £500,000 (unless a Principal Procurement Decision)	Unanimous decision of the JPSG – Core Group following the Corporate Procurement Manager's submission of a report to it on the outcome of the competition, including the Project Officer's recommendation on Contract award.
Over £500,000 (unless a Principal Procurement Decision)	Unanimous decision of the JPSG – Core Group in consultation with the Lead Member/portfolio holder responsible for the procurement following the Corporate Procurement Manager's submission of a report to it on the outcome of the competition, including the Project Officer's recommendation on Contract award.
Principal Procurement Decision	Cherwell District Council Executive decision unless delegated by Executive to JPSG – Core Group.
	South Northamptonshire Council Cabinet decision unless delegated by Cabinet to JPSG – Core Group.

All unsuccessful bidders submitting Tenders or Quotations for evaluation by the Council must be informed of the outcome of the competition, including the name of the winning bidder and a brief explanation as to why they were unsuccessful on that particular occasion (for further guidance on *Debriefing*, see [section 10\(g\)](#) below).

(g) Standstill ('Alcatel') Period and Award Notices

Acceptance of any tender governed by EU Procurement Law is subject to a standstill period before any Contract with the preferred tenderer can be concluded. The standstill period (also known as the 'Alcatel' period for the case (Alcatel Austria and Others v Bundesministerium für Wissenschaft und Verkehr (C-81/98)) from which the law emerged) describes the period between communication of the outcome of the tender

⁷ By way of reminder, a Principal Procurement Decision means any key procurement decision affecting any Contract where the total cost of that Contract would, were it to be awarded, exceed the greater of [5% or £25,000 of budgeted revenue expenditure] and/or [5% or £100,000 of budgeted capital expenditure], or which falls to be made for the purpose of responding to an expression of interest received from a Relevant Body exercising its Right to Challenge, or awarding a Contract arising from such expression

process to all those who participated in it and the formal conclusion of the Contract and is intended to provide such participants with an opportunity to challenge the award of a Contract (e.g., because the Council has failed to follow the stated/prescribed tender procedure) before the Contract is finally concluded at the end of the standstill. The period is **10 days** if the Council's decision is communicated electronically or **15 days** from despatch if sent by any other means. In either case the standstill must end on a working day. Project Officers are recommended to send decision notices electronically.

The standstill period is triggered only by sending an award decision notice to all those who bid for the Contract which contains an explanation of:

- the criteria used to make the award
- the reasons for the Council's decision, including the characteristics and relative advantages of the successful tenderer
- the scores of both the successful tenderer and the recipient of the notice
- the reasons why the recipient did not meet any technical specification (where applicable)
- the name of the bidder awarded the Contract and
- the date on which the standstill period is expected to end

The requirement to notify bidders in this way, coupled with the sanctions available to them which may arise from any failure by the Council to follow EU Procurement Law (see [Section 6](#)), highlights the need for a robust, fair and auditable evaluation process.

11 INSURANCE

At the commencement of any procurement exercise, the Project Officer and the ~~Head of Finance and Procurement~~[Chief Finance Officer](#) shall together determine the type and level of insurance cover required in relation to a particular procurement. The Project Officer shall ensure the successful bidder has any required insurance cover in place before performance of the Contract begins, and shall further ensure, at appropriate intervals, that such cover is maintained by the supplier throughout the Contract period.

12 PARENT COMPANY GUARANTEES AND PERFORMANCE BONDS

Before commencing any tendering exercise for a Contract exceeding £150,000 in value of amount, the Project Officer and the ~~Head of Finance and Procurement~~[Chief Finance Officer](#) shall together determine the need for, and value of, any parent company guarantee and/or performance bond necessary in relation to that procurement.

The ~~Chief Finance Officer~~[Head of Finance and Procurement](#) may also require any Contract below £150,000 to be supported by a parent company guarantee and/or performance bond for such amount as the ~~Chief Finance Officer~~[Head of Finance and Procurement](#) may consider necessary or appropriate in all the circumstances.

In determining the need for appropriate guarantees, regard should be had to using performance bond and/or a parent company guarantee only in specific and justified circumstances where the contract is judged to be at high risk of supplier or performance failure. Key points include: is the contract with the ultimate parent company; is the balance sheet commensurate with the liabilities in the contract; what proportion of the net assets are represented by the maximum liability under the

contract; and to what extent are ~~you confident that~~ the assets are tied to the contracting party?

The Project Officer shall ensure the successful tenderer has any required parent company guarantee and/or performance bond in place before the Contract is commenced.

13 TENDER ADMINISTRATION: PROCEDURE FOR ISSUING AND RECEIVING SUBMISSION AND OPENING OF TENDERS

(a) Issuing of tenders

The Project Officer must liaise with the Corporate Procurement Manager for the purpose of making all arrangements for the issue of ITTs and the receipt of submissions and proposals in response through the electronic procurement system operated by the Council for this purpose. No other method of Tender administration is permitted without the express consent of, and involvement with, the Corporate Procurement Manager.

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~~inform the Procurement Manager of the closing date for the receipt of tenders so that all necessary and appropriate arrangements can be made in respect of their opening (see section 13c).~~

~~All Tenders must be returned by tenderers using the Council's standard Tender return label, which the Project Officer can obtain from the Procurement Manager.~~

(b) Submitting tenders

All Tenders must be returned strictly in accordance with the instructions prescribed in the invitation to Tender and to the Procurement Manager in an envelope provided for the purpose. ~~Tenders~~ must not be returned directly to the Project Officer, a Council Member or to any consultant acting on the Council's behalf.

Every ITT shall state that no Tender shall be considered unless it is returned to the Council as prescribed in the invitation to Tender Procurement Manager in the envelope provided ~~by the date and time specified in the ITT.~~

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Tenderers shall be responsible for ensuring their Tender is physically received by the Council by the specified time and date ~ late Tenders cannot be considered for evaluation or acceptance by the Council in any circumstances, even if the Tenderer asserts their Tender was placed in the post before the return date.

If late tenders are received then ~~these must be retained and endorsed to that effect by the Procurement Manager who will then open them in the presence of the Project Officer.~~ The Project Officer must on such receipt advise the tenderer(s) concerned that their Tender was received ~~or delivered~~ late to the Council thereby preventing its consideration, and inform them that the Tender shall either be, unless they require it to be returned to them as they may require or otherwise, ~~the Tender shall be~~ destroyed by the Council after a period of 14 days.

~~There must be no name or mark on the Tender return envelope indicating the tenderer's identity, otherwise the Tender will be deemed to be invalid.~~

(c) Opening tenders

~~Tenders shall be kept secure by the Procurement Manager until they are ready to be opened.~~

~~All Tenders for a particular Contract shall be opened together at one time by the Procurement Manager in the presence of the Project Officer and at least one other Council officer of appropriate seniority.~~

~~Appropriate Council Members may attend the opening of Tenders on the Council's premises.~~

~~No other persons other than those herein specified shall be permitted to attend the opening of Tenders.~~

~~Details of all valid Tenders received, and the prices and other pertinent details connected therewith, shall be recorded in the register kept for that purpose by the Procurement Manager, and the register shall be signed by both the Procurement Manager, the Project Officer and all other attendee(s) present at Tender opening.~~

~~(d)(c) Abnormally Low Tenders~~

~~Where the rates and price(s) submitted by one or more tenderers is prima facie abnormally low or otherwise unrealistic, the Corporate Procurement Manager has a legal duty to ask the tenderers concerned in writing to clarify their Tender proposals within the parameters prescribed by Regulation 69 of the Public Contracts Regulations 2015 and shall, with the Project Officer, assess the merits or otherwise of the explanations given before making any recommendation as to approval or rejection of those Tenders as appropriate.~~

~~14 POST-TENDER-NEGOTIATING CHANGES TO BIDS RECEIVEDONS~~

~~The following provisions apply to negotiations with bidders for any Council Contract, and the consequential amendments to Tenders and Quotations, otherwise than in accordance with any formalised negotiation –process permitted by the Public Procurement Legislation.~~

~~Any negotiation with any bidder between receipt of formal Tenders/Quotations and the award of a Contract which has the effect of materially modifying essential aspects of the Tender or of the procurement, including the needs and requirements set out in the contract notice/advert or the in the descriptive document, or which otherwise risks distorting competition or causing discrimination, is prohibited.~~

~~However, certain post Tender/Quotation discussions with bidders ~~tenderers~~ are permitted if these are conducted for the purpose of:~~

- ~~• clarifying with a tenderer-bidder details of any errors of arithmetic discovered in their Tender/Quotation in order that they may either confirm or withdraw the Tender/Quotation -or amend it in order to correct those errors; or~~
- ~~• clarifying or supplementing the content of a Tender/Quotation or the requirements of the Council, and providing that this does not involve discrimination or unfairness to any other entity participating, or who participated, in the Tender/Quotation exercise.~~

~~Further, the Project Officer may negotiate with the bidder submitting the Most Financially Advantageous Offer to confirm financial commitments or other terms~~

~~contained in the Tender/Quotation by finalising the terms of the Contract, including terms as to price, delivery or content, provided this does not have the distortive or discriminatory effect referred to above.~~

Amendments to Tenders and Quotations, once agreed, shall be put in writing and signed by the tenderer.

15 QUALIFIED SUBMISSIONS

Tenders or Quotations must not be qualified or accompanied by statements that might be construed as rendering them equivocal. Any bidder whose submission is found to contain a qualification which would give that organisation an unfair advantage over other participants in the competitive process must be asked either to withdraw the qualification or withdraw the bid. The Monitoring Officer's decision as to whether or not a submission is in an acceptable form will be final.

16 VARIANT BIDS

A variant bid is a modified or alternative Tender or Quotation. A bidder may submit a variant proposal in addition to one that conforms to the requirements of the original specification provided:

- express provision is made for this in the ITT/ITQ documentation and any notice or advertisement relating thereto;
- the variant bid is free of qualifications, states all cost implications, identifies all deviations from the project specification or brief and all risks and contingencies and nevertheless complies with the Council's minimum core requirements; and
- the Project Officer does not commit the Council to considering any such bid received.

If a variant bid is considered, it must be evaluated in accordance with the award criteria specified in the ITT or ITQ, and a tenderer may be awarded a Contract on the basis of a variant bid if this meets the Council's minimum core requirements.

17 WAIVERS

The Council does not have the power to waive the applicability of Public Procurement Legislation.

Subject to Public Procurement Legislation, therefore, and in particular to EU Procurement Law (see further section 6), the requirement to seek Tenders or Quotations may be waived as follows:

Value	Authority to Waive
Below £10,000	Head of Service <u>in consultation with Corporate Procurement Manager</u>
Above £10,000	Monitoring Officer and Section 151 Officer

Exceptions where the rules can be waived are set out in Appendix 3.

18 ELECTRONIC AVAILABILITY OF CONTRACT DOCUMENTS~~e-PROCUREMENT~~

Under EU Procurement Law, the Council must, in relation to Contracts above the EU Procurement Thresholds, offer by electronic means unrestricted, full and direct access

free of charge to the procurement documents from the date of publication of the OJEU Notice, including the invitation to tender, specification, project brief, conditions of contract and other supporting documentation intended to describe or determine the various elements of the procurement or the procedure. Further, all such documentation must be drafted and readily available electronically to potential bidders before the relevant contract notice is submitted to OJEU.

While electronic availability of contract documents is mandatory in relation to contracts the award of which is governed by EU Procurement Law, the Project Officer should, in liaison with the [Corporate](#) Procurement Manager, consider applying the benefits of electronic procurement to contract opportunities that fall below the [EU Procurement Thresholds](#).

19 COUNCIL TERMS OF CONTRACT

Wherever practicable, model forms of Contract developed or approved for use by the Council must be used as the basis for contracting with any entity to whom is awarded a Contract by the Council.

Where Quotations are to be invited (see [section 10a](#)) and a model Contract is not readily available, and nor has one been prepared by the Head of Law and Governance specifically for use in connection with the relevant procurement, then any Contract entered into by the Council shall be placed on a Council Purchase Order or otherwise approved by the Head of Law and Governance.

Where Tenders are to be invited (see [section 10a](#)) and a model Contract is not readily available, or the Project Officer considers the relevant model is not appropriate given the nature, value and/or complexity of the Works, Supplies or Services wishing to be acquired, then such a Contract shall be in a form prepared and/or approved by the Head of Law and Governance.

20 EXECUTION OF CONTRACTS

Every Contract which exceeds £150,000 in value or amount shall be executed under seal.

Every Contract below £150,000 in value or amount may be executed under seal or may be signed on behalf of the Council by a signatory authorised to do so by the Council's constitution.

21 CONTRACT COMMENCEMENT

As a general rule, the Project Officer shall not authorise performance of any Contract, nor raise any Purchase Order in connection with it, unless and until all of the documents comprising the Contract have been executed by all of the parties to it, unless the Purchase Order itself comprises the Contract (see [section 19](#)).

However, where there are exceptional circumstances requiring a successful tenderer to commence performance of a Contract prior to its execution as a matter of urgency (to avoid delay and increased costs on the Contract), the Project Officer must satisfy the Monitoring Officer and the Section 151 Officer before authorising such commencement that:

- the supplier has confirmed in writing its unequivocal commitment to:
 - perform the Contract in accordance with the established terms, and
 - execute the document comprising those terms when it is available and to indemnify the Council against any breach of such undertakings;
- any performance bond or parent company guarantee required under the terms of the Contract has been received from the supplier's surety or parent company or the surety or parent company has written to the Project Officer confirming the relevant organisation's agreement to be bound by the terms of such performance bond or parent company guarantee from the date of such communication;
- a certificate of insurance has been received from the supplier's insurers to confirm all requisite insurance cover is in place; and
- the ~~Chief Finance Officer~~[Head of Finance and Procurement](#) has undertaken appropriate financial checks on the supplier to establish its financial capability to undertake the Contract.

22 RECORD RETENTION

All Contracts executed under seal (including the winning Tender and any documentation supplementary thereto) shall be held by the Head of Law and Governance for safe keeping.

All other procurement documentation, including all expressions of interest, Pre-qualification Questionnaires, ITTs, unsuccessful Tenders, Quotations and Contracts executed under hand, shall be held by the relevant Head of Service in accordance with any relevant records management and/or records retention policy adopted by the Council.

For the avoidance of doubt, all unsuccessful Tenders and Quotations and any documentation ancillary thereto shall be kept safe and secure by the relevant Head of Service for a period of 12 months from the date of Contract award whereupon such documents shall be destroyed.

23 PUBLISHING CONTRACT AWARDS

The Contracts Register comprises a corporate record of all "live" Contracts over ~~£549,000~~ entered into by the Council, [whilst -](#)

~~Compilation of a Contracts Register satisfies a key component of the Government's transparency agenda and conforms to its Code on Data Transparency.~~[Contracts](#)

Finder comprises a record of all Contracts entered into by the Council over £25,000 that it is required by law to publish.

Accordingly, all Heads of Service **must** ensure that details of all the Contracts in their service area over £540,000 are entered **promptly** and **accurately** on the Contracts Register and that, similarly, all Contracts in their service area over £25,000 are entered on Contracts Finder

24 CONTRACT ASSIGNMENTS/ NOVATION

There may be occasions when the supplier to whom an award of Contract was originally made gives notice to the Council that it has transferred responsibility for performance of the Contract to another organisation. Alternatively, that other organisation may give notice to the Council that it has taken on the responsibility for the Contract from the original supplier. Or the Council may itself wish to transfer any responsibilities it may have under a Contract to another organisation. In any such circumstances, the Project Officer must seek assurance from the Head of Law and Governance on (i) whether the transfer (ii) is compatible with EU Procurement Law (ii) is otherwise permitted under the terms of the relevant Contract and, if so, (iii) the binding documentation needed to formalise the proposed arrangement; and must also arrange for the Chief Finance Officer~~Head of Finance and Procurement~~ to undertake (in relation to Contracts transferred by an existing supplier) appropriate financial checks on the new supplier to establish its financial capability to undertake the Contract.

25 PARTNERSHIPS AND PARTNERING

Whilst the CPR does not apply to the creation of any Partnership, the CPR will apply to:

- the creation of any other type of collaborative working arrangement which the Council does not define as a Partnership within the meaning set out in the CPR but which may nevertheless embody an ethos of partnership by, for example, the sharing of risk and/or open book accounting; and
- the procurement of any Works, Supplies or Services arising out of or connected with any Partnership with which the Council is involved or such other collaborative working arrangement.

Where the Council is acting jointly with another public body for the procurement of Works, Supplies and/or Services the procurement rules and procedures of the lead organisation effecting that procurement (where that is not the Council) shall apply rather than the CPR. The lead organisation must accordingly confirm that it does have relevant procurement procedure rules that are commensurate with the CPR and that it will ensure these are adhered to. Any such Contract awarded by such lead organisation must however be ratified by the Council in accordance with [section 10\(f\)](#).

26 REFERENCES

References are important for suppliers, especially for SME suppliers seeking to grow their businesses. Often a successful contract with the public sector is a valuable potential reference for a small firm, and refusing to provide references can act as a barrier to the growth for business, having a negative impact on the marketplace and the overall economy.

Where, therefore, a supplier has or has previously entered into a Contract with the Council for Works, Supplies or Services, any request from that supplier for a reference in relation to that Contract should be accepted by the Project Officer, especially if that supplier has performed well and/or has exceeded the Council's expectations.

There is no legal impediment to providing references but any opinions offered by the Project Officer must be backed by contemporaneous records. For example if commenting on supplier performance, such evidence might include the achievement (or not) of delivery milestones or performance against KPIs. Subjective assessments, for example of customer satisfaction, suppliers' performance, aptitude, helpfulness, cultural fit with the authority, etc. should, however, be avoided by the Project Officer.

27 CONTRACT VARIATIONS

Any variation to a concluded Contract for Works, Supplies or Services (including an extension to the length of any such Contract or a replacement of the original supplier) ([the Variation](#)) is only permissible if the Variation IN PRINCIPLE:

- demonstrably represents Value For Money or is otherwise in the Council's best interest to progress, and
- can be funded from an approved budget, and
- entails no diminution in any Social Value identified at the commencement of the Contract, and

- does not affect a Service in relation to which an expression of interest has been received under the Right to Challenge which either remains to be considered by the Council or which the Relevant Body does not intend to revive

and that Variation IN PRACTICE:

- is (irrespective of its monetary value) evidenced in writing, authorised in accordance with a clear, precise and unequivocal review clause or option that stated in the original contract the nature and scope of possible modifications or options available to the Council and which does not alter the overall nature of the contract, **or**
- entails the necessary procurement of additional Works, Services or Supplies that were not included in the original procurement but where a change of supplier cannot be made for economic/technical reasons and would cause significant inconvenience or substantial duplication of costs for the Council provided any price increase is not higher than 50% of the price of the original Contract, **or**
- arises from circumstances which the Council acting diligently could not foresee, does not alter the overall nature or scope of the original requirement, and does not increase the price by more than 50% of the value of the original contract **or**
- is intended to give effect to a universal or partial succession to the position of the original supplier by a new supplier following corporate restructuring, including takeover, merger, acquisition or insolvency, provided the new supplier fulfils all qualitative selection criteria initially established, the succession does not entail other substantial modifications to the original contract and is not otherwise aimed at circumventing Public Procurement Legislation; **or**
- does not (irrespective of its monetary value) (i) render the original contract materially different in character nor (ii) introduce conditions which would have allowed for the admission of other candidates, the acceptance of other tenders or attracted additional participants nor (iii) change the economic balance of the contract in favour of the contractor nor (iv) extend the scope of the contract considerably; **or**
- has a price value below the [EU Procurement Thresholds](#) and the cost of the change represents no more than 10% of the Contract's initial value for Service and Supply contracts (15% of the Contract's initial value for Works contracts) provided the change does not alter the overall nature of the contract.

Any variation outside these requirements would require the conduct of a tender process for a new contract unless an exception referred to in Section 17 would apply.

28 CONTRACT MANAGEMENT

Heads of Service shall be responsible for the management of all Contracts within their service area (and, for the purpose of this and the following paragraphs in section 28, "Contract" shall include all and any collaborative working arrangements of the type described in [section 25](#)).

Contract management is the active monitoring and control of all aspects of the relationship between a supplier and the Council, the aim of which is to ensure the effective delivery of the Works, Supplies and/or Services the subject of the Contract to the agreed price and standard and which is consistent with all legal requirements and financial propriety.

For Contracts within their service area exceeding **£100,000** in value or amount (including any such Contract let in connection with a Partnership with which the Council is involved, whether or not the Council let that Contract) Heads of Service shall produce a report to the [Corporate](#) Procurement Manager at the end of each financial year documenting:

- the quality of any Supplies or Service provided under any such Contract;
- any problems, issues or disputes (whether in relation to non-performance or otherwise) that arose or which have arisen in respect of any such Contract during the previous financial year;
- whether the supplier has performed the Contract on time and within budget, giving reasons for any delays or cost overruns;
- whether any Social Value perceived at the outset of the procurement has been realised;
- any variations and/or changes to the Contract effected during the previous financial year; and
- where appropriate, proposals for managing the end of the Contract.

Such report shall be considered by the Head of Law and Governance and the [Chief Finance Officer](#)~~Head of Finance and Procurement~~ who may make appropriate recommendations on the subject matter of or matters arising from such report.

The Project Officer shall have day to day responsibility for the administration of a particular Contract.

A résumé of the roles and responsibilities of Project Officers, Heads of Service and Directors is set out in [Appendix 2](#).

29 TERMINATION

No dispute shall be settled, and no Contract shall be cancelled, without the advice of the Head of Law and Governance and the [Chief Finance Officer](#)~~Head of Finance and Procurement~~ having first been sought as to the legality of any such step and the financial implications arising therefrom.

DISPOSAL OF ASSETS

30 PROCEDURE FOR THE DISPOSAL OF COUNCIL ASSETS

Where the estimated value of an asset is **£50,000** or more, or where the full Council or Cabinet/Executive so determines, disposal of that asset shall, unless a valuer with relevant qualifications has certified that an alternative method of disposal would better achieve the Council's aims and objectives, be conducted in one of the following ways using approved agents if appropriate:-

- **Sale by Tender**

- **Ad-hoc Tenders** - At least 14 days notice to be given in such local newspapers circulating in the Council's area and/or in such national journals as the relevant Head of Service considers desirable stating the nature of the asset and inviting tenders for its purchase and stating the last date when tenders will be accepted; or
- **Approved List** - Public notice to be given in respect of a particular transaction in the same manner as that described in *Ad-hoc Tenders* above inviting applications from interested persons to be placed on a list to be approved by the full Council or Cabinet from which prospective purchasers shall be selected and invited to submit tenders.

- **Sale at a Named Figure**

An assessment of the value of the asset shall be made by a valuer with relevant qualifications. The relevant Head of Service shall issue particulars of the asset and the price to all enquiring persons. Details of the asset shall be publicly advertised on at least one occasion and, in the case of land or property, a sign board erected upon the site.

- **Invited Offers**

The asset shall be advertised in accordance with the rules for Sale by Tender but no figure shall be placed in the particulars and interested parties shall be asked to make offers for consideration by the Council. In order to give guidance to prospective purchasers a minimum figure may be quoted where appropriate.

- **Sale by Public Auction**

Properly qualified and experienced auctioneers shall be commissioned to act on behalf of the Council in offering for sale by auction assets in the Council's ownership.

COMPLIANCE

31 STANDARDS OF CONDUCT AND OBSERVANCE OF RULES

All employees involved in the award or the potential award of any Contract or the disposal or potential disposal of any asset shall:

- act with integrity and honesty; and
- exercise all fairness and impartiality; and
- comply with these Contract Procedure Rules; and
- respect the Officer's Code of Conduct; and
- observe any policy adopted by the Council on measures to combat bribery and corruption

and shall report instances of suspected fraud and other irregular activity connected with such award or disposal under any whistleblowing policy adopted by the Council.

ANY MANIFEST OR MATERIAL DEPARTURE FROM THESE RULES OR THE OFFICER'S CODE OF CONDUCT OR ADOPTED ANTI-BRIBERY POLICY IS A DISCIPLINARY OFFENCE.

PROCUREMENT STEERING GROUP

TERMS OF REFERENCE

1. INTRODUCTION

1.1 JPSG means the Joint Procurement Steering Group comprising a **Core Group** of:

- The Section 151 Officer ~~(as Chair)~~
- The Monitoring Officer
- The Chief Finance Officer ~~Head of Finance and Procurement~~ (unless represented as Section 151 Officer)

or their nominees, and a **Strategy Group** comprising:

- ~~The Chief Executive~~
- The JPSG - Core Group and
- Heads of Service invited from those who have undertaken substantial procurement activity over the period since the last Strategy Group meeting.
- The relevant Council Member(s) responsible for procurement (to be invited as appropriate and at least annually) and
- Such other Council Members as any of the Core Group may invite on a case by case basis

or their nominees.

1.2 The JPSG – Core Group may transact its business electronically.

The JPSG – Strategy Group shall meet quarterly. It may otherwise transact its business electronically.

2. TERMS OF REFERENCE OF THE JPSG

2.1 The function of the JPSG – Core Group is to:

- ~~Consider and, if appropriate, authorise the undertaking of any procurement between £150,000 and £500,000 in estimated value or amount, and~~
- ~~Consider and, if appropriate, approve the award of all Contracts between £150,000 and £500,000 in value or amount, and~~
- Consider and, if appropriate, approve the award of all Contracts above £500,000 in value or amount in consultation with the Lead Member/portfolio holder responsible for the procurement.

PROVIDED the decision to be taken is not required to be determined by the Executive or Cabinet as a Principal Procurement Decision

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2.2 The function of the JPSG – Strategy Group is to:

- Perform a strategic and scrutiny role in relation to the Council's commissioning programme and all matters relating to the Council's contracting policy,
- Provide a forum for Project Officers to discuss policy development, seek strategic advice and raise questions, issues and problems with Contract policy,
- Define and spread best-practice as it relates to contracting and Contract management and monitoring,
- Provide advice to Officers as appropriate on contracting issues, and
- Advise Members and the Chief Executive on the need for any revision to the CPR, including changes to financial thresholds.

3. PROCEDURES FOR THE JPSG

- 3.1 The JPSG – Core Group and the JPSG – Strategy Group shall both be chaired by the Monitoring Officer or his/her nominee.
- 3.2 The Corporate Procurement Manager shall convene all meetings of the JPSG – Core Group and the JPSG – Strategy Group, and at least two working days before such meeting the Corporate Procurement Manager shall send to every member an agenda and copies of all reports.
- 3.3 Members of the JPSG – Core Group and the JPSG – Strategy Group, or their nominees, shall attend any meeting of them when requested to do so.
- 3.4 Minutes shall be made by the Corporate Procurement Manager of the proceedings of the JPSG – Core Group and the JPSG – Strategy Group.
- ~~3.5 Any business of the JPSG – Core Group and the JPSG – Strategy Group may be transacted electronically.~~

4. PERSONNEL, PROPERTY AND INFORMATION TECHNOLOGY MATTERS

- 4.1 Every report to the JPSG – Core Group which has information technology implications shall be referred to the Assistant Director, Commercial Development and innovation ~~Head of Finance and Procurement~~ before the report is considered.
- 4.2 Every report to the JPSG – Core Group which has staffing implications shall be referred to the Shared HR and OD Manager ~~Head of Transformation~~ before the report is considered.
- 4.3 Every report to the JPSG – Core Group which has land and property implications shall be referred to the Head of Regeneration and Housing before the report is considered.

ROLES AND RESPONSIBILITIES

Directors:

- Oversee procurement activity within their Directorate and;
- Ensure the requirements of the CPR are upheld at all times.

Heads of Service

- Ensure there is sufficient budget available for the Works, Supplies and/or Services to be acquired by their Project Officer;
- Ensure that the procurement proceeds in all respects in conformity with the CPR;
- ~~Authorise procurement projects and~~ Make Contract awards affecting their service with a value below £150,000 (excepting any such project authorisations or Contract awards as may arise from the Right to Challenge, which shall fall to be made by the Council's Executive or Cabinet, as appropriate);
- Respond to expressions of interest received under the Right to Challenge, and issue relevant notifications as appropriate;
- Report to the Executive or Cabinet as appropriate seeking recommendation to approve, reject or modify any expression of interest received under the Right to Challenge;
- Publish in Contracts Finder and record on the Council's Contracts Register the detail of all Contracts exceeding ~~£2549,000~~ and £5,000 respectively that are awarded in connection with their service area;
- Manage all Contracts within their service area;
- Waive the call for competition (in accordance with the procedure prescribed in section 17) in relation to procurements below £10,000;
- Produce yearly Contract management reports to the Corporate Procurement Manager in accordance with section 28; and
- Sign Contracts below £150,000 on the Council's behalf ~~;-and~~

Project Officers

- Plan and co-ordinate specific procurement projects;
- Obtain all necessary authorisations (whether from their Head of Service, the JPSG – Core Group, Cabinet or Executive, as the case may be) prior to progressing any stage of a procurement project;
- Draw up or revise Contract specifications;
- Liaise with the Head of Law and Governance to eEnsure the Contract forms chosen for use in connection with the procurement are fit for their intended purpose;
- Collate and assemble all tender documentation;
- Preserve the confidentiality inherent in any competitive process, particularly in relation to tender evaluation reports, working papers and minutes of meetings;
- Undertake competitive processes, particularly bid evaluations, in such a way as to ensure all bidders are treated fairly and equally;
- Prepare reports to Cabinet or Executive (as the case may be), the JPSG – Core Group, the JPSG – Strategy Group or Service Heads as appropriate;
- Ensure all necessary permissions are concluded before their Contract begins;
- Administer and monitor their Contracts on a day to day basis to ensure compliance with the specified standards;
- Ensure from time to time that information held on Contracts Finder and the Contracts Register is fully up-to-date; and

GROUPS ON WHICH COMPETITION CAN BE WAIVED

1. The rules respecting the requirement to run a competition for Works, Supplies or Services in this CPR may be waived, and a Contract may be awarded directly to a supplier of such Works, Supplies or Services without competition, in any of the specific cases and circumstances laid down in paragraphs (2) to (9) of this Appendix 3. In any other cases, the use of this procedure is not allowed.

Competition can generally be waived:

2. Where no tenders, no suitable tenders, no requests to participate or no suitable requests to participate have been received in response to an open or restricted procedure, provided the original conditions of the contract are not substantially altered.
3. Where the contract can only be performed by a particular supplier because (i) the contract is for a unique work of art or artistic performance (ii) competition is absent for technical reasons or (iii) the Works, Supplies or Services required are protected by exclusive rights including intellectual property rights BUT ONLY in the case of (ii) and (iii) above where no reasonable alternative exists and the absence of competition is not due to an artificial narrowing down of the parameters of the procurement.
4. In cases of extreme urgency brought about by events unforeseen by the Council where the time limits applicable to other procedures cannot be complied with, as long as such circumstances are not in any event attributable to the Council.

Competition can also be waived for supply contracts where:

5. ~~Where~~ the products involved are manufactured purely for the purposes of research, experimentation, study or development and the contract does not include quantity production to establish commercial viability or to recover research and development costs.
6. ~~For~~ additional deliveries by the original supplier ~~which~~ are intended either as a partial replacement of supplies or installations or as the extension of existing supplies or installations, where and a change of supplier would oblige the contracting authority to acquire supplies having different technical characteristics which would result in incompatibility or disproportionate technical difficulties in operation and maintenance PROVIDED contracts let in reliance on this ground, and any recurrent contracts, do not exceed 3 years.
7. ~~The For~~ supplies are quoted and purchased on a commodity market.
8. ~~If~~ ~~the purchase of~~ supplies or services are purchased on particularly advantageous terms, from either a supplier which is definitively winding up its business activities, or the liquidator in an insolvency procedure, an arrangement with creditors, or a similar procedure under national laws or regulations.

Competition can also be waived for new works and services which repeat similar works or services already entrusted to the current supplier Provided:

- such works or services are in conformity with a basic project for which the original contract was awarded in accordance with one of the other procurement procedures; and
- the basic project indicated the extent of possible additional works or services and the conditions under which they would be awarded; and
- as soon as the first project was put up for tender, the possible use of this procedure was disclosed and the total estimated cost of subsequent works or services were taken into consideration when determining the contract value; and
- the order for such new works or services is issued within the period of 3 years following the conclusion of the original contract.

CHERWELL DISTRICT COUNCIL
and
SOUTH NORTHAMPTONSHIRE COUNCIL

CONTRACT PROCEDURE RULES

Made under
Section 135 of the Local Government Act 1972

A note on Interpretation: reference to *Council* throughout these Rules refers to both Cherwell District Council and South Northamptonshire Council. Any rules peculiar to Cherwell District Council or South Northamptonshire Council alone are set out in text boxes at the appropriate points.

1 INTRODUCTION

Supplemented by complementary rules in the Council's Constitution, including its Financial Procedure Rules, these Contract Procedure Rules, which are made under sections 135 (1) and (2) of the Local Government Act 1972:

- provide the foundation for achieving value for money in pursuit of the aims and objectives stated in the [Joint Corporate Procurement Strategy and Action Plan](#)
- promote transparency, non-discrimination and equal treatment in pursuit of the Council's procurement objectives
- ensure compliance with the obligations governing the spending of public money contained in the Public Contracts Regulations 2015 and deter fraud
- ensure that small and medium enterprises have better access to Council Contracts by simplifying the procurement process for Contracts below the [EU Procurement Thresholds](#), increasing transparency, and reducing bidding costs
- govern the way in which the Council buys works, supplies and services, whether to meet a current need identified by the Council directly or in response to an expression of interest received from a relevant body under the community right to challenge
- govern the way in which the Council *sells* the things it owns, and accordingly support the Council's statutory duty to obtain the best price reasonably obtainable in the disposal of assets belonging to it
- require officers with responsibility for purchasing or disposal to comply.

2 SCOPE OF CONTRACT PROCEDURE RULES

These Rules (and those complementary rules in the Council's Constitution, including its Financial Procedure Rules) apply to **all** spending on works, supplies and services by the Council. They also apply to the disposal of **all** Council assets.

The Rules also apply whether the Council is dealing on a commercial basis with entities in the private sector or the public sector.

These Rules must also be followed where the Council decides to accept an expression of interest received from a relevant body under the community right to challenge.

Further, the Rules apply to arrangements which the Council wishes to enter into in consequence of its having received grant funding from an outside body to procure a service, or to receive an income in return for giving another body the right to run a service.

The Rules **do not apply**, however, to:

- contracts of employment
- contracts with Counsel
- grant/funding agreements¹
- contracts awarded by the Council to a distinct legal entity over which it exercises a control that is similar to that which it exercises over its own departments *and* that distinct legal entity carries out more than 80% of its activities for the Council or other local authorities which control it *and* there is no direct private capital participation in that distinct legal entity²
- arrangements concluded by the Council with other public bodies within a framework of genuine cooperation between the participants which is aimed at ensuring the public services they have to perform are provided with a view to achieving objectives they have in common *and* which is governed solely by considerations and requirements relating to the pursuit of objectives in the public interest *and* less than 20% of the activities concerned by the co-operation are performed on the open market³.

All contract letting must at all times comply with Public Procurement Legislation (defined in [section 3](#) below) irrespective of local needs or objectives. EU Treaty Principles, in particular, apply to all Council procurement activity, not just to contracts that exceed the relevant EU thresholds (see [section 6](#)).

The Monitoring Officer may amend these Rules where required by statutory change or administrative error.

3 DEFINITIONS

Significant terms or phrases used in this document are defined as follows:

<p>South Northamptonshire Council</p> <p>Cabinet means the Council's Cabinet.</p>

Contract means an agreement between the Council and any other organisation, including another public authority, made by formal agreement or by issue of a letter of acceptance or official purchase order for Works, Supplies or Services.

Contracts Finder means a web-based portal provided, under that name, by or on behalf of the Cabinet Office, on which the Council must publish Contract opportunities and Contract awards in conformity with these Rules.

¹ A grant is a gift of funds for a specific purpose. The recipient is not obliged to deliver any goods or services to the Council, although the Council may claw back grant which has not been spent or is misapplied.

² Formerly, the *Teckal* exemption, now Regulation 12(1) of the Public Contracts Regulations 2015

³ Formerly, the *Hamburg* exemption, now Regulation 12(7) of the Public Contracts Regulations 2015

Contracts Register means the centrally held Contracts Register providing data to aid the management, administration, scrutiny and audit of all Contracts entered into by the Council with a value exceeding £5,000.

Corporate Contract means an exclusive agreement between the Council and a supplier which facilitates the placing of orders for known quantities of Supplies and Services on standard terms over a predetermined period which, if the total value of all purchases that could be made under the Corporate Contract exceeds the relevant value in the [EU Procurement Thresholds](#) (see [section 5](#) for determining Contract values), must be no more than 4 years. In this context, the agreement and the orders together constitute a single contract (albeit one in which the scope of the Corporate Contract regularly changes as orders are placed and fulfilled). It is this characteristic that distinguishes the arrangement from, but which otherwise shares similarities to, a [Framework Agreement](#)

Corporate Procurement Manager means the officer with responsibility for the Council's procurement function.

CPR means the contract procedure rules set out in this document and supplemented by complimentary rules in the Council's Constitution, including its Financial procedure Rules.

Cherwell District Council

Executive means the Council's Executive.

EU means the European Union.

EU Procurement Law means EU Directive 2014/24 (consolidated into English law as the Public Contracts Regulations 2015), EU Treaty Principles, relevant case law and any subsequent directives or legislation relating to EU procurement.

EU Treaty Principles means the principles of transparency, equal treatment, proportionality and non-discrimination in the letting of any Contract.

FoI means the Freedom of Information Act 2000, the Environmental Information Regulations 2004, the Code of Recommended Practice for Local Authorities on Data Transparency (September 2011) and any subsequent amendment or legislation relating to information disclosure.

Framework Agreement means an agreement or other arrangement between the Council (whether acting alone or jointly with other public bodies) and one or more suppliers which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the Council may place one or more orders with the supplier in the period during which the Framework Agreement applies. Until any orders are placed under the Framework Agreement there is no legally enforceable obligation to supply or purchase any Supplies or Services in connection with it. The placing of orders for Works, Supplies or Services through a Framework Agreement (whether established by the Council or by another public body) will satisfy the call for competition provided Value For Money can be demonstrated. In such cases there is no requirement to subject individual orders to competition because a competitive process will already have been undertaken to establish the Framework Agreement under which they are placed. Where it is proposed to establish a Framework

Agreement, and the potential value of all orders that could be placed under it may exceed the relevant value in the [EU Procurement Thresholds](#) (see [section 5](#) for determining Contract values) then its term must be limited to 4 years or less pursuant to EU Procurement Law.

ITQ means an invitation to Quote.

ITT means an invitation to Tender (or to negotiate, as the case may be).

JPSG means the Joint Procurement Steering Group comprising a **Core Group** of:

- The Section 151 Officer
- The Monitoring Officer
- The Chief Finance Officer (unless represented as Section 151 Officer)

or their nominees, who shall, in relation to Contracts exceeding £150,000 in value or amount, make appropriate determinations at key stages of the procurement lifecycle in accordance with the JPSG Core Group's terms of reference as set out in paragraph 2.1 of [Appendix 1](#), and a **Strategy Group** comprising:

- The JPSG - Core Group and
- Heads of Service invited from those who have undertaken substantial procurement activity over the period since the last Strategy Group meeting
- The relevant Council Member(s) responsible for procurement (to be invited as appropriate and at least annually) and
- Such other Council Members as any of the Core Group may invite on a case by case basis

or their nominees, who shall provide a strategic and scrutiny role in relation to the Council's procurement function in accordance with the JPSG – Strategy Group's terms of reference as set out in paragraph 2.2 of [Appendix 1](#).

Monitoring Officer means the Head of Law and Governance, who is designated as such under Section 5(1) of the Local Government and Housing Act 1989.

Most Economically Advantageous Offer means the offer that is the most economically advantageous from the point of view of the Council taking into account such things as price, quality, technical merit, aesthetic and functional characteristics, environmental characteristics, potential Social Value, production processes, running costs, cost effectiveness, life-cycle costs, after sales service, technical assistance, delivery date/delivery period and period of completion.

OJEU means the Official Journal of the European Union, and **OJEU Notice** means a notice advertising the relevant Contract opportunity that is sent to OJEU in conformity with EU Procurement Law.

Partnership means an arrangement involving the Council and one or more organisations from any sector who share the responsibility for agreeing and/or then delivering a set of planned actions and outcomes. The Council may be a major or a minor participant in any such partnership. The CPR does not apply to the creation of any such Partnership but may apply to any activity of the Partnership connected with the letting of Contracts.

Principal Procurement Decision means any key procurement decision affecting any Contract where the total cost of that Contract would, were it to be awarded, exceed the allocated revenue budget by more than 5% or £25,000 (whichever is the greater) and/or the allocated capital budget by more than 5% or £100,000 (whichever is the greater), or which falls to be made for the purpose of responding to an expression of interest received from a Relevant Body exercising its Right to Challenge, or awarding a Contract arising from such expression.

Project Officer means the officer designated by the relevant Head of Service as having responsibility for the planning and co-ordination of any particular procurement project. For the avoidance of doubt, the Project Officer may also be the relevant Head of Service. The Project Officer is accountable for the delivery of the project on time, within budget, and in accordance with all relevant internal procurement rules and Public Procurement Legislation. The Project Officer must have no personal or professional connection with any organisation bidding for a Contract and must recuse himself or herself from a procurement exercise immediately the potential conflict of interest arises and nominate a substitute Project Officer able to progress the procurement exercise fairly, transparently and impartially.

Public Procurement Legislation means all relevant external procurement rules and regulations, including the Local Government Act 1988 Part II, the Local Government (Contracts) Act 1997, the Local Government Act 1999, the Local Government Act 2000, the Public Services (Social Value) Act 2012, the Localism Act 2011 and EU Procurement Law (including EU Treaty Principles).

Quotation means a priced bid for the provision of Works, Supplies or Services applicable to procurements between £2,500 and £100,000.

Relevant Body means a voluntary or community body, a charitable body, a parish council, two or more employees of the Council or such other persons or bodies as may be specified by regulations made by the Secretary of State.

Relevant Service means a service provided in the exercise of any of the Council's functions, either by the Council using its own workforce, or provided on its behalf under a service contract or some other arrangement.

Right to Challenge means the right embodied in the Localism Act 2011 for a Relevant Body to express an interest in providing or assisting in providing a Relevant Service on behalf of the Council.

Section 151 Officer means the officer appointed by the Council for the purposes of Section 151 of the Local Government Act 1972 to administer the financial affairs of the Council.

Services means any undertaking that does not constitute Works or a Supply, and includes a Relevant Service.

Social Value means the economic, social and/or environmental well-being to which the Council must have regard before commencing an exercise to procure a Contract for the provision of Services to which [EU Procurement Law](#) applies.

Supply means the purchase, hire or lease of any goods or materials (including electricity, substances, growing crops and things attached to or forming part of any land) and their siting or installation where this is incidental to the Supply, and **Supplies** shall be construed accordingly.

Tender means the formal process for obtaining priced bids for Works, Supplies and/or Services and which must be followed for procurements with a value exceeding £100,000.

TUPE Regulations means the [Transfer of Undertakings \(Protection of Employment\) Regulations 2006](#) (as amended by the [Collective Redundancies and Transfer of Undertakings \(Protection of Employment\) \(Amendment\) Regulations 2014](#)), which preserves the continuity of employment and terms and conditions of employees who are transferred to a new employer in cases where Services are outsourced, insourced or assigned by the Council to a new supplier.

Value For Money means the optimum combination of whole life costs, quality and other benefits.

Works means the construction, repair or maintenance of a physical asset.

CONTRACTS

4 CONFIDENTIALITY

All information supplied by a bidder invited to submit a Quotation or Tender for a Contract shall be treated in confidence except where references are required to be sought for the purpose of establishing a bidder's credentials, or where disclosure is required to meet an obligation contained in the Public Procurement Legislation (such as supplier debriefing following completion of a competitive tender exercise).

This general duty to maintain confidentiality is, however, subject to the Council's [statutory responsibilities](#) under Fol.

Fol does permit non-disclosure of information which is commercially sensitive, and the Project Officer is therefore recommended to instruct any bidder invited to submit a Quotation or Tender to:

- state clearly which, if any, of the information or other material supplied with their Quotation or Tender is commercially sensitive; and
- explain why, in the bidder's own opinion, commercial sensitivity attaches to that information or other material.

However, whilst bidders may specify in their Quotation or Tender that information or other material being supplied to the Council is commercially sensitive and therefore exempt from disclosure, the Project Officer must make bidders aware when inviting Tenders or Quotations that such information shall be regarded by the Council as having indicative value only and that the Council may nevertheless be obliged to disclose such information if an Fol request is received.

Note under Fol that the Council alone is responsible for determining at its absolute discretion whether confidential, commercially sensitive or other information is exempt from disclosure or is to be disclosed in response to a request for information.

5 CALCULATING THE VALUE OF A PROPOSED CONTRACT

When calculating the value of a proposed Contract, the Project Officer should have regard as follows:

- values are total lifetime Contract values, not annual values;
- account must be taken of the potential for exercising any options or any rights of renewal or extension;
- values exclude VAT;
- the estimated value of a Framework Agreement or a Corporate Contract is the total value of all of the purchases which could be made by the Council under that arrangement;
- where a Contract length is unfixed or imprecise, its value shall be assessed on the basis of the amount the Council might spend on it over 48 months;
- where procurement activity is undertaken jointly with another public body, the value of the Contract to each organisation shall be combined for the purpose of determining the applicability of [EU Procurement Thresholds](#) (and the issue of a Contract Notice to OJEU);
- a Contract must not be packaged in such a way that is chiefly intended to evade the point at which any rule in the CPR or the Public Procurement Legislation may apply; but consideration can be given to dividing a proposed Contract into Lots to make them more accessible for small and medium enterprises.

6 EUROPEAN PROCUREMENT THRESHOLDS

EU Procurement Law shall be complied with in respect of all Contracts having a value that exceeds the relevant EU threshold for the Works, Supplies or Services being procured (see [EU Procurement Thresholds](#)).

The consequences of failing to do so are severe, whether before a Contract is formally awarded or in the aftermath of that decision:

Before the Contract is Signed the Council:

- Must automatically suspend its award upon receiving, and pending the conclusion of, a legal challenge to that decision.
- May be ordered to set aside any unlawful decisions taken during the tender process or to amend any unlawful documentation.
- Could be liable to pay damages to any bidder proving loss arising from the Council's actions.
- May be required, by virtue of Part 2 of the Localism Act 2011, to pay all or part of any fine or other EU financial sanction levied against the Government for an infraction of EU Procurement Law in circumstances where the Council has demonstrably caused or contributed to the imposition of that financial sanction.

After the Contract is Signed the Council:

- Could be liable to pay damages to any bidder proving loss arising from the Council's actions.
- May, in any case of serious abuse of EU Procurement Law, be required to cancel its Contract (where a court declares that Contract to be *prospectively ineffective*) and pay a fine.
- May, in any other case, be ordered to shorten the term of its Contract or pay a fine or both.
- May be required, by virtue of Part 2 of the Localism Act 2011, to pay all or part of any fine or other EU financial sanction levied against the Government for an infraction of EU Procurement Law in circumstances where the Council has demonstrably caused or contributed to the imposition of that financial sanction.

Given the draconian consequences that may occur for failing to comply with the public procurement regime, the message is clear: "follow the rules".

Further, EU Treaty Principles apply to all Contracts, not just to those that exceed the EU thresholds.

7 COMMENCING A PROCUREMENT

No procurement shall commence without there being sufficient budget available to cover the estimated cost of the Works, Supplies or Services being procured, or an outside body providing grant for the procurement of Works, Supplies or Services having given a binding commitment to the Council to provide those funds.

Further, for all procurements above £25,000 the Project Officer shall first consider and agree with the Corporate Procurement Manager an approach to the procurement that is most likely to achieve the procurement's intended outcomes and objectives, having regard, therefore, to such matters as:

- the likely total cost of the project;
- the amount and source of the money earmarked for it;
- the length of the proposed arrangement;
- the procedure to be adopted for achieving effective competition;
- the proposed procurement timetable;
- whether procurement jointly with another public body would be of benefit;
- how Value for Money and/or Service improvements may be achieved;
- how Social Value might be secured for the Council's area by the procurement;
- details as to whether TUPE is likely to apply (see section 9); and
- any risk to the Council in undertaking (or not undertaking) the procurement.

Dealing With Expressions Of Interest Received Under The Right To Challenge

The Council has a **duty** to consider any expression of interest received from a Relevant Body wanting to run a Relevant Service on behalf of the Council. The Council shall fulfil that duty as follows.

Where an expression of interest for a Relevant Service is received by the Council, the head of service responsible for the service to which the Relevant Service relates shall:

- inform the Corporate Procurement Manager and the Head of Law and Governance of its receipt without delay; and
- forthwith check that it meets the minimum requirements specified in the Localism Act 2011 and accompanying regulations. Expressions of interest must contain:

1	information about the financial resources of the Relevant Body (and the financial resources of any consortium member or sub-contractor with whom the Relevant Body proposes to deliver the Relevant Service)
2	evidence of the Relevant Body's capability to provide or assist in providing the Relevant Service (and the capability of any consortium member or sub-contractor with whom the Relevant Body proposes to deliver the Relevant Service)
	Information about the Relevant Service sufficient to identify it and the

3	geographical area to which it relates
4	information about the outcomes to be achieved, particularly how the provision or assistance will add Social Value to the Council's area and how it will meet users' needs
5	details about how, in any case where the Relevant Body consists of Council employees, those employees will engage with other employees of the Council affected by the Relevant Service

For each and every expression of interest received, the relevant head of service shall issue the necessary notifications required by the Localism Act 2011 and accompanying regulations in consultation with the Corporate Procurement Manager and the Head of Law and Governance, including publication as necessary on the Council's website.

The relevant head of service shall report each and every expression of interest to its Executive or Cabinet as appropriate, and seek recommendation from it to **accept**, **reject** or **modify** that expression as appropriate.

Where recommendation is made to **accept** the expression of interest the Council shall, following notification of the Council's acceptance to the Relevant Body, **proceed to carry out a procurement exercise in respect of the Relevant Service in conformity with the CPR**. It shall also specify in such manner as it thinks fit (which must include publication on the Council's website):

- the **minimum period** that will elapse between:
 - the date of the Council's decision to accept the expression of interest, and
 - the date on which it will begin the procurement exercise for the Relevant Service, and
- the **maximum period** that will elapse between those dates.

An expression of interest may only be **rejected** where:

1	it does not comply with any of the requirements specified in the Localism Act 2011 and accompanying regulations
2	the Relevant Body provides information in the expression of interest which in the opinion of the Council, is in a material particular inadequate or inaccurate
3	the Council considers, based on the information in the expression of interest, that the Relevant Body or, where applicable (a) any member of the consortium of which it is a part, or (b) any sub-contractor referred to in the expression of interest is not suitable to provide or assist in providing the Relevant Service
4	it relates to a Relevant Service where a decision, evidenced in writing, has been taken by the Council to stop providing that service
5	the expression of interest relates to a Relevant Service (a) provided, in whole or in part, by or on behalf of the Council to persons who are also in receipt of a service provided or arranged by an NHS body which is integrated with the Relevant Service; and (b) the continued integration of such services is, in the opinion of the relevant authority, critical to the well-being of those persons
6	the Relevant Service is already provided under Contract to the Council or otherwise the subject of a procurement exercise
7	the Council and a third party have entered into negotiations for provision of the Relevant Service, which negotiations are at least in part conducted in writing

8	the Council has published its intention to consider the provision of the Relevant Service by a body that 2 or more specified employees of the Council propose to establish
9	the Council considers that the expression of interest is frivolous or vexatious
10	the Council considers that acceptance of the expression of interest is likely to lead to contravention of an enactment or other rule of law or a breach of statutory duty

Where recommendation is made to **reject** the expression of interest the relevant head of service shall notify the Relevant Body accordingly, giving reasons for that decision, and shall also arrange publication of the notification in such manner as he thinks fit on behalf of the Council, which must include publication on the Council's website.

Recommendation may be made to **modify** an expression of interest **by agreement** with the Relevant Body. The relevant head of service shall notify the Relevant Body of any such recommendation, giving details of the modification sought and the reasons for that decision, and shall also arrange publication of the notification in such manner as he thinks fit on behalf of the Council, which must include publication on the Council's website.

8 ROLE OF JPSG

The JPSG – Core Group's terms of reference are set out in paragraph 2.1 of Appendix 1.

The JPSG – Strategy Group's terms of reference are set out in paragraph 2.2 of Appendix 1.

9 REQUIREMENTS IN RELATION TO TUPE

TUPE, and the interpretation of it, **changes frequently**, and only a brief reference to it is therefore contained within these Rules. The Shared HR and OD Manager and / or the Head of Law and Governance can provide further TUPE guidance and advice as necessary or appropriate.

Whenever a new supplier is appointed to take over the provision of an existing Service, employees of the original supplier engaged in the provision of that Service (or the Council, if the Service was provided in-house) may be affected by transferring that Service to another provider. If so, it will be necessary to form a view as to whether TUPE applies, and the advice of the Shared HR and OD Manager *and* the Head of Law and Governance **must** therefore be obtained by the Project Officer before commencing a procurement project.

If a Contract is likely to involve a transfer of Council staff then it is important that the Project Officer arranges for the Shared HR and OD Manager to begin consultation with the relevant employees that will be affected at an early stage. This is good practice and the Council has a statutory obligation to consult under TUPE.

10 COMPETITIVE PROCESS

(a) Number of Tenders/Quotations to be Invited

This rule 10(a) shall apply unless the call for competition is to be waived in accordance with the procedure prescribed in section 17, or the Council's requirement for Works,

Supplies or Services is to be satisfied using an established Framework Agreement or Corporate Contract from which the Council is expressly entitled to benefit.

While a formal competitive tendering exercise may be conducted by the Council in relation to any procurement of any value, such a process **must** be undertaken by the Council for all Contracts above £100,000 (see table below).

For Contracts below £100,000, Tenders may not be required and a Contract can be awarded on the basis of Quotations received and evaluated in accordance with Value for Money requirements **PROVIDED** all stages of that exercise are nevertheless recorded in writing sufficient to demonstrate the decisions taken are robust, fair and auditable.

Where there are a sufficient number of organisations suited to bid for a particular Contract, the Council may limit the number of potential bidders from whom it may seek Tenders/Quotations as follows:

Estimated Contract Sum	Minimum Number of Bidders Invited to Tender
Works, Services or Supply Contract exceeding relevant EU Procurement Thresholds	Determined in consultation with the Head of Law and Governance, having regard to EU tendering requirements ⁴
Works, Services or Supply Contract between £100,000 and relevant EU Procurement Thresholds	3 Tenders invited
£25,000 to £100,000	3 written Quotations (unless the proposed Contract is likely to be of interest to enterprises from other EU Member States in which event 3 Tenders meaningfully advertised shall be required in accordance with EU Treaty Principles)
£2,500 to £25,000	2 Quotations (in writing wherever possible)
Up to £2,500	Procurement Card, petty cash etc. transaction

(b) Advertising a Contract Opportunity

This section applies where Tenders or Quotations are required to be obtained (see [section 10\(a\)](#)) and the use of an established Framework Agreement or Corporate Contract from which the Council is entitled to benefit is not appropriate.

The Project Officer is reminded that, whilst generally the most effective means of achieving Value for Money in any Contract is to advertise it publicly by, e.g., notice on the Council’s website or in an appropriate trade journal or the local press, the following forms of Contract advertisement **must** by law be undertaken in addition to any other means of advertising the Contract opportunity chosen by the Project Officer:

⁴ E.g., regulation 65 (3) of the PCR 2015 states that the minimum number of candidates who are invited in a restricted procedure to complete the ITT shall be 5, providing that at least this number have been assessed as sufficiently qualified after completing a SQ or equivalent. This number can be increased if desired, but not decreased.

Estimated Contract Sum	Contract Notice to OJEU	Contracts Finder ⁵
Contracts for Works, Services or Supplies <u>above</u> EU Procurement Thresholds	The OJEU Notice must be placed in advance of any other advertisement of that Contract opportunity	The Contract opportunity must be published on Contracts Finder 24 hours of the OJEU notice
Contracts for Works, Services or Supplies between £25,000 and EU Procurement Thresholds	Optional	It is not mandatory to advertise a Contract in this band on Contracts Finder, but if a choice is exercised to advertise that Contract publicly, then the Project Officer must advertise/also advertise on Contracts Finder

(c) **Shortlisting Applicants to Tender**

Shortlisting for Contracts above the EU Procurement Thresholds

If, in advertising a Contract opportunity, the Project Officer wishes to assess the suitability, or unsuitability, of applicants to perform a Contract for the purpose of reducing the number of applicants to a smaller number who are to proceed to a later stage of the process (i.e., to shortlist organisations prior to inviting Tenders), and the Contract value is above the EU Procurement Thresholds, then the Contract advertisement shall state that any person, firm or organisation wishing to express an interest in the Contract must do so by completing and returning to the Council, by a date specified in the advertisement (being not less than 30 days), a Standard Selection Questionnaire in the standard form prescribed by central government or a document or certificate of equivalent effect ('SQ')⁶.

All SQs accordingly received shall be assessed to determine the acceptability, experience, financial standing, capability and capacity of the organisation concerned to deliver the Works, Supplies or Services required.

The Corporate Procurement Manager shall have responsibility for co-ordinating such pre-qualification process, including receiving completed SQs, and, from those considered eligible to bid for the Contract, the Corporate Procurement Manager and the Project Officer shall together compile a shortlist of persons, firms or organisations from whom Tenders may be invited. That shortlist shall have regard to the minimum number of Tenders required in accordance with the Table in section 10a.

When the selection process has been completed, the Corporate Procurement Manager shall inform unsuccessful applicants that they were not selected to tender, together with brief reasons as to why they were not so selected.

⁵ The Public Contracts Regulations 2015 require that if a Contract is advertised, the opportunity must be published on Contracts Finder instead of, or in addition to, other portals or websites whenever the value of the contract is greater than £25,000.

⁶ Such as a European Procurement Passport or equivalent

Shortlisting for Contracts below the [EU Procurement Thresholds](#)

The Council is prohibited by Public Procurement Legislation from demanding a SQ in relation to any Contract opportunity below the [EU Procurement Thresholds](#) for services or supplies, although it may ask applicants to answer a suitability assessment question provided the question is:

- relevant
- proportionate and
- intended only to elicit information or evidence which the Council requires for the purpose of assessing whether applicants meet minimum standards of suitability, capability, legal status or financial standing.

In complying with this stipulation, the Project Officer shall have regard to any guidance issued by the Minister for the Cabinet Office, which may include guidance on how to establish and assess, without using SQs, whether applicants meet requirements or minimum standards relating to suitability, capability, legal status and financial standing.

(d) **Getting Tenders and Quotations**

Where Quotations or Tenders are required, the documentation comprising the ITT or the ITQ shall be based on relevant model documents available from the Corporate Procurement Manager.

In either case, the competitive procedure the Project Officer has determined to follow (and which, for openness and transparency, should be recorded in the ITT or ITQ) must be sufficiently structured to ensure the Quotations or Tenders received can be properly compared and evaluated in accordance with Value for Money requirements.

A Tender contest may be conducted by the Project Officer using either the open or restricted procedure. Open tendering means that the opportunity to bid for the Council's Contract shall be open to any supplier who can Tender for the Works, Supplies or Services in accordance with the Council's advertised requirements. In such cases, the Council must consider and evaluate all qualifying bids received. The restricted procedure involves a tender process in which the Council limits the number of prospective tenderers to those who have been shortlisted by it in accordance with the pre-qualification procedure prescribed at section 10(c).

No departure from either the open or restricted tendering procedure in favour of another procurement procedure permitted by Public Procurement Legislation, including the Negotiated Procedure, the Competitive Dialogue Procedure, the Competitive Procedure with Negotiation or the Innovation Partnership Procedure, shall be permitted without the authorisation of JPSG – Core Group.

(e) **Evaluation Criteria**

Any ITT or ITQ must contain details as to the criteria for awarding the Contract to which it relates. Those criteria must be robust, fair, auditable, compliant with any relevant Public Procurement Legislation and, for any ITT, weighted wherever possible.

The award criteria may be based on price alone or on that which represents the Most Economically Advantageous Offer received. In relation to Contracts above the [EU Procurement Thresholds](#), any award *must* be based on the Most Economically Advantageous Offer.

Lowest Price

Awards based on price alone do not permit Value for Money considerations and so will only ever be suitable for Supply Contracts of very low value where the Supplies required can be specified in significant detail at the outset and no after sales service or other special requirements are needed in connection with that Supply.

Most Economically Advantageous Offer

Where the Council intends to award a Contract on the basis of the proposal which is the Most Economically Advantageous Offer received, the criteria (and any sub-criteria) to be used in the evaluation shall, as a minimum:

- be pre-determined,
- be listed (in the ITQ) in order of importance,
- be weighted (in the ITT) according to their respective importance (unless, on objective grounds, it is not possible to provide any such weightings),
- be strictly observed at all times throughout the competition for the Contract,
- be framed so as to best achieve any Social Value reported under [section 8](#)
- reflect the principles of Best Value,
- include price,
- be capable of objective assessment, and
- have regard to environmental impact and sustainability considerations relevant to the Works, Supplies or Services being procured.

Where it is possible to apply a scoring matrix to the proposed evaluation criteria, the Contract must be awarded to the tenderer obtaining the highest overall score (i.e., the Most Economically Advantageous Offer) from the evaluation process.

The evaluation must be carried out by a panel consisting of the Project Officer and at least one other officer of appropriate seniority, supported by the Corporate Procurement Manager. None in the evaluation panel must have any personal or professional connection with any organisation bidding for the Contract and must in the event of any conflict of interest or potential for such conflict recuse themselves from involvement in the evaluation and nominate a substitute officer able to conduct the evaluation fairly, transparently and impartially.

All decisions, scores, judgements and observations of the evaluation panel **must** be recorded in writing and held by the Corporate Procurement Manager for the purpose of demonstrating in the event of challenge or otherwise as required that the decisions taken were robust, fair and auditable.

(f) Award

(**Note** that if the project budget is **not** sufficient to meet a preferred supplier's tendered rates and prices ahead of Contract award then the Project Officer **must** secure additional project funds before accepting the relevant tender. The Project Officer should therefore refer to the Finance Procedure Rules for relevant and appropriate guidance on project budget increases. Further advice can be provided by the Chief Finance Officer).

Value	Authority to Award
Up to £150,000	Relevant Head of Service to approve Project Officer's award

(unless a Principal Procurement Decision) ⁷	recommendation, detailed reasons for such award to be noted in writing on the Project Officer's project file for audit purposes.
Over £150,000 (unless a Principal Procurement Decision)	Unanimous decision of the JPSG – Core Group following the Corporate Procurement Manager's submission of a report to it on the outcome of the competition, including the Project Officer's recommendation on Contract award.
Over £500,000 (unless a Principal Procurement Decision)	Unanimous decision of the JPSG – Core Group in consultation with the Lead Member/portfolio holder responsible for the procurement following the Corporate Procurement Manager's submission of a report to it on the outcome of the competition, including the Project Officer's recommendation on Contract award.
Principal Procurement Decision	Cherwell District Council Executive decision unless delegated by Executive to JPSG – Core Group.
	South Northamptonshire Council Cabinet decision unless delegated by Cabinet to JPSG – Core Group.

All unsuccessful bidders submitting Tenders or Quotations for evaluation by the Council must be informed of the outcome of the competition, including the name of the winning bidder and a brief explanation as to why they were unsuccessful on that particular occasion (for further guidance on *Debriefing*, see [section 10\(g\)](#) below).

(g) Standstill ('Alcatel') Period and Award Notices

Acceptance of any tender governed by EU Procurement Law is subject to a standstill period before any Contract with the preferred tenderer can be concluded. The standstill period (also known as the 'Alcatel' period for the case (Alcatel Austria and Others v Bundesministerium für Wissenschaft und Verkehr (C-81/98)) from which the law emerged) describes the period between communication of the outcome of the tender process to all those who participated in it and the formal conclusion of the Contract and is intended to provide such participants with an opportunity to challenge the award of a Contract (e.g., because the Council has failed to follow the stated/prescribed tender procedure) before the Contract is finally concluded at the end of the standstill. The period is **10 days** if the Council's decision is communicated electronically or **15 days** from despatch if sent by any other means. In either case the standstill must end on a working day. Project Officers are recommended to send decision notices electronically.

⁷ By way of reminder, a Principal Procurement Decision means any key procurement decision affecting any Contract where the total cost of that Contract would, were it to be awarded, exceed the greater of 5% or £25,000 of budgeted revenue expenditure and/or 5% or £100,000 of budgeted capital expenditure, or which falls to be made for the purpose of responding to an expression of interest received from a Relevant Body exercising its Right to Challenge, or awarding a Contract arising from such expression

The standstill period is triggered only by sending an award decision notice to all those who bid for the Contract which contains an explanation of:

- the criteria used to make the award
- the reasons for the Council's decision, including the characteristics and relative advantages of the successful tenderer
- the scores of both the successful tenderer and the recipient of the notice
- the reasons why the recipient did not meet any technical specification (where applicable)
- the name of the bidder awarded the Contract and
- the date on which the standstill period is expected to end

The requirement to notify bidders in this way, coupled with the sanctions available to them which may arise from any failure by the Council to follow EU Procurement Law (see [Section 6](#)), highlights the need for a robust, fair and auditable evaluation process.

11 INSURANCE

At the commencement of any procurement exercise, the Project Officer and the Chief Finance Officer shall together determine the type and level of insurance cover required in relation to a particular procurement. The Project Officer shall ensure the successful bidder has any required insurance cover in place before performance of the Contract begins, and shall further ensure, at appropriate intervals, that such cover is maintained by the supplier throughout the Contract period.

12 PARENT COMPANY GUARANTEES AND PERFORMANCE BONDS

Before commencing any tendering exercise for a Contract exceeding £150,000 in value of amount, the Project Officer and the Chief Finance Officer shall together determine the need for, and value of, any parent company guarantee and/or performance bond necessary in relation to that procurement.

The Chief Finance Officer may also require any Contract below £150,000 to be supported by a parent company guarantee and/or performance bond for such amount as the Chief Finance Officer may consider necessary or appropriate in all the circumstances.

In determining the need for appropriate guarantees, regard should be had to using performance bond and/or a parent company guarantee only in specific and justified circumstances where the contract is judged to be at high risk of supplier or performance failure. Key points include: is the contract with the ultimate parent company; is the balance sheet commensurate with the liabilities in the contract; what proportion of the net assets are represented by the maximum liability under the contract; and to what extent are the assets are tied to the contracting party?

The Project Officer shall ensure the successful tenderer has any required parent company guarantee and/or performance bond in place before the Contract is commenced.

13 TENDER ADMINISTRATION: PROCEDURE FOR ISSUING AND RECEIVING TENDERS

(a) Issuing of tenders

The Project Officer **must** liaise with the Corporate Procurement Manager for the purpose of making all arrangements for the issue of ITTs and the receipt of submissions and proposals in response through the electronic procurement system operated by the Council for this purpose. No other method of Tender administration is permitted without the express consent of, and involvement with, the Corporate Procurement Manager.

(b) Submitting tenders

All Tenders must be returned strictly in accordance with the instructions prescribed in the invitation to Tender and must not be returned directly to the Project Officer, a Council Member or to any consultant acting on the Council's behalf.

Every ITT shall state that no Tender shall be considered unless it is returned to the Council as prescribed in the invitation to Tender by the date and time specified in the ITT.

Tenderers shall be responsible for ensuring their Tender is received by the Council by the specified time and date ~ late Tenders cannot be considered for evaluation or acceptance by the Council in any circumstances, even if the Tenderer asserts their Tender was sent before the return date.

If late tenders are received then the Project Officer must on such receipt advise the tenderer(s) concerned that their Tender was received late to the Council thereby preventing its consideration, and inform them that the Tender shall either be returned to them as they may require or otherwise destroyed by the Council after a period of 14 days.

(c) Abnormally Low Tenders

Where the rates and price(s) submitted by one or more tenderers is prima facie abnormally low or otherwise unrealistic, the Corporate Procurement Manager has a legal duty to ask the tenderers concerned in writing to clarify their Tender proposals within the parameters prescribed by Regulation 69 of the Public Contracts Regulations 2015 and shall, with the Project Officer, assess the merits or otherwise of the explanations given before making any recommendation as to approval or rejection of those Tenders as appropriate.

14 NEGOTIATING CHANGES TO BIDS RECEIVED

The following provisions apply to negotiations with bidders for any Council Contract, and the consequential amendments to Tenders and Quotations, otherwise than in accordance with any formalised negotiation process permitted by the Public Procurement Legislation.

All negotiations with any bidder between receipt of formal Tenders/Quotations and the award of a Contract on fundamental aspects of the Contract, variations in which are

likely to distort competition or cause discrimination, and in particular on prices is prohibited.

However, certain post Tender/Quotation discussions with bidders are permitted if these are conducted for the purpose of:

- clarifying with a bidder details of any errors of arithmetic discovered in their Tender/Quotation in order that they may either confirm or withdraw the Tender/Quotation or amend it in order to correct those errors; or
- clarifying or supplementing the content of a Tender/Quotation or the requirements of the Council, and providing that this does not involve discrimination or unfairness to any other entity participating, or who participated, in the Tender/Quotation exercise.

Amendments to Tenders and Quotations, once agreed, shall be put in writing and signed by the tenderer.

15 QUALIFIED SUBMISSIONS

Tenders or Quotations must not be qualified or accompanied by statements that might be construed as rendering them equivocal. Any bidder whose submission is found to contain a qualification which would give that organisation an unfair advantage over other participants in the competitive process must be asked either to withdraw the qualification or withdraw the bid. The Monitoring Officer's decision as to whether or not a submission is in an acceptable form will be final.

16 VARIANT BIDS

A variant bid is a modified or alternative Tender or Quotation. A bidder may submit a variant proposal in addition to one that conforms to the requirements of the original specification provided:

- express provision is made for this in the ITT/ITQ documentation and any notice or advertisement relating thereto;
- the variant bid is free of qualifications, states all cost implications, identifies all deviations from the project specification or brief and all risks and contingencies and nevertheless complies with the Council's minimum core requirements; and
- the Project Officer does not commit the Council to considering any such bid received.

If a variant bid is considered, it must be evaluated in accordance with the award criteria specified in the ITT or ITQ, and a tenderer may be awarded a Contract on the basis of a variant bid if this meets the Council's minimum core requirements.

17 WAIVERS

The Council does not have the power to waive the applicability of Public Procurement Legislation.

Subject to Public Procurement Legislation, therefore, and in particular to EU Procurement Law (see further section 6), the requirement to seek Tenders or Quotations may be waived as follows:

Value	Authority to Waive
Below £10,000	Head of Service in consultation with Corporate Procurement Manager
Above £10,000	Monitoring Officer and Section 151 Officer

Exceptions where the rules can be waived are set out in Appendix 3.

18 ELECTRONIC AVAILABILITY OF CONTRACT DOCUMENTS

Under EU Procurement Law, the Council must, in relation to Contracts above the [EU Procurement Thresholds](#), offer by electronic means unrestricted, full and direct access free of charge to the procurement documents from the date of publication of the OJEU Notice, including the invitation to tender, specification, project brief, conditions of contract and other supporting documentation intended to describe or determine the various elements of the procurement or the procedure. Further, all such documentation must be drafted and readily available electronically to potential bidders before the relevant contract notice is submitted to OJEU.

While electronic availability of contract documents is mandatory in relation to contracts the award of which is governed by EU Procurement Law, the Project Officer should, in liaison with the Corporate Procurement Manager, consider applying the benefits of electronic procurement to contract opportunities that fall below the [EU Procurement Thresholds](#).

19 COUNCIL TERMS OF CONTRACT

Wherever practicable, model forms of Contract developed or approved for use by the Council must be used as the basis for contracting with any entity to whom is awarded a Contract by the Council.

Where Quotations are to be invited (see [section 10a](#)) and a model Contract is not readily available, and nor has one been prepared by the Head of Law and Governance specifically for use in connection with the relevant procurement, then any Contract entered into by the Council shall be placed on a Council Purchase Order or otherwise approved by the Head of Law and Governance.

Where Tenders are to be invited (see [section 10a](#)) and a model Contract is not readily available, or the Project Officer considers the relevant model is not appropriate given the nature, value and/or complexity of the Works, Supplies or Services wishing to be acquired, then such a Contract shall be in a form prepared and/or approved by the Head of Law and Governance.

20 EXECUTION OF CONTRACTS

Every Contract which exceeds £150,000 in value or amount shall be executed under seal.

Every Contract below £150,000 in value or amount may be executed under seal or may be signed on behalf of the Council by a signatory authorised to do so by the Council's constitution.

21 CONTRACT COMMENCEMENT

As a general rule, the Project Officer shall not authorise performance of any Contract, nor raise any Purchase Order in connection with it, unless and until all of the documents comprising the Contract have been executed by all of the parties to it, unless the Purchase Order itself comprises the Contract (see [section 19](#)).

However, where there are exceptional circumstances requiring a successful tenderer to commence performance of a Contract prior to its execution as a matter of urgency (to avoid delay and increased costs on the Contract), the Project Officer must satisfy the Monitoring Officer and the Section 151 Officer before authorising such commencement that:

- the supplier has confirmed in writing its unequivocal commitment to:
 - perform the Contract in accordance with the established terms, and
 - execute the document comprising those terms when it is availableand to indemnify the Council against any breach of such undertakings;
- any performance bond or parent company guarantee required under the terms of the Contract has been received from the supplier's surety or parent company or the surety or parent company has written to the Project Officer confirming the relevant organisation's agreement to be bound by the terms of such performance bond or parent company guarantee from the date of such communication;
- a certificate of insurance has been received from the supplier's insurers to confirm all requisite insurance cover is in place; and
- the Chief Finance Officer has undertaken appropriate financial checks on the supplier to establish its financial capability to undertake the Contract.

22 RECORD RETENTION

All Contracts executed under seal (including the winning Tender and any documentation supplementary thereto) shall be held by the Head of Law and Governance for safe keeping.

All other procurement documentation, including all expressions of interest, Pre-qualification Questionnaires, ITTs, unsuccessful Tenders, Quotations and Contracts executed under hand, shall be held by the relevant Head of Service in accordance with any relevant records management and/or records retention policy adopted by the Council.

For the avoidance of doubt, all unsuccessful Tenders and Quotations and any documentation ancillary thereto shall be kept safe and secure by the relevant Head of Service for a period of 12 months from the date of Contract award whereupon such documents shall be destroyed.

23 PUBLISHING CONTRACT AWARDS

The Contracts Register comprises a corporate record of all "live" Contracts over £5,000 entered into by the Council, whilst Contracts Finder comprises a record of all Contracts entered into by the Council over £25,000 that it is required by law to publish.

Accordingly, all Heads of Service **must** ensure that details of all the Contracts in their service area over £5,000 are entered **promptly** and **accurately** on the Contracts

Register and that, similarly, all Contracts in their service area over £25,000 are entered on Contracts Finder

24 CONTRACT ASSIGNMENTS/ NOVATION

There may be occasions when the supplier to whom an award of Contract was originally made gives notice to the Council that it has transferred responsibility for performance of the Contract to another organisation. Alternatively, that other organisation may give notice to the Council that it has taken on the responsibility for the Contract from the original supplier. Or the Council may itself wish to transfer any responsibilities it may have under a Contract to another organisation. In any such circumstances, the Project Officer must seek assurance from the Head of Law and Governance on (i) whether the transfer is compatible with EU Procurement Law (ii) is otherwise permitted under the terms of the relevant Contract and, if so, (iii) the binding documentation needed to formalise the proposed arrangement; and must also arrange for the Chief Finance Officer to undertake (in relation to Contracts transferred by an existing supplier) appropriate financial checks on the new supplier to establish its financial capability to undertake the Contract.

25 PARTNERSHIPS AND PARTNERING

Whilst the CPR does not apply to the creation of any Partnership, the CPR will apply to:

- the creation of any other type of collaborative working arrangement which the Council does not define as a Partnership within the meaning set out in the CPR but which may nevertheless embody an ethos of partnership by, for example, the sharing of risk and/or open book accounting; and
- the procurement of any Works, Supplies or Services arising out of or connected with any Partnership with which the Council is involved or such other collaborative working arrangement.

Where the Council is acting jointly with another public body for the procurement of Works, Supplies and/or Services the procurement rules and procedures of the lead organisation effecting that procurement (where that is not the Council) shall apply rather than the CPR. The lead organisation must accordingly confirm that it does have relevant procurement procedure rules that are commensurate with the CPR and that it will ensure these are adhered to. Any such Contract awarded by such lead organisation must however be ratified by the Council in accordance with section 10(f).

26 REFERENCES

References are important for suppliers, especially for SME suppliers seeking to grow their businesses. Often a successful contract with the public sector is a valuable potential reference for a small firm, and refusing to provide references can act as a barrier to the growth for business, having a negative impact on the marketplace and the overall economy.

Where, therefore, a supplier has or has previously entered into a Contract with the Council for Works, Supplies or Services, any request from that supplier for a reference in relation to that Contract should be accepted by the Project Officer, especially if that supplier has performed well and/or has exceeded the Council's expectations.

There is no legal impediment to providing references but any opinions offered by the Project Officer must be backed by contemporaneous records. For example if

commenting on supplier performance, such evidence might include the achievement (or not) of delivery milestones or performance against KPIs. Subjective assessments, for example of customer satisfaction, suppliers' performance, aptitude, helpfulness, cultural fit with the authority, etc. should, however, be avoided by the Project Officer.

27 CONTRACT VARIATIONS

Any variation to a concluded Contract for Works, Supplies or Services (including an extension to the length of any such Contract or a replacement of the original supplier) ('the Variation') is only permissible if the Variation IN PRINCIPLE:

- demonstrably represents Value For Money or is otherwise in the Council's best interest to progress, and
- can be funded from an approved budget, and
- entails no diminution in any Social Value identified at the commencement of the Contract, and
- does not affect a Service in relation to which an expression of interest has been received under the Right to Challenge which either remains to be considered by the Council or which the Relevant Body does not intend to revive

and that Variation IN PRACTICE:

- is (irrespective of its monetary value) evidenced in writing, authorised in accordance with a clear, precise and unequivocal review clause or option that stated in the original contract the nature and scope of possible modifications or options available to the Council and which does not alter the overall nature of the contract, **or**
- entails the necessary procurement of additional Works, Services or Supplies that were not included in the original procurement but where a change of supplier cannot be made for economic/technical reasons and would cause significant inconvenience or substantial duplication of costs for the Council provided any price increase is not higher than 50% of the price of the original Contract, **or**
- arises from circumstances which the Council acting diligently could not foresee, does not alter the overall nature or scope of the original requirement, and does not increase the price by more than 50% of the value of the original contract **or**
- is intended to give effect to a universal or partial succession to the position of the original supplier by a new supplier following corporate restructuring, including takeover, merger, acquisition or insolvency, provided the new supplier fulfils all qualitative selection criteria initially established, the succession does not entail other substantial modifications to the original contract and is not otherwise aimed at circumventing Public Procurement Legislation; **or**
- does not (irrespective of its monetary value) (i) render the original contract materially different in character nor (ii) introduce conditions which would have allowed for the admission of other candidates, the acceptance of other tenders or attracted additional participants nor (iii) change the economic balance of the contract in favour of the contractor nor (iv) extend the scope of the contract considerably; **or**
- has a price value below the [EU Procurement Thresholds](#) and the cost of the change represents no more than 10% of the Contract's initial value for Service and Supply contracts (15% of the Contract's initial value for Works contracts) provided the change does not alter the overall nature of the contract.

Any variation outside these requirements would require the conduct of a tender process for a new contract unless an exception referred to in Section 17 would apply.

28 CONTRACT MANAGEMENT

Heads of Service shall be responsible for the management of all Contracts within their service area (and, for the purpose of this and the following paragraphs in section 28, “Contract” shall include all and any collaborative working arrangements of the type described in section 25).

Contract management is the active monitoring and control of all aspects of the relationship between a supplier and the Council, the aim of which is to ensure the effective delivery of the Works, Supplies and/or Services the subject of the Contract to the agreed price and standard and which is consistent with all legal requirements and financial propriety.

For Contracts within their service area exceeding **£100,000** in value or amount (including any such Contract let in connection with a Partnership with which the Council is involved, whether or not the Council let that Contract) Heads of Service shall produce a report to the Corporate Procurement Manager at the end of each financial year documenting:

- the quality of any Supplies or Service provided under any such Contract;
- any problems, issues or disputes (whether in relation to non-performance or otherwise) that arose or which have arisen in respect of any such Contract during the previous financial year;
- whether the supplier has performed the Contract on time and within budget, giving reasons for any delays or cost overruns;
- whether any Social Value perceived at the outset of the procurement has been realised;
- any variations and/or changes to the Contract effected during the previous financial year; and
- where appropriate, proposals for managing the end of the Contract.

Such report shall be considered by the Head of Law and Governance and the Chief Finance Officer who may make appropriate recommendations on the subject matter of or matters arising from such report.

The Project Officer shall have day to day responsibility for the administration of a particular Contract.

A résumé of the roles and responsibilities of Project Officers, Heads of Service and Directors is set out in Appendix 2.

29 TERMINATION

No dispute shall be settled, and no Contract shall be cancelled, without the advice of the Head of Law and Governance and the Chief Finance Officer having first been sought as to the legality of any such step and the financial implications arising therefrom.

DISPOSAL OF ASSETS

30 PROCEDURE FOR THE DISPOSAL OF COUNCIL ASSETS

Where the estimated value of an asset is **£50,000** or more, or where the full Council or Cabinet/Executive so determines, disposal of that asset shall, unless a valuer with

relevant qualifications has certified that an alternative method of disposal would better achieve the Council's aims and objectives, be conducted in one of the following ways using approved agents if appropriate:-

- **Sale by Tender**

- **Ad-hoc Tenders** - At least 14 days notice to be given in such local newspapers circulating in the Council's area and/or in such national journals as the relevant Head of Service considers desirable stating the nature of the asset and inviting tenders for its purchase and stating the last date when tenders will be accepted; or
- **Approved List** - Public notice to be given in respect of a particular transaction in the same manner as that described in *Ad-hoc Tenders* above inviting applications from interested persons to be placed on a list to be approved by the full Council or Cabinet from which prospective purchasers shall be selected and invited to submit tenders.

- **Sale at a Named Figure**

An assessment of the value of the asset shall be made by a valuer with relevant qualifications. The relevant Head of Service shall issue particulars of the asset and the price to all enquiring persons. Details of the asset shall be publicly advertised on at least one occasion and, in the case of land or property, a sign board erected upon the site.

- **Invited Offers**

The asset shall be advertised in accordance with the rules for Sale by Tender but no figure shall be placed in the particulars and interested parties shall be asked to make offers for consideration by the Council. In order to give guidance to prospective purchasers a minimum figure may be quoted where appropriate.

- **Sale by Public Auction**

Properly qualified and experienced auctioneers shall be commissioned to act on behalf of the Council in offering for sale by auction assets in the Council's ownership.

COMPLIANCE

31 STANDARDS OF CONDUCT AND OBSERVANCE OF RULES

All employees involved in the award or the potential award of any Contract or the disposal or potential disposal of any asset shall:

- act with integrity and honesty; and
- exercise all fairness and impartiality; and
- comply with these Contract Procedure Rules; and
- respect the Officer's Code of Conduct; and
- observe any policy adopted by the Council on measures to combat bribery and corruption

and shall report instances of suspected fraud and other irregular activity connected with such award or disposal under any whistleblowing policy adopted by the Council.

ANY MANIFEST OR MATERIAL DEPARTURE FROM THESE RULES OR THE OFFICER'S CODE OF CONDUCT OR ADOPTED ANTI-BRIBERY POLICY IS A DISCIPLINARY OFFENCE.

PROCUREMENT STEERING GROUP

TERMS OF REFERENCE

1. INTRODUCTION

1.1 **JPSG** means the Joint Procurement Steering Group comprising a **Core Group** of:

- The Section 151 Officer
- The Monitoring Officer
- The Chief Finance Officer (unless represented as Section 151 Officer)

or their nominees, and a **Strategy Group** comprising:

- The JPSG - Core Group and
- Heads of Service invited from those who have undertaken substantial procurement activity over the period since the last Strategy Group meeting.
- The relevant Council Member(s) responsible for procurement (to be invited as appropriate and at least annually) and
- Such other Council Members as any of the Core Group may invite on a case by case basis

or their nominees.

1.2 The JPSG – Core Group may transact its business electronically.

The JPSG – Strategy Group shall meet quarterly. It may otherwise transact its business electronically.

2. TERMS OF REFERENCE OF THE JPSG

2.1 The function of the JPSG – Core Group is to:

- Consider and, if appropriate, approve the award of all Contracts between £150,000 and £500,000 in value or amount, and
- Consider and, if appropriate, approve the award of all Contracts above £500,000 in value or amount in consultation with the Lead Member/portfolio holder responsible for the procurement.

PROVIDED the decision to be taken is not required to be determined by the Executive or Cabinet as a Principal Procurement Decision

2.2 The function of the JPSG – Strategy Group is to:

- Perform a strategic and scrutiny role in relation to the Council's commissioning programme and all matters relating to the Council's contracting policy,
- Provide a forum for Project Officers to discuss policy development, seek strategic advice and raise questions, issues and problems with Contract policy,

- Define and spread best-practice as it relates to contracting and Contract management and monitoring,
- Provide advice to Officers as appropriate on contracting issues, and
- Advise Members and the Chief Executive on the need for any revision to the CPR, including changes to financial thresholds.

3. PROCEDURES FOR THE JPSG

- 3.1 The JPSG – Core Group and the JPSG – Strategy Group shall both be chaired by the Monitoring Officer or his/her nominee.
- 3.2 The Corporate Procurement Manager shall convene all meetings of the JPSG – Core Group and the JPSG – Strategy Group, and at least two working days before such meeting the Corporate Procurement Manager shall send to every member an agenda and copies of all reports.
- 3.3 Members of the JPSG – Core Group and the JPSG – Strategy Group, or their nominees, shall attend any meeting of them when requested to do so.
- 3.4 Minutes shall be made by the Corporate Procurement Manager of the proceedings of the JPSG – Core Group and the JPSG – Strategy Group.

4. PERSONNEL, PROPERTY AND INFORMATION TECHNOLOGY MATTERS

- 4.1 Every report to the JPSG – Core Group which has information technology implications shall be referred to the Assistant Director, Commercial Development and innovation before the report is considered.
- 4.2 Every report to the JPSG – Core Group which has staffing implications shall be referred to the Shared HR and OD Manager before the report is considered.
- 4.3 Every report to the JPSG – Core Group which has land and property implications shall be referred to the Head of Regeneration and Housing before the report is considered.

ROLES AND RESPONSIBILITIES

Directors:

- Oversee procurement activity within their Directorate and;
- Ensure the requirements of the CPR are upheld at all times.

Heads of Service

- Ensure there is sufficient budget available for the Works, Supplies and/or Services to be acquired by their Project Officer;
- Ensure that the procurement proceeds in all respects in conformity with the CPR;
- Make Contract awards affecting their service with a value below £150,000 (excepting any such project authorisations or Contract awards as may arise from the Right to Challenge, which shall fall to be made by the Council's Executive or Cabinet, as appropriate);
- Respond to expressions of interest received under the Right to Challenge, and issue relevant notifications as appropriate;
- Report to the Executive or Cabinet as appropriate seeking recommendation to approve, reject or modify any expression of interest received under the Right to Challenge;
- Publish in Contracts Finder and record on the Council's Contracts Register the detail of all Contracts exceeding £25,000 and £5,000 respectively that are awarded in connection with their service area;
- Manage all Contracts within their service area;
- Waive the call for competition (in accordance with the procedure prescribed in [section 17](#)) in relation to procurements below £10,000;
- Produce yearly Contract management reports to the Corporate Procurement Manager in accordance with [section 28](#); and
- Sign Contracts below £150,000 on the Council's behalf.

Project Officers

- Plan and co-ordinate specific procurement projects;
- Obtain all necessary authorisations (whether from their Head of Service, the JPSG – Core Group, Cabinet or Executive, as the case may be) prior to progressing any stage of a procurement project;
- Draw up or revise Contract specifications;
- Liaise with the Head of Law and Governance to ensure the Contract forms chosen for use in connection with the procurement are fit for their intended purpose;
- Collate and assemble all tender documentation;
- Preserve the confidentiality inherent in any competitive process, particularly in relation to tender evaluation reports, working papers and minutes of meetings;
- Undertake competitive processes, particularly bid evaluations, in such a way as to ensure all bidders are treated fairly and equally;
- Prepare reports to Cabinet or Executive (as the case may be), the JPSG – Core Group, the JPSG – Strategy Group or Service Heads as appropriate;
- Ensure all necessary permissions are concluded before their Contract begins;
- Administer and monitor their Contracts on a day to day basis to ensure compliance with the specified standards;
- Ensure from time to time that information held on Contracts Finder and the Contracts Register is fully up-to-date; and

GROUNDS ON WHICH COMPETITION CAN BE WAIVED

1. The rules respecting the requirement to run a competition for Works, Supplies or Services in this CPR may be waived, and a Contract may be awarded directly to a supplier of such Works, Supplies or Services without competition, in any of the specific cases and circumstances laid down in paragraphs (2) to (9) of this Appendix 3. In any other cases, the use of this procedure is not allowed.

 Competition can generally be waived:

2. Where no tenders, no suitable tenders, no requests to participate or no suitable requests to participate have been received in response to an open or restricted procedure, provided the original conditions of the contract are not substantially altered.
3. Where the contract can only be performed by a particular supplier because (i) the contract is for a unique work of art or artistic performance (ii) competition is absent for technical reasons or (iii) the Works, Supplies or Services required are protected by exclusive rights including intellectual property rights BUT ONLY in the case of (ii) and (iii) above where no reasonable alternative exists and the absence of competition is not due to an artificial narrowing down of the parameters of the procurement.
4. In cases of extreme urgency brought about by events unforeseen by the Council where the time limits applicable to other procedures cannot be complied with, as long as such circumstances are not in any event attributable to the Council.

 Competition can also be waived for supply contracts where:

5. The products involved are manufactured purely for the purposes of research, experimentation, study or development and the contract does not include quantity production to establish commercial viability or to recover research and development costs.
6. Additional deliveries by the original supplier are intended either as a partial replacement of supplies or installations or as the extension of existing supplies or installations, and a change of supplier would oblige the contracting authority to acquire supplies having different technical characteristics which would result in incompatibility or disproportionate technical difficulties in operation and maintenance PROVIDED contracts let in reliance on this ground, and any recurrent contracts, do not exceed 3 years.
7. The supplies are quoted and purchased on a commodity market.
8. The supplies or services are purchased on particularly advantageous terms, from either a supplier which is definitively winding up its business activities, or the liquidator in an insolvency procedure, an arrangement with creditors, or a similar procedure under national laws or regulations.

Competition can also be waived for new works and services which repeat similar works or services already entrusted to the current supplier Provided:

- such works or services are in conformity with a basic project for which the original contract was awarded in accordance with one of the other procurement procedures; and
- the basic project indicated the extent of possible additional works or services and the conditions under which they would be awarded; and
- as soon as the first project was put up for tender, the possible use of this procedure was disclosed and the total estimated cost of subsequent works or services were taken into consideration when determining the contract value; and
- the order for such new works or services is issued within the period of 3 years following the conclusion of the original contract.

Cherwell District Council

Council

17 July 2017

2016/17 Treasury Management Annual Report
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Report of Chief Finance Officer

This report is public

Purpose of report

This report presents information on treasury management performance and compliance with treasury management policy during 2016/17 as required by the Treasury Management Code of Practice.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of this report in line with the Treasury Management Strategy.

2.0 Introduction

- 2.1 The annual treasury report is a requirement of the Council's reporting procedures. It covers the treasury activity during 2016/17 and the actual performance against Prudential Indicators for 2016/17.
- 2.2 The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. During 2016/17 the reporting requirements were that members receive an annual treasury strategy in advance of the year, a mid-year treasury report and an annual report describing the activity compared to the strategy. The Accounts, Audit and Risk Committee has been nominated to scrutinise the treasury activity of the Council and they receive regular reports on compliance with strategy and a comprehensive overview of investments made.
- 2.3 The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003.
- 2.4 Councils invest money from the sale of assets and invest Government revenue grant paid to councils in regular intervals, before they have to spend it. This is with the aim of earning interest to support services and keep council tax down. All investments are placed to ensure security of investments firstly, followed by liquidity and the final consideration is yield.

- 2.5 Cherwell District Council sold its housing stock in 2004 and this generated a substantial capital receipt. It is the Council's capital receipts and useable reserves that are being invested. As the Council continues to invest in infrastructure throughout the District, these balances are reducing.

3.0 Report Details

- 3.1 The Treasury Management Strategy for 2016/17, which includes the Annual Investment strategy, was approved by Council in February 2016. It sets out the Council's ranked investment priorities in the order: security of capital, liquidity and yield.
- 3.2 In 2016/17 the Council aimed to achieve the optimum return (yield) from investments but always within the context of proper levels of security of the monies and liquidity.

Annual Treasury Performance 2016/17

- 3.3 The financial year continued the challenging investment environment of previous years, namely lower investment returns and continuing heightened levels of counterparty risk.
- 3.4 The average level of funds available for investment purposes during was £44.0m. The funds were available on a temporary basis, and amount available was dependent on the timing of precept payments, receipt of grants and progress on the Capital Programme. The closing balance is significantly lower the previous year (£37.6m) primarily due to utilisation of funds for Graven Hill.
- 3.5 Investment performance at 31 March 2017 was as follows:-

Amount at 31 March 2017 £	Interest Budget £	Actual Interest £	Variance £	*Average Rate of Return %
17,952,000	175,000	230,000	55,000	0.52

** Rate of Return is shown on annualised basis*

- 3.6 Appendix 1 provides details of the treasury management and prudential indicators for 2016/17.

3.7 Other Investment Activity

Although not classed as treasury management activities and therefore not covered by the CIPFA Code, the Council also holds £32.3m of investments with Graven Hill (£12.9m equity and £19.3m loans). This non-treasury investment accrued £528k loan interest for the Council 2016/17, representing an average rate of 5.5%. This is higher than the return earned on treasury investments, but reflects the additional risks to the Council of holding such investments.

3.8 Icelandic Investments

As previously reported, the final tranche of Icelandic investments held by the Council were repaid, with associated interest, in June 2016.

4.0 Conclusion and Reasons for Recommendations

4.1 The annual treasury report is a requirement of the Council's reporting procedures. It covers the treasury activity during 2016/17 and the actual performance against Prudential Indicators for 2016/17. Members are recommended to note the contents of this report accordingly.

5.0 Consultation

This report was presented to the Accounts, Audit and Risk Committee on 28 June 2017, and its contents were noted in line with the Treasury Management Strategy.

6.0 Alternative Options and Reasons for Rejection

6.1 This report illustrates the Council's Treasury performance for 2016/17 against budget and includes the Annual Treasury Report 2016/17.

6.2 The following options have been identified. The approach in the recommendations is believed to be the best way forward:

Option One To review current performance levels and treasury management and prudential indicators.

Option Two To request that Officers provide additional information. However, Members should note that further updates will continue to be provided to the Accounts, Audit and Risk Committee at regular intervals.

7.0 Implications

Financial and Resource Implications

7.1 There are no specific financial effects arising directly from this report other than the impact on reserves as outlined in paragraphs 2.5 and 3.4 above.

Comments checked by:

Sanjay Sharma – Interim Head of Finance, 01295 221564

Sanjay.sharma@cherwellandsouthnorthants.gov.uk

Legal Implications

7.2 There are no legal implications arising directly from any outcome of this report.

Comments checked by:

Richard Hawtin, Team Leader - Non-contentious Business, 01295 221695

richard.hawtin@cherwellsouthnorthants.gov.uk

Risk management

7.3 There are no risk implications arising directly from any outcome of this report. All projects maintain their own risk registers and these are monitored corporately.

Comments checked by:

Louise Tustian, Team Leader – Strategic Intelligence & Insight, 01295 221786

louise.tustian@cherwellandsouthnorthants.gov.uk

Equality and Diversity

7.4 There are no equality and diversity implications arising directly from any outcome of this report.

Comments checked by:

Caroline French, Corporate Policy & Projects Officer, 01295 221586

caroline.french@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillor

Councillor Tony Ilott – Lead Member for Financial Management

Document Information

Annex No	Title
Appendix 1	2016-17 Treasury Management and Prudential Borrowing Indicators
Background Papers	
None	
Report Author	Paul Sutton, Chief Finance Officer
Contact Information	paul.sutton@cherwellandsouthnorthants.gov.uk 0300 0030106

Cherwell District Council

Treasury Management and Prudential Indicators Report 2016/17

Part A Treasury Management Outturn and Indicators

Part B Prudential Indicators

Part A Treasury Management Outturn and Indicators

1. Introduction

In 2012 the Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2011 Edition (the CIPFA Code) which requires the Council to approve a treasury management annual report after the end of each financial year.

This report fulfils the Council's legal obligation to have regard to the CIPFA Code.

The Council's treasury management strategy for 2016/17 was approved at a meeting of the Council on 16/2/2016. The Council has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's treasury management strategy.

2. External Context 2016/17 - provided by Arlingclose

Economic background: Politically, 2016/17 was an extraordinary twelve month period which defied expectations when the UK voted to leave the European Union and Donald Trump was elected the 45th President of the USA. Uncertainty over the outcome of the US presidential election, the UK's future relationship with the EU and the slowdown witnessed in the Chinese economy in early 2016 all resulted in significant market volatility during the year. Article 50 of the Lisbon Treaty, which sets in motion the 2-year exit period from the EU, was triggered on 29th March 2017.

UK inflation had been subdued in the first half of 2016 as a consequence of weak global price pressures, past movements in sterling and restrained domestic price growth. However the sharp fall in the Sterling exchange rate following the referendum had an impact on import prices which, together with rising energy prices, resulted in CPI rising from 0.3% year/year in April 2016 to 2.3% year/year in March 2017.

In addition to the political fallout, the referendum's outcome also prompted a decline in household, business and investor sentiment. The repercussions on economic growth were judged by the Bank of England to be sufficiently severe to prompt its Monetary Policy Committee (MPC) to cut the Bank Rate to 0.25% in August and embark on further gilt and corporate bond purchases as well as provide cheap funding for banks via the Term Funding Scheme to maintain the supply of credit to the economy.

Despite growth forecasts being downgraded, economic activity was fairly buoyant and GDP grew 0.6%, 0.5% and 0.7% in the second, third and fourth calendar quarters of

2016. The labour market also proved resilient, with the ILO unemployment rate dropping to 4.7% in February, its lowest level in 11 years.

Following a strengthening labour market, in moves that were largely anticipated, the US Federal Reserve increased rates at its meetings in December 2016 and March 2017, taking the target range for official interest rates to between 0.75% and 1.00%.

Financial markets: Following the referendum result, gilt yields fell sharply across the maturity spectrum on the view that Bank Rate would remain extremely low for the foreseeable future. After September there was a reversal in longer-dated gilt yields which moved higher, largely due to the MPC revising its earlier forecast that Bank Rate would be dropping to near 0% by the end of 2016. The yield on the 10-year gilt rose from 0.75% at the end of September to 1.24% at the end of December, almost back at pre-referendum levels of 1.37% on 23rd June. 20- and 50-year gilt yields also rose in Q3 2017 to 1.76% and 1.70% respectively, however in Q4 yields remained flat at around 1.62% and 1.58% respectively.

After recovering from an initial sharp drop in Q2, equity markets rallied, although displaying some volatility at the beginning of November following the US presidential election result. The FTSE-100 and FTSE All Share indices closed at 7342 and 3996 respectively on 31st March, both up 18% over the year. Commercial property values fell around 5% after the referendum, but had mostly recovered by the end of March.

Money market rates for overnight and one week periods remained low since Bank Rate was cut in August. 1- and 3-month LIBID rates averaged 0.36% and 0.47% respectively during 2016-17. Rates for 6- and 12-months increased between August and November, only to gradually fall back to August levels in March, they averaged 0.6% and 0.79% respectively during 2016-17.

Credit background: Various indicators of credit risk reacted negatively to the result of the referendum on the UK's membership of the European Union. UK bank credit default swaps saw a modest rise but bank share prices fell sharply, on average by 20%, with UK-focused banks experiencing the largest falls. Non-UK bank share prices were not immune, although the fall in their share prices was less pronounced.

Fitch and Standard & Poor's downgraded the UK's sovereign rating to AA. Fitch, S&P and Moody's have a negative outlook on the UK. Moody's has a negative outlook on those banks and building societies that it perceives to be exposed to a more challenging operating environment arising from the 'leave' outcome.

None of the banks on the Council's lending list failed the stress tests conducted by the European Banking Authority in July and by the Bank of England in November, the latter being designed with more challenging stress scenarios, although Royal Bank of Scotland was one of the weaker banks in both tests. The tests were based on banks' financials as at 31st December 2015, 11 months out of date for most. As part of its creditworthiness research and advice, the Council's treasury advisor Arlingclose regularly undertakes analysis of relevant ratios - "total loss absorbing capacity" (TLAC) or "minimum requirement for eligible liabilities" (MREL) - to determine whether there would be a bail-in of senior investors, such as local authority unsecured investments, in a stressed scenario.

3. Local context

On 31 March 2017 the Council had investments of £30.6m, which included £12.9m shares in Graven Hill. This is an overall decrease of £13.4 from the 2016 total of £44.0m which included £5.9m shares in Graven Hill. Treasury investments therefore decreased by £20.4 from £38.1m in 2016 to £17.7m in 2017.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors and the year-on-year change are summarised in table 1 below.

Table 1: Balance Sheet Summary

	31.3.16 Actual £m	2016/17 Movement £m	31.3.17 Actual £m
General Fund CFR	-5.880	8.274	2.394
Less: Usable reserves	-24.852	3.313	-21.539
Less: Working capital	-13.220	1.786	-11.434
Net investments	-43.952	13.373	-30.579

The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low. The treasury management position as at 31st March 2017 and the year-on-year change in show in table 2 below.

Table 2: Treasury Management Summary

	31.3.16 Balance £m	2016/17 Movement £m	31.3.17 Balance £m	31.3.17 Rate %
Long-term borrowing	0	0	0	-
Short-term borrowing	0	0	0	-
Total borrowing	0	0	0	-
Long-term investments	1.8	-1.8	0	-
Short-term investments	24.0	12.5	11.5	0.60
Cash and cash equivalents	11.8	-5.3	6.5	0.22
Total investments	37.6	-19.6	18.0	0.41
Net investments	37.6	-19.6	18.0	0.41

Note: the figures in the table are from the balance sheet in the Council's statement of accounts, but adjusted to exclude operational cash, accrued interest and other accounting adjustments

4. Borrowing Activity

At 31 March 2017 the Council was debt free. However, the Council's spending commitments such as Graven Hill, Build! and other Capital Programmes over the next few years may exhaust current reserves and require the Council to borrow in 2017/18.

We are therefore taking advice from our Treasury advisers, tracking PWLB lending rates and monitoring the general economic outlook, so that we are well prepared. Depending on economic conditions and timing, it may be advantageous to borrow earlier than required in order to secure the best available rates.

5. Investment Activity

The Council holds sizeable invested funds, representing income received in advance of expenditure plus balances and reserves held. During 2016/17, the Council's treasury investment balances ranged between £13.0m and £56.7m due to timing differences between income and expenditure. The year-end investment position and the year-on-year change is shown in table 3 below.

Table 3: Investment Position

	31.3.16 Balance £m	2016/17 Movement £m	31.3.17 Balance £m	31.3.17 Rate %
Banks & building societies (unsecured)	24.6	-10.8	13.8	0.51
Government (incl. local authorities)	1.8	-1.8	0	-
Money Market Funds	11.2	-7.0	4.2	0.21
Total investments	37.6	-19.6	18.0	0.41

Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

6. Performance Report

The Council measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in table 4 below.

Table 4: Performance

	Actual £k	Budget £k	Over/ -Under	Actual %	Benchmark %	Over/ -Under %
Total investments income	230	175	55	0.52	0.60	-0.08

7. Compliance Report

The Chief Finance Officer is pleased to report that all treasury management activities undertaken during 2016/17 complied fully with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy

8. Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators:

Interest Rate Exposures: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed was:

	31.3.17 Actual	2016/17 Limit	Complied
Upper limit on fixed interest rate exposure	0	0	✓
Upper limit on variable interest rate exposure	0	0	✓

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

Maturity Structure of Borrowing: This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing were:

	31.3.17 Actual %	Upper Limit %	Lower Limit %	Complied
Under 12 months	0	100	0	✓
12 months and within 24 months	0	100	0	✓
24 months and within 5 years	0	100	0	✓
5 years and within 10 years	0	100	0	✓
10 years and above	0	100	0	✓

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal Sums Invested for Periods Longer than 364 days: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2016/17 £m	2017/18 £m	2018/19 £m
Actual principal invested beyond year end	0	0	0
Limit on principal invested beyond year end	15	15	15
Complied	✓	✓	✓

Part B Prudential Indicators

Introduction: The Local Government Act 2003 requires the Council to have regard to the Chartered Institute of Public Finance and Accountancy's *Prudential Code for Capital Finance in Local Authorities* (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

This report compares the approved indicators with the outturn position for 2016/17. Actual figures have been taken from or prepared on a basis consistent with, the Council's statement of accounts.

Capital Expenditure: The Council's capital expenditure and financing may be summarised as follows.

Capital Expenditure and Financing	2016/17 Estimate £m	2016/17 Actual £m	Difference £m
Total Expenditure	29.504	23.361	-6.143
Capital Receipts	0.580	12.698	12.118
Government Grants	0.375	1.825	1.450
Reserves	28.549	8.274	-20.275
Revenue	0	0.564	0.564
Total Financing	29.504	23.361	-6.143

Capital Financing Requirement: The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose.

Capital Financing Requirement	31.03.17 Estimate £m	31.03.17 Actual £m	Difference £m
Total CFR	28.549	8.274	-20.275

The CFR fell as capital expenditure financed by debt was outweighed by resources put aside for debt repayment.

Actual Debt: The Council's actual debt at 31st March 2017 was as follows:

Debt	31.03.17 Estimate £m	31.03.17 Actual £m	Difference £m
Total Debt	0	0	0

Gross Debt and the Capital Financing Requirement: In order to ensure that over the medium term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

Debt and CFR	31.03.17 Estimate £m	31.03.17 Actual £m	Difference £m
Total debt	0	0	0
Capital financing requirement	28,549	8.274	-20.275
Headroom	28,549	8.274	-20.275

Total debt remained below the CFR during the forecast period.

Operational Boundary for External Debt: The operational boundary is based on the Council's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease, Private Finance Initiative and other liabilities that are not borrowing but form part of the Council's debt.

Operational Boundary and Total Debt	31.03.17 Boundary £m	31.03.17 Actual Debt £m	Complied
Borrowing	50	0	✓
Other long-term liabilities	0	0	✓
Total Debt	50	0	✓

Authorised Limit for External Debt: The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Authorised Limit and Total Debt	31.03.17 Boundary £m	31.03.17 Actual Debt £m	Complied
Borrowing	55	0	✓
Other long-term liabilities	0	0	✓
Total Debt	55	0	✓

Ratio of Financing Costs to Net Revenue Stream: This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	31.03.17 Estimate %	31.03.17 Actual %	Difference %
General Fund	3.24	-0.61	-3.85

This ratio is negative as the Council is in a net investment position and therefore interest foregone to finance capital expenditure was less than investment income.

Adoption of the CIPFA Treasury Management Code: The Council adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* in February 2012

Cherwell District Council

Council

17 July 2017

Overview and Scrutiny Annual Report 2016/17

Report of Assistant Director - Transformational Governance

This report is public

Purpose of report

This report presents the Overview and Scrutiny Annual Report for 2016/17.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of the Overview and Scrutiny Annual Report 2016/17.

2.0 Introduction

- 2.1 The Overview and Scrutiny Annual Report 2016/17 is attached at Appendix 1.
- 2.2 The Annual Report contains information relating to the work of the Overview and Scrutiny Committee during 2016/17.

3.0 Report Details

- 3.1 The Overview and Scrutiny Committee has a constitutional obligation “to produce a unified annual report for the whole scrutiny process” and present it to Council.
- 3.2 The Annual Report 2016/17 was approved by the Overview and Scrutiny Committee on 27 March 2017.

4.0 Conclusion and Reasons for Recommendations

- 4.1 Council is invited to note the content of the Overview and Scrutiny Annual Report 2016/17.

5.0 Consultation

Consultee Name:
Overview and Scrutiny
Committee

Consultee Response:
Approved

6.0 Alternative Options and Reasons for Rejection

6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: Not to accept the report. This is rejected, as the report meets the Constitutional requirement.

7.0 Implications

Financial and Resource Implications

7.1 There are no financial implications arising directly from this report.

Comments checked by:
Paul Sutton, Chief Finance Officer, 03000 030106,
paul.sutton@cherwellandsouthnorthants.gov.uk

Legal Implications

7.2 The Overview and Scrutiny Committee has a constitutional obligation “to produce a unified annual report for the whole scrutiny process” and present it to Council.

Comments checked by:
Richard Hawtin, Team Leader - Non-contentious, telephone 01295 221695, email
richard.hawtin@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

Detailed in the Annual Report

Lead Councillor

None

Document Information

Appendix No	Title
Appendix 1	Overview and Scrutiny Annual Report 2016/17
Background Papers	
None	
Report Author	Emma Faulkner – Democratic and Elections Officer
Contact Information	Tel: 01327 322043 Email: emma.faulkner@cherwellandsouthnorthants.gov.uk

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Overview and Scrutiny Annual Report 2016/17

March 2017

Foreword

This annual report for overview and scrutiny at Cherwell District Council outlines the work of the Overview and Scrutiny Committee in 2016/17.

There were significant changes to Committee membership in May 2016, following the all-out election. A number of new Members joined the Committee, and have spent the past 12 months gaining a better understanding of the role of overview and scrutiny in the wider Council context.

Councillor Neil Prestidge
Chairman, Overview and Scrutiny Committee
2016/17

Overview & Scrutiny Committee

Membership

Councillor Neil Prestidge (Ch)	Councillor Jolanta Lis (V-Ch)
Councillor David Anderson	Councillor Claire Bell
Councillor Mike Bishop	Councillor Hugo Brown
Councillor Mark Cherry	Councillor Chris Heath
Councillor Andrew McHugh (since Oct. 2016)	Councillor Nick Mawer (May – Oct. 2016)
Councillor Sandra Rhodes	Councillor Jason Slaymaker
Councillor Bryn Williams	

Substitutes

Councillor Andy Beere
Councillor Sean Woodcock

Guests in attendance

Lead members:

Councillor John Donaldson – Lead Member for Housing
Councillor Tony Ilott – Lead Member for Public Protection
Councillor Debbie Pickford – Lead Member for Clean and Green
Councillor George Reynolds – Deputy Leader of the Council.
Councillor Barry Wood – Leader of the Council.

Officers:

Paul Almond – Street Scene & Landscape Manager
Ed Bailey - Corporate Performance Manager
Natasha Barnes - Shared Contact Centre Service Manager
Scott Barnes – Director of Strategy and Commissioning
Ian Davies - Director of Operational Delivery
Trevor Dixon – Team Leader – Environmental Protection
Sean Gregory – Environmental Protection Officer
Nicola Leonard – Consultation and Engagement Officer
Ed Potter – Head of Environmental Services
Nicola Riley – Shared Community Services Manager
Fiona Todd – Empty Property Officer
Louise Tustian – Acting Corporate Performance and Insight Manager

Scrutiny Topics 2016/17 – Links to Corporate Priorities	
Performance Monitoring	Covers all priorities
Results of the Customer Satisfaction Survey 2016	Covers all priorities

Development of Corporate Business Plan, Priorities and Pledges 2017/18	Covers all priorities
Lead Member Overview – Leader of the Council	Covers all priorities
Lead Member Overview – Lead Member for Housing	Covers all priorities
Council Car Parks and Car Park Service Improvements	A Thriving Community Sound Budgets and a Customer Focussed Council
Area Amenity Maintenance Report	Safe, Green, Clean
Fly Tipping and Environmental Enforcement	Safe, Green, Clean
Safeguarding – update on internal review action plan and draft section 11 return submission	Safe, Green, Clean
Air Quality Action Plan	Safe, Green, Clean
A361 Working Group	A District of Opportunity
Mobile Phone Signal Working Group	A District of Opportunity
Youth Engagement Working Group	A District of Opportunity

Performance Monitoring

Each quarter the Overview and Scrutiny Committee reviewed the Council's performance as measured through the Performance Management Framework. Annual Performance for the 2015-16 year was reviewed in May 2016, with Quarter 1, 2 and 3 reports being considered in September and November 2016, and February 2017 respectively.

The Council had maintained generally excellent performance as in previous years, but the Committee did request further information from relevant officers regarding Flytipping and the Council's parking strategy.

Results of the Customer Satisfaction Survey 2016

In November 2016 the Committee reviewed the results of the latest Customer Satisfaction survey.

The Committee were particularly pleased to hear that the method for conducting the survey had changed. Previous surveys had been completed by a Citizen's Panel, but in 2016 the process was changed. 3,500 households were selected at random to complete the survey over the summer, and 1,034 responses were received.

The results of the survey were used in the development of the Business Plan for 2017/18.

Development of Corporate Business Plan, Priorities and Pledges 2017/18

In January 2017 the Committee reviewed the Priorities and Pledges included in the draft 2017/18 Business Plan.

The Committee supported the retention of the current priorities as they were presented to them, and did not suggest any changes to the Executive. The Business Plan was subsequently approved at the full Council meeting in February 2017.

Lead Member Overview – Leader of the Council

In February 2017 Councillor Barry Wood, Leader of the Council, attended the Committee to discuss his role as Leader. The Committee had invited Councillor Wood to attend following a similar initiative by Scrutiny colleagues at South Northamptonshire Council, designed to increase Members knowledge of the Lead Member roles and to develop the relationship between Executive and Overview and Scrutiny.

The Committee found the overview extremely informative, and agreed to extend the invitation to the other Executive Lead Members.

Lead Member Overview – Lead Member for Housing

In March 2017 Councillor John Donaldson, Lead Member for Housing, attended the Committee to discuss the various aspects of his responsibilities as a Lead Member.

The Committee found out more about the different teams operating under the portfolio, as well as receiving an update regarding the Empty Homes Project, which concentrated on bringing empty properties back into use.

As with the item from Councillor Wood, the Committee found the overview very informative.

Council Car Parks and Car Park Service Improvements

Following consideration of the Executive Forward Plan at the May 2016 meeting, the Committee requested that a report scheduled for the September Executive relating to Council Car Parks be discussed by the Committee before submission to Executive.

The Director of Operational Delivery and the Deputy Leader agreed to the request, and attended the Overview and Scrutiny meeting in early September. The proposals were discussed, and the Committee requested that more flexible disabled parking provision be considered.

A follow up to the report, regarding Car Park service improvements, was then considered by the Committee in March 2017. The report detailed the recent 'competitive dialogue' process that had taken place, with a view to upgrades being made to the Council owned car parks.

The Committee endorsed the recommendations to Executive, which were subsequently approved.

Area Amenity Maintenance Report

As a result of a motion to full Council in July 2016 regarding maintenance of amenity areas across the district, the Head of Environmental Services and the Street Scene and Landscaping officer attended the November 2016 meeting of the Committee.

The officers explained to the Committee the proposed action plan for co-ordination of maintenance, involving relevant town and parish councils and the County Council.

The Committee supported the proposed actions.

Fly Tipping and Environmental Enforcement

After consideration of performance data in May 2016, the Committee requested that officers provide more information regarding fly tipping and enforcement, ahead of Executive's consideration of a report in October 2016.

The Head of Environmental Services attended the September meeting, and explained that the Government had allowed Fixed Penalty Notices (FPN's) to be introduced for Fly Tipping offences. Although the number of fly tipping incidents had gradually increased, it had not been possible to increase the number of prosecutions as there was not always sufficient evidence. It was hoped that the introduction of the FPN's would act as a deterrent, and the level of offences would start to reduce.

The Committee supported the proposed introduction of the FPNs, as did Executive at their meeting in October.

Safeguarding

Following an extensive internal review during 2015, it was agreed that Overview and Scrutiny would receive an annual report on Safeguarding in advance of the yearly submission of the Section 11 Audit return.

The report highlighted areas where actions had been completed, and those that were still work in progress.

The Section 11 audit return was supported by the Committee for submission to the Oxfordshire Safeguarding Children's Board in December 2016.

Air Quality Action Plan

Following consideration of the Executive Forward Plan at the February 2017 meeting, the Committee requested that a report scheduled for the April Executive relating to the Air Quality Action Plan be discussed by the Committee before submission to Executive.

Officers from Environmental Protection attended the March 2017 meeting of the Committee, and answered questions from the Members.

The Committee endorsed the recommendations, which were subsequently approved at Executive in April 2017.

Task and Finish Working Groups

At the first meeting of the year in May 2016, the Committee discussed areas that may benefit from a Task and Finish style scrutiny review. Three subjects were agreed for review, and working groups were set up.

A361

In November 2016 a scoping document was signed off by the Committee, which agreed to look at the A361 running through Cherwell district.

The working group are currently in the early stages of research gathering, and have contacted parishes along the route to ask for their input into the review. Work will continue into the new Municipal Year.

Mobile Phone Signal

Following the establishment of the Mobile Phone Signal Working group, initial research identified a similar project being undertaken by a group of MPs.

The British Infrastructure Group (BIG) intend to improve mobile phone signal across the UK by the end of 2017, off the back of a £5 billion commitment from Government.

The Committee agreed that the working group should carry out local research with a view to submitting it to the BIG review.

Youth Engagement

In 2014, a review was carried out to improve Youth Engagement in the democratic process.

The review started well and had a lot of interest from local schools, but as time passed and students moved on, interest in the subject waned.

The Committee discussed the subject again, and felt that it was important for Youth Engagement to be encouraged wherever possible. A new scoping document was completed, with the aim of the review being to launch an event designed to engage young people in the democratic process.

The Committee approved the document in February 2017. Work on the review will continue over the coming months.

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Cherwell District Council

Council

17 July 2017

Build! Programme - Capital Budget

Report of the Chief Finance Officer

This report is public
Appendix 1 to the report is exempt from publication by virtue of paragraph 3 of part 1 of Schedule 12A of Local Government Act 1972.

Purpose of Report

To approve the capital budget of £200,000 for pre-development costs for Phase 1(b) of the Build! project as recommended by Executive.

1.0 Recommendations.

The meeting is recommended:

- 1.1 That in accordance with the agreed recommendations of the Executive, the capital budget of £200,000 for pre-development costs for Phase 1(b) of the Build Programme be approved.

2.0 Background and Details

The Build! programme has been running for a number of years and was set up to deliver certain types of housing unit that was identified as a need for the District and to provide a return on capital invested. This programme has to date delivered 156 residential units, provided regeneration opportunities in the two urban centres, promoted self/custom build and provided a revenue and capital return which can be reinvested in delivering other housing need/regeneration projects.

The Commercial Director and Chief Finance Officer submitted a report to update the Executive on the latest status of the Build! Programme on the 6 June 2017. The Executive report is set out as an exempt appendix to this report, which was agreed by the Executive. The report highlights the work needed on sites in Phase 1 (b) and the costs to cover all costs up to planning. This work will also include clarification of the final budget needed to complete the construction on all three sites which will be presented to Executive in

September. In order to progress Phase 1 (b), the Executive has recommended Council to approve a capital budget of £200,000 for pre-development costs for Phase 1(b) up to planning and to note the estimated capital budget requirement of £6m.

3.0 Consultation

- 3.1 The Executive report included as Appendix 1 was considered at the Build! project board on 16 May 2017 and was discussed with the Lead Members for Housing and Finance as well as Executive on the 6 June 2017.
- 3.2 The statutory officers have also been consulted.

4.0 Alternative Options

- 4.1 The following alternative options have been identified and rejected for the reasons as set out below:

Option 1: Not to support the recommendations within this report would have implications for the delivery of the programme in terms of units and financial return.

5.0 Implications

Financial and Resource Implications

- 5.1 Council are being asked to approve pre-development costs of £200,000 for phase 1(b), these costs will be added to the capital programme if approved. Further expenditure on the project will require additional approval.

Comments checked by:

Sanjay Sharma, Interim Head of Finance & Procurement, 01295 221564
sanjay.sharma@Cherwellandsouthnorthants.gov.uk

Legal Implications

- 5.2 There are no specific legal implications arising from this report. The legal team provides advice and support as necessary in relation to procurement and land acquisition/disposal matters.

Comments checked by:

James Doble, Assistant Director – Transformational Governance,
01295 221587, james.doble@cherwellandsouthnorthants.gov.uk

Risk Implications

- 5.3 Council should note that some elements of Pre-development costs for phase 1(b) could prove to be abortive if HCA funding is not secured. This risk will be recorded and managed in the Build! Team’s operational risk register.

Comments checked by:

Louise Tustian, Team Leader, Strategic Intelligence and Insight Team, 01295 221786, louise.tustian@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

Banbury, Bicester and Cropredy.

Links to Corporate Plan and Policy Framework

Sound budgets and customer focused council

Lead Councillor

Cllr John Donaldson, Lead Member for Housing.

Appendix No	Title
1	Report to Executive 6 June 2017 – Build! Programme Update. Exempt from publication by virtue of paragraph 3 of part 1 of Schedule 12A of Local Government Act 1972.
Background Papers	
None	
Report Author	Paul Sutton, Chief Finance Officer
Contact Information	0300 0030106 Paul.sutton@cherwellandsouthnorthants.gov.uk

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Cherwell District Council

Council

17 July 2017

Woodpiece Road Parking Project – Capital Budget

Report of Director of Operational Delivery

This report is public

Appendix 1 is exempt from publication by virtue of paragraph 3 of Schedule 12A of Local Government Act 1972

Purpose of report

To consider a capital budget of £40,000 for Phase 1 of the Woodpiece Road parking project as recommended by the Executive.

1.0 Recommendations

The meeting is recommended:

- 1.1 To approve the creation of a capital budget of £40,000 necessary to carry out the Phase 1 works with delegated authority given to the Chief Finance Officer to approve the final cost.

2.0 Introduction

- 2.1 In the village of Arncott there has been a long-standing parking issue on Woodpiece Road, due to the number of cars per household exceeding the designated parking areas available nearby. Cars park along the majority of available existing curb space within the immediate area, creating congestion and access issues.
- 2.2 The problem stems from the number of cars in the surrounding households exceeding the number which were initially planned for when the properties were built in the 1970s. Originally the houses were designed with rear parking courts and garages and with green open spaces to separate pedestrians from vehicles. Subsequently, those garages fell into disuse and then disrepair, and were recently converted into more housing. The primary tenure of the properties in the affected area of the road is privately owned, but a small number are still owned by the registered provider Sanctuary Housing.
- 2.3 The Housing Strategy and Partnership's Team was tasked with evaluating and preparing a report on the identified parking issues at Woodpiece Road, Arncott

and providing a range of options which might help to mitigate some of the issues. The Executive recommendations arising from this were enabled by the Council's ownership of the land in question.

3.0 Report Details

The Director of Operational Delivery submitted a report to Executive on parking options for Woodpiece Road, Arncott on the 3 July 2017. The recommendation to the Executive (set out as an exempt appendix to this report), were agreed by the Executive. The report agreed the Phase 1 Works programme and delegated authority to the Director for Operational Delivery to approve an appropriate model for the on-going maintenance arrangements associated with the Phase 1 Works and to approve appropriate eligibility criteria and administrative process for the "Drive Application Fund Grant". In order to progress the Phase 1 works programme and drive application fund grant, the Executive has recommended Council to approve a capital budget of £40,000.

4.0 Consultation

4.1 The proposals in this report have been considered and endorsed by the Executive.

As part of the attached report development consultation has taken place with the Facilities Management and Asset team, Planning Services and also County Council Highways in order to inform on options available. Arncott Parish Council has also been consulted to help inform on the local knowledge together with formal consultation with local residents.

5.0 Alternative Options and Reasons for Rejection

5.1 The following alternative options have been identified and rejected for the reasons as set out below:

Option 1: Not to approve the capital budget.

This will result in the parking issue at Woodpiece Road becoming an increasingly serious one, with reputational risk to the District Council.

6.0 Implications

Financial and Resource Implications

6.1 The works proposed within the recommendations require a capital budget of £40,000. Once the procurement process has been complete the final costs should be agreed by the Chief Finance Officer.

Comments checked by: Paul Sutton - Chief Finance Officer, 0300 003 0106
paul.sutton@cherwellandsouthnorthants.gov.uk

Legal Implications

- 6.2 There are no specific legal implications arising from this report. The legal team provides advice and support as necessary in relation to procurement and land acquisition/disposal matters.

Comments checked by: James Doble, Assistant Director – Transformational Governance, 01295 221587 james.doble@cherwellandsouthnorthants.gov.uk

Risk Management

- 6.3 There are no specific risks arising from this decision. Risks for the project will be managed by the services operational risk register and escalated to the corporate register as and when necessary.

Comments checked by: Louise Tustian – Strategic Intelligence and Insight Team Leader 01295 221786 louise.tustian2@cherwellandsouthnorthants.gov.uk

7.0 Decision Information

Wards Affected

Launton

Links to Corporate Plan and Policy Framework

A District of Opportunity
An Accessible, Value for Money Council
A Safe and Healthy Cherwell

Lead Councillor

Councillor John Donaldson – Lead Member for Housing

Document Information

Appendix No	Title
1 - EXEMPT	Report to Executive 3 July 2017 – Woodpiece Road, Arcott, Parking Options
Background Papers	
None	
Report Author	Gary Owens – Housing Strategy & Partnerships Team Leader
Contact Information	01295 221663 gary.owens@cherwellandsouthnorthants.gov.uk

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