



STANDING ORDERS/FINANCIAL REGULATIONS

TOWN COUNCIL MEETING

REPORT 57/20

13 JULY 2020

The purpose of this Report is to ask Members to adopt the current Model Standing Orders and Financial Regulations from the National Association of Local Councils (NALC) and the procurement practice incorporated in them.

NO. DETAILS

1) BACKGROUND

- a) Section 135(2) of the Local Government Act 1972 states: *A local authority shall make standing orders with respect to the making by them or on their behalf of contracts for the supply of goods or materials or for the execution of works.*
- b) Recent discussions about the Town Council's procurement policy and practice have focused attention on *The Public Contracts Regulations 2015 Part 4, Ch. 8 Reg 110* – available [here](#) – and the related updating of its advice on procurement in its *Legal Topic Advice LTN 87* of May this year and available [here](#).
- c) The relevant Regulations and the recommendation in NALC's LTN 87 are not incorporated in our current Standing Orders and Financial Regulations which were adopted in 2011.
- d) The need to update them is clear as is the need to be confident that the Town Council's tender process for the new Public Toilets is compliant with the Regulations.

2) THE REGULATIONS

- a) The Regulations cover, in particular, public works contracts in excess of £25,000 and less than £4,733,252.
- b) Section 135(3) confirms that, in England or Wales, a local council may adopt standing orders which exempt contracts from a tendering exercise if they are below £25,000.
- c) Section 110 deals with the requirement to include contracts in the over £25,000 range on the government's Contracts Finder website; the related requirements apply *where a contracting authority advertises a contract award opportunity*.
- d) Subsection 5(b) adds *a contracting authority does not advertise an opportunity where it makes the opportunity available only to a number of particular economic operators who have been selected for that purpose (whether ad hoc or by virtue of their membership of some closed category such as a framework agreement), regardless of how it draws the opportunity to the attention of those economic operators.*
- e) All the requirements are incorporated in NALC's LTN 87 including what needs to be done if the requirement to use the Contract Finder website is triggered.

3) THE HAMPSHIRE ASSOCIATION OF LOCAL COUNCIL'S (HALC) ADVICE

- a) The need to update the Town Council's Standing Orders to incorporate the 2015 Regulations is clear but advice was requested from HALC to confirm – or not – that the Town Council's agreed process for its tendering of the contract for the new Public Toilet is compliant with the new Regulations.
- b) The HALC Advice is available [here](#).
- c) It confirms that the Town Council's decision to *invite tenders, in the provided sealed envelopes, from the following companies: D N Associates Ltd, W H Brading & Sons Ltd and Ingrams Building Contractors* is in line with the 2015 Regulations.

4) MODEL STANDING ORDERS & FINANCIAL REGULATIONS

- a) NALC's latest Model Standing Orders and Financial Regulations fully reflect the 2015

Regulations; adopting them would both provide clear and accurate guidance for future procurement activity and provide the Town Council with updated versions of its current 2011 documents.

- b) They are both lengthy documents and require minor customisation to fit individual Town and Parish Councils.
- c) In addition, before formal adoption Members will need to be fully aware of their content and able to consider any amendments they would wish to incorporate.

5) **RECOMMENDATION**

Members are recommended to:

- i) note that the current agreed tender process for the building of the new Public Toilet is compliant with The Public Contracts Regulations 2015 Part 4, Ch. 8 Reg 110;
 - ii) ask its Clerk to circulate NALC's latest Model Standing Orders and Financial Regulations to all Members for their consideration; and
 - iii) plan to adopt both documents, with any agreed amendments, at the Town Council Meeting of 10 August 2020.
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