

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Committee:</b>	Corporate Scrutiny Committee
<b>Date:</b>	19 November 2024
<b>Subject:</b>	Procurement Strategic Plan 2024-2029 and Contract Procedure Rules
<b>Purpose of Report:</b>	To present the draft Procurement Strategic Plan and the Contract Procedure Rules for comment before it is submitted to the Executive and full Council for approval.
<b>Scrutiny Chair:</b>	Councillor Douglas Fowlie
<b>Portfolio Holder(s):</b>	Councillor Robin Williams
<b>Head of Service:</b>	Marc Jones Director of Function (Resources) and Section 151 Officer
<b>Report Author:</b> <b>Email:</b>	Alun T Roberts, Corporate Programme Manager <a href="mailto:AlunRoberts@ynysmon.llyw.cymru">AlunRoberts@ynysmon.llyw.cymru</a>
<b>Local Members:</b>	Relevant to all Elected Members

### **1 - Recommendation/s**

The Committee is invited to comment on the draft Procurement Strategic Plan 2024- 2029 and the Contract Procedure Rules before it is presented to the Executive and full Council for approval.

### **2 – Link to Council Plan / Other Corporate Priorities**

This key publication supports the delivery of our Council Plan and sets out our ambitions for better procurement to support the creation of an Anglesey that is healthy and prosperous where people can thrive.

### **3 – Guiding Principles for Scrutiny Members**

**To assist Members when scrutinising the topic:-**

- 3.1** Impact the matter has on individuals and communities [focus on customer/citizen]
- 3.2** A look at the efficiency & effectiveness of any proposed change – both financially and in terms of quality [focus on value]
- 3.3** A look at any risks [focus on risk]
- 3.4** Scrutiny taking a performance monitoring or quality assurance role [focus on performance & quality]
- 3.5** Looking at plans and proposals from a perspective of:
- Long term
  - Prevention
  - Integration
  - Collaboration
  - Involvement
- [focus on wellbeing]
- 3.6** The potential impacts the decision would have on:

- protected groups under the Equality Act 2010
- those experiencing socio-economic disadvantage in their lives (when making strategic decisions)
- opportunities for people to use the Welsh language and treating the Welsh language no less favourably than the English language

[focus on equality and the Welsh language]

#### 4 - Key Scrutiny Questions

1. How will the changes contribute to the Council achieving the objectives set out in the Council plan?
2. To what extent will the changes improve the Council's ability to achieve value for money?
3. How will the Council ensure compliance with the new strategy, the new legislation and the changes to the Contract Procedure Rules?
4. How will the Council be supporting local businesses apply for contracts?
5. How will the data be collected to shape / increase the Council knowledge?

#### 5 – Background / Context

Following on from the UK's decision to leave the European Union, the UK Government has taken the opportunity to revise the legislation in respect of procurement in the public sector. The Procurement Act 2023 will come into force on 24 February 2025, which is later than the initial planned date of 28 October 2024. In addition, the Welsh Government has passed the Social Partnership and Public Procurement (Wales) Act 2023, which places additional responsibilities and duties on public sector organisations in Wales in respect of procurement.

In response to the changing legislation, the Council commissioned an external company to review the Council's preparedness for the change in legislation and to provide the Council with an action plan to ensure that the Council was in a position to comply with the legislation. The action plan covered a number of areas, including:- the overall strategy, governance, roles and responsibilities, training, data and information systems and communications.

The Council has subsequently contracted with the external company to assist in the delivery of the action plan. A significant part of the action plan will be delivered prior to the new legislation coming into force, with further work planned up until March 2026, when the support contract ends.

#### Procurement Strategic Plan

The new Procurement Strategic Plan is set out in the Council's standard template and covers the period to March 2029. Procurement is an important aspect of how the Council undertakes its business and is vital to ensure the Council delivers the strategic objectives set out in the Council Plan. It also ensures that the Council achieves value for money, that procurement is delivered in a sustainable way that maximises the benefit for the local economy and local communities, and that the procurement method is compliant with all of the legal obligations set out in the new Procurement legislation and the Wellbeing and Future Generations (Wales) Act 2015.

The Strategic Plan sets out how the Council will:-

- set an example and lead on undertaking procurement in a controlled, commercial and sustainable way;
- use commercial information to guide how procurement is undertaken, with the aim of reducing costs, minimising risks and maximising the benefits to the local economy;
- embrace social value, minimise environmental impacts and reduce carbon emissions;
- drive compliance with the legislation;
- manage contractor performance to ensure value for money and minimise risk.

The Council's performance on implementing the Procurement Strategic Plan effectively will be done by reporting regularly to the Council's Leadership Team and to the Executive, and through an annual report on Procurement to the Governance and Audit Committee.

### **Contract Procedure Rules**

The second part of this report relates to changing the Council's Contract Procedure Rules (CPRs). The CPRs set out the process on how to undertake a procurement exercise and sets out the different procurement methods and when they should be used. The change in procurement legislation does require the Council to update the CPRs and it provides an opportunity to ensure that the CPRs are flexible enough to allow officers to undertake procurement exercises in the most efficient and effective way, whilst still ensuring that any procurement exercise is controlled and ensures that the Council achieves value for money.

The revised CPRs have been drafted by the Council's external procurement support in consultation with the Director of Function (Council Business) / Monitoring Officer, the Director of Function (Resources) / Section 151 Officer and the Council's Procurement Team. The CPRs will be supported by a detailed Procurement Handbook, which is currently being drafted.

The Director of Function (Council Business) / Monitoring Officer reported to the Council on removing the CPRs from the Council's Constitution and to delegate the approval of the CPRs to the Executive. The Council approved the change at its meeting on 26 September 2024.

## **6 – Equality Impact Assessment [including impacts on the Welsh Language]**

### **6.1 Potential impacts on protected groups under the Equality Act 2010**

Not applicable

### **6.2 Potential impacts on those experiencing socio-economic disadvantage in their lives (strategic decisions)**

The strategy aims to maximise the local economic benefit for Anglesey, by maximising the amount the Council spends locally, as allowed by the Regulations. This should improve the local economy and be of benefit to those experiencing socio-economic disadvantage.

### **6.3 Potential impacts on opportunities for people to use the Welsh language and treating the Welsh language no less favourably than the English language**

No Impact - All services offered for Anglesey residents will be bilingual.

## **7 – Financial Implications**

The implementation of the strategy and the CPRs is designed to ensure value for money and to prevent unnecessary costs and any costs arising from potential legal challenges to decisions made by the Council in its procurement of works, goods and services.

**8 – Appendices:**

Appendix A - Draft Procurement Strategic Plan 2024-2029  
Appendix B – Contract Procedure Rules – Summary of changes

**9 - Background papers (please contact the author of the Report for any further information):**

# Ynys Môn

THE ISLE OF

# Anglesey

## Procurement Strategic Plan 2024 - 2029

Mae'r ddogfen hon hefyd ar gael yn y Gymraeg /

This document is also available in Welsh.

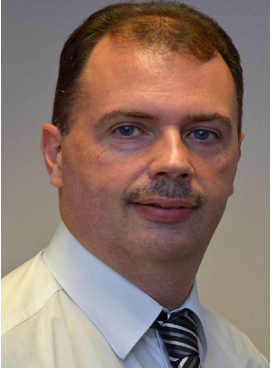


CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL

[www.anglesey.gov.wales](http://www.anglesey.gov.wales)



# Foreword



Marc Jones - Director of Function (Resources) – Section 151 Officer



Cllr Robin Williams - Finance Portfolio Holder

Welcome to our procurement strategic plan for 2024 – 2029. This key publication supports the delivery of our Council Plan and sets out our ambitions for better procurement to support the creation of an Anglesey that is healthy and prosperous where people can thrive.

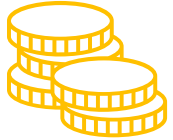
The Council is currently facing significant challenges; demand for our services continues to rise as the cost of providing them is also rising. This does not mean we are any less committed and effective procurement is essential.

We will use our commercial arrangements to support local businesses as much as possible. We will identify efficiencies and drive forward innovation, whilst ensuring that services are cost effective, and the opportunities we offer to the businesses and citizens of the Island are of high value and benefit.

We have a strong track record of supporting local businesses, with an average of 25% of contracts being awarded to suppliers on the Island. We will continue to strive to maintain, if not improve, this.

The strategic procurement plan builds upon the Wellbeing of Future Generations (Wales) Act, the Procurement Act 2023, Social Partnership and Public Procurement (Wales) Act 2023 and Health Service Procurement (Wales) Act 2024. It aims to support our communities and ensure compliant spending and value for money.

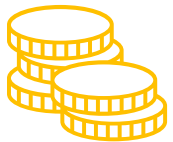
# Why do we need a Procurement strategic plan?



**£10.9bn\***

Per annum

Total Local Government Revenue Budget 2024/25



**£221.2m\***

Isle of Anglesey Revenue Expenditure Budget 2024/25

The Council recognises that procurement decisions can have a major socio-economic and environmental implication, both locally and globally, now and for future generations. The associated procurement activity is critical to ensuring that not only is best value being obtained, but that public money is spent in a way that protects both people and the environment and is vital to:-

- Achieve compliance to manage risks;
- Deliver the strategic objectives of the Council Plan;
- Demonstrate the Council's core values;
- Further sustainable development;
- Stimulate innovation;
- Avoid unnecessary costs.

The Council also recognises its responsibility to take a robust approach to ethical and sustainability issues, especially around modern slavery and human trafficking, which we are absolutely committed to preventing, within our supply chains.

The strategic plan is not intended to be an operational guide to procurement; however, the objectives should be applied to all our procurement activity.

# Council Plan 2023-2028 Strategic Objectives

The Council Plan is the key document serving as a focal point for decision-making at all levels; providing a framework to plan and drive forward priorities; shape annual spending; monitor performance and progress.

At its core is our desire to work with Anglesey residents, communities and partners to ensure the best possible services, improve the quality of life for all and create opportunities for future generations.

Its six main objectives reflect the key areas the Council should be focusing its efforts on:-

The Council Plan's vision is to:-

'Create an Anglesey that is healthy and prosperous where people can thrive.'



## The Welsh Language

Increase the opportunities to learn and use the language.



## Social Care and Wellbeing

Providing the right support at the right time.



## Education

Ensuring an effective provision for today and for future generations.



## Housing

Ensuring that everyone has the right to call somewhere home.



## Economy

Promoting opportunities to develop the Island's economy.



## Climate Change

Responding to the crisis, tackling change and working towards becoming a net zero organisation by 2030.



[Council Plan 2023 to 2028 \(gov.wales\)](https://gov.wales/council-plan-2023-to-2028)



# Council Plan 2023-2028 – Values

The Council Plan 2023-28 is underpinned by the organisation’s core values, which are used to develop and guide the vision, strategic plans and services.



## Respect

We are respectful and considerate towards others regardless of our differences .



## Collaborate

We work as a team, with our communities and partners, to deliver the best outcomes for the people of Anglesey.



## Honesty

We are committed to high standards of conduct and integrity.



## Champion the Council and the Island

We create a sense of pride in working for the Council and present a positive image for the Council and the Island.



# Purpose of the Procurement Strategic Plan

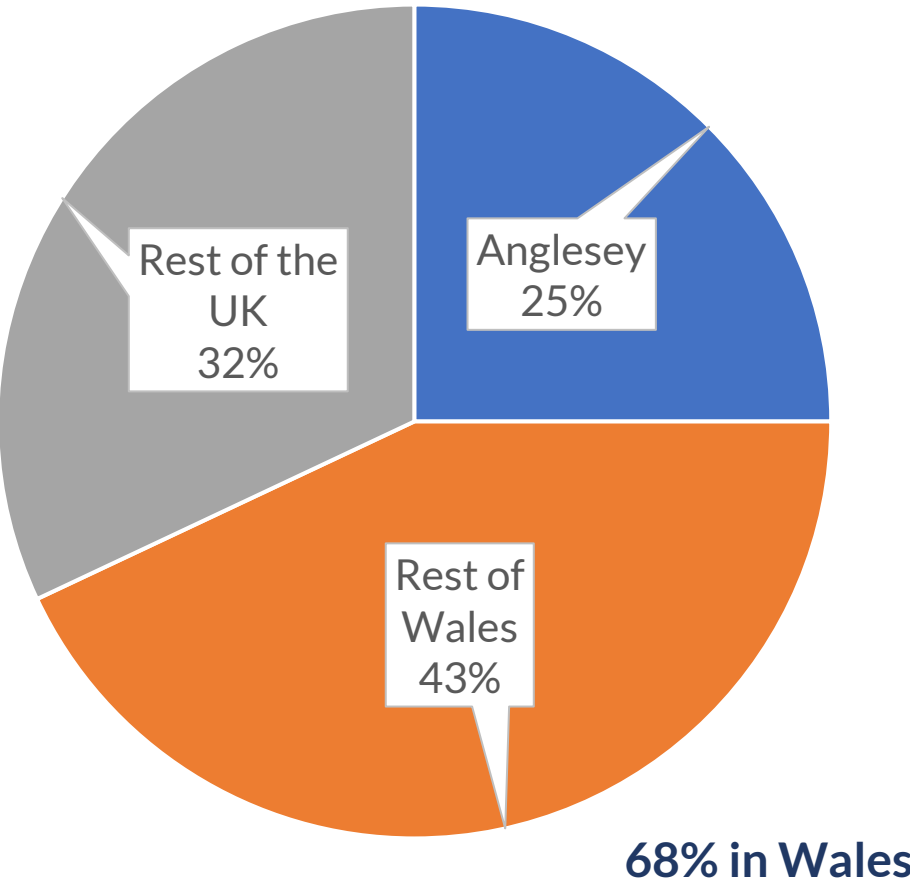
The purpose of the Procurement Strategic Plan is to ensure the way the Council commissions and sources its services, supplies, and works is compliant with legislation, internal policies and processes, ethical, open, fair, transparent, and includes economic, social, labour and environmental factors into the process.

It will provide strategic direction by:-

- Engaging regionally and nationally to understand areas of good practice;
- Improving the quality and cost effectiveness of delivering public services to citizens;
- Be a mechanism to challenge current service arrangements and find new models for service delivery;
- Ensure contracts and spending is compliant;
- Achieve better realised savings that can be channelled back into priority services;
- Achieve added social value and wider added value to citizens through the effective use of supply chains;
- Advancing our ambitions around supporting local suppliers and keeping the Welsh pound in Wales;
- Ensure the Council complies with the:-
  - Procurement Act 2023 and sub-ordinate legislation;
  - Social Partnership and Public Procurement (Wales) Act 2023;
  - Wellbeing and Future Generations (Wales) Act 2015;
  - Welsh Procurement Policy Statement.
- Advancing our activities around ethical and sustainable behaviours, especially around modern slavery and the protection of the environment;
- Re-affirming our commitment to considering the social, economic and environmental consequences of what is procured at all stages of the life-cycle;
- Ensure that the Council delivers best value.

# Baseline Data – Spend 2023/24

Spend per area



101 contracts

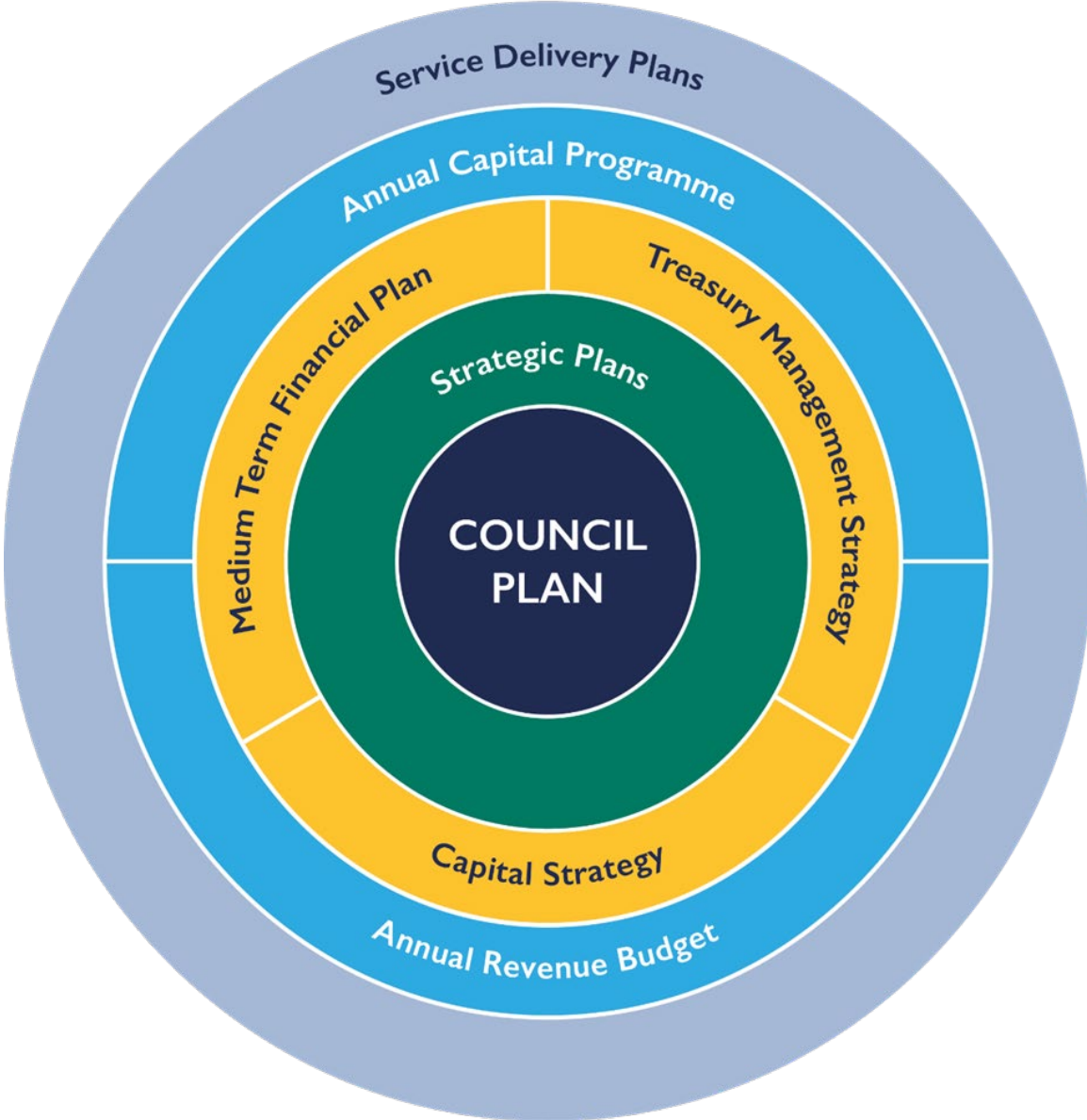
Top 6 contracts:-

1. Highway Maintenance
2. Gas and Electricity
3. Waste Collection
4. Pavement Maintenance
5. Construction – Business Units
6. School Catering

# Strategic circle

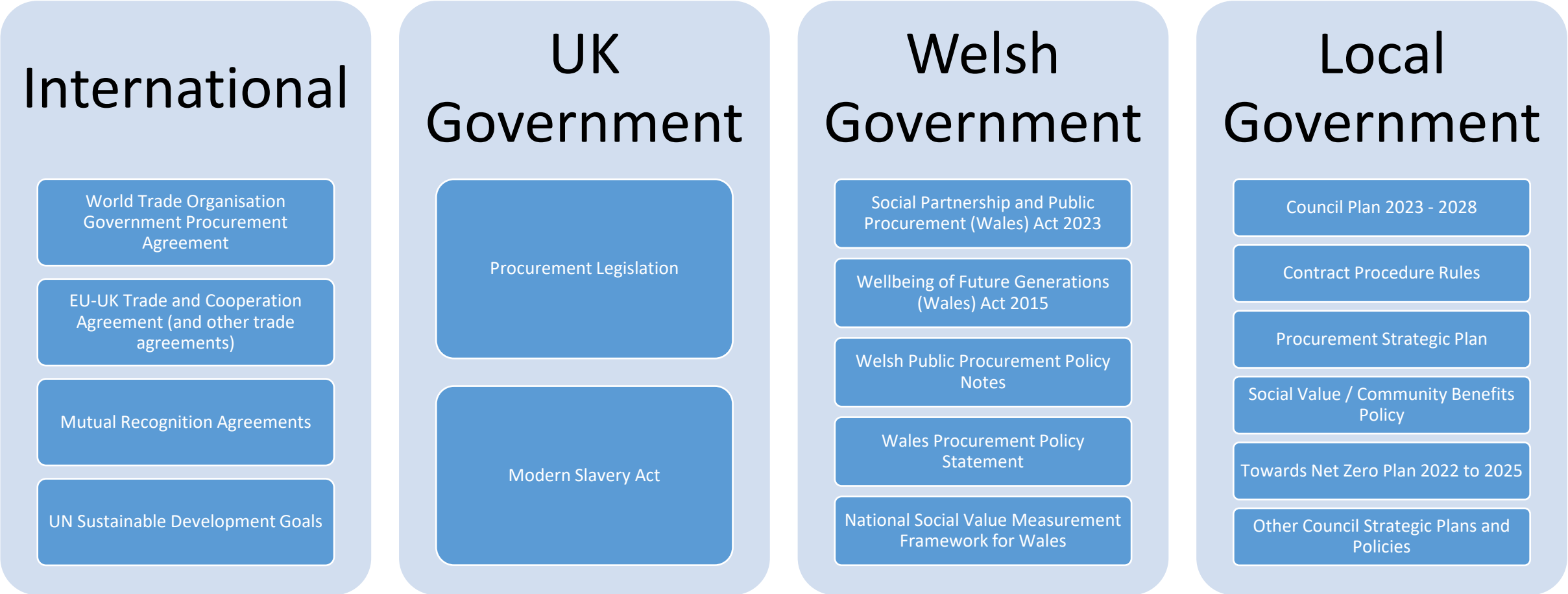
The strategic circle identifies the plans in place to ensure we are able to achieve our priorities and objectives.

This plan is a key strategic plan that aligns with the Council's Plan and contributes to the achievement of the strategic objectives and vision.



# Strategic context

There is a wealth of International, UK Governmental and Welsh Governmental strategies and legislation that influences public procurement activity.



# Key priority areas

‘Create an Anglesey that is healthy and prosperous where people can thrive.’

1. Leadership and culture
2. Data and commercially informed
3. Social value and environment
4. Drive compliance
5. Local economy

# Key priority: Leadership and culture

## Why is this important?

Good procurement can have a decisive impact on the outcome of procurements, service delivery and wider developments.

The culture and capability of the Council around good procurement is essential in delivering the Procurement Strategic Plan and the Council's strategic objectives.

Effective engagement and relationships with stakeholders is important to deliver a range of benefits, including improved outcomes for the public, added social value, reduced cost, reduced risk and innovation.

## What will we do?

- Lead by example and ensure that we promote the very best strategic procurement.
- Ensure that Councillors, senior leaders and partners are engaged and champion procurement and collaboration.
- Champion social value, sustainable and ethical behaviours in all that we do.
- Engage with strategic suppliers and do more pre-market engagement.
- Deliver early procurement and commercial advice to deliver better outcomes from projects
- Work as single "whole Council" team.

## How will we do this?

- Use our skills and expertise to develop our added value.
- Enhance reporting to better enable everyone to perform their roles effectively.
- Improve data gathering.
- Share data on performance, social value and risk.
- Participate in strategic regional or national groups.
- Clarify roles and responsibilities
- Share our successes and lessons learnt internally and with others.

# Key priority: Data and commercially informed

## Why is this important?

In a landscape of reducing finance, increasing costs and demands, the Council needs to explore other means of reducing funding deficits and meeting demands.

Improving contractor performance & reducing commercial failure can protect reputations and better enable the delivery of effective services and support to local communities.

The occurrence of risk, particularly when it could be foreseen, can have a devastating impact on the reputation and lives of residents, the quality of the services provided and financial viability.

## What will we do?

- Enable new processes and methods to be developed, allowing tendering to be focused on innovation and opportunities.
- Consider more risk-based sourcing.
- Work collaboratively across the region.
- Ensure suppliers improve on their reporting and delivery of social value commitments.
- Manage risks by appropriate forward planning, market research, early engagement and contingency planning.
- Identification of strategically important contracts / suppliers and supply chain vulnerabilities.
- Systems, procedures and staff delivering consistently high results.

## How will we do this?

- Provide training on:-
  - contract management;
  - supplier relationship management;
  - Procurement processes and methods.
- Review and update Contract Procedure Rules.
- Introduce guidance and clear processes in the Procurement Handbook.
- Contract reviews and supplier relationship management are more commonplace and seen as fundamental to creation of new opportunities.
- Focus tendering activities on innovation and opportunities.
- Analyse and identify spend and report savings.



# Key priority: Social value and environment

## Why is this important?

Our communities and how they thrive is crucial to the success of the Island as a place to live, work and enjoy.

Procurement, through the creation of social value, has significant opportunities to improve the economic and social wellbeing from public contracts over and above the delivery of the services directly required, at no extra cost.

By considering the environmental impact of our procurement, we can minimize any negative effects and create positive outcomes. This includes reducing carbon emissions and footprint and supporting biodiversity gain / nature recovery.

## What will we do?

- Embrace social value and environmental considerations in all procurement activity (where relevant and proportionate).
- Require suppliers to work with the Council to reach its climate change and biodiversity targets.
- Ensure both financial and non-financial outcomes are delivered by suppliers.
- Mainstream our social value and environmental priorities by working with stakeholders to engage with the suppliers through events, drop-in sessions, meet the buyer, training and workshops.
- Influence suppliers to acknowledge and take steps to promote the Welsh language, in line with our strategic aims.

## How will we do this?

- Take a proactive place-based approach to social value and consider climate change and biodiversity aims in all procurement.
- Mainstream the use of social value and environmental tools to support procurement undertaken.
- Where relevant, ensure social value is a key performance indicator (KPI) in contracts and contracts managed.
- Update our website with appropriate guidance and signpost to support.
- Require all suppliers to sign up to the Expectations in Appendix B.
- Providing training internally and externally where needed to mainstream social value and environmental requirements.

# Key priority: Drive Compliance

## Why is this important?

Poor procurement and contractor performance can seriously damage reputation and ability to deliver effective services and support to local communities.

Off-contract spending can have a serious impact on the achievement of value for money, undermines relationships with suppliers and reduces cost control measures. In addition, it opens up the risk of non-compliance with legislation, delivery of strategic objectives and, therefore, challenge on contract awards.

## What will we do?

- Ensure simplicity and speed to market.
- Ensure suppliers comply with specifications.
- Conduct robust data analysis so we can manage, plan, monitor and report on our activity.
- Use data to inform our strategic procurement and collaborative approach.
- Clearly define roles and responsibilities.
- Provide clear guidance.

## How will we do this?

- Ensure contracts register is complete and accurate, and used to support forward planning and off-contract spend.
- Create clear policies, effective Contract Procedure Rules and provide a Procurement Handbook.
- Regular analysis and compliance checks, with results report to senior leadership.
- Providing training to staff on the procurement & commissioning cycle and introduce guidance.
- Measure performance regularly across the Council.

# Key priority: Local Economy

## Why is this important?

By contracting with local suppliers, we can help stimulate the local economy. This keeps money circulating within the community, supporting local and creating jobs.

Sourcing goods and services locally can reduce the carbon footprint associated with transportation. This supports environmental sustainability objectives.

Local suppliers are often more flexible and responsive to the specific needs of the community. This can lead to better service delivery and increased resilience.

## What will we do?

- Provided the Council can identify a sufficient number of local suppliers with the necessary capacity and experience to meet its requirements, the Council will adopt a regional approach to sourcing below threshold contracts.
- When conditions are met, reserve contracts for businesses with a social purpose.
- Simplify procurement processes and documentation to encourage more small and medium-sized enterprises (SMEs) to bid for contracts.

## How will we do this?

- Engage with local businesses through 'meet the buyer' events and exhibitions.
- Providing constructive feedback to unsuccessful bidders to help them improve future bids.
- Offering resources to help local businesses understand the Council's procurement process.
- Using Local Supplier Directories: Creating and maintaining directories of local suppliers and social enterprises can help authorities easily find and engage with local businesses.
- Identify barriers to the procurement process for SME's and the voluntary and social enterprise sectors.

# Governance: monitoring and evaluation

This plan creates a new vision for procurement within the Council, and new measures for monitoring performance of:-

- Local Spend;
- SME Spend;
- Social Value Inclusion and Weighting;
- Social Value Promised;
- Social Value Delivered;
- On / Off Contract Spend;
- Exceptions / Waivers from Competition;
- Supplier Carbon Reduction Plans.

To ensure the plan is realised, we will establish robust arrangements focusing on the current 2-year action plan, and subsequent annual action plans thereafter.

We will report to the Leadership Team regularly on progress, and to the Executive and Governance and Audit Committee annually or when requested.

Our arrangements will ensure clarity, accountability, coordination and the structure to monitor progress effectively.

# Appendix A: Procurement & Commissioning Cycle



# Appendix B1: Supplier Expectations (Core)

The Council expects all of its suppliers (and their sub-contractors) to:-

- Not engage in criminal conduct or activity;
- Comply with labour and environmental laws, and not engage in human rights or environmental abuses;
- Adopt and conduct their trading activities in accordance with the [Ethical Trading Initiative \(ETI\) Base Code](#), which is based on the International Labour Organisation's (ILO) internationally recognised [Code of Labour Standards](#);
- Confirm their commitment to abide by the principles as set out in the [Co-operative Party Charter Against Modern Slavery](#);
- Ensure workers are aware they may join a trade union and are not to be treated unfairly for belonging to one;
- Comply with labour and other appropriate laws (e.g. The Equality Act 2010);
- Provide fair payment for supplies, works and services through the supply chain;
- Provide workers with fair wages;
- Not to blacklist workers;
- Not use tyres over 10 years old in accordance with the [Tyred Campaign](#);
- Act ethically and sustainably in how they manage and operate their business, including the provision of services, manufacture and / or delivery of supplies, or provision of works;
- Contribute to the Council's ambition of being a net zero organisation by 2030 by helping to create a more sustainable Wales, UK and globe by creating a lower carbon supply chain;
- Ensure the Welsh language is acknowledged, protected and actively promoted where possible, in accordance with the Council's strategic objectives and relevant legislation;
- Provide sufficient guarantees that they implement appropriate technical and organisational measures to ensure their processing of personal data meets data protection legislation requirements and that they also implement adequate controls and measures to limit the impact of cyber threats to the security and integrity of the Council's data sets.

# Appendix B2: Supplier Expectations (Additional)

Where relevant and proportionate, the Council expects all suppliers (and their sub-contractors) to:-

- Provide their services, manufacture and / or delivery of supplies, or provision of works that are accredited to recognised standards (or at least match the requirements of relevant accreditations without actually being accredited) across ethical considerations, for example:-
  - [International](#), [European](#), or [British](#) Standards;
  - [EMAS](#);
  - Good agricultural standards and practices ([GlobalG.A.P.](#));
  - Consumer facing standards (e.g. [Fairtrade](#), [Rainforest Alliance](#), [Tea Sourcing Partnership](#));
  - Furniture ([FSC](#) and [PEFC](#)); Social accountability ([SA8000](#)).

The Council also expects, where relevant and proportionate, all suppliers (and their sub-contractors) to work with us and our partners to:-

- Adhere to the [Fair Tax Mark](#) standards – ensure that your organisation pays the right amount of tax which funds vital public services and goods.

# Appendix B3: Baseline Data

We will look to improve data gathering and reporting, baselining necessary data in the first 2 years, and measuring improvements thereafter.

This baseline will include: -

- Regional Spend (Anglesey);
- Regional Spend (Gwynedd);
- Regional Spend (Rest of North Wales);
- National Spend (Rest of Wales);
- Average Social Value Weighting;
- Social Value promised;
- Social Value delivered, On / Off Contract Spend.



## **Summary of Changes**

The Contract Procedure Rules (CPRs) have been significantly altered in appearance. These changes are proposed to take account of changes in legislation (both current and future), facilitate ease of finding information, strengthen a number of provisions and move non-essential information and guidance into a Procurement Handbook.

The Procurement Handbook is not available in a draft at the time of preparing this summary document.

These changes have meant removal of certain rules and addition of some new rules / thresholds. The detail of the reasoning behind these are set out below:-

### **Removals from CPRs**

<b>Current Rule Number</b>	<b>What it says</b>	<b>Why it has been removed</b>
4.9.2.3	Partnerships	Not a procurement matter and dealt with under Financial Procedure Rules. Procurement matters are dealt within new Rule 1.
4.9.7.5	Means of returning Tenders	This is outdated and not current practice.
4.9.3.2.4	Waiver / Exception justification for additional work by the same contractor if they did an earlier phase and this has been previously identified	<p>It is not clear what is meant by "previously identified". This encourages complacency by Services, and allows poor planning, and effectively circumventing the aggregation rules.</p> <p>Anything that was planned for properly should be incorporated in some way into the procurement / contract, and would be a provided Modification. Anything else would be a non-provided for modification and the relevant grounds used.</p> <p>Anything else should be re-competed as it clearly was not considered detrimental enough to have planned for.</p>
4.9.3.2.7	Waiver / Exemption for: Art and artistic works (below Threshold)	<p>Commissioning of poets (literature festivals), artists, pre-existing works of art etc. cannot be tendered, and there is specific justifications for non-competition in the Act, so has been included in the exempt list for application of CPRs.</p> <p>Anything above Threshold will be able to be Waived under new Rule 12.1.4.i).</p>

Current Rule Number	What it says	Why it has been removed
4.9.6	£10k to £30k Procurement	This has been removed and value subsumed into new Value Band B (£12k to Threshold).

### **Additions to CPRs**

New Rule Number	What it says	Why it has been added
1.9	Statement of delegation below Director of Functions (Section 151 Officer and Monitoring Officer)	To be clear that, through planned delegation, this role may be delegated when considered necessary (e.g. during periods of leave). This is considered necessary given the changes made around approvals for Waivers and Modifications.
1.10	Addition of a Procurement Handbook and that this should be read in conjunction with the CPRs	The Procurement Handbook will be "issued" by Director of Function (Resources) / Section 151 Officer, and will be a mandatory tool to aid and guide Officers on what they need to do for various procurements.  It allows the CPRs to focus on "the Rules" and minimum essential requirements, with the Handbook focussing on guidance and best practice approaches to securing value for money.
2 & Appendix 1	Interpretations and Definitions	To ensure that the appropriate people only interpret the CPRs, and definitions are made clear for all those reading the CPRs.  Alignment with legislation around values (i.e. move from Net to Gross).
4.2	Creation of a pipeline of commissioning / procurement intentions	To support compliance with Welsh National Procurement Policy Statement and legislation.
3	Arrangements to which these rules do not apply:-	
3.1.2	Non-Executive Director appointments and public enquiries	Exempt from application of the Act so should be exempt from CPRs.
3.1.3-4	Financial securities and investments	Exempt from application of the Act so should be exempt from CPRs.

New Rule Number	What it says	Why it has been added
3.1.6-8	Legal Services related to litigation	Exempt from application of the Act so should be exempt from CPRs.
3.1.10	Certain contracts between the public sector	Taking principles set out in the Act, genuine co-operation agreements should be excluded.
3.1.11	Artists or artistic works (below Threshold)	Commissioning of poets (literature festivals), artists, pre-existing works of art etc. cannot be tendered, and there is specific justifications for non-competition in the Act so, for below Threshold, should be exempt from CPRs.
3.1.12	Continuation of care where change could be harmful to user (Below Regulation Threshold)	Recognition of the potential for subordinate legislation to the Health Services Procurement (Wales) Act 2024 to replicate the Provider Selection Regime in England. This is for the overriding needs of the user, competition should be avoided where possible – currently only applies to below threshold arrangements, but can easily update once legislation is passed. Still a need to comply with Procurement Act 2023 (PA23) in the meantime.
3.1.13	Adult Social Care Nursing, Residential Care Homes, and Open Access Sexual Health Services	Recognition that these may not be able to be procured due to their very nature, as provided for by other legislation. E.g. Sexual Health – resident can go to any clinic, but the Council must pay the costs – the Council has no choice on where that individual goes. Still a need to comply with PA23. See rationale for 3.2.12 as also applicable.
3.1.14	Anything specifically excluded by legislation	Just covering all future basis.
5	All of Section 5 – Pre-Procurement Activity	Not all of this is new, but this sets out clearly, in one place, all matters that must be considered before commencing procurement of any value, rather than being dotted around in various Rules.

New Rule Number	What it says	Why it has been added
5.3	Preliminary market engagement, Market Research and Consultation	To make it clear that engagement with the market before commencing procurement activity is allowed and positively encouraged. This helps to ensure best value is obtained by discussing with the market.
5.4	Specifications, Standards and Award Criteria	Setting out clear requirements that these need to be prepared for all procurement activity, again, to ensure value for money is obtained.
5.5.3	<p>Requirement Procurement Activity Table</p> <p>£30k to Threshold procurements. Services now have a choice of closed or openly advertised competition</p>	<p>A single tabular format setting out relevant thresholds and minimum required process to be followed. Easier to understand.</p> <p>The Act (and the current Public Contracts Regulations 2015) allow for closed competitions below Threshold.</p> <p>They do, however, require that when you advertise locally, you must also advertise nationally first.</p> <p>The current CPRs mandate that any procurement activity over £30k must be openly advertised.</p> <p>The Council should take advantage of the legislation, and allow closed competitions to local suppliers in the tiering approach set out in the draft CPRs. This also falls inline with the new draft Procurement Strategic Plan. A closed competition means that the Service identify a number of bidders that they believe are capable of delivering the services, and only invite them.</p>
5.6	Specific Care Services Procurement	<p>These types of contracts do not necessarily fit with the traditional and more regularised process for procurement, given the nature of these contracts, and the need for user / parent / carer choice to be incorporated.</p> <p>A number of English Councils have all introduced something in the CPRs around this area of spend / care packages pre-Provider Selection Regime. The Provider Selection Regime, in effect, replaces this for English Councils, and allows direct awards for certain health services.</p>

New Rule Number	What it says	Why it has been added
		<p>It is STAR's understanding, through the Health Services Procurement (Wales) Act 2024, the Welsh Government will be looking to replicate this in Wales in 2025.</p> <p>The Rule sets out the expectation that traditional procurements routes should be created and used wherever possible. However, where a limited set of conditions / grounds applies, and traditional routes cannot meet the needs, a direct award is permissible. Approval is required by the Director of Social Services and a waiver is not necessary.</p> <p>Where the limited conditions / grounds are not met, a waiver will be required.</p> <p>Still a need to comply with PA23 in the meantime, hence applying to below threshold for now, and various notices will need to be published using the Waiver process for anything above Threshold.</p>
5.7	Conflicts of Interest, Anti-Bribery and Corruption	Bolsters the current provision and takes account of the need for Conflict Assessments and Registers under PA23.
6.3.5	£30k to Threshold procurements. Point to handbook for "allowable restrictions on eligibility of bidders".	<p>It is intended in England, through a subordinate Regulation to the PA23, to allow a below Threshold open advert that is restricted to a County. It is not yet legislation.</p> <p>STAR understands that the Welsh Government is also seeking to reflect this in a further piece of Welsh legislation prior to the commencement of the Act.</p> <p>It has been attempted to future proof CPRs for this eventuality, so the Procurement Handbook can be updated without a change to CPRs being required.</p>
7.2.1	Approval from Procurement Manager required where 3 quotes not received	To ensure that an appropriate process has been followed, with competent and capable suppliers having been invited.
8	Termination of a Procurement	Added to reflect new legislation.

New Rule Number	What it says	Why it has been added
9	Call-Off Contracts	Made more robust provisions and clarity around use of Frameworks and similar.
10	Contract Provisions and Formalities	Made this clear and easier to understand by consolidating into a single place.
11	Contract Management (notices)	Added provision to ensure the Handbook is consulted around mandatory notices.
12.1	<p>An expanded and clarified list of examples of circumstances that are allowed.</p> <p>It also makes clear that for Threshold Contracts, in addition to the justifications in the Rules, those in the Act also apply.</p>	<p>Current remaining justifications (after those that have been removed) are broadly similar to the new Rules, however, the new Rules provide greater clarity on what is meant (e.g. urgency).</p> <p>This new list provides a clearer idea to Officers as to what is considered appropriate, along with appropriate caveats and restrictions (e.g. no reasonable alternative), and they will need justification and evidence against these.</p> <p>This reduces any potential of unrestricted freedom that the current rules have on seeking a waiver, and that appropriate actions are necessary in order to evidence there is no other reasonable alternative.</p> <p>There are also some additional justifications that will allow the potential for more efficient procurement in the future (e.g. co-termination of contracts following a Service review).</p>
12.2	<p>An expanded list of grounds for seeking a modification to contract.</p> <p>Differentiation between below Threshold and above Threshold justifications</p>	<p>The current rules have limited restrictions on when seeking a Modification to contract is appropriate or not.</p> <p>This seeks to address this by placing appropriate restrictions on Modifications so that there is probity in Service actions.</p> <p>Whilst restrictions from current Rules are being suggested, the Council should still take advantage of the flexibilities it has with below Threshold contracts. The grounds for justification are similar to those of the PA23, but the restrictions on use are increased (from 50% of current value, to 100% of original value).</p>

<b>New Rule Number</b>	<b>What it says</b>	<b>Why it has been added</b>
12.3	Procedure for requesting a Wavier or Modification	The current Rules are a little ambiguous of what is required to request a Waiver / Modification, and who approves. This seeks to make this clear, as well as the need for notices.
12.4	Emergency	As the current Rules don't really set out the general procedure clearly, there is ambiguity on if you can't meet the approval requirements. This seeks to address this.
12.5	Non-Compliance with Rules	The current Rules don't have provision for what to do if you haven't followed the Rules. This seeks to address this.

### **Other Amendments to Note**

<b>Current Rule Number</b>	<b>What it says</b>	<b>Comments</b>
4.9.1	Introduction and Need for CPRs	These have been largely retained under new Rule 1, 2 & 4, with amendments to structure and wording. The general emphasis has been retained.  Some elements (definitions) moved into new Appendix 1.
4.9.2	General Principles	These have been largely retained under new Rules 1, 2 & 4, with amendments to structure and wording. The general emphasis has been retained.
4.9.1.5	Arrangements to which the CPRs do not apply	Moved to a new Rule 3, these have been incorporated but a couple of new ones added to future proof legislative changes, and allow more things to be out of scope.
4.9.2.2	Joint Procedures	General meaning has been maintained, but wording amended and included in new Rule 1.
4.9.3	Exceptions	These have been moved towards the end, under new Rule 12.1 to help make clear that these are a last resort. These have been re-worded, and some removed, removals in the first table.
4.9.4.1	Pre-Procurement	This has been moved into new rule 5, and expanded on.

<b>Current Rule Number</b>	<b>What it says</b>	<b>Comments</b>
4.9.4.2, 4.9.4.3, 4.9.4.5 - 8	Competition Rules and e-tendering Procurement Service Consultation Competition Routes Requirements	<p>These have been subsumed into new Rule 5, 6.1, 6.2 and 6.3.</p> <p>Everything after pre-procurement necessary for each of the procurement routes is set out in each rule.</p> <p>There is no moving around the Constitution to fully understand what is required. Each step is stated in the relevant rule in the relevant order. Aims to reduce any confusion and ambiguity.</p>
4.9.5	Sub-£10k Procurement	This has been moved into new Rules 5 and 6.1.
4.9.7	£30k to Threshold Procurement	This has been moved into new Rule 5, 6.3, and 7, and includes Threshold Procurement.
4.9.8	Specification, Evaluation and Acceptance	This has been moved into new Rule 5 and 7, and includes Threshold Procurement. This information is limited to the needs to knows, with the remainder being reserved for the Procurement Handbook.
4.9.9	Terms to be included in competitions	This has been moved into new Rules 5, 6.2, and 6.3, and will be included in the Procurement Handbook.
4.9.9.3	Sealing	<p>This has been moved to new Rule 10.</p> <p>It has also been increased from £50k to Threshold, and includes all Execution of Works contracts and other mandatory requirements.</p> <p>Specific Care Services has a £500k threshold to recognise the nature of these contracts.</p> <p>Benchmarking showed that the Anglesey sealing threshold was considerably lower than neighbours (between £100k and £350k in North Wales Councils). Threshold seems appropriate due to the inherent risks within.</p>
4.9.10	Post Contract Management	This has been moved to new Rule 11.
4.9.10.3 & 4	Modifications to Contract	This has been moved to new Rule 12.2, with additional provisions included to make this more robust.
4.9.11	Variations	This has been moved to new Rule 12.2.