

NOTICE OF MEETING

Meeting:	RESOURCES AND TRANSFORMATION OVERVIEW AND SCRUTINY PANEL
Date and Time:	THURSDAY, 19 SEPTEMBER 2024, AT 10.00 AM
Place:	COUNCIL CHAMBER - APPLETREE COURT, BEAULIEU ROAD, LYNDHURST, SO43 7PA
Enquiries to:	Email: andy.rogers@nfdc.gov.uk Andy Rogers Tel: 023 8028 5070

PUBLIC INFORMATION:

This agenda can be viewed online (<https://democracy.newforest.gov.uk>). It can also be made available on audio tape, in Braille and large print.

Members of the public are welcome to attend this meeting. The seating capacity of our Council Chamber public gallery is limited under fire regulations to 22.

Members of the public can watch this meeting live, or the subsequent recording, on the [Council's website](#). Live-streaming and recording of meetings is not a statutory requirement and whilst every endeavour will be made to broadcast our meetings, this cannot be guaranteed. Recordings remain available to view for a minimum of 12 months.

PUBLIC PARTICIPATION:

Members of the public may speak in accordance with the Council's [public participation scheme](#):

- (a) on items within the Resources and Transformation Overview and Scrutiny Panel's terms of reference which are not on the public agenda; and/or
- (b) on individual items on the public agenda, when the Chairman calls that item. Speeches may not exceed three minutes.

Anyone wishing to attend the meeting, or speak in accordance with the Council's public participation scheme, should contact the name and number shown above no later than 12.00 noon on Monday, 16 September 2024.

Kate Ryan
Chief Executive

Appletree Court, Lyndhurst, Hampshire. SO43 7PA
www.newforest.gov.uk

AGENDA

Apologies

1. MINUTES

To confirm the minutes of the meeting held on 25 July 2024 as a correct record.

2. DECLARATIONS OF INTEREST

To note any declarations of interest made by members in connection with an agenda item. The nature of the interest must also be specified.

Members are asked to discuss any possible interests with Democratic Services prior to the meeting.

3. PUBLIC PARTICIPATION

To receive any public participation in accordance with the Council's public participation scheme.

4. CITIZENS ADVICE NEW FOREST UPDATE AND FUTURE FUNDING (Pages 5 - 8)

To receive an update from Citizen's Advice New Forest on their activities and operation over the last year and to make recommendations on future funding.

5. PROCUREMENT - REVIEW OF CONTRACT STANDING ORDERS (Pages 9 - 38)

To receive an update on the activities of the Council's Procurement function including proposed changes to the Contract Standing Orders and following a review relating to changes to Procurement legislation.

6. TRANSFORMATION PROGRAMME UPDATE (Pages 39 - 48)

To receive an update on progress with the Transformation Programme.

7. SOLENT FREEPORT UPDATE (Pages 49 - 64)

To receive an update on progress with the Solent Freeport.

8. PORTFOLIO HOLDER'S UPDATE

An opportunity for the Portfolio Holders to provide an update to the Panel on developments within their portfolio.

9. WORK PROGRAMME (Pages 65 - 66)

To agree the Panel's future work programme.

10. DATES OF FUTURE MEETINGS

To agree the following dates for meetings in 2025/26:

(Thursdays at 10.00am)

2025

26 June

18 September

20 November

2026

22 January

19 March

11. ANY OTHER ITEMS WHICH THE CHAIRMAN DECIDES ARE URGENT

To:

Councillors

Alan O'Sullivan (Chairman)
Barry Dunning (Vice-Chairman)
Alan Alvey
Jack Davies
Jacqui England

Councillors

Barry Rickman
Alex Wade
Christine Ward
Phil Woods

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Resources and Transformation Overview and Scrutiny Panel – 19 September 2024

Future funding for Citizens Advice New Forest

Purpose	For review and recommendation
Classification	Public
Executive Summary	<p>The Council recognises the work Citizens Advice New Forest do to support our residents across the district and is a key partner of the Council.</p> <p>This report provides a summary of the current funding arrangement to support Citizens Advice New Forest, which is due to end on 31 March 2025, and seeks to confirm future funding arrangements.</p>
Recommendation	That the Panel make a recommendation to the Portfolio Holder for Finance and Corporate on the future funding for Citizens Advice New Forest
Reasons for recommendation	To provide confirmation to Citizens Advice New Forest on their future funding arrangements.
Wards	All
Portfolio Holder	Councillor Jeremy Heron – Finance & Corporate
Strategic Director	Alan Bethune – Strategic Director Corporate Resources and Transformation
Officer Contact	<p>Ryan Stevens</p> <p>Service Manager Revenues, Benefits and Customer Services</p> <p>02380 285693</p> <p>Ryan.stevens@nfdc.gov.uk</p>

Introduction and background

1. Citizens Advice New Forest (CANF) is an independent charity run by a board of trustees, which includes representatives from the District Council. It provides free, independent confidential and impartial advice to residents on a range of matters from debt, benefits, housing and employment as part of its core work, which support many of the Council functions. Additional support and advice is undertaken through specific funded projects which usually target vulnerable groups or specific issues, such as the Money and Pensions Service funded debt advisers, Energy Advice, and MacMillan case worker.
2. CANF receive no government funding, with income derived from the Council, Town and Parish's, project and grant applications, which can be short term, donations and fund raising.
3. During 2023/24 CANF supported over 6,500 residents.

Current funding agreement

4. To provide CANF with secure longer term funding certainty and enabling CANF to budget and plan ahead, the Council has provided three-year funding arrangements, commencing 1 April 2019. The current 3-year funding agreement is as follows:

Year 1 commencing 1st April 2022: £185,895

Year 2 commencing 1st April 2023: £190,542 (+2.5%)

Year 3 commencing 1st April 2024: £195,306 (+2.5%)

5. The core funding provided by the Council enables CANF to bid for additional project funding. CANF Board are requesting that the Council consider a further three-year funding agreement with CANF as agreed, commencing 1 April 2025, to enable CANF to budget and plan ahead.
6. The Council meets quarterly with the Chief Officer of CANF for a report and to provide an update on project work and to discuss any issues.

Service delivery

7. CANF operate from fixed locations at Hythe, Lymington, New Milton, Ringwood and Totton and continues to review their service delivery model, including reducing costs, increasing income, and how its advice services are delivered. This has included working from community hubs to increase visible presence in communities,

operating from Ringwood library, and recently co-locating at New Milton Town Hall for face-to-face drop-ins and appointments, which the Council is providing free of charge.

Working with the Council

8. The Council and CANF work collaboratively to support our residents and teams, for example those with debt, helping with claiming Pension Credit, applying for financial support via the Household Support Fund or Discretionary Housing Payments, and supports residents in arrears with their council tax and/or rent, or who at risk of homelessness. CANF is a key member of the New Forest partnership network, working with numerous local organisations, and attends community hubs and food larders to provide outreach advice and information.

Corporate plan priorities

9. Proving funding to CANF supports the Corporate Plan priority of supporting our vulnerable residents, including the provision of advice and information to those in financial hardship, and working with our partners to provide advice and information to residents.

Options appraisal

10. The options available to consider are to increase, maintain or reduce the current level of grant funding. Any changes to the grant funding may have implications on the level of future service provision. CANF do apply for and receive income for projects, however these are usually short term with no certainty on future funding opportunities or income. CANF will provide further details during their presentation to inform the Panel regarding their financial position and longer-term budget forecast/plans.

Financial and resource implications

11. The current funding is significant but reflects the work of CANF and the work they do across the district. The are financial implications with providing ongoing funding to CANF, which are included in the Medium-Term Financial Plan. There are no additional resource requirements with existing working arrangements to continue.

Legal implications

12. There are no legal implications arising directly from this report.

Risk assessment

13. There are no risk assessments required.

Environmental / Climate and nature implications

14. There are no environmental or climate and nature implications arising from this report.

Equalities implications

15. The Councils funding to CANF enables them to provide advice, information, and support on a range of issues to residents, some of whom are vulnerable, for example those struggling financially, or who are elderly, disabled, or suffering with mental health. This support can be face to face and over a period of time, as many customer queries can involve multiple issues which can be complex. CANF provide additional advice, for example to maximise benefit income, and advocate for those who are unable to do so themselves.

Crime and disorder implications

16. There are no crime and disorder implications arising directly from this report.

Data protection / Information governance / ICT implications

17. There are no data protection, information governance or ICT implications arising from this report.

Conclusion

18. The Council provides significant funding to CANF for their core infrastructure costs, which supports the provision of advice and information to residents from across the district, and enables delivery of further project work through applications for additional funding, targeting specific groups or issues. CANF continues to be a key partner of the Council, supporting our corporate priorities and providing advice and information to residents.

Appendices

There are none

Background Papers:

CANF presentation to Panel

Resources & Transformation Overview & Scrutiny Panel – 19 September 2024

Updates to Contract Standing Orders

Purpose	For Review
Classification	Public
Executive Summary	<p>The Council’s Contract Standing Orders have been reviewed in alignment with the upcoming changes to procurement regulations on 28 October 2024. The review also included a benchmarking exercise with other similar Councils, and a feedback session with the Senior Leadership Team.</p> <p>This report sets out the proposed changes to Contract Standing Orders. The key proposed changes are:</p> <ol style="list-style-type: none"> 1. Increasing the transparency threshold (at which we advertise contracts openly to the market) from £50k to £100k. 2. Requiring all requests for quotations to include at least 1 supplier from the local and surrounding areas. 3. Increased scrutiny through a Breaches order, in which all known or discovered breaches of the Contract Standing Orders are reported to the Statutory Officers Group and the Audit Committee. <p>The proposed Contract Standing Orders are set out in Appendix 1.</p>
Recommendation	That the Panel note the proposed changes to Contract Standing Orders and provide any comments to the Cabinet.
Reasons for recommendation	<p>The UK’s public procurement regulations are being replaced with one set of regulations under the Procurement Act 2023. The new regime comes into force on 28th October 2024.</p> <p>The Council’s current Contract Standing Orders document was introduced in March 2018 and has not been subject to major scrutiny or review since then.</p>
Wards	All

Portfolio Holder	Councillor Jeremy Heron – Finance & Corporate
Strategic Director	Alan Bethune – Strategic Director Corporate Resources & Transformation
Officer Contact	Josie West Strategic Procurement Manager 02380 285741 Josie.west@nfdc.gov.uk

Introduction and background

1. The UK’s public procurement regime is being reformed, in which the four existing sets of regulations (including the Public Contract Regulations 2015) are being replaced with one set of regulations under the Procurement Act 2023. The new regime comes into force on 28 October 2024.
2. The current version of the Council’s Contract Standing Orders was introduced in March 2018 and has only had minor amendments and additions made since then. In keeping with the introduction of the new regulations, the Strategic Procurement Manager has undertaken a full review of the Contract Standing Orders and has proposed some changes to be outlined within this report.
3. This review has included consideration of the following:
 - i. New regulatory requirements as set out in the Procurement Act 2023.
 - ii. A benchmarking exercise against ten comparable Councils in the South (2 x City Councils, 4 x District Councils, 3 x Borough Councils and 1 x Unitary Council), with similar annual expenditure and population size.
 - iii. Feedback from the Senior Leadership team and their nominated Contract Administrators and Purchasing Coordinators, obtained as part of a Masterclass training session and via questionnaires.
 - iv. Assessment of the Council’s procurement data for 2023/24.

Key outcome sought

4. The key outcome sought is to provide any comments ahead of a recommendation for approval by Cabinet and Council of the proposed changes to Contract Standing Orders. The proposed Contract Standing Orders are set out in Appendix 1. It is

recommended that these changes are adopted from 28 October 2024 to align with the new regulations coming into force.

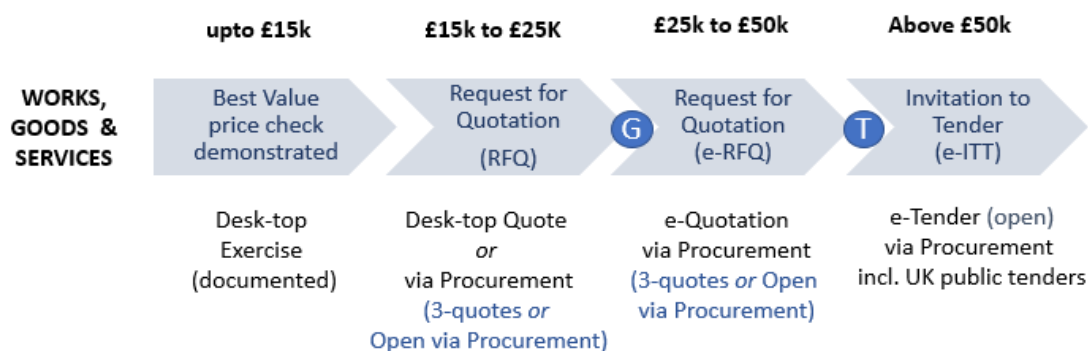
General and formatting changes

5. The format of the document has been changed for ease of use, with the document being split into three parts:
 - i. Part 1 – Introduction & Compliance
 - ii. Part 2 – Orders
 - iii. Part 3 – Appendices
6. A contents page has been added, with links to each section for convenience.
7. The previous Contract Standing Orders referred to 'Service Managers' which does not always correlate to the Council's current organisational structure. This has been modified throughout the document to 'Senior/Service Managers', with a definition added to clarify that these persons must be a member of the Senior Leadership Team.
8. The Scheme of Delegation at Annex B of the Contract Standing Orders has been updated to reflect the current organisational structure at the Council. It additionally aligns the authorisation levels for raising purchase orders and payment of invoices, with the authorisation levels for signing of contracts, thereby providing a more consistent and clearer approach.
9. It is recommended that the Contract Standing Orders are henceforth reviewed every 4 years.

Thresholds

10. Other than those thresholds set out by law, the current contract thresholds have not been amended since the introduction of this version in 2018, despite inflationary rises during this time.
11. The thresholds set out by law, at which the Council is legally required to openly advertise on the UK-wide Central Digital Platform are £214,904 for goods and services and £5,372,609 for works.
12. The current and proposed thresholds as set out in the Council's Contract Standing Orders are set out below.

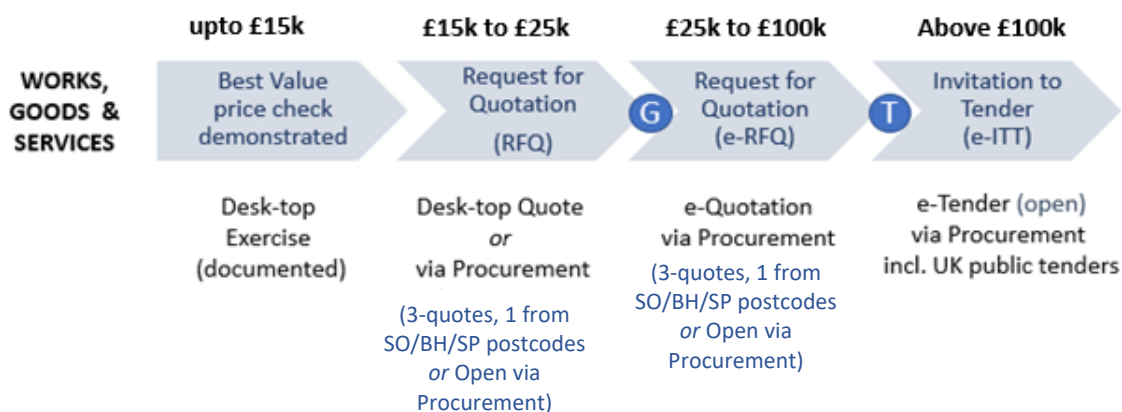
Current thresholds:



Key: **G** = Gateway Review required for any Contract exceeding £25,000

T = Transparency – All contracts £50k+ must be openly advertised via Procurement

Proposed thresholds:



Key: **G** = Gateway Review required for any Contract exceeding £25,000

T = Transparency – All contracts £100k+ must be openly advertised via Procurement

12. It is proposed that the minimum threshold for Gateway Review remains unchanged at £25,000 (excluding VAT). This aligns with the legislative requirement to consider any contracts over £30,000 (including VAT) as a 'regulated below-threshold contract'. For these contracts, the Council is required to publish a 'contract details notice' on the central digital platform.

13. It is proposed that the minimum threshold for an Open Tender is raised from £50,000 to £100,000 (excluding VAT). Benchmarking found that 80% of the Councils reviewed had an 'open tender' threshold of £100,000 or higher. Increasing the threshold for an open tender to £100,000 will provide the following benefits:
- a. It will result in work being appropriately employed regarding the level of risk. For example, in many cases the service teams will only need to evaluate and score 3 quotations, instead of an open number of quotations which can sometimes be up to 15.
 - b. It will allow the Procurement team to focus resource on the high-value and high-risk contracts, in a timely manner, that are above the legislated thresholds and therefore attract increased obligations.
14. For contracts valued between £25k - £100k, the Procurement team will advise and agree, in conjunction with the service team, the most appropriate procurement route depending on the contract and the market. Nevertheless, the minimum requirement will be to request three quotations, one of which must be from a local supplier (where possible). A local supplier is defined, for this purpose, as operating within the SO, BH and SP postcode regions. This will support the Council's Procurement Strategy and align with its guiding principles:
- i. 'Value' – A minimum of three quotations will ensure a competitive exercise takes place to achieve value for money.
 - ii. 'Fairness' – Stipulating that at least one quotation must be requested from a local supplier promotes engagement with local businesses and encourages them to bring forward solutions to help the Council deliver better services.

Contract modifications

15. The new Procurement regulations allow more flexibility to modify contracts. Previously, modifications were permitted up to a maximum percentage value (depending on whether the contract is for goods, services or works) of the **original** contract value. Under the new regulations, modifications are permitted up to a maximum percentage value of the **current** contract value. Therefore, modifications may now be made successively, allowing for multiple separate modifications, incrementally, increasing the contract value to the maximum percentage of the immediately preceding value of the contract each time. The Contract Standing Orders have been updated to reflect this.

16. Monitoring of contract modifications will be strengthened by a requirement to report them to the Executive Management Team twice yearly.

Exemptions

17. Under the current Contract Standing Orders, orders placed through a Framework Agreement are listed as exempt from the Contract Standing Orders. This has caused some confusion with service teams, as they should only be exempt from the Tendering Thresholds, and still subject to other provisions of the Orders, such as the Gateway Review Process. The Contract Standing Orders have therefore been updated to clarify this position.

Breaches and waivers

18. The Waivers order has been updated to reflect the new legislation and current organisational structure at the Council. It has also been strengthened by stating that alternative procurement options should be firstly explored and exhausted prior to seeking a waiver.
19. The Strategic Procurement Manager has identified that, whilst waivers are completed for short-term / one-off projects, there have been instances of ongoing, long-term expenditure occurring which is not being captured and reported under the waivers process. This results in an increased risk to the Council of a legal challenge. A Breaches order is therefore proposed, to assign responsibilities for reporting all known or discovered breaches of the Contract Standing Orders to the Statutory Officers Group, made up of the Chief Executive, Section 151 Officer and Monitoring Officer, and subsequently to the Audit Committee. This increased scrutiny will improve compliance with the Contract Standing Orders, as well as reduce the risk to the Council of litigation due to non-compliance with the Public Procurement Regulations.

Evaluation of bids

20. Feedback from the leadership team was that their teams would benefit from further guidance in respect of the evaluation process. It is therefore proposed to set out the roles and responsibilities in respect of the evaluation of quotations/tenders.
21. The requirements have been established based on value, to align with the thresholds, and should be considered a minimum requirement. Please refer to table below:

Tendering Threshold (Excluding VAT)	Evaluation Panel	Moderator
Up to £15k	Officer	None

£15k - £25k	Officer and Line Manager	None
£25k - £100k	Officer and Line Manager	None (Procurement Team if open tender)
£100k – UK Threshold	Officer and Line Manager (including Senior/Service Manager)	Procurement Team
UK Threshold +	Officer and Line Manager (including Senior/Service Manager)	Procurement Team

Climate & sustainability

22. The Council is committed to its responsibilities regarding climate change and sustainability and aims to embed consideration of these issues within the procurement process.
23. It is therefore proposed that, for all contracts valued at £100,000 or above, a minimum of 5% of the evaluation weighting must be allocated to climate change and sustainability actions.
24. This proposal was supported by the leadership team at a recent feedback session and aligns with the improvement goals for the Environment objectives as set out in the Procurement Strategy 2024, as well as the Climate Change and Nature Emergency Action Plan.

Corporate plan priorities

25. The Contract Standing Orders apply to all officers and provide a framework to enable all service teams to procure goods, services and works to support the activities of their service. It therefore supports all the priorities within the corporate plan.
26. It provides particular support to the Prosperity priority; changes to our request for quotation process proposed in this report will require officers to obtain quotes from suppliers within the district and neighbouring areas, which supports the business base and economic centres in and around the District and champions the local economy.

Options appraisal

27. An alternative option would be to only make the changes required from the new regulations coming into force. However, a holistic approach was preferred, and a review was undertaken which took into account benchmarking from other Councils as well as feedback from the service teams.

Consultation undertaken

28. Consultations were undertaken with the Senior Leadership team, Contract Administrators and Purchasing Coordinators, as well as the Finance and Legal teams.

Financial and resource implications

29. There are no direct financial implications as a result of this report. The revisions do however empower managers across the Council to make more procurement decisions in their service areas due to the increase in threshold for those contracts requiring an open tender. All expenditure incurred as part of these procurement processes will require an approved budget. Any approved budget will have gone through its own authorisation process in line with the financial regulations.

Legal implications

30. The new legislation will result in changes to procurement processes at the Council and these changes have been captured within this review. The Procurement team are preparing briefing sessions for Senior Managers at the Council, ahead of the changes going live on 28 October 2024.
31. The changes outlined within this report will ensure that the Council continues to comply with legal requirements. Although a review will take place as a matter of routine every 4 years, any changes in the legal framework will also prompt a review to ensure ongoing compliance. The breach reporting process will help mitigate the risk of non-compliance with the requirements.

Risk assessment

32. A formal risk assessment is not deemed to be required. The key risk associated with the proposals in this report is that Senior/Service Managers authorisation limits for raising purchase orders and authorising invoice payment are increasing. However, the new authorisation limits align with their current authorisation limits for signing contracts.

Environmental / Climate and nature implications

33. Environmental factors will be considered as part of the evaluation of bids for all contracts valued at £100,000 or above. This will result in increased obligations for suppliers and contractors to deliver environmental innovations and improvements throughout the contract lifecycle.

Equalities implications

34. None.

Crime and disorder implications

35. None.

Data protection / Information governance / ICT implications

36. None.

Conclusion

37. Up-to-date Contract Standing Orders ensure the appropriate processes are followed in relation to the procurement and management of contracts within the Council. They are a central point of reference for managers and form a mandatory framework for procurement within the Council.

Appendices

Appendix 1 – NFDC Contract
Standing Orders October 2024

Background Papers:

Procurement Act 2023
(legislation.gov.uk)

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CONTRACT STANDING ORDERS RELATING TO PROCUREMENT

APPLICABLE FOR PROCUREMENTS AFTER 28 OCTOBER 2024

Part 1 Introduction & Compliance

1. Introduction
2. Compliance
3. Exemptions
4. Conflicts of Interest, Bribery and Corruption

Part 2 Orders

5. Budgetary Provisions and Gateway Review Process
6. Estimate of total contract value (TCV)
7. Tendering thresholds
8. Content of Invitations to Quote or Tender
9. Climate Change and Sustainability
10. Collaborative Procurement
11. Submission and Opening of Tenders and Quotations
12. Evaluating Tenders and Quotations
13. Award Notifications and Entering into Contracts
14. Form and Contents of Legal Terms and Conditions (Contracts)
15. Performance Bond / Parent Company Guarantee
16. Contracts Register
17. Breaches of Contract Standing Orders

- 18. Waivers of Contract Standing Orders
- 19. Contract Modifications
- 20. Contract Mobilisation and Monitoring
- 21. References and Testimonials

Part 3 Appendices

- 22. Annex A – Threshold & Sourcing Quick Guide
- 23. Procurement Contract Definitions
- 24. Contract Value Calculation
- 25. Annex B – Scheme of Delegation vs Contract Value

Version Control:	Amendment record:
V1	New CSOs – 28.10.24

Part 1 – Introduction & Compliance

1. Introduction

- 1.1. Procurement operates in a complex legal framework set by the UK Government under the Procurement Act 2023. All local authorities are required by law under the Local Government Act 1972 to draw up a set of Contract Standing Orders (CSO's) for the procurement of goods, services and works. Contract Standing Orders are part of the Councils Constitution (section 4/10).
- 1.2. By following these Contracts Standing Orders in dealing with the Councils procurement, officers can be sure that they have acted in an appropriate manner and are protected from any accusation of corruption, fraud, illegality or misuse of public funds.
- 1.3. These Contract Standing Orders provide the framework for the procurement of all works, goods and services and must be complied with by all Members, Officers, Consultants and other external Agents appointed to act on behalf of the Council in procurement matters.
- 1.4. The Procurement Team will provide advice to Officers on CSO considerations as well as best practice procurement relative to the specific project being planned.
- 1.5. All monetary values referred to in these rules are total contract values, not annual values, and exclude VAT unless otherwise stated. They cover expenditure contracts and income generating contracts.
- 1.6. Governance of Contract Standing Orders: The Functions and Responsibility Regulations 2000 set out that Contract Standing Orders as to contracts are expressly excluded as matters that the Executive Management Team can decide upon, therefore any changes will be presented to full Council for ultimate decision.

2. Compliance

- 2.1. Every Member of the Council and every officer and employee of the Council must comply with these Contract Standing Orders.
- 2.2. Any other person who is engaged in the letting, management or supervision of a contract on behalf of the Council must comply with these Rules as if s/he were an officer of the Council.
- 2.3. These Rules apply to all procurement decisions, regardless of the source of funding, or the status of the contractor (i.e. they apply equally to selection of both main contractors and nominated sub-contractors or suppliers).

- 2.4. Every contract must be let in compliance with the Procurement Act 2023 and domestic legal requirements.
- 2.5. Where the Council has established in-house expertise in a function with suitable capacity, whether it be direct works (engineering, building, grounds maintenance, etc.) or professional services (accountancy, legal, surveying, etc.) all relevant works and services shall normally be delivered by that service.
- 2.6. These Rules are supplemented by a quick guide to the Councils Procurement Thresholds and Sourcing Matrix (See Annex A).

3. Exemptions

- 3.1. The following contracts are exempt from the requirements of these Rules:
 - 3.1.1. Employment contracts
 - 3.1.2. Contracts for the disposal or acquisition of an interest in land, existing buildings or other immovable property
 - 3.1.3. Legal advice sought by the Legal Services Manager, connected with the business of the Council.
 - 3.1.4. Arbitration or conciliation services.
 - 3.1.5. Financial advice sought by the section 151 officer in connection with council business.
 - 3.1.6. Central bank services
 - 3.1.7. Public contracts between entities within the public sector
 - 3.1.8. Grants to external organisations

4. Conflicts of Interest, Bribery and Corruption

- 4.1. All officers involved with the award of contracts must comply with the Council's Anti-Fraud, Bribery and Corruption Strategy.
- 4.2. No gifts or hospitality, other than simple refreshments, shall be accepted by Officers or members from any tenderers to any contract being let by the Council until the time that the contract has been awarded.
- 4.3. No contract can be wholly awarded or managed by an officer who has other interests in the arrangement.

- 4.4. If it comes to the knowledge of a member or officer of the Council that a contract in which s/he has a pecuniary interest has been or is proposed to be entered into by the Council, s/he shall immediately inform the Monitoring Officer.

Part 2 – Orders

5. Budgetary Provision and Gateway Review

- 5.1. No quotation or tender shall be invited or order placed unless there is sufficient approved budgetary provision.
- 5.2. A **Gateway Review** shall be conducted on all procurement contracts with an estimated value **in excess of £25,000**. The Gateway Review is carried out at two key stages of the Procurement Sourcing Process. Gateway Review forms can be found on the ForestNet Procurement Pages.
- 5.3. **Gateway 1 – Project Outline & Procurement Planning.** The Gateway 1 sets out the project scope, aims and objectives, confirms budget provision, describes the procurement procedure to be used and requires relevant Senior/Service Manager approval in order to proceed to formal tendering. Note: Invitations to quote or tender will not proceed without a Senior/Service Manager signed off Gateway 1.
- 5.4. **Gateway 2 – Contract Award Proposal & Approval.** The Gateway 2 reports on the outcome of the tendering activity, proposes way forward including how the contract will be monitored and confirms Senior/Service Manager approval to award contract. Note: Formal contract award letters will not be issued without a Service Manager signed off Gateway 2.



6. Contract Value (Estimation of)

- 6.1. All monetary values referred to in these Rules relating to estimation of contract value are total lifetime contract values, not annual values and applies to all expenditure contracts and income generating contracts.
- 6.2. Estimation of “below UK Threshold” (See [7.1-7.4](#) herein) contract values should be calculated exclusive of VAT.

- 6.3. Estimation of “above UK Threshold” (See 7.5 herein) contract values should be calculated inclusive of VAT.
- 6.4. Advertising of Contracts. Where applicable, under the Councils transparency rules (See 7: Tendering Thresholds herein) PPN 10/21 also states that for the purposes of advertising, the estimated contract value will continue to be provided exclusive of VAT. Similarly contract award notices will continue to be published exclusive of VAT.
- 6.5. Guidance on how to calculate the value of a contract can be found in the CSO Thresholds and Sourcing Matrix set out in Annex A herein.
- 6.6. Contracts must be packaged appropriately to achieve maximum value for the Council. They should not be split in order to avoid quotation or tendering limits in these Rules or UK public procurement thresholds or packaged in a way to reduce the potential for fair and open competition.

7. Tendering Thresholds

Different procedures apply based on the estimated contract value:

7.1. Contracts valued below £15,000

Where the estimated contract value is less than £15,000, Service teams will adopt the procedure that is most appropriate to provide best value to the Council. Details of the method used to obtain price checks, benchmark the market or any quotations received will be documented and retained electronically for 12 months (or length of supply agreement plus additional 12 months) to support and justify the ordering decision. Senior/Service Manager approval to award contract is required. NFDC terms and conditions should be used unless otherwise agreed with Legal Services.

7.2. Contracts valued between £15,000 and £25,000

Where the estimated value of a contract is between £15,000 and £25,000 a minimum of three quotations must be invited (via desk-top quotation) for a works, goods or services contract. NFDC terms and conditions should be used unless otherwise agreed with Legal Services. Alternatively, an electronic quotation issued via the Procurement team can be requested to save officer time and make use of our e-procurement system.

7.3. Contracts valued between £25,000 and £100,000

Where the estimated value of a works, goods or services contract is between £25,000 and £100,000 a minimum of three quotations must be invited, at least one of which must be from a local supplier (where possible). A local supplier is defined, for this purpose, as operating within the SO, BH and SP postcode regions. Procurement will invite quotations via the e-procurement

system. However, the option to convert from restricted to open advertising will be used if a wider supplier search would benefit the Council.

7.4. Contracts valued between £100,000 and UK Threshold*

The Councils standing orders require transparent advertising of any contract with an estimated value of £100,000 or more. Procurement will “openly” advertise such contract opportunities on the Council's e-Tendering platform, the South East Business Portal (SEBP) and in addition the Governments Contracts Finder (CF) portal and for above UK threshold (see Annex A) the Find a Tender Service (FTS) to seek expressions of interest and tender responses from suitably qualified suppliers. Note: ALL procurement documentation must be available from date of publication of contract notice (advert).

Advertising of contracts below £100,000 is not required and Officers in conjunction with Procurement will carry out soft market testing to identify local economy, regional and national suppliers prior to the issue of restricted quotations. However, the option to convert from restricted to open advertising will be used if a wider supplier search would benefit the Council.

7.5. Contracts valued in excess of UK Threshold*

Where the estimated contract value (inclusive of VAT) for a works, goods or services contract exceeds the relevant UK public procurement threshold (*see Annex A for UK threshold £ values) any contract must be issued by the Procurement team in compliance with the relevant legal requirements, in particular the Procurement Act 2023 and these Rules.

Procurement will arrange for the issue of a Contract Notice (advert) in the UK FTS (Find a Tender Service) to be followed by an invitation to tender using one of the mandated procedures set out in the Procurement Act 2023 (namely; open; or competitive flexible). Procurement will advise on the most appropriate procedure to be followed. Where there is a conflict between legislation and these Rules, the legislation will prevail.

8. Content of Invitations to Quote or Tender

8.1. Procurement will oversee the contents of all invitation to tender or requests for quotation to ensure they include:

- A description of the works, goods or services being procured
- A specification indicating the outcomes required
- Terms and conditions of contract
- The evaluation criteria including any weightings
- The Cost (pricing) mechanism and instructions for completing the tender sum response
- The Quality and Service requirements and associated response form
- Where there is a potential transfer of employees, the Council’s view on whether TUPE will apply
- The form and content of any method statements to be provided

9. Climate Change and Sustainability

- 9.1. On 6 October 2021 NFDC declared a climate change and nature emergency for the district. As such for every procurement, the environmental impact must be considered.
- 9.2. For all contracts above £100,000, a minimum of 5% of the evaluation weighting must be allocated to climate change and sustainability actions.

10. Collaborative Procurement

- 10.1. Where procurement is undertaken in collaboration with one or more other public authorities the Contract Standing Orders of one of the other authorities may be used in place of these Rules.
- 10.2. An invitation to tender or to submit quotations may be made for supply to other authorities (including New Forest Town and Parish Councils) in addition to New Forest District Council on similar terms.

11. Submission and Opening of Tenders and Quotations

- 11.1. All invitations to tender or submit a quotation must specify requirements for their submission. Such requirements shall include a time by which tenders or quotations must be received by the Council.
- 11.2. All quotations with an estimated value below £25,000 must be opened, recorded and retained by the nominated officer of relevant Service Team (who is independent of the quotation process). Quotation instructions shall clearly state that the quotations must be returned to the nominated officer only. This can be by email or by post. Returned quotations must be held securely and unopened by the nominated officer until the specified return date. The Contract Administrator must supply the details of the suppliers that have been invited to quotation to the nominated officer prior to the quotations being received.
- 11.3. All quotations and tenders with an estimated value in excess of £25,000 (or any issued by Procurement via the Councils e-procurement system) must be opened by Procurement. Audit history of the opening process will be maintained by the e-procurement system.
- 11.4. Any quotations / tenders received after the specified opening date whether by post or email should not be opened or included in the evaluation.
- 11.5. In the case of quotations / tenders received via the e-procurement system Procurement and Legal Services can agree to accept a late quotation / tender response received via the e-Procurement system in exceptional cases.

11.6. If a Quotation or Tender exercise fails to return more than 1 bid response, then the Contract Administrator and Procurement should decide whether the bid represents value for money and delivers the specification in full. A decision to proceed to award based on single bid OR suspension of the procurement exercise should be agreed, documented and approved via the Gateway 2 review. If the procurement exercise is suspended a decision to a) revise the project and re-tender OR b) abandon the whole project should be set out in the Gateway 2 review.

12. Evaluating Quotations and Tenders

12.1. Tenders and quotations will be evaluated as per the agreed evaluation criteria set out in the quotation or tender documentation. Procurement provides an evaluation matrix (spreadsheet) for this purpose.

12.2. The Contract Administrator must ensure that evaluation of tenders takes place involving suitably experienced officers to form “the evaluation panel”. The results of the evaluation must reflect the consensus of the panel and be approved by the appropriate Senior/Service Manager by sign off **Gateway Stage 2**. When forming the panel, please refer to the following table as a minimum requirement:

Tendering Threshold (Excluding VAT)	Evaluation Panel	Moderator
Up to £15k	Officer	None
£15k - £25k	Officer and Line Manager	None
£25k - £100k	Officer and Line Manager	None (Procurement Team if Open Tender)
£100k – UK Threshold	Officer and Line Manager (including Senior/Service Manager)	Procurement Team
UK Threshold +	Officer and Line Manager (including Senior/Service Manager)	Procurement Team

12.3. It is permissible to use consultants to assist with tender evaluation, but the final decision must be made by an NFDC officer with delegated authority.

12.4. If during the evaluation of tenders, the panel requires post-tender clarifications from any or all of the tenderers, this must be communicated via the e-procurement system messaging function by the Procurement team).

12.5. The results of the evaluation must be retained for the period of SLP from the end of the contract. A copy of the approved evaluation matrix will be provided to

Procurement to store electronically in the e-procurement system (along with the award decision letters and final contract documents).

13. Award Notifications and Entering into Contracts

- 13.1. Signing and entering into contracts must be strictly in accordance with the Councils scheme of delegations set out in **Annex B**
- 13.2. The notification of the outcome of a desk-top quotation for contracts below £25,000 will be administered by the relevant Contract Administrator. Senior/Service Manager approval to award contract is required. All tenderers (successful and unsuccessful) will be notified on the same date along with details of their evaluation scores. Template letters are available from Procurement.
- 13.3. The notification of the outcome of a quotation or tender for contracts issued and received via the e-procurement system will be administered by Procurement. All tenderers (successful and unsuccessful) will be notified along with details of their evaluation scores. **Note:** Senior/Service Manager approval of **Gateway Stage 2** is required prior to formal award of contract.
- 13.4. Suppliers / Contractors are required to hold and maintain appropriate levels of insurance during the period of any contract awarded by the Council. Evidence of the insurance cover held must be confirmed prior to the award of contract. See [Insurance Cover Guidance](#) in ForestNet Procurement for advice and guidance.
- 13.5. An official purchase order will be issued (unless otherwise agreed with Procurement) to awarded supplier(s) to call-off goods or services, cross referencing the Councils contract number and awarded suppliers quotation number (if available). Works orders will be instructed as set out in the works contract documents, with payment certificates used to authorise payments. The terms and conditions of contract will be as set out in the quotation / tender pack.

14. Form and contents of Legal Terms and Conditions (contracts)

- 14.1. The choice of contract terms applicable for a Procurement project should be decided at the start of the process by seeking advice from Procurement and/or Legal Services. A range of standard contract type templates are available from ForestNet, others can be provided by Legal Services to suit need.
- 14.2. The decision whether a contract for Works, Goods or Services (with a value below the UK threshold for Goods / Services (**See Annex A**)) should be signed under hand or sealed as a deed, should be discussed and agreed with Legal / Procurement. The decision will depend upon the use of Statutory Limitation Period (SLP). A contract

signed under hand provides 6 years SLP from end of contract term. A contract executed as a deed and sealed provides 12 years SLP from end of contract term.

14.3. Contracts for Works, Goods or Services with a value exceeding the UK threshold for Goods / Services (**See Annex A**) must be sent to Legal Services to determine if they need to be sealed.

14.4. Contracts for Works, Goods and Services with a value NOT exceeding the UK threshold for Goods / Services (**See Annex A**) may be signed under hand and must be signed by an officer nominated with that level of responsibility as set out in **Annex B**.

15. Performance Bond / Parent Company Guarantee

15.1. As part of the evaluation of short-listed tender responses the Contract Administrator will request from Procurement an independent financial appraisal report.

15.2. The financial appraisal provides the Council with an overall financial risk score (referred to as failure score) used to assess the applicant's financial standing. The failure score ratings (0 poor to 100 good) are matched to a pass/fail result as detailed below:

- Score of 0 to 10 will mean automatic **"FAIL"** and the suppliers will be excluded from the procurement process.
- Score of 11 to 50 will be a **"PASS – SUBJECT TO"** provision of a performance bond or parent company guarantee if/when deemed appropriate.
- Score of 51 and over is a **"PASS"** meaning the Council will not request a performance bond or parent company guarantee (although this can be overruled on a case-by-case basis).

15.3. A performance bond (PB) or parent company guarantee (PCG) provides the Council with a financial guarantee, typically limited to 10% of the contract price to protect against losses and/or damages as result of the Contractor failing to perform its contractual obligations up to practical completion. A performance bond is a tripartite agreement between the Contractor, its surety (a bank / insurer) and the Council. Likewise, a parent company guarantee is a tripartite agreement between the Contractor, its Parent Company and the Council.

15.4. The decision to seek the assurance of a performance bond (PB) or parent company guarantee (PCG) will depend on the risk factors related to the specific contractor and proportionate to the contract value and cost to the Council of the assurance. Advice from Procurement, Accountancy and Legal should be sought by the Contract Administrator where a contractor's financial appraisal highlights concerns.

Please see ForestNet for an NFDC template performance bond or parent company guarantee.

16. Maintenance of the Contracts Register

- 16.1. Under Government Transparency Law the Council must publish and maintain details of ALL “live” contracts. To achieve this requirement, Procurement will add details of all contracts to the e-procurement systems contract register accessible via a link on the Councils website for enquiries.
- 16.2. The e-procurement systems contract register allows for “private” documents to be stored. Procurement will add an electronic copy of the final signed / sealed contract and any relevant documents. This will be accessible to Council officers linked to the procurement.
- 16.3. All original sealed deed contract documents must be held centrally by Legal Services for the term of the contract (including any agreed extension periods), plus the statutory limitation period (12 years for sealed deeds). They must be referenced back to the Central Register.
- 16.4. All original signed under hand contracts must be held by the relevant Service unit for the term of the contract (including any agreed extension periods), plus the statutory limitation period (6 years for contracts under hand). They must be referenced back to a Service based register.
- 16.5. Senior/Service Managers are responsible for ensuring that:
 - The original signed/sealed copies of the contract and any subsequent signed variations have been stored as set out in 16.3 and 16.4.
 - Summary details of any contract that has been entered into, that binds the Council to the terms and conditions of the contract plus a .pdf copy of the signed / sealed contract is provided to Procurement to be entered on the Contracts Register administered by Procurement.
 - An electronic copy of the contract and any subsequent variations to the contract that are entered into during its lifetime are stored in their service filing areas (working copy);

Procurement will maintain the online Contracts Register (via the electronic procurement system) to ensure the Council complies with the obligations of the Local Government Transparency Code (2015).

17. Breaches of Contract Standing Orders

- 17.1. Breaches of these Contract Standing Orders are extremely serious matters and will be fully investigated and reported on following referral or discovery. Any breach of

these Orders could lead to disciplinary action being taken against the individual(s) concerned.

17.2. Strategic Directors, Assistant Directors, Service Managers and Senior Managers are responsible for reporting all known or discovered breaches of these Orders to the Statutory Officers Group as soon as they become aware of such instances.

17.3. Any breaches reported to the Statutory Officers Group will be reported to the Audit Committee on an annual basis.

18. Waivers of Contract Standing Orders

18.1. A waiver is the process to follow where circumstances mean that Contract Standing Orders cannot be adhered to, in accordance with the following rules:

18.2. A waiver must not result in a breach of UK Public Procurement Regulations for contracts within the UK tendering thresholds or of procurement law below UK public procurement thresholds.

18.3. An officer may request a waiver by completing the waiver eForm which can be found on the procurement pages on ForestNet.

18.4. All waiver requests will be presented to the Monitoring Officer. The arbiter of a waiver decision shall be the Section 151 Officer.

18.5. Alternative options should have firstly been explored and exhausted with Procurement by Senior/Service Managers prior to seeking a waiver. This should be documented as part of the waiver request.

18.6. All approved waivers where a contract award is sanctioned shall be added to the Contracts Register by Procurement to ensure compliance with the Local Government Transparency Code.

18.7. All approved waivers will be subject to scrutiny of the Audit Committee on an annual basis.

19. Contract Modifications

19.1. Under the Procurement Act 2023 (Reg 74 and section 8), a modification to an existing pre-tendered contract may be possible, without the need to re-advertise or re-tender, under the following circumstances.

19.2. The Contract Administrator, following legal advice, has included a modification (or review) clause in the original contract Terms & Conditions at tender stage providing

the possible options for a modification (or variation) to the contract (if required) based on quantity, time or monetary value. Any such modification clause must be clear, precise and unequivocal and must not alter the overall nature of the contract. Legal approval is required to invoke any modification clause.

19.3. Where no modification clause was added at tender stage, a modification to the contract may be undertaken providing that:

- the additional costs incurred are below 15% (if Works) or 10% (if Goods / Services) of the current contract value; or
- Where there are “unforeseen circumstances”, and the increase is not greater than 50%; or
- Where additional works have become necessary and to change suppliers would not be practical and would cause significant inconvenience or duplication of costs, and the increase is not greater than 50%.

19.4. Certain other factors may also permit contract modifications, such as for minor changes or as a result of corporate restructuring. Please seek advice from Legal Services. In any event, any contract modifications must be in adherence to the Financial Regulations.

19.5. Gaining approval for modification of a contract: Any modification to an existing pre-tendered contract must be documented by amendment of the original Gateway Review 2 form. The Contract Administrator will document the reason for the modification. The Gateway 2 amendment must be approved and signed by the appropriate Senior/Service Manager to confirm the budget increase, confirm the extension does not exceed that allowed for in this clause and provide formal approval to proceed. The signed Gateway 2 amended form should be scanned and sent to Procurement to store alongside the original documents in the Contract Register. The contract variation between the Council and the supplier / contractor can then be arranged by the Contract Administrator.

19.6. Contract modifications will be tracked by the Procurement team and reported to the Executive Management Team twice yearly.

20. Contract Mobilisation and Monitoring

20.1. The Contract Administrator should establish regular reviews with the awarded supplier(s) to monitor the performance of the contract and ensure the cost, service and quality elements of the supplier offer meet (or improve upon) the tendered specification. The contract monitoring regime should be commensurate and proportionate to the contract and should include the use of simple and effective performance measurement. The proposed arrangement to mobilise and monitor the contract throughout its lifetime should be set out in **Gateway Review Stage 2** (contract award proposal & approval).

- 20.2. Senior/Service Managers are accountable for ensuring the performance monitoring regime for awarded contracts is maintained in line with the contract documents and the Gateway Review Stage 2.

21. References and Testimonials

- 21.1. The Council officers may be asked to provide a reference or testimonial for an organisation with which the Council is in a contractual relationship or partnership. As public entities, district councils are expected to follow certain principles of transparency, fairness, and accountability.
- 21.2. **A reference** is considered a business-to-business communication and should be kept confidential by both parties. It is reasonable to accept requests for references, especially if the supplier has performed well and/or has exceeded expectations. Any opinions offered must be accurate and backed by contemporaneous records. For example, if commenting on supplier performance, such evidence might include performance against KPIs. Subjective assessments should be avoided, and officers should avoid providing “open” references (i.e., a general statement about a supplier not related to any specific contract). Officers need to exercise great care when a request for a reference may result in negative comments about a contractor. It may be appropriate to decline to give a reference in such situations. If in doubt, take advice from the council’s procurement team.
- 21.3. **A testimonial** is considered a communication that may be advertised to the public. The general rule is that officers should not be providing testimonials for marketing purposes to contractors or suppliers. There may be occasions when you are asked to supply a logo or agree to a sign having information such as ‘working with / for New Forest District Council’ which may be appropriate to agree to for a pre-defined period, after which it should be removed.
- 21.4. If you are in any doubt, please contact your Senior/Service Manager and/or the procurement contract relationship officer.

Part 3 – Appendices

22. Annex A – Contract Standing Orders (Thresholds & Sourcing Matrix)

CONTRACT STANDING ORDER (QUICK GUIDE)

Estimated Contract Value (Excl VAT)	Type of Procurement	Advert Required	Sourcing Method to be Used
Less than £15,000	Best Value Price Check (BV) <i>via desk-top</i>	NO	<ul style="list-style-type: none"> Use a National / Regional Framework, <i>or</i> Use an existing NFDC Corporate contract, <i>or</i> Undertake price checks to demonstrate best value for the Council. Document and retain price checks. Senior/Service Manager Approval required.
£15,000 - £25,000	Request for Quotation (RFQ) <i>via desk-top OR via Procurement</i>	NO	<ul style="list-style-type: none"> Use a National / Regional Framework. Use an existing NFDC Corporate contract. Invite a minimum of 3 written Quotations via your desk-top (eMail), inviting a minimum of 1 Local supplier, using templates available from Procurement if required. OR contact Procurement who will run a “restricted” Quotation via the South East Business Portal.
£25,000 - £100,000	Request for Quotation (RFQ) <i>via Procurement Team</i>	NO <i>(with Yes option)</i>	<ul style="list-style-type: none"> Gateway Review to be approved by Senior/Service Manager. Discuss with Procurement (Add to Procurement Pipeline). <p>Procurement options are;</p> <ul style="list-style-type: none"> Use a National / Regional Framework. Use an existing NFDC Corporate contract. Work with Procurement who will advise and agree the appropriate procurement route. The minimum requirement is to run a “restricted” Quotation exercise inviting nominated suppliers via the South East Business Portal, inviting a minimum of 1 Local supplier. <i>Note: the use of an “open” Quotation is optional where potential tenderers are unknown.</i>
£100,000 upto *UK Threshold	Invitation to Tender (ITT) <i>via Procurement Team</i>	YES (SEBP & CF)	<ul style="list-style-type: none"> Gateway Review to be approved by Senior/Service Manager. Discuss with Procurement (Add to Procurement Pipeline). <p>Procurement Options are;</p> <ul style="list-style-type: none"> Use a National / Regional Framework. Contact Procurement who will fully manage an “open” Tender process via the South East Business Portal (SEBP) and Contracts Finder (CF).
*ABOVE UK Threshold & above	Invitation to Tender (ITT) <i>via Procurement Team</i>	YES (SEBP, CF & FTS)	<ul style="list-style-type: none"> Estimate contract value inclusive of VAT Gateway Review to be approved by Senior/Service Manager. Discuss with Procurement (Add to Procurement Pipeline). <p>Procurement Options are;</p> <ul style="list-style-type: none"> Use a National / Regional Framework. Contact Procurement who will fully manage a “UK compliant” Tender process via the “Find a Tender Service” (FTS), Contracts Finder (CF) and the South East Business Portal (SEBP).

Please see The Procurement Act 2023 <https://www.legislation.gov.uk/ukpga/2023/54/contents>

*UK Thresholds @ 10/09/24 = Goods/Services £214,904; Works £5,372,609 (inc VAT)

Please refer to Procurement Rules, Regulations & Contract Standing Orders on Forestnet >> <http://forestnet/article/2591/NFDC-Procurement-Documents>

23. Procurement Contract Definitions

- 23.1. **Works:** These contracts relate to construction, demolition, building and civil engineering work and completion work such as joinery, plastering and decoration. It includes major repairs or complete refurbishment. (*e.g. building affordable housing, repairing building structures, resurfacing a car park, repairing a roof, installing a heating system.*)
- 23.2. **Goods / Supplies:** These contracts relate to the purchase, hire, siting or installation of goods, but not their maintenance. (*e.g. equipment, clothing, vehicles & spare parts, office stationery, consumables, gas, electricity, IT Hardware/Software*)
- 23.3. **Services:** These contracts relate to the provision by a person or other entity to provide services. (*e.g. Provision of maintenance services, professional services (consultancy), financial services, cleaning services, servicing an installed product or system*)
- 23.4. **Senior/Service Manager:** Member of the Senior Leadership Team as agreed from time to time by the Chief Executive.

24. Contract Value Calculation

- 24.1. The contract value should be the summation of the whole life costs of the contract on offer. e.g. the complete life cycle from start to finish.
- 24.2. **Contract Value = Initial non-recurring elements** (e.g. capital items, materials, supplies, training, refurbishments & labour, set-up costs, etc.) **+ recurring costs over the contract duration** (e.g. materials, parts, maintenance, labour, annual licences, upgrading and ultimate decommissioning / disposal, etc.) for the term duration (e.g. 3 / 4 years). **Note: All estimates for "Above UK Threshold" contracts should include VAT at applicable rate.**
- 24.3. If the contract is a one-off purchase, then the total value will be quite easy to estimate, based on "should cost" or benchmarked comparisons.
- 24.4. If the contract is spread over a number of years (i.e., 3 years + 2 years optional extension), the contract value is the total whole life cost value over the maximum contract duration.
- 24.5. If you intend to buy similar goods or services year-on-year but you do not know the length of the contract or it is indefinite, you will need to estimate the total value of your purchasing over the next 48 months (4 years) to arrive at a Contract value.
- 24.6. Contracts over 5 years duration should be approved by Legal Services in conjunction with Procurement. Single supplier / multi supplier Framework Agreements

cannot exceed 4 years duration. Provision should be made for long term agreements whereby an extension period beyond the initial term may be beneficial to the Council in the future.

- 24.7. Contracts must be packaged appropriately to achieve maximum value for the Council. They should not be split in order to avoid quotation or tendering limits in Contract Standing Orders or UK public procurement thresholds, or be packaged in a way to reduce the potential for fair and open competition.

25. Annex B - NFDC Scheme of Delegations Vs. Procurement Contracts

Process	Covers	Strategic Procurement Manager	Budget Responsible Officer (BRO)	Senior/Service Manager	Assistant Director (AD)	Chief Exec & Strategic Directors (& Statutory Officers)*
Awarding a Contract	Award a contract following a quotation or tender exercise to a supplier with whom orders can be placed (in accordance with procurement rules). Select the winning tender from a procurement exercise.	Up to £50k	Up to £50k	Up to £1M	Up to £3M	Unlimited
Signing a Contract	Sign under hand a contract awarded under a request for quotation or tender process. Sign up to an agreement which ties the council into expenditure (e.g. maintenance agreement). Sign up to an agreement which ties the council into a set of terms and conditions (e.g. grant agreement, IT facility agreement).	Up to £50k	Up to £50k	Up to £1M	Up to £3M	Unlimited
Sealing a Deed	All contracts estimated over the value of £213,477 (the UK Threshold effective from 01 Jan 2022 for Goods/Services) must be referred to Legal Services to confirm whether they require sealing.	N/A	N/A	Up to £1M (Legal Services)	Up to £3M (Legal Services)	Unlimited
Purchase Order Approval	Purchases Orders (PO) are mandatory for the supply of works, goods or services. Use Finance Mgt System to create PO once contract is signed / sealed.	N/A	BR Officer = Up to £50k BR Admin = Up to £10k	Up to £1M	Up to £3M	Unlimited
Invoice payment	All works, goods and services invoices must be checked and approved for payment (via GRN process) being processed for payment by Accounts Payable. Supplier Invoice must quote a valid NFDC PO number.	N/A	BR Officer = Up to £50k BR Admin = Up to £10k	Up to £1M	Up to £3M	Unlimited

*Statutory Officers are S151 Officer and Monitoring Officer.

** Values are excluding VAT

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Future New Forest

Transforming tomorrow, together

Resources and Transformation O&S Panel
19 September 2024



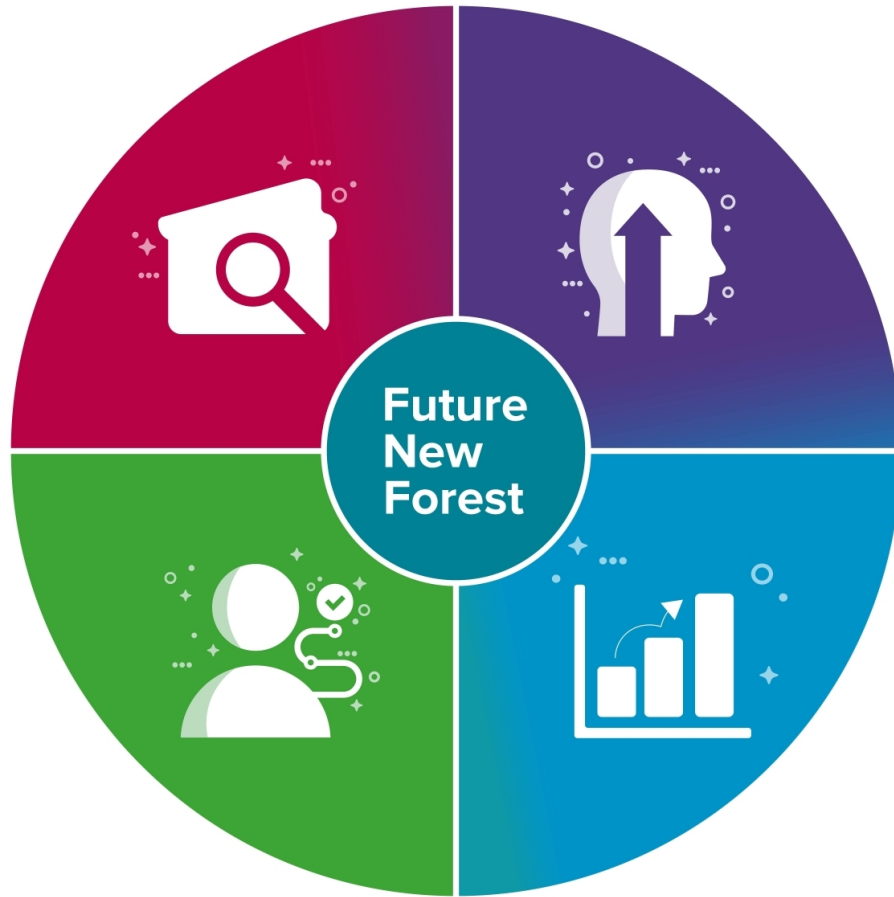
Update

1. Mobilisation
2. Year 1 progress update
 - a) Customer & digital
 - b) People & capabilities
 - c) Assets & accommodation
 - d) Finance & delivery
3. Next steps



Mobilisation

- Business case approved by cabinet (7 August).
- Transformation team - All posts have now been filled, the Transformation & Improvement Manager, Organisational Design & Change specialist, 2 Transformation & Improvement Specialists and the Business Support Officer now in post. The final Transformation & Improvement Specialist starts in October.
- Governance for the Transformation programme has been set up and put in place.
- Detailed programme and implementation planning now in progress.





Progress update

- Customer strategy approved (Cabinet September 2024)
- Digital strategy being reviewed (November/January R&T Panel) to ensure alignment with overarching transformation and customer strategies.
- Proposed actions from process design workshops being prioritised and Transformation & Improvement Specialists starting to work with Directorates to develop prioritised list of efficiency reviews
- Approved ICT work programme informed by business case
- Project commenced on specifying and procuring a new customer digital platform (CRM+).

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**Customer and
digital services**



Progress update

- People strategy development underway (SEE)
- Staff survey completed
- Next tier of management development commencing September 2024 (60 people)
- OD and Change specialist will prioritise embedding values and behaviours, change management, recruitment and retention strategies and staff engagement



**People and
capabilities**



Progress update

- Asset review is in progress through commissioned piece with MACE.
- MACE team 'interviewing' key officers
- Initial findings anticipated in mid-September, final report mid-October
- An action plan will be developed as part of the review to determine retention, redesign or disposal of operational assets.





Progress update

- Benchmarking on fees and charges commenced to identify opportunities.
- Benefits realisation tracker is being developed based on LGA transformation network example.
- Change champions group met and terms of reference being re-established.

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**Finances
and delivery**



Quick wins currently being explored:

Apply for a new taxi driver licence

- Re-application eligibility checking e-form
- Unify formats for applications across all mediums
- Tablets for driver tests
- Changes to DBS checks

Apply for planning permission

- Consider “Do I need permission” triage form
- Improve guidance for planning public portal

Council Tax enquiries

- Increase the suite of forms

Report a housing repair

- Automated emails to set clear expectations

Apply for a role in the council

- Simplified application in place
- Improve guidance for managers

Apply to join the housing register

- Maximise use of case management within Locata and minimise email use

Report fly tipping or overgrown grass

- Create and deliver training materials to Customer services on best practice

Next Steps:



Building the Team/Who we are & What we do

- **Team Identity-** How we work together and what we bring to the organisation, where we fit, our 'Team charter'
- **Introducing the Team-** Creating and finding opportunities to talk about who we are and what we can offer
- **Governance, Data & Reporting-** focus on benefits identification and realisation planning, capturing and measuring what we are already doing
- **Project Management Structure-** Discipline and standards (plus- how we align with existing structures), Simple guides and toolkits
- **Gaps in Capability or Capacity** – Making sure we understand the ask and can meet the challenge

Service Offer/Our Teams

- **Identifying Teams & Levels of Impact-** Shaping the right messages for the right audience. Understanding high level impacts so we are talking to people when they most need it
- **Communication-** Maintaining pace and momentum of the current comms with a slight shift in tone. Longer term plan is being developed to supplement the existing approach
- **Engagement-** Engaging as broadly as possible face to face with our Teams. Understanding their successes and challenges
- **Developing our Change Champions Network-** Ensuring we are clear on purpose and objectives so we can support the network to deliver

Measuring the Challenge/Understanding Organisational Needs

- **Learning Needs Analysis-** What are we asking people to do and what support will they need to achieve is. Rapid upskilling around managing change may be needed for some groups
- **Organisational Change Readiness Assessment-** Measuring how 'ready, willing and able' we are to deliver successful change. Putting together a plan to reinforce the good stuff and tackle areas for improvement
- **Acting on the Demand for Improvement-** Developing an agile approach to capturing & managing the pipeline of ideas being generated by our people

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Solent Freeport

Resources and Transformation Overview and Scrutiny Panel

September 2024



About Freeports

“Freeports are special areas within the UK’s borders where different economic regulations apply. By delivering investment on specific sites benefitting from tax and customs incentives, Freeports will create thousands of high-quality jobs in some of our most disadvantaged communities. These sites have been carefully selected for their suitability for development by local authorities and key private partners and sit within an outer boundary.”

Freeport Guidance – October 2021

Freeport Objectives:

- National hubs for global trade and investment
- Creating hotbeds for innovation
- Promoting regeneration and ensuring sustainable economic growth



Freeport – key tools

Tax Sites - Eligible businesses will have access tax reliefs including Business Rates, Stamp Duty, Employer National Insurance Contributions, and Building Allowance and Enhanced Capital Allowances (until 2026 originally, Nov 23 budget agreed to extend to 2032).

Business Rates Retention - The council area in which tax sites are located will retain 100% of business rates growth above an agreed baseline for 25 years allowing Councils to borrow and to invest in regeneration and infrastructure to support further growth.

Seed capital: Each Freeport will be granted up to £25m of seed capital funding, primarily to be used to address infrastructure gaps in tax and/or customs sites that are holding back investment.

Customs Sites: Businesses operating within Freeport customs sites will have access to simplified customs arrangements.



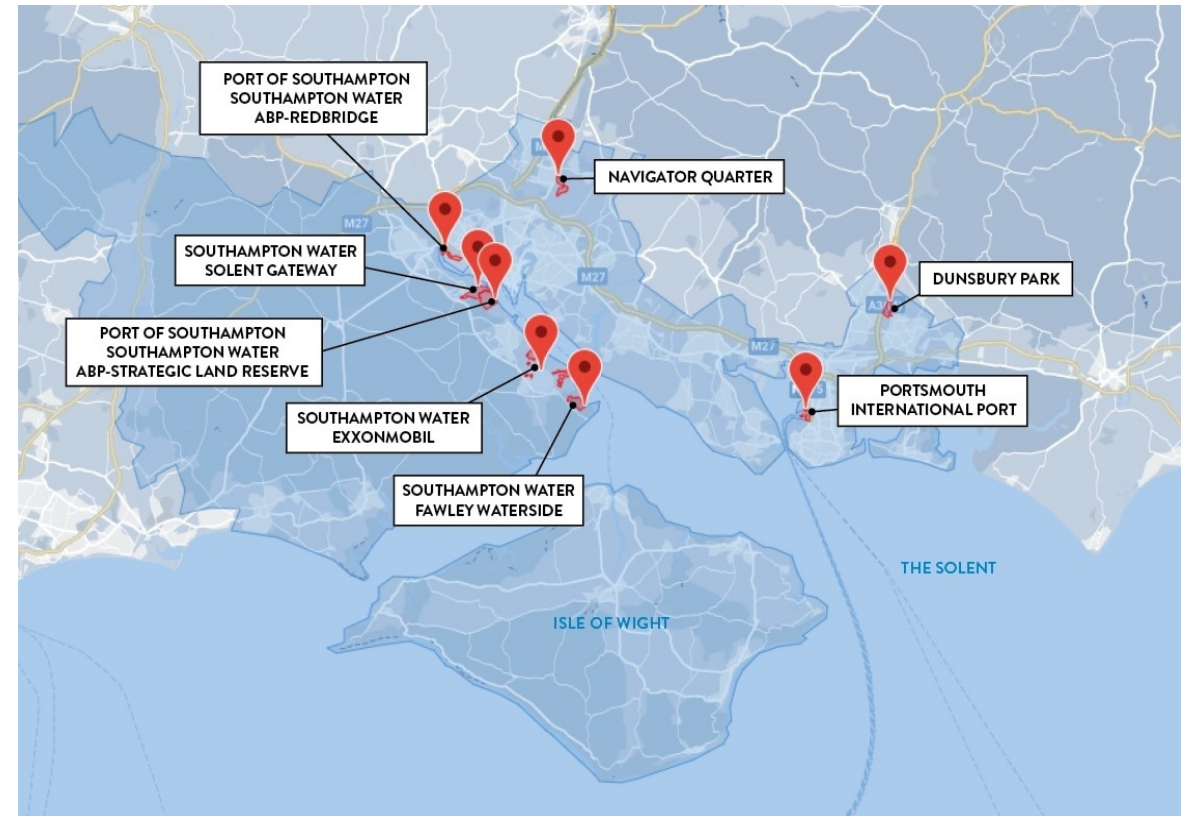
Southampton Water

Target Sectors

FBC vision – port centric manufacturing, green energy, logistics and automotive with ready access to national and global markets.

Port Capacity

Investment in New Forest tax sites will increase port capacity at Southampton by 40%.



Solent Tax sites, customs sites and seed capital

Southampton Water Tax Site

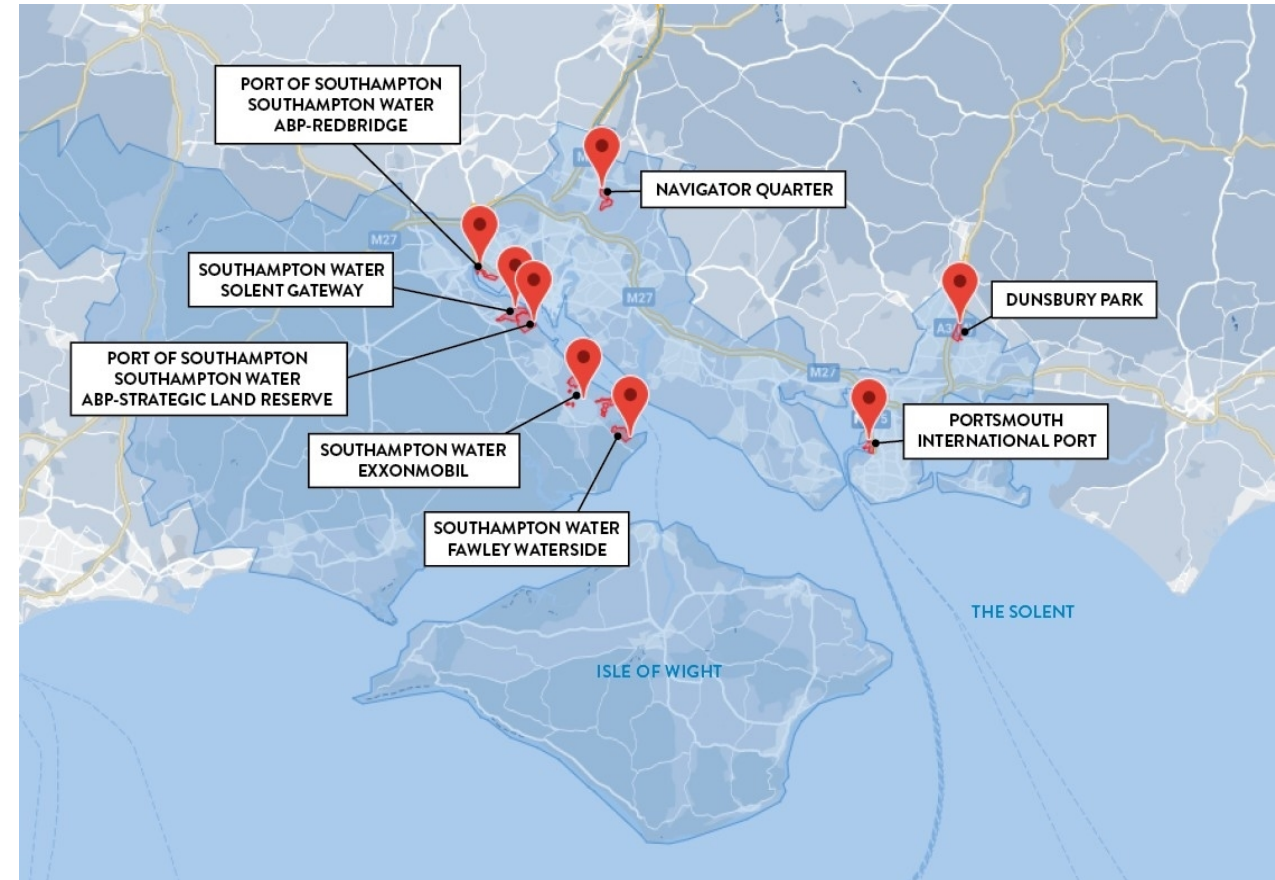
- Fawley Waterside
- The Fawley Complex – Exxon Mobil
- Solent Gateway/Marchwood Port (also a Customs site)
- ABP Strategic Land Reserve

Est. 16,000 new jobs – 7,000 created in NF (44%)

Est £511m retained business rates - £290m realised from NF sites (57%)

Of 430ha of developable land, 303 ha in NF (70%)

Tax site benefits extended to 2032.

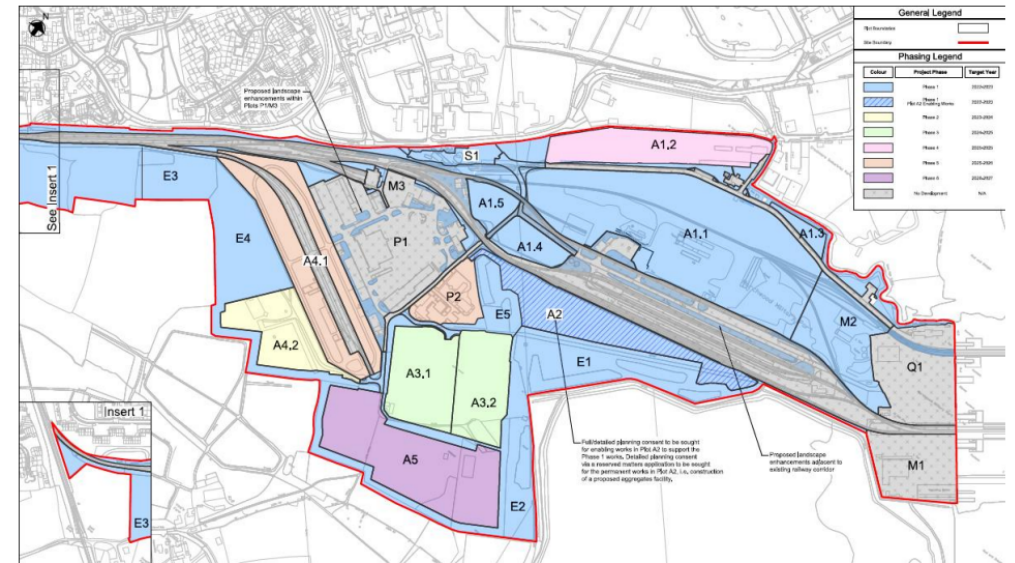


New Forest Tax Site Updates

Solent Gateway

- Planning permission is now in place
- First 21 acres of hard standing developed
- £4.4m of seed capital being spent
- Further 50 acres by April 2025
- Future Focus on :
 - Auto operations
 - RORO eg JCB and Caterpillar
 - Rail import
 - Rail Carriage Storage
 - Port focused manufacturing

Consented Development Summary



New Forest Tax Site Updates

ABP land reserve

- ABP have started to scope out proposals.
- Expected to be a National Strategic Infrastructure Project (NSIP)
- Next stages (indicative):
 - Options study/masterplan
 - Concept design
 - Development Consent Order (DCO) process kicked off – end of 2024
 - Two year timeframe to progress DCO
 - 12-18 month decision period
 - Decision in 2028/29
- Focus expected to be on automotive to free up space in Southampton for cruise and containers.

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New Forest Tax Site Updates

Fawley Complex (Exxon)

Announced in November 2023 – low sulphur diesel facility and development of hydrogen plant. (£1b investment in the site).

New plant expected to be in use in Q1 2025.

Currently consulting on options for carbon capture pipeline.



New Forest Tax Site Updates

Fawley Waterside

Have withdrawn previous planning application because of concerns around viability.

Ongoing discussions with NFDC and Freeport.

£4.6m of seed capital unspent



Seed capital

- All Freeports were given £25m of capital funding to help unlock growth.
- Funds must be spent by March 2026.
- Current concern about underspend.
- Recent call for projects:
 - Must be capital expenditure – the creation, acquisition or enhancement of an asset.
 - Must deliver Freeport outputs – jobs, skills innovation, added GVA



Use of retained business rates

Retained business rates – pooled across the region. Use of funding determined by the Solent Freeport Retained Rates Investment Committee

Theme	Indicative Funding Share
Skills	15%
Net Zero	7.5%
Hotbeds of Innovation	7.5%
Regen and Enabling Activity	60%
Local Investment Priorities	10%



Freeport business rate retention – 5 year forecast

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Forecast Retained Rate Receipts						
Tax Site	2023/24 Actual	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast
Dunsbury Park	tbc	£400,000	£700,000	£700,000	£2,100,000	£2,700,000
Navigator Quarter	£0	£0	£0	£0	£350,000	£800,000
ABP Redbridge	£0	£0	£0	£0	£0	£0
ABP Strategic Land Reserve	£0	£0	£0	£0	£0	£0
Solent Gateway	£0	£0	£200,000	£500,000	£700,000	£700,000
Fawley Waterside	£0	£0	£0	£0	£0	£0
Fawley Complex	£0	£0	£250,000	£250,000	£250,000	£250,000
Totals:	£0	£400,000	£1,150,000	£1,450,000	£3,400,000	£4,450,000

NFDC Freeport Priorities

April 2024 – Cabinet agreed to develop a New Forest Freeport Delivery Plan focused on the following priorities:

- Transport and wider infrastructure
- Employment and Skills
- Prosperous Communities
- Environmental Sustainability



Governance

- Freeport Board (NFDC represented)
- Finance Resources and Audit Committee (NFDC represented)
- Retained Rates Investment Committee (NFDC represented)
- Accountable Body – Portsmouth City Council
- Full Business Case programmes:
 - Trade and investment
 - Innovation
 - Net Zero
 - Skills



Solent Freeport

Resources and Transformation Overview and Scrutiny Panel

September 2024

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RESOURCES AND TRANSFORMATION OVERVIEW AND SCRUTINY PANEL WORK PROGRAMME – 2024/25

21 NOVEMBER 2024

Annual Complaints Performance and Service Improvement Report and half yearly update	To receive an annual overview of complaints received and dealt with by the Information Governance and Complaints Team. The Housing and Communities O&S Panel members will be invited, given the related content.	Written Report	Amanda Wilson / Karen Grimes
Council Tax Reduction Schemes Task and Finish Group Report	To receive the report of the Council Tax Reduction Schemes Task and Finish Group	Written Report	Ryan Stevens
Financial Strategy Task and Finish Group Report	To receive the report of the Financial Strategy Task and Finish Group	Written Report	Alan Bethune / Andy Rogers
Transformation Programme Update	To receive an update on progress with the Transformation programme.	Written Report	Rebecca Drummond / Ingrid Archer
Transformation Programme / Digital Strategy Update	To receive an update on progress with the Digital Strategy.	Written Report	Rebecca Drummond

23 JANUARY 2025

Asset Maintenance and Replacement Programme	To receive details of the proposed programme and pass any comments to Cabinet.	Written Report	Alan Bethune
Capital Strategy	To receive details of the proposed strategy and pass any comments to Cabinet.	Written Report	Alan Bethune

Transformation Programme Update	To receive an update on progress with the Transformation programme.	Written Report	Rebecca Drummond / Ingrid Archer
Transformation Programme / Digital Strategy	To receive details of the Digital Strategy	Written Report	Rebecca Drummond
Transformation Programme / Update on Asset Review	To receive an update on the Asset Review	Written Report	Rebecca Drummond

20 MARCH 2025

ICT Strategy Delivery Update	To receive the Annual Update on progress with delivery of the ICT strategy	Presentation	
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25 JUNE 2025
