

ANNUAL UPDATE OF THE COUNCIL'S STANDING ORDERS FOR CONTRACTS AND PROCUREMENT

AGENDA ITEM NO. 11

MEETING: COUNCIL
DATE: 22nd APRIL 2026
REPORT BY: FINANCE MANAGER

1.0 Purpose of the Report

- 1.1 Officers are in the process of undertaking the annual review of its Council's Constitution, which provide the overall framework and guidelines within which the Council operates.
- 1.2 The purpose of this report is to attach for Members consideration and approval a small number of amendments to the Council's Standing Orders for Contracts and Procurement.
- 1.3 Agreement at this meeting will then allow the updated Standing Orders to be formally adopted at the Annual Meeting of the Council on 13th May 2026.

2.0 Background to the Report

- 2.1 The Standing Orders for Contracts and Procurement provide the framework rules for the procurement of all works, goods, materials and services by the Council, including tendering and contract procedures.
- 2.2 The Standing Orders cover the following areas of contracts and procurement:-
 - Procurement Responsibilities
 - Definitions of Contracts and Procurement
 - The Procurement Act 2023
 - Financial Thresholds for Procurement
 - Exemptions to the Application of the Standing Orders
 - Procedure Prior to Procurement
 - Procurement under £6,500
 - Procurement between £6,501 and £64,999 (Written Quotations)
 - Procurement between £65,000 and £207,720 for goods and services and £5,193,000 for works
 - Procurement over £207,720 for goods and services and £5,193,000 for works
 - Tendering Rules including Invitation to Tender, Opening of Tenders, Award Criteria, Evaluation of Tenders and Award of Contracts
 - Content of Contracts and Contract Conditions
 - Use of Sub-Contractors and Consultants
- 2.3 The adoption and application of the Standing Orders for Contracts and Procurement help the Council to achieve value for money in the use of public resources, comply with legal requirements, implement good purchasing practice, manage procurement risk, demonstrate public accountability, and help to prevent fraud and corruption in undertaking procurement activity.

- 2.4 However, it is important to stress that given the small size of the Council and the lack of specialist professional knowledge in relation to procurement and the management of major capital projects, it very unlikely that the Council would undertake a major procurement exercise, and therefore enter into a formal tender process, without utilising professional expertise.
- 2.5 The Council has in place a service level agreement with Durham County Council's Procurement Department to provide advice and guidance on procurement related issues and to assist in managing any major contracts or tenders.
- 2.6 As a result, it is very unlikely that the tendering rules set out in Standing Orders 12 to 19 would ever need to be used by the Council.
- 2.7 In such cases, in accordance with Standing Order 1.10, the Standing Orders of the public sector body managing the contract and tender process on the Council's behalf would apply (in most cases this would be Durham County Council).

3.0 Standing Orders for Contracts and Procurement Update

- 3.0 The updated Standing Orders for Contracts and Procurement are attached to this report, and all changes are highlighted in grey.
- 3.1 This year's update incorporates the updated procurement thresholds and some minor changes to throughout the document.

4.0 Policy Implications

- 4.1 The Standing Orders for Contracts and Procurement support the delivery of the Council's Strategic Aims:-
- 1. To provide good quality governance and management of the Council.*
 - 2. To manage the council's finances and assets in a responsible manner.*

5.0 Staffing Implications

- 5.1 All officers of the Council must comply with the provisions of the Standing Orders for Contracts and Procurement.
- 5.2 The updated Standing Orders will be made available to all staff via the policy folders at the Council's operational buildings and are issued and discussed as part of the Council's induction programme.
- 5.3 Financial training, including reference to the key requirements of the Standing Orders for Contracts and Procurement, is also provided to managers and staff as and when required.

6.0 Financial Implications

- 6.1 The adoption and application of the Standing Orders for Contracts and Procurement will help the Council to achieve value for money in the use of public money, comply with legal requirements, implement good purchasing practice, demonstrate public accountability, and help to deter fraud and corruption in undertaking procurement activity.

7.0. Crime and Disorder Implications

7.1 None.

8.0 Equal Opportunities Implications

8.1 None.

9.0 Environmental, Biodiversity and Climate Change Implications

9.1 None.

10.0 Risk Assessment

10.1 The approval and implementation of the Standing Orders will help to minimise the risk to the Council, in the undertaking of contracts and procurement activity, of failing to comply with legal requirements, incurring unexpected expenditure, failing to achieve value for money, or exposing itself to the risk of fraud and corruption.

11.0 General Data Protection Regulations (GDPR)

11.1 Is any personal or sensitive data required for this proposal which may have any implications for GDPR? **NO**

12.0 Recommendations

12.1 It is recommended that the Council consider the revised Standing Orders for Contracts and Procurement, agree the proposed changes, and make any recommendations for any further amendments prior to their formal adoption at the Annual Meeting of the Council on 13th May.