

Procurement Compliance Report

To: Assets and Procurement Committee

Meeting Date: 17 September 2024

From: Executive Director for Finance and Resources

Electoral division(s): All

Key decision: No

Forward Plan ref: Not Applicable

Executive Summary: The Council agreed a new Contract Procedure Rule (CPR) breach process, the first six months of the operation of that process are contained in this report.

Committee is asked to consider this report.

Recommendation: Committee is asked to note the content of this report.

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1. Creating a greener, fairer and more caring Cambridgeshire

1.1 The Contract Procedure Rules (CPRs) cover all aspects of how procurements and contracts are managed by the Council and therefore compliance with those CPRs will support the delivery of all 7 ambitions.

2. Background

2.1 The CPRs form part of the Council's constitution and govern the way in which the Council procures its third-party contracts. They also ensure that the relevant procurement legislation, currently the Public Contract Regulations (2015) are complied with.

2.2 The CPRs provide for exceptions or waivers which may be applied for in specific circumstances. If applied for correctly, waivers are a means by which compliance is gained in those circumstances and allow for the practical operation of the CPRs.

2.3 It became apparent, though, that breaches were occurring and there was no means of either recording these internally, reporting these breaches or ensuring that relevant action was taken to ensure that those breaches did not re-occur. Establishing a Breach Process was one of the actions identified in the Annual Governance Statement Action Plan. A breach process was therefore agreed by CLT and the Procurement Governance Board and included in an updated version of the CPRs.

2.4 The process outlines what constitutes a breach of the CPRs and that its primary aim is to help ensure compliance and accountability. The suspected breach should be reported to the Head of Procurement and Commercial who will investigate the matter, liaising with the Head of Internal Audit where the matter is complex or has wider implications. Findings are recorded for audit and accounting purposes. Breach reports are to be submitted quarterly to Directorate Management Teams, CLT and Committee.

2.5 This report summarises the breaches reported during the period February to June 2024 and the action taken as a result.

3. Main Issues

3.1 The table below summarises the breaches received between the start date of the process and the end of June 2024.

Reference Number	Title of breach	Brief description	Breach of CPRs?	Breach of procurement law (PCR15)?	Adequate Mitigations?
2401	Blue Badge IT system	Originally procured via LGSS, when the contract was separated, key dates were not recorded in the Contract Register	Yes	Yes	Yes

		and therefore adequate planning for the re-procurement was not able to take place before the required notice period. A waiver has been put in place and action will be taken by the 1 December 2024 to ensure there is no further non-compliance.			
2402	Education Capital Programme	An Internal Audit report found that the contracts required under the Design and Build Framework had not been signed by all contractors and by an appropriate Council representative. This was found to present significant reputational and financial risks. Contracts are now in the process of being signed and new work will not be awarded until contracts are signed. Where work is ongoing the service area has undertaken a review of the key risks and found that all DBS and health and safety contractual requirements are being complied with.	Yes	No	Yes
2403	Postal Services	Royal Mail has been paid to	Yes	Yes	Yes

		provide postal services with no formal contract in place or procurement process being followed.			
2404	Highways Asset Management System	This system is in the process of being re-procured, however the procurement process was not completed before the current contract expired. Therefore, the current contract has had to be extended beyond the original term in order to allow the procurement to be completed and the transition between contracts to be managed effectively. The award of contract following the current procurement will prevent any further non-compliance.	Yes	Yes	Yes

3.2 None of the breaches reported involved fraud, corruption or financial irregularities.

4. Alternative Options Considered

4.1 The Head of Procurement and Commercial works closely with those declaring a breach to ensure that not only can the breach in question be resolved quickly and effectively, but also that wider measures are put in place to prevent similar breaches from occurring. Being open and transparent about breaches is considered the most effective way of minimising both their impact and their chances of re-occurring. No alternatives to this process are therefore being considered currently.

5. Conclusion and reasons for recommendations

5.1 The Head of Procurement and Commercial will continue to work closely with the Monitoring

Officer and Head of Internal Audit to ensure that breaches of CPRs and procurement law are dealt with in an appropriate way.

6. Significant Implications

6.1 Finance Implications

Reducing the number and scale of breaches will ensure that value for money is achieved through effective procurement and contract management activity.

6.2 Legal Implications

The implications of breaches of procurement law have been summarised in section 3 of this report.

6.3 Risk Implications

There are risks associated with procurement related breaches and once a breach is reported, the Head of Procurement and Commercial works closely with the service area in question to minimise the impact of these risks.

6.4 Equality and Diversity Implications

Not applicable

6.5 Climate Change and Environment Implications (Key decisions only)

Not applicable

7. Source Documents

7.1 None