

MINUTES OF THE MEETING OF THE STANDARDS COMMITTEE HELD ON THURSDAY, 13TH OCTOBER, 2016, 7.00 - 8.30 pm

PRESENT:

Councillors: Kaushika Amin (Chair), Stuart McNamara, Felicia Opoku, Lorna Reith and Viv Ross

1. FILMING AT MEETINGS

The Chair drew attendees' attention to the notice on the summons.

2. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Beacham. Councillor Ross attended as a substitute for him.

3. URGENT BUSINESS

There were no matters of urgent business.

4. DECLARATIONS OF INTEREST

No declarations of interest were made.

5. MINUTES OF LAST MEETING

The minutes of the Standards Committee of 13 June were agreed.

6. VERBAL REPORT OF THE ASSISTANT DIRECTOR FOR CORPORATE GOVERNANCE AND MONITORING OFFICER

Alison Vydulinska, Principal Lawyer, attending on behalf of the Assistant Director for Corporate Governance and Monitoring Officer, drew Members' attention to the complaint against a Member that had been received since the last meeting. A meeting of the Standards Assessment Sub-Committee had been held on Tuesday 19 July, where it was agreed the complaint should not be referred to the Monitoring Officer for full investigation. The minutes of the Standards Assessment Sub-Committee were included at item 11 of this meeting.

7. PROPOSED CHANGES TO THE COUNCIL'S CONTRACT STANDING ORDERS

Barry Phelps, Interim Head of Procurement, introduced a report that recommended changes to the Council's Contract Standing Orders, as set out at Part Four Section J of the Council's Constitution.

The purposes of these recommended changes were to support the new Procurement Targeted Operating model, which would transition Procurement to a more commercially focussed department, with support for low-level procurement across the Council supported by the Shared Service Centre. The proposed changes would enable savings to be generated and bring Haringey in line with other London Authorities. They would also support the introduction of new regulations, technologies and correct inconsistencies in the current Standing Orders and minor drafting amendments.

Mr Phelps also drew Members' attention to additional equalities comments that had been prepared for the report and had been tabled at the meeting. This should be included in the report should the Committee agree to recommend it to Council.

The Committee asked whether Homes for Haringey had been engaged with in developing the new procurement processes, and were told that there had been some preliminary engagement, in particular on issues such as amended thresholds of expenditure. There would be further engagement shortly, for example to discuss how the role of Strategic Procurement Partner responsible for construction within the Council would engage with Homes for Haringey.

The Committee noted that Haringey had not updated its Contract Standing Orders, and the thresholds of expenditure they contained, for some time. The Council was therefore not in line with other boroughs.

Noting an assertion that Small and Medium Sized Enterprises were expected to benefit from the new procurement processes, such as the Dynamic Purchasing Systems, and the increased vendor information offered by the new processes, the Committee asked that participation by SMEs in the Council's procurement be monitored upon introduction of these new processes. Officers suggested that, given historic information would not offer the same level of detail, a trend analysis could be prepared after the system had been operational for two years or more to identify whether there was a change in the profile in bidders and vendors.

The Committee noted that the Dynamic Purchasing Systems would allow potential vendors to be vetted according to their performance record and financial viability.

The Committee noted the report set out that the level for contracts to be recorded on the contracts register would increase from £5 000 to £10 000, and queried whether doubling that threshold represented a risk that inadequate records would be maintained. Officers responded that the current requirement to record was not met consistently, and the increase in threshold reflected more proportionate management arrangements. This entailed larger contracts being supported more proactively from the central procurement team, and lower-level contracts, which comprised a fairly low share of the Council's expenditure, receiving more light touch support from the centre.

The Committee were keen that the introduction of these new processes should be accompanied by appropriate democratic oversight to ensure the Council's resources were effectively monitored by the Cabinet and non-executive Members. Officers noted that the contract management and oversight of the procurement system would be possible and a regular part of officers' dialogue with Cabinet Members and lead

committees, and the new processes would be able to provide a greater level of information to support such discussions. The Committee were keen for there to be further thought in this area, aside from the recommendations before it, and for there to be a clear presentation of accountability arrangements under the proposed system.

RESOLVED

To recommend that Council make the following amendments to Contract Standing Orders, Part Four of the Constitution, Section J Contract Procedure Rules:

1. Amendments to support the new Procurement Target Operating Model:
 - 1.1. Increase the threshold of delegated powers for Directors to act in the most expedient and efficient manner from £5,000 to £10,000 (CSO 8.02);
 - 1.2. Increase the values for the procurement process requesting at least 3 competitive quotes from between £5,000 and £100,000 to between £10,000 and £160,000 (CSO 8.03);
 - 1.3. Increase the threshold of goods and services contracts requiring advertisement (tender) with an estimated value of £100,000 to a new threshold of £160,000 (CSO 9.01.1);
 - 1.4. Increase the threshold of Works contracts requiring advertisement (tender) with an estimated value of £25,000 to a new threshold of £500,000 (CSO 9.01);
 - 1.5. Introduce a threshold of £500,000 or more for contracts subject to the Light Touch Regime (social care related) requiring advertisement (tender) (CSO 9.01);
 - 1.6. Increase the threshold for the commencement of works, goods or services under a Letter of Intent from £50,000 to £100,000 or 10% of the total contract value, whichever is the higher (CSO 9.07.3); and
 - 1.7. Require approval from the Chief Operating Officer before entering into any joint procurement activity with other contracting authorities (CSO 7.04).
2. Amendments relating to the introduction of new Procurement related technology platforms:
 - 2.1. Mandate the use of Corporate Procurement related systems to include corporate sourcing and contract management systems (defined in CSO 2.02 c);
 - 2.2. Mandate contracts are stored in the Councils Contract Repository (CSO 3.02 h);
 - 2.3. The threshold requiring all contracts valued at £5,000 or more to be entered onto the corporate contracts register, is increased to a new threshold of £10,000 or more and is now required to be recorded in the Corporate Contracts repository (CSO 3.02 m); and
 - 2.4. Amendments to include provision for sealing, award and signing of contracts by electronic means as provided within the Corporate Procurement Systems (CSO 9.02.4 and 9.08.9).
3. Amendments relating to the use of a Dynamic Procurement System:
 - 3.1. Incorporate amendments to facilitate the use of a Dynamic Purchasing System (CSO 9.04).
4. Amendments to support the introduction of new or updated regulations:

- 4.1. Incorporate amendments to support statutory changes to the Public Contracts Regulations 2015 (as amended) (the “Regulations”) (multiple references throughout the document have been added); and
- 4.2. Incorporate amendments to support introduction of the Concession Contracts Regulations 2016 (the “Regulations”) (multiple references throughout the document have been added).

5. Amendments to address inconsistencies relating to thresholds and Key Decisions
 - 5.1. Increase the threshold for waivers requiring Cabinet approval above £250,000 to a revised threshold of £500,000 or more (CSO 10.01.1 a); and
 - 5.2. Increase the threshold for waivers requiring Director approval below £250,000 to below a revised threshold of below £500,000 (CSO 10.01.1 b).

6. Additional minor drafting amendments to the Contract Standing Orders as required to support the above changes.

7. Extension to the current Consortia drafting (CSO 7.04 d) to make provision for on-going shared services arrangements, whereby procurements may be undertaken by one of the other members of the Consortia on behalf of the Council.

8. NEW ITEMS OF URGENT BUSINESS

None

9. DATES OF NEXT MEETINGS

The Committee’s next meetings were scheduled for 23 January and 4 April 2017.

10. EXCLUSION OF THE PRESS AND PUBLIC

11. MINUTES OF THE STANDARDS ASSESSMENT SUB-COMMITTEE

The minutes were approved, with one typographical correction.

12. NEW ITEMS OF EXEMPT URGENT BUSINESS

None.

CHAIR: Councillor Kaushika Amin

Signed by Chair

Date