

Council

30 June 2026



Reading
Borough Council
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Title	Update to Council's Constitution – Contract Procedure Rules
Purpose of the report	To make a key decision
Report status	Public report
Executive Director/ Statutory Officer Commissioning Report	Louise Duffield, Executive Director Resources Darren Carter, Section 151 Officer
Report author	Emily Chomicz
Lead Councillor	Cllr Ruth McEwan, Lead Councillor for Corporate Services and Resources
Council priority	Ensure Reading Borough Council is fit for the future
Recommendations	<p>That Council:</p> <ol style="list-style-type: none">1. consider the proposed updates to the Council's Contract Procedure Rules (CPRs)2. approve revision to the CPRs for immediate incorporation into the Constitution3. authorise that any procurements already in train transition to the new delegations and procedures of these CPRs where such transition has business benefit to the Council4. delegate authority to the Head of Procurement to revise the UK Procurement Threshold values in the Procedure section of the CPRs in line with bi-annual revision by Cabinet Office, and minor general revisions to allow ongoing corporate alignment.

1. Executive Summary

1.1. This report recommends updates to the Council's CPRs to ensure continued alignment with evolving procurement legislation and best practice. The last major revision in 2023 prepared the Council for the Procurement Act 2023, which came into force in February 2025. The current update builds on that foundation, incorporating lessons learned and aligning more closely with broader legal and governance frameworks.

1.2. Key improvements include:

- Updated financial thresholds and approval levels to reflect statutory requirements and internal governance standards.
- Integrated governance with Financial Regulations, creating a more cohesive and transparent oversight structure.
- Streamlined rules that reference, but do not duplicate, key legislation such as the Procurement Act 2023, Public Contracts Regulations 2015, and the Local Government Act 1972.
- Refinements based on operational feedback, removing unintended barriers and improving efficiency in day-to-day procurement.

- 1.3. These revisions aim to deliver a more agile, transparent, and value-driven procurement framework that supports the Council's strategic priorities and ensures compliance with current legislation.

2. Policy Context

- 2.1. The Council's CPRs were last revised in Autumn 2023, primarily to prepare for the implementation of the Procurement Act 2023. At that time, the report included delegated authority to update terminology in line with the new legislation. However, a broader review has since identified the need for more substantive changes.
- 2.2. These proposed revisions go beyond terminology. They include updates to financial thresholds to ensure compliance with both statutory requirements and the Council's internal key decision thresholds. The thresholds reflect the Council's ambitions to support local economic growth and aim to deliver efficient procurement outcomes both in time taken to run the procedures and outcomes that balance price/cost and quality. The proposed revisions also reconsider approval levels for contract initiation, award, and management, as well as the rules governing waivers and exemptions.
- 2.3. A key objective of this update is to align the CPRs with the recently revised Financial Regulations. Together, these documents provide a comprehensive governance framework that supports effective budget setting, financial management, and value-for-money decision-making by officers.
- 2.4. The revised CPRs are designed to meet the requirements of the Local Government Act 1972, which mandates that Councils establish standing orders to secure competition and regulate tendering procedures. The Local Government Act does not mandate that standing orders explain how competition is created in practice, therefore this guidance for the Council is to be held only in standard operating procedures which can be regularly refreshed to apply lessons learnt and new central government policy requirements. Key sections removed during this revision have been transferred into the Procurement Manual, which serves this purpose.
- 2.5. The CPRs also reflect the broader legislative landscape, including the new Procurement Act 2023 and the new terminology it brings, the Public Contracts Regulations 2015 which continue to apply for established contracts, and the Health Care Services (Provider Selection Regime) Regulations 2023 which apply for specific contracts the Council procures.
- 2.6. Importantly, the CPRs have been refined based on practical experience with the October 2023 version. This has led to the removal of unintended barriers and the introduction of improvements that better support operational delivery plus corporate governance and compliance.
- 2.7. To avoid duplication, the CPRs no longer restate the detailed requirements of the Procurement Act 2023, the National Procurement Policy Statement, or other statutory instruments. Officers are expected to be familiar with these documents and to consult the Procurement Manual and related corporate policies for operational guidance.
- 2.8. In summary, the revised CPRs focus on two core statutory obligations:
 - Ensuring fair competition to secure value for money.
 - Regulating the tendering process to meet legal and policy expectations.All other commercial expectations and procedural details are addressed through the Procurement Manual and supporting corporate documentation.

3. Legal and Regulatory Alignment

- 3.1. The Proposed CPRs reflect a significant shift in the legal landscape governing public sector procurement. The most notable change is the transition from the legacy Public Contracts Regulations 2015 and Concession Contracts Regulations 2016 to the Procurement Act 2023 and Procurement Regulations 2024, which came into force for procurements initiated on or after 24 February 2025. This change is not merely procedural—it introduces a new framework for transparency, flexibility, and accountability in public procurement.
- 3.2. The legacy regulations however must continue to be referenced since these continue to apply to all arrangements the Council already has secured in contracts, such as the large leisure contract with GLL or the Minster Quarter Central development agreement.
- 3.3. In addition to the core legislative updates, the CPRs now explicitly reference:
 - Provider Selection Regime Regulations 2023 – applicable to certain health and care contracts, allowing more tailored approaches to provider selection based on recognition of service users’ needs.
 - Subsidy Control Act 2022 – which governs how financial assistance is granted, ensuring subsidies are lawful and justified.
 - Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) – relevant during service transitions to protect employee rights.
 - Care Act 2014, Children Act 1989, and Children Act 2004 – which influence commissioning decisions in social care and children’s services.
 - Local Government Acts 1972 and 2000, and the Best Value Duty (Local Government Act 1999) – which underpin the Council’s duty to secure value for money.
- 3.4. The CPRs also require officers to consider the National Procurement Policy Statement (NPPS) and Procurement Policy Notes (PPNs) issued by the Cabinet Office. These documents set out strategic priorities such as supplier diversity, climate action, and innovation.
- 3.5. These changes ensure that the Council’s procurement practices are aligned with contemporary law and policy, reduce the risk of legal challenge, and support broader strategic goals. Officers are now expected to identify applicable legislation at the outset of each procurement and seek advice from Legal Services or the Procurement Team where needed.

4. Governance and Delegation

- 4.1. The Proposed CPRs introduce a structured Gateway Process to improve oversight and consistency in procurement decision-making. This process breaks procurement into four key stages—Planning, Approval to Procure, Approval of Tender Pack, and Approval to Award—each requiring formal sign-off. This change responds to previous audit recommendations and internal reviews that highlighted the need for clearer checkpoints and record keeping.
- 4.2. The Contract Delegations have also been updated to reflect more granular financial thresholds and operational roles (see Table 1). Notably, the term Budget Holder has been adopted to align with Financial Regulations, replacing previous terminology. Budget Holders are now authorised to approve contracts below £30,000, an increase from the previous £5,000 limit under the October 2023 CPRs. This change aligns with procurement legislation, which sets £30,000 as the lowest threshold for awarding a contract without publishing a notice.
- 4.3. For higher-value contracts, the CPRs continue to require consultation or formal approval from senior officers or committees, depending on the value and strategic impact. Key Decision thresholds remain as before, but Directors are now more

empowered to make decisions and be accountable for financial and commercial decisions within their department. Scrutiny and oversight by their Executive Director and/or the Chief Executive continue to be maintained for high value officer decisions, but without needing formal sign-off by the Executive Director.

- 4.4. Additionally, the CPRs now explicitly clarify the allowance for emergency procurement actions under the Council's Silver rota arrangements. Retrospective compliance however must be ensured. This change was introduced to support emergency planning and resilience, particularly in response to severe weather, public health incidents, or other urgent scenarios.
- 4.5. The Proposed CPRs also revise the approval process for contract extensions and variations. Previously, approvals regardless of value may have required full committee approval e.g. £10,000 in a £15 million contract. The new rules allow Budget Holders and Directors to authorise certain variations within their delegated limits. Key Decisions relating to extensions or variations must still go to Committee unless previously approved through the Medium-Term Financial Strategy or formally delegated. This change improves responsiveness while maintaining governance.
- 4.6. Overall, changes to governance and delegation ensure that procurement decisions are made at the right level, with appropriate checks and balances. They also support operational agility while maintaining governance standards and provide a clear framework for emergency response and contract management.

Table 1.

Role	October 2023 CPRs	Proposed CPRs
Budget Holder	Up to £5,000 (under different role title)	Up to £30,000
Director	Up to £100,000	£30,001–£100,000 (revenue per annum) or up to £100,000 (capital total value)
Director with ED consultation	£100,001–£500,000 (revenue per annum) or up to £2.5m (capital total value)	No change
Committee (or as delegated to an Executive Director)	Over £500,000 (revenue) or over £2.5m (capital)	No change

5. Procurement Procedures

- 5.1. The Proposed CPRs revise the thresholds and procurement procedures. These changes are to reflect updated legislative requirements, apply lessons learnt on the effectiveness of different procurement practice, and create opportunity for local and small companies to more readily bid for contracts. These changes are designed to align with the Procurement Act 2023 and the Public Procurement Thresholds, which are adjusted periodically as declared by Cabinet Office.
- 5.2. One of the most significant updates in the CPRs is the formal recognition of the £30,000 threshold, which now serves as the lower limit for awarding a contract purely on price (when appropriate). This aligns the CPRs with national procurement regulations where below this value, public notices are not required to be published by Councils (or other sub central government organisations like the NHS or emergency services). Officers may include a quality assessment in their process, however it is not mandated, simplifying the process for officers and reducing administrative burden.
- 5.3. Second-hand equipment purchasing is now explicitly captured under the CPRs, providing governance to ensure value for money and suitability is evidenced. This change supports sustainability goals and enables officers to consider cost-effective alternatives where appropriate.

- 5.4. The procedures also promote the inclusion of local suppliers wherever possible, particularly for contracts below the regulated thresholds. This supports the Council's strategic goals around economic development and community engagement. Local will be defined by the Council as "within Berkshire" as this aligns the national Procurement Policy¹.
- 5.5. Guidance on concessions contracts (which can generate revenue for the Council) has also been updated, allowing greater flexibility in how these contracts are awarded and aligning with Works since the national value threshold for both works and concessions is the same.
- 5.6. Additionally, the CPRs now reference the new Placement Standing Orders, which provide tailored governance for individual placements in care and education settings or those at risk of homelessness. These Standing Orders apply where larger commissioned arrangements cannot meet the needs of an individual, and include scenarios such as emergency placements, hospital discharges, and tribunal rulings. They ensure that placements are lawful, proportionate, and outcome-focused, while maintaining compliance with relevant legislation including the Children Act, Care Act, SEND Code of Practice, and Homelessness Reduction Act. Officers must follow the Placement Standing Orders when making spot placements and ensure that all decisions are recorded, reviewed, and subject to appropriate scrutiny.
- 5.7. These procedure changes simplify procurement for lower-value contracts, reduce administrative burden, and encourage fair competition. They also promote direct competition, ensure the Council remains compliant with national regulations while supporting local economic priorities.
- 5.8. A comparison of the core procedures to follow as a minimum are in Table 2. Note – a compliant framework/DPS call-off was permitted at all levels previously and is maintained as an option in the proposed CPRs.

Table 2.

Contract Type / Value Band	October 2023 CPRs	Proposed CPRs	Reason for Change
Below £5,000	One quote	One quote	No change £5,000 is the value where we must publish a record on the contracts register
£5,000 up to £30,000	3 quotes	3 proposals	Gives clarity that quality and price should inform award decisions £30,000 is the value where we must publish public notices that we have awarded a contract
Goods/Services £30,000 up to £214,904 Light Touch (e.g. social care, education) £30,000 up to £663,540 Works £30,000 up to £1 million	3 quotes up to £125k, then formal tender	3 proposals (including 1 local company), or open tender	Encourages local suppliers and smaller companies to be able to bid The top thresholds for Goods, Service and Light Touch align with the nationally set value for when tendering must start

¹ [PPN 005: Reserving below threshold procurements - GOV.UK](https://www.gov.uk/guidance/ppn-005-reserving-below-threshold-procurements)

Contract Type / Value Band	October 2023 CPRs	Proposed CPRs	Reason for Change
Works £1m–£2.5m	Formal tender	4 proposals (including 1 local company) and receive 2 bids, or open tender	Supports more efficient procurement processes, supports smaller and local companies to bid and grow This value bracket aligns with a standard nationally accepted contract for construction (JCT Intermediate) up to the Key decision threshold
Works £2.5m–£5.37m	Formal tender	5 proposals (including 2 local companies) and receive 2 bids, or open tender	Encourages local economic growth and aligns with National Procurement Policy Statement
Above Public Procurement Thresholds	Regulation-compliant tender	Regulation-compliant tender	No change
Individual Placements	Not separately defined	Governed by Placement Standing Orders	Tailored governance for care and education placements, plus urgent homelessness provision

6. Waivers

6.1. The Proposed CPRs introduce clearer and more stringent rules around the use of waivers. Waivers allow officers to bypass certain elements of procurement procedures in exceptional circumstances. Their use must now be justified in line with procurement legislation and approved by the Section 151 Officer. This change reflects a shift toward stronger governance and accountability.

6.2. A key update is the removal of the need for waivers when making direct awards from compliant frameworks. These arrangements are already established through competitive processes and therefore do not require additional justification. Scrutiny on value for money is delivered instead through the procurement governance Gateway model if this process is recommended for use. This streamlines procurement and reduces unnecessary administrative burden.

6.3. The CPRs also clarify that waivers cannot be used retrospectively, to avoid having formally written contracts, or repeatedly for the same scope of work. Officers must demonstrate value for money and ensure that supplier performance meets expectations. All waiver requests must be documented and subject to scrutiny.

6.4. Newly Added Justifications:

- To extend a contract where the terms do not specify an extension and there is clear value for money in doing so and the law permits e.g. continuing to use a consultant for a final piece of unanticipated work on a project.
- To continue service where product compatibility issues exist e.g. the purchase of additional software licenses.
- To achieve better value for money when a competitive route fails to secure the most advantageous offer e.g. better rates can be offered outside of a framework due to its design.

- To engage with a supplier in a true monopoly or where limited supply options exist (e.g. patented goods), provided the Council did not cause the limitation.
- To apply a legal exemption not already listed in the CPRs.

6.5. Removed or Clarified Justifications:

- Direct awards from compliant frameworks no longer require a waiver.
- Retrospective waivers are explicitly prohibited.
- Waivers cannot be used due to poor planning or to avoid issuing a written contract.
- Repeated waiver usage for the same scope (e.g. retaining a supplier beyond contract end or increasing payments beyond tendered price) is not permitted and will be investigated.

6.6. These changes ensure that waivers are used appropriately and only when genuinely necessary. They protect the Council from legal and financial risk, promote fair competition, and uphold procurement integrity. In conjunction with the new allowances in procurement procedures, the revisions aim to reduce reliance on waivers and create efficient opportunities for faster compliant competitive routes to be used instead.

7. **Contract Formation and Risk Management**

7.1. The Proposed CPRs reinforce and clarify expectations around contract formation and risk management, many of which were already present in the October 2023 version. Officers are still required to ensure all contracts are in writing, with Purchase Orders permitted for contracts below £5,000. For contracts above this threshold, a formal written agreement remains mandatory. These are maintained standards, not new additions, and recognise the work the Legal Service has undertaken with the development of standard terms and self-service contract models.

7.2. Officers must continue to use the contract templates that have been approved by Legal Services. What has changed is the emphasis on ensuring these steps are followed consistently and with appropriate scrutiny. Clarity has been included that contracts must be signed or sealed before any purchase order is raised.

7.3. The Proposed CPRs also introduce clearer guidance on the use of indemnities, bonds, and guarantees without creating restrictions around what works best in practice and is affordable. Officers must assess financial and operational risks and include appropriate protections in the contract, and Legal and Financial Services must be consulted where necessary.

7.4. Additionally, the CPRs mandate the inclusion of Key Performance Indicators (KPIs) in all contracts – this is to align with expectations in the Procurement Act 2023 and promote good financial and commercial management by officers. At a minimum, contracts must include KPIs for “on-time and in-full” delivery and “on budget” performance. This ensures accountability and avoid the Council paying for substandard delivery.

7.5. These changes ensure that contracts are properly formed, risks are managed, and supplier performance is monitored. They protect the Council from financial and legal exposure and support the delivery of value for money.

8. **Record Keeping and Transparency**

8.1. The Proposed CPRs maintain and expand expectations around record keeping and transparency. Officers are still required to retain procurement documentation in accordance with the Council’s document retention policy. These requirements were

present in the October 2023 CPRs and have been updated to reflect all contexts the Council may experience.

- 8.2. In addition, the Proposed CPRs highlight the new centralised Document Centre to be used for retaining these records. This SharePoint site allows automatic application of retention periods, enables more efficient audit of procurements, supports collaboration, and governs record management. It was introduced as part of the Annual Governance Assurance recommendation this year.
- 8.3. Other new content in the Proposed CPRs include a strengthened requirement for conflict-of-interest checks throughout the entire contract lifecycle, aligning to Procurement Act 2023 requirements. Officers must now conduct and document these checks at every stage of decision-making, including procurement planning, evaluation, award, and contract management. This ensures impartiality and protects the Council from reputational and legal risk.
- 8.4. These changes reinforce the Council's commitment to transparency, accountability, and good governance. They ensure that procurement records are complete, accessible, and auditable, and that conflicts of interest are proactively managed.

9. Grants

- 9.1. The Proposed CPRs retain the core principles from the October 2023 version regarding grants and exclusions but offer clearer guidance on their application. Grants are still not treated as contracts unless they include substantial conditions.
- 9.2. A key clarification is that when the Council receives a grant from an external body, it must follow any conditions attached to that funding, even if those conditions require a more competitive process than the CPRs typically mandate. This ensures that the Council remains compliant with external expectations and avoids risk of fund recovery if conditions were not complied with.
- 9.3. The CPRs also reinforce that when the Council issues grants to third parties, officers must follow internal guidance and apply the principles of transparency and fairness. This includes ensuring that the grant is used for its intended purpose and that outcomes are monitored.

10. Contribution to Strategic Aims

- 10.1. The Proposed revision of the CPRs represents a comprehensive update that balances continuity with necessary reform. While many foundational principles—such as the requirement for written contracts, use of approved templates, and retention protocols—have been maintained, the revised CPRs introduce targeted clarifications and governance improvements that respond to feedback from officers who must follow these rules, plus legislative change and strategic priorities.
- 10.2. Key changes reflect a pragmatic shift toward flexibility and value for money, enabling the Council to be modern in its commercial activities when procuring. Decision making is shared amongst roles holding accountability in the Financial Regulations to ensure scrutiny and efficiency. Introducing the Placement Standing Orders provides tailored governance for individual care and education placements, ensuring statutory duties are met without compromising procurement integrity.
- 10.3. Several procedural details have been relocated to the Procurement Manual to streamline the CPRs and distinguish between strategic rules and operational guidance. Officers are expected to refer to the Manual for day-to-day processes, templates, and workflows.
- 10.4. Overall, the revised CPRs offer a more accessible, accountable, and responsive framework for procurement across the Council. They support compliance, encourage

local and small organisation participation, ensuring that procurement at the Council continues to deliver best value for residents and its budgets.

- 10.5. This draft was circulated for consultation across the Council. Review included the Section 151 Officer, Monitoring Officer, Finance colleagues, Legal colleagues, Procurement colleagues (hub and spoke), plus Senior Leadership Group (who in turn disseminated to their teams for feedback). Revisions were made where required before presenting here.
- 10.6. Of further note, the Procurement Manual as committed to in the Autumn 2023 paper is now fully published and available to any officer of the Council, although continues on as a living document. Updates are completed when it is identified the officers need new guidance on how best to make commercial decisions. Similarly, it is revised when the Council decides how to interpret Procurement Policy Notes or other Cabinet Office publications into its local context. Removed section of the previous CPRs which outlined operational requirements when procuring have been incorporated into the Manual, where relevant.
- 10.7. The recommendations in this report contribute towards the Council's priorities of:
- Secure Reading's economic and cultural success – by considering local and small medium organisations in our procedures for regulating tenders submitted to RBC.
 - Ensure Reading Borough Council is fit for the future – by reflecting the new legislation more clearly in our standing orders.
- 10.8. Through revision of the CPRs, our delivery of goods works and services towards our principles are more secure.

11. Environmental and Climate Implications

- 11.1. There are no direct environmental or climate implications arising from report, but alignment to the National Procurement Policy Statement is intended to better enable the delivery of sustainable procurement outcomes.

12. Community Engagement

- 12.1. No community engagement was undertaken in revision of CPRs or preparation of this report.

13. Equality Implications

- 13.1. There are no direct equality implications arising from the revisions of the CPRs or drafting of this report.

14. Other Relevant Considerations

- 14.1. The following considerations must also be considered considering this recommendation:
- Procedural requirements – the Council will depart from its established procedures and align to those more complementary to the legislation and recognising amends which should support diverse suppliers and small / local businesses improved opportunities to bid for Council contracts.
 - Transparency of information and freedom of information implications – the proposed CPRs support and promote the Council's requirements under the Local Government Transparency Code and its ability to report and respond to FOI requests.

15. Legal Implications

15.1. The revisions proposed to the CPRs improve alignment to obligations the Council is required to meet under law.

16. Financial Implications

16.1. There are no direct financial implications arising from report, but their implementation will strengthen the Council's financial governance framework through alignment with the Financial Regulations.

17. Timetable for Implementation

17.1. It is anticipated that, if adopted, the CPRs will come into immediate effect.

18. Background Papers

18.1. There are none.

Appendices

Draft CPRs 2026

Draft Placement Standing Orders 2026