

The provisions of the Procurement Act 2023 and The Procurement Regulations 2024 necessitate minor wording adjustments in Standing Orders (SOs) and Financial Regulations (FRs).

Councils are advised to consider adopting the full Model Standing Orders and Model Financial Regulations available on request from Northants CALC.

HOWEVER, as an alternative, the following paper details the minor wording adjustments, and some councils might find it easier to make amendments to their existing SOs and FRs, rather than starting again with brand new model documents, which require significant customisation prior to adoption. This is particularly the case if a council has adopted new SOs and/or FRs in the past year or two.

Section 18 of the 2022 Model Standing Orders was (words being changed in the 2025 Model Standing Orders are highlighted in red):

18. FINANCIAL CONTROLS AND PROCUREMENT

- a. The Council shall consider and approve financial regulations drawn up by the Responsible Financial Officer, which shall include detailed arrangements in respect of the following:
 - i. the keeping of accounting records and systems of internal controls;
 - ii. the assessment and management of financial risks faced by the Council;
 - iii. the work of the independent internal auditor in accordance with proper practices and the receipt of regular reports from the internal auditor, which shall be required at least annually;
 - iv. the inspection and copying by councillors and local electors of the Council's accounts and/or orders of payments; and
 - v. whether contracts with an estimated value below **£25,000** due to special circumstances are exempt from a tendering process or procurement exercise.
- b. Financial regulations shall be reviewed regularly and at least annually for fitness of purpose.
- c. **A public contract regulated by the Public Contracts Regulations 2015 with an estimated value in excess of £25,000 but less than the relevant thresholds referred to in standing order 18(f) is subject to the "light touch" arrangements under Regulations 109-114 of the Public Contracts Regulations 2015 unless it proposes to use an existing list of approved suppliers (framework agreement).**
- d. Subject to additional requirements in the financial regulations of the Council, the tender process for contracts for the supply of goods, materials, services or the execution of works shall include, as a minimum, the following steps:

- i. a specification for the goods, materials, services or the execution of works shall be drawn up;
 - ii. an invitation to tender shall be drawn up to confirm (i) the Council's specification (ii) the time, date and address for the submission of tenders (iii) the date of the Council's written response to the tender and (iv) the prohibition on prospective contractors contacting councillors or staff to encourage or support their tender outside the prescribed process;
 - iii. the invitation to tender shall be advertised in a local newspaper and in any other manner that is appropriate;
 - iv. tenders are to be submitted in writing in a sealed marked envelope addressed to the Proper Officer;
 - v. tenders shall be opened by the Proper Officer in the presence of at least one councillor after the deadline for submission of tenders has passed;
 - vi. tenders are to be reported to and considered by the appropriate meeting of the Council or a committee or sub-committee with delegated responsibility.
 - e. Neither the Council, nor a committee or a sub-committee with delegated responsibility for considering tenders, is bound to accept the lowest value tender.
 - f. Where the value of a contract is likely to exceed the threshold specified by the Office of Government Commerce from time to time, the Council must consider whether the Public Contracts Regulations 2015 or the Utilities Contracts Regulations 2016 apply to the contract and, if either of those Regulations apply, the Council must comply with procurement rules. NALC's procurement guidance contains further details.
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Therefore, Section 18 in the 2025 Model Standing Orders is:

18. FINANCIAL CONTROLS AND PROCUREMENT

- a. The Council shall consider and approve financial regulations drawn up by the Responsible Financial Officer, which shall include detailed arrangements in respect of the following:
 - i. the keeping of accounting records and systems of internal controls;
 - ii. the assessment and management of financial risks faced by the Council;
 - iii. the work of the independent internal auditor in accordance with proper practices and the receipt of regular reports from the internal auditor, which shall be required at least annually;
 - iv. the inspection and copying by councillors and local electors of the Council's accounts and/or orders of payments; and

- v. whether contracts with an estimated value below [£60,000] due to special circumstances are exempt from a tendering process or procurement exercise.
 - b. Financial regulations shall be reviewed regularly and at least annually for fitness of purpose.
 - c. Subject to additional requirements in the financial regulations of the Council, the tender process for contracts for the supply of goods, materials, services or the execution of works shall include, as a minimum, the following steps:
 - i. a specification for the goods, materials, services or the execution of works shall be drawn up;
 - ii. an invitation to tender shall be drawn up to confirm (i) the Council's specification (ii) the time, date and address for the submission of tenders (iii) the date of the Council's written response to the tender and (iv) the prohibition on prospective contractors contacting councillors or staff to encourage or support their tender outside the prescribed process;
 - iii. tenders are to be submitted in writing in a sealed marked envelope addressed to the Proper Officer;
 - iv. tenders shall be opened by the Proper Officer in the presence of at least one councillor after the deadline for submission of tenders has passed;
 - v. tenders are to be reported to and considered by the appropriate meeting of the Council or a committee or sub-committee with delegated responsibility.
 - d. Neither the Council, nor a committee or a sub-committee with delegated responsibility for considering tenders, is bound to accept the lowest value tender.
 - e. **Where the value of a contract is likely to exceed the threshold specified by the Government from time to time, the Council must consider whether the contract is subject to the requirements of the current procurement legislation and, if so, the Council must comply with procurement rules. NALC's procurement guidance contains further details.**
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The National Association of Local Councils (NALC) has taken the opportunity to also amend Section 14 of the Model Standing Orders, which refers to Code of Conduct complaints.

Section 14 of the 2022 Model Standing Orders was (words being changed in the 2025 Model Standing Orders are highlighted in red):

14. CODE OF CONDUCT COMPLAINTS

- a. Upon notification by the District or Unitary Council that it is dealing with a complaint

that a councillor or non-councillor with voting rights has breached the Council's code of conduct, the Proper Officer shall, subject to standing order 11, report this to the Council.

- b Where the notification in standing order 14(a) relates to a complaint made by the Proper Officer, the Proper Officer shall notify the Chair of Council of this fact, and the Chair shall nominate another staff member to assume the duties of the Proper Officer in relation to the complaint until it has been determined and the Council has agreed what action, if any, to take in accordance with standing order 14(d).
- c The Council may:
 - i. provide information or evidence where such disclosure is necessary to investigate the complaint or is a legal requirement;
 - ii. seek information relevant to the complaint from the person or body with statutory responsibility for investigation of the matter;
- d **Upon notification by the District or Unitary Council that a councillor or non-councillor with voting rights has breached the Council's code of conduct, the Council shall consider what, if any, action to take against him. Such action excludes disqualification or suspension from office.**

Therefore, Section 14 in the 2025 Model Standing Orders is:

14. CODE OF CONDUCT COMPLAINTS

- a **Upon notification by the Principal Council that a councillor or non-councillor with voting rights has breached the Council's code of conduct, the Council shall consider what, if any, action to take against them. Such action excludes disqualification or suspension from office.**

In the Model Financial Regulations, there are changes to Section 5:

5. Procurement

5.4. **For a contract for the supply of goods, services or works where the estimated value will exceed the thresholds set by Parliament, the full requirements of **The Public Contracts Regulations 2015** or any superseding legislation ("the Legislation"), must be followed in respect of the tendering, award and notification of that contract.**

Is replaced by

5.4. For a contract for the supply of goods, services or works where the estimated value will exceed the thresholds set by Parliament, the full requirements of The Procurement Act 2023 and The Procurement Regulations 2024 or any superseding legislation (“the Legislation”), must be followed in respect of the tendering, award and notification of that contract.

5.7. For contracts estimated to be over £30,000 including VAT, the council must comply with any requirements of the Legislation regarding the **advertising of contract opportunities and the publication of notices about the award of contracts.**

Is replaced by

5.7. For contracts estimated to be over £30,000 including VAT, the council must comply with any requirements of the Legislation regarding the publication of invitations and notices.

and

5.11. Contracts must not be split **into smaller lots to avoid compliance with these rules.**

Is replaced by

5.11. Contracts must not be split to avoid compliance with these rules.

It is recommended that the council approves the above minor wording adjustments in the Standing Orders (SOs) and Financial Regulations (FRs).