

Report

Report to:	Lanarkshire Valuation Joint Board
Date of Meeting:	27 June 2022
Report by:	Clerk to the Lanarkshire Valuation Joint Board

Subject:	Adoption of Standing Orders on Procedures, Financial Regulations, Standing Orders on Contracts, Scheme of Delegation and Terms of Reference
----------	--

1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ request approval of the Board's revised:-
 - ◆ Standing Orders on Procedures
 - ◆ Standing Orders on Contracts
 - ◆ Scheme of Delegation
 - ◆ Financial Regulations
 - ◆ Terms of Reference for the Appeals and Grievance and Disputes Panels

2. Recommendation(s)

2.1. The Board is asked to approve the following recommendation(s):-

- (1) that the Standing Orders on Procedures, Financial Regulations, Standing Orders on Contracts, Scheme of Delegation and Terms of Reference for the Appeals and Grievance and Disputes Panels, as detailed in the supporting documentation pack, be approved.

3. Background

3.1. The Valuation Joint Boards (Scotland) Order 1995 established 10 Valuation Joint Boards throughout Scotland, including the Lanarkshire Valuation Joint Board (LVJB), and set out the constitution and proceedings for the Boards. Paragraph 5(5)(a) of Schedule 2 of the Valuation Joint Boards (Scotland) Order 1995 authorised the Board to adopt Standing Orders to assist it to carry out and regulate its functions.

4. Procedural Documentation and Terms of Reference

4.1. A separately circulated procedures document pack contains the proposed supporting documentation which will govern the operation of the Board going forward, namely the Standing Orders on Procedures, Standing Orders on Contracts, Scheme of Delegation and Financial Regulations.

4.2. The Lanarkshire Valuation Joint Board also has in place Panels which deal with disciplinary appeals and grievances respectively and the Terms of Reference for those Panels are also contained in the supporting documentation pack.

- 4.3. In line with normal practice, those documents have been reviewed by officers and are now presented for approval by the Board. In terms of the review, amendments have been made to reflect actual practice, organisational and operational arrangements, terminology and legislative changes and requirements.
- 4.4. Following the review, no changes are proposed to the Scheme of Delegation or Terms of Reference for the Appeals and Grievance and Disputes Panels. Summaries of the proposed changes to the remaining documents are attached as follows:-
- ◆ Standing Orders on Procedures – appendix 1
 - ◆ Standing Orders on Contracts – appendix 2
 - ◆ Financial Regulations – appendix 3

5. Employee Implications

- 5.1. None

6. Financial Implications

- 6.1. None

7. Climate Change, Sustainability and Environmental Implications

- 7.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

8. Other Implications

- 8.1. There are no implications for risk in terms of the information contained within this report.

9. Equality Impact Assessment and Consultation Arrangements

- 9.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.
- 9.2. Consultation has taken place with the Assessor and Electoral Registration Officer on the proposals and documentation presented in this report.

Cleland Sneddon
Clerk to the Board

17 June 2022

Previous References

- ◆ None

List of Background Papers

- ◆ Standing Orders on Procedures
- ◆ Financial Regulations
- ◆ Standing Orders on Contracts
- ◆ Scheme of Delegation
- ◆ Terms of Reference for Associated Panels

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Stuart McLeod, Administration Officer

Ext: 4815 (Tel: 01698 454815)

E-mail: stuart.mcleod@southlanarkshire.gov.uk

Summary of Changes to the Standing Orders on Procedures

Appendix 1

Standing Order	Summary of Proposed Change
4 (a)	<p>Amended to:-</p> <ul style="list-style-type: none"> ◆ state that details on how to access virtual/hybrid meetings would be provided on the Lead Authority's website ◆ reflect that every Board member and substitute member must be sent an electronic summons
4 (e)	<p>Amended to state that:-</p> <ul style="list-style-type: none"> ◆ members of the public and press can get electronic copies of the agenda for Board meetings ◆ subject to any Government guidelines/restrictions or safe systems of work, hard copies will be available to view at the offices in Almada Street, Hamilton
8 (e)	<p>Amended to state that no unauthorised sound, film, videotape, digital or photographic recording of the proceedings of any meeting shall be made.</p>
10	<p>Amended to state that:-</p> <ul style="list-style-type: none"> ◆ Members present at meetings shared the responsibility for the proper and expeditious discharge of business and the role of the Convener required to be supported and respected ◆ the Clerk, on the instructions of the Convener, will mute any attendee who does not cease speaking when the Convener speaks ◆ the Convener must ensure the proper and timely conduct of the meeting which can sometimes mean expediting the business and reaching a decision on the fairness and sufficiency of debate ◆ if the Convener raises both hands simultaneously, this shall have the effect of adjourning the meeting

Standing Order	Summary of Proposed Change
14 (b)	<p>Amended to include additional courses of action open to the Convener in the event of persistent misconduct of a member including:-</p> <ul style="list-style-type: none"> ◆ directing the member to refrain from speaking during the remainder of the debate ◆ adjourning the meeting for such period as seems expedient to the Convener ◆ in the event of general disturbance which in the opinion of the Convener renders the due and orderly despatch of business impossible, the Convener may, in addition to any other power vested in him/her, without the question being put, suspend the meeting for such period of time that he/she considers expedient
18 (f)	Amended to include that motions or amendments that are not seconded will not be discussed.
21 (a)	Amended to include the use of the electronic voting system as a method of voting.

Summary of Changes to the Standing Orders on Contracts

Appendix 2

Standing Order	Summary of Proposed Change
Terminology	Amend reference to Sourcing Methodology to Sourcing Strategy.
	Update all references to Data Protection Act 1998 to new Data Protection Laws.
	Amend definition of Higher Value Thresholds to remove details of amounts.
	Update all references to EC Treaty Principles to General Principles.
	Update all references to an EU Regulated Procurement to a Higher Value Regulated Procurement.
2. General	
2.1 Extent	Amend extent to apply to all Joint Board contracts (as appropriate) including but not limited to the award of contracts, the establishment of Framework Agreements, a DPS or an arrangement established in terms of the light touch regime and the award of Call Off Contracts.
2.3 Form of contract and Scots Law	Amend to remove requirement for the provision of SO 2.3(a) where:- <ul style="list-style-type: none"> the estimated value of a contract is less than £50,0000 Call Off contracts irrespective of value which will be subject to the law of English Courts where they do not allow for a change in the applicable law and legal jurisdiction
2.4a Calculation of Contract Values	Amend to include:- <ul style="list-style-type: none"> For the purposes of determining whether the European Procurement Rules apply to the procurement exercise VAT (if payable) must be included when calculating the estimated value For the purposes of determining whether the Reform Act applies to the procurement exercise the estimated value should be calculated exclusive of VAT
2.4e Mixed Procurements	New provision setting out rules for determining value of contract for services/social and other specific services.

2.4 (f) Franchises/ Concessions	Amend to include reference to concessions.
3. Exempt and Partially Exempt Contracts	
3.1 and 3.2	Amend to increase financial threshold from £2,500 to £5,000. This is consistent with financial limits adopted by the Lead Authority and other Local Authorities and it is expected to increase compliance within the Board due to increased efficiency in procurement processes. The increase will be accompanied by process (See SO3.1 (d) and (e) below).
3.1 (c)	Amend to include reference to the i-procurement system and new provision that the official purchase order and i-procurement system do not need to be used if exempted by the Lead Authority's Certified Payment Policy.
3.1 (d)	New provision requiring a minimum of 3 quotes including one from an SME having their place of business within local government area of North and/or South Lanarkshire. Place of business does not require it to be their registered or principal office.
3.1(e)	New provision requiring the keeping of records of the process.
3.2(a)	Amend to:- <ul style="list-style-type: none"> • increase upper financial threshold at which quotation procedure (Quick Quote) may be used for works contracts from £50,000 to £2million • clarify SOs requirements that apply
3.2(b)	Amend to increase minimum of quotes/bids from SMEs having their place of business within local government area of North and/or South Lanarkshire from 1 in 3 to 4 in 5 (if such SMEs are available) and place of business for a SME does not require it to be their registered or principal office.

3.2(c)	Delete reference to the requirement for contracts referred to at SO 3.2(a) and (b) being recorded in a Register of Tenders kept and maintained by the Assessor as requirement only applies to contracts where value exceeds £50,000.
3.2 (d)	New provision to ensure that the persons invited to submit quotations are selected on a fair, transparent and non-discriminatory basis, and in a manner at all times compliant with the General Principles using a selection process approved by the Legal Advisor.
3.3 Conditions of Funding	Delete requirement to record details of contracts awarded via SO3.3 in the Register of Tenders.
3.7	Amend to clarify the SOs requirements that apply where contract awarded on the basis of the 'Teckal' or 'Hamburg' exemptions.
4. Pre-Tender Requirements	
4.2 Contract Reference Number	New to include requirement to obtain contract reference number for all contracts where value exceeds £50,000.
4.5.2 Award Criteria	Amend to clarify when works contracts can be awarded on basis of lowest price.
4.7 (c)	Amend to include reference to obtaining preliminary advice and to the requirement to ensure all prior engagement is disclosed in the tender documents issued for the procurement process.
4.13 (c)	Amend to include provision that, in complying with the Sustainable Procurement Duty, the Assessor will so far as possible within the law encourage fair work practices and payment of the living wage and discourage use of exploitative 'zero hours' contracts.
4.14 Community Benefit Requirement	

4.14	New to clarify when and how the Community Benefit Requirement must be complied with.
5. Competition Requirement	
5.1	Amend to increase the financial threshold for works contracts to allow the procurement of works contracts where value is between £50,000 and £2million to be conducted using quick quote process.
5.3	Amend to include reference to the Find a Tender system that is used for publication of notices.
8. Negotiated Tendering Procedure – General	
8.1	Amend to clarify that this SO also applies to procurement of works where the estimated value is above £50,000 but below £2m.
8.2	Amend to require compliance with all relevant SOs.
8.4	Amend to bring reporting requirements for contracts awarded using negotiated procedure into line with all other contracts awarded.
9A Innovation Partnership	
9A.1 Board Approval	New to provide that the prior approval of the Joint Board is required to use Innovation Partnership.
9A.2 Use of Innovation Partnership	New to clarify regulations/rules/guidance that will apply if use an Innovation Partnership.

11 Framework Agreements – Internal	
11A DPS – Internal	New to include provisions that apply if a Framework Agreements is to be established by the Joint Board.
11A.1 DPS – General	Amend to include provision that a DPS can be established by the Joint Board without separate approval being required.
11A2. DPS conditions	Amend to include details that must be set out in any DPS established by the Joint Board.
11A.3 DPS – Calling Off	Amend to include provisions that must be complied with when awarding any Call Off Contract under a DPS.
11A.4 DPS – access by other contracting authorities	Amend to include provision that a Call Off Contract under a DPS established in terms of this Standing Order may only be made by those Contracting Authorities clearly identified for that purpose in the PIN/contract notice.
12. Framework Agreements – external	
12.2 & 12.3	Amend to clarify the SOs requirements that apply.
12A DPS – External	
12A.2 DPS – Conditions	Amend to specify the requirements that must be covered in the DPS to allow the Joint Board to use it to award Call off Contracts
12A.3 DPS – Procedure for Calling Off	Amend to include requirements that must be complied with when making any Call Off Contract under an external DPS.

13. Collaborations	
13.3(b) Trading Operations	Amend to identify requirements to be met if lead organisation in collaboration offers to provide service in-house as trading operation.
14. European Procurement Regulations	
14.1.2 Application – transitional procurements and EU funded programmes	Amend to clarify rules which apply post – Brexit.
14.3 Light Touch Regime	New to clarify the requirements to be met when procuring Social and Other Specific Services using the light touch regime including requirement for approval of the Assessor in consultation with the Treasurer and Legal Advisor if non-traditional procurement procedure is to be used.
15. Assurances - Tendering	
15.1(e)	New requirement for bidders to not have engaged in blacklisting activities in the employment of their staff.
15.1(h)	New requirement for bidders to comply with such other requirements as are relevant to the contract being procured.
16. Compliance with the Data Protection Laws	Amend to ensure compliance with new Data Protection Laws.

18. E-Procurement	
18.1	Amend financial limit in relation to e-procurement from £2,000 to £5,000 to be consistent with the new threshold for Quick Quote (£5,000 to £50,000).
18.2(a) (ii)	Delete requirement for physical signatures as no longer relevant given use of electronic tendering.
18.5 Opening of Procurement Documents	Amend to clarify that sequential opening must be adopted for all procurement exercises, irrespective of value, where the contract will be awarded on the basis of most economically advantageous tender.
18.7 Dynamic Purchasing System	Delete as separate approval no longer required for using DPS and included as standalone SOs provision (see SOs 11A and 12A).
Submission of pre-qualification responses/tenders (other than E-procurement) Sections 18.1 to 18.5 and 18A. 1 to 3 in previous SOs	Delete on basis all procurement exercises must be completed using e-procurement.
19. Selection of Tenderers	
19.1	Amend to clarify that SO 19 applies to all procurements where the estimated value exceeds £50,000.

20. Checking of Pre-Qualification Responses/Tenders and Reporting	
20.3 (c)	Amend to clarify that arithmetic check must be carried out all on price bids opened.
21 Acceptance of Tenders	
21.1 £200,000 and Below – Assessor	Amend to include provision for the Assessor to accept the lowest priced tender (in a price only tender for a works contract where the estimated value is less than £2million).
21.2 Over £200,000 – Assessor in Consultation with members	Amend to include provision for the Assessor to accept the lowest priced tender (in a price only tender for a works contract where the estimated value is less than £2million).
21.3	Amend to include provision for Assessor not accepting the Lowest Tender (in a price only tender for works where the estimated value is less than £2million) or where the Cost of the tender exceeds the Financial provision.
21.6 (a) (ii)	Amend to clarify no requirement to be satisfied with financial or economic standing if procuring a contract using the urgency ground of the negotiated tendering procedure in accordance with Standing Order 8.3.2.
21.7 (d)	Amend to include option for voluntary standstill period to be adopted.
21.9 Debrief	Amend to include that the Joint Board will offer all unsuccessful tenderers an opportunity for a debrief.
22. Extensions to Contracts	

22.2 Contractual Extensions	
22.2 (a) (ii)	Delete 3 year limit for contractual extension on basis period of all contractual extension approved as part of the award of the original contract.
22.2 (a) (iii)	Amend to provide consistency with SO 22.2 (b) which allows for the exercise of a contractual extension by instalments.
22.3 and 22.4 Non-Contractual Extensions	
22.3	Amend to clarify requirements that must be complied with to justify the exercise of a non-contractual extension.
25. Contract Performance Security	
25.1 General right to require security	New to clarify the Joint Boards' right to seek security i.e. parent company guarantee or performance bond.
28 Contract Terms – Illegal Practices	
28.2 Remedies	Amend to clarify remedies available to the Joint Board if contract cancelled under SO28.1 as a result of illegal practices.
29. Contract Terms – Assignment	
29.1	Amend to clarify applies to assignment and subcontracting.

29.2	Amend to set out the requirements of SO that will apply to an assignation and subcontract.
37. Annual Procurement Report	
37.1	Amend to confirm annual procurement report must be prepared within 4 months of the end of the relevant financial year (if required).

Summary of Changes to the Financial Regulations**Appendix 3**

Section	Summary of Proposed Change
2. GENERAL	
2.2/2.2.1	New section added to note the action required if there is a new or changed policy that affects the Board's financial position.
2.3/2.3.1	New section added to note that the Financial Regulations should be read in conjunction with the Scheme of Delegation.
3. FINANCIAL ADMINISTRATION	
3.3.1	Wording added to note use of common supplies and services contracts of the lead authority.
3.4.1	Reference added to the relevant Standing Order.
3.4.2	Words added referring to the compliance with Standing Orders when entering contracts.
4. THE REVENUE BUDGET AND BUDGETARY CONTROL	
4.6.1	Words added to clarify the frequency of reporting.
4.11/ 4.11.1 and 4.11.2	Section added to note the action required if some of the Board's spend is Capital in nature (rather than Revenue).
6. LEGALITY OF EXPENDITURE	
6.3	Wording expanded to include other potential types of financial arrangements.
7. CONTROL OF INCOME	
7.4.1	Sentence added re the level of cash to be held in a safe, and that it should not exceed the insured amount.
7.9.2	Sentence added re the timeous passing of information to the Treasurer, in relation to any grant applications, if appropriate.

10. BANKING ARRANGEMENTS AND CHEQUES	
10.3.3	Words added to ensure security firm employees are asked to display appropriate authorisation.
11. ASSET REGISTER, TTLE DEEDS AND PROPERTY	
11.3.1	'Or leased' added to reflect the leases arrangements in place at David Dale House, Blantyre.
12. INVENTORIES	
12.2.1 / 12.2.2	'on official inventory forms' added to ensure correct documentation is used and updated regularly (12.2.2).
12.3.1 / 12.3.2	Words added to ensure the Code of Conduct for Employees is followed, and that items are recorded in line with guidelines, if removed from the premises.
12.4.2	Words added to ensure compliance with South Lanarkshire Council's recycling arrangements.
13. INSURANCE	
13.2.1	Words added to ensure that any significant changes in operation are notified to the Treasurer.
15. ORDERS FOR WORKS, GOODS AND SERVICES	
15.1.2	Specific Standing Orders inserted.
16. PAYMENT OF INVOICES	
16.1.4 (i)	Words added to ensure that any spend incurred is within the Revenue Estimates of the Board.
16.4.4	Section added to refer to a Direct Debit policy, in the event that this is required.
16.7.3	Section added relating to the authorisation process in times of remote working.
17. CONTRACTS FOR WORKS AND SERVICES	
17.8.5	Link provided in relation to contract management guidance.

18. ACCOUNTING SYSTEMS AND RECORDS	
18.3.2	Words added to refer to aggregation of duties where practicable, given the resources available.
19. INTERNAL AUDIT	
19.3.1 / 19.3.2	Wording updated to include reference to Code of Corporate Governance, the Fraud Response Plan, and the Counter Fraud, Bribery and Corruption Statement.
21. PAYMENT OF WAGES AND SALARIES	
21.1.2	Section added referring to the ability to supply information in a self-service method.
21.3.1	Words included to ensure passwords are included in electronic file submissions.
22. TRAVELLING, SUBSISTENCE ETC. ALLOWANCES	
22.3.1	Wording updated to reflect the requirement for receipts.
22.7.1	Relevant Acts added to support the submission of Members' Claims.
22.7.2 / 22.7.3	Wording updated to reflect the requirement for receipts and the requirement to be in line with any amending legislation.
23. SECURITY	
23.1.1	Standard requirement for property protection added.
23.2.1	Requirement for cash to be banked timeously, added to wording.
23.3.1	Words added to note Risk Management and General Security guidance.
23.5.3	Wording added to reflect working from home, and the security requirements/policies in place.