

Amendment to SPT Contract Standing Orders and Scheme of Delegations

Date of meeting 13 December 2024

Date of report 3 December 2024

Report by Chief Executive / Partnership Secretary

1. Object of report

To recommend the Partnership approve an amendment to the SPT Contract Standing Orders and the Scheme of Delegations as they relate to Contract approval thresholds, thus supporting improved operational business efficiency and speed of decision making.

2. Current position

The SPT Contract Standing Orders and Scheme of Delegations are key tools in SPT's governance framework, supporting robust and transparent decision making. While the tendering thresholds are determined by procurement legislation, the contract approval thresholds are local decisions determined internally.

The current contract thresholds have not been updated to reflect current day pricing since 2017. In 2022 the Contract Standing Orders were amended to give contract approval up to £200,000 to the Chief Executive and the Scheme of Delegations supporting this delegates this in layered thresholds into senior management.

Where the value of the contract exceeds £200,000, the Partnership or relevant Committee must approve the award, regardless of the outcome of the evaluation. In situations where time is of the essence, or a delay could result in service or project delivery, recourse to a Chairs Committee exists.

3. Current Proposals

The 2017 contract value adjusted for average inflation since then would now be circa £300,000, although it should be noted that construction and other specific indices would be greater.

To aid business efficiency and speed of decision making, it is proposed to amend the Contract Standing Orders, Scheme of Delegations and relevant Partnership or relevant Committee approval thresholds as follows:

- where the value of the contract exceeds £200,000 and is less than £400,000, the Chief Executive after consulting the Director of Finance can approve the award of contract; and
- where the value of the contract exceeds £400,000, the Partnership or relevant Committee must approve the award of contract. Where a delay in contract award would adversely affect the project program or service delivery, approval may be sought via a Chair(s) Committee as already allowed for.

Increasing the approval level to £400,000 would allow for a degree of inflation proofing over the next few years.

To put this into context, since 2022 a total of 14 non-bus contracts (from an overall total of 21) would still require to be approved by an appropriate Committee or the Partnership. In terms of local bus / MyBus contracts, this would mean that 35 (from a total of 74) contracts would still require to be approved by the Operations Committee.

Conditions for approval would remain the same in that a full evaluation and only on the basis of a previously approved budget exists.

In addition, it is proposed that a full contract register report is provided to each Audit & Standards Committee for consideration, thus ensuring that the Partnership can be assured an effective level of scrutiny is exercised over decision making.

If approved, these recommendations will automatically flow through amendments in the Scheme of Delegations Recommendations and Committee Terms of Reference.

4. Partnership action

The Partnership is recommended to:

- (i) approve the revised contract threshold as outlined in section 3 of the report;
- (ii) approve that the Audit & Standards Committee will receive a contract award report at each meeting to promote a level of scrutiny; and
- (iii) approve that the decision is implemented into other under related governance documents.

5. Consequences

Policy consequences	<i>None</i>
Legal consequences	<i>None</i>
Financial consequences	<i>None</i>
Personnel consequences	<i>None</i>
Equalities consequences	<i>None</i>
Risk consequences	<i>None</i>
Climate Change, Adaptation & Carbon consequences	<i>None</i>

Name Lesley Aird
Title **Director of Finance & Corporate Support**

Name Valerie Davidson
Title **Chief Executive**

For further information, please contact *Valerie Davidson, Chief Executive* at Valerie.Davidson@spt.co.uk