



Title of report: Exemptions from Contract Procedure Rules – 1 April 2024 to 31 March 2025

Meeting: Audit and Governance Committee

Meeting date: Tuesday 10 June 2025

Report by: Director of Finance

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose

To provide an update on the number of exemptions (waivers) to Contact Procedure Rules (CPRs) which have been granted for the period 1 April 2024 to 31 March 2025 and provide a baseline for future monitoring.

To provide assurance to Audit & Governance Committee that Contracts are awarded in line with CPRs wherever possible, and exemptions are only granted where there is a sound rationale for approval.

Recommendation(s)

That the committee:

- a) Notes the number of exemptions from CPRs for the financial year 2024/25; and**
- b) Notes the annual reporting frequency, of exemptions to the CPRs, to this committee going forward.**

Alternative options

1. The CPRs at section 1.5 of Appendix 2 states that the Deputy S151 Officer is responsible for preparing an annual report on exemptions recorded for the Solicitor to the Council. The council could decide not to report this information to the Audit and Governance committee. This is not

recommended as this report provides valuable assurance to Audit & Governance Committee in respect of compliance with the CPRs.

Key considerations

2. The council's CPRs provide the policy for procurement activity across the council, setting out how contracts for goods, works, services, concessions and utilities should be put in place and managed, and detailing the record keeping and reporting requirements related to procurement activity.
3. The CPRs at section 4.6.105 to 4.6.110 sets out the circumstances for which an exemption may be granted and that exemptions to the CPRs is only to be used in exceptional circumstances.
4. An exemption to the CPRs form must be completed by the authorised officer/ contract manager seeking the exemption.
5. Exemptions must be approved in writing by the relevant Director or Service Director or the Chief Executive, in consultation with the S151 Officer and the Monitoring Officer and then sent to Commercial services who keep a comprehensive record of exemptions on the exemption register.
6. There will always be some requests for exemptions from CPRs as not all contracts can be let through a formal tendering or quotation process for various reasons. An example is where the nature of the supplies, works or services are of a unique or specialised nature and so renders only one or two sources of supply appropriate.
7. The following table outlines the number of exemptions approved during the financial year 1 April 2024 to 31 March 2025 and the number of contracts which commenced during the same period. Appendix 1 to this report lists the approved exemption requests and the reason they were supported during the period.
8. A total of 5 exemptions were approved in accordance with the CPRs in the year ended 31 March 2025.

Period	No of approved exemptions	No of contracts which commenced during the period*
Q1 April 2024 to June 2024	1	126
Q2 July 2024 to September 2024	3	139
Q3 October 2024 to December 2024	1	96
Q4 January 2025 to March 2025	0	56
Total	5	417

*source: Council Contracts Register

9. This will provide a baseline for monitoring and reporting to Audit and Governance Committee going forward.
10. Commercial and legal services work with council departments to ensure exemptions only come forward when there is no alternative. Wherever possible alternative solutions are found that do not require an exemption.

Community impact

11. In accordance with the adopted code of corporate governance, the council must ensure that it has an effective performance management system that facilitates effective and efficient delivery of planned services. Effective financial management, risk management and internal control are important components of this performance management system.

12. To ensure clear and transparent processes are in place to govern how resources of the council are effectively managed and supports the Herefordshire Council Plan objectives to manage finances effectively and to demonstrate one of the council's values, namely, to be open, transparent and accountable.

Environmental Impact

13. The council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
14. Whilst this is a factual update and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the Council's Environmental Policy.

Equality duty

15. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.
16. The mandatory equality impact screening checklist has been completed for this activity, and it has been found to have low impact for equality. Due to the potential impact of this activity being low, a full Equality Impact Assessment is not required.

Resource implications

17. There are no specific resource implications for this report.

Legal implications

18. The annual report reflects any statutory or constitutional requirements.

Risk management

19. The relevant risks identified below will be managed at a service level and added to the service risk register.

Risk/opportunity	Mitigation
There is a risk that officers do not follow the exemption process as set out in the CPRs and contracts are let outside of the rules.	The CPRs and Contracting Toolkit are available on the intranet. Regular communication goes out via the CE briefing to remind staff of the resources available to support the procurement and contract monitoring activity. Procurement and contract management training is available to all staff.
Lack of robust central oversight may lead to inconsistencies in how exemptions are recorded or applied across service areas.	Ongoing central monitoring by the Commercial Services Team combined with reporting to Audit and Governance Committee will support consistent application and governance of exemptions.

Consultees

20. None.

Appendices

Appendix 1 – List of exemptions for period 1 April 2024 to 31 March 2025.

Background papers

None identified

Report Reviewers Used for appraising this report:

Governance	Jen Preece	Date 22/05/2025
Finance	Karen Morris/ Wendy Pickering/ Judith Tranmer	Date -
Legal	Sean O'Connor	Date 22/05/2025
Communications	Luenne Featherstone	Date 21/05/2025
Equality Duty	Harriet Yellin	Date -
Procurement	Carrie Christopher	Date -
Risk	Paige McInerney	Date -
Approved by	Rachael Sanders	Date 02/06/2025