

PROCUREMENT THRESHOLDS

1 PROCUREMENT PROCESSES

Capitalised terms used in this document shall have the meanings given to them in the Council's Constitution.

The following thresholds apply to the procurement of all Relevant Contracts:

Total value	Type of contract	Procedure to be used
Under £30,000 (" Small Procurement Threshold ")	supplies and services	At least one written quote in advance
£30,000 to £74,999	supplies and services	At least three written quotes in advance
£75,000 to £213,477**	supplies and services	Competitively advertised tender, in accordance with advice from Procurement Services, Legal Services and Finance
Over £213,477**	supplies and services	<p>PCR Rules apply – full competitive process following advertisement in Find a Tender for supplies and non-LTR services*.</p> <p>For contracts relating to LTR services above the £663,540 (inclusive of VAT) threshold, certain mandatory requirements will apply under PCR. For contracts falling below £663,540 (inclusive of VAT) there is a presumption in favour of advertising and a competitive process</p> <p>Either of the above are to be carried out in accordance with advice from Procurement Services, Legal Services and Finance</p>

Total value	Type of contract	Procedure to be used
* For the purposes of PCR, LTR services are defined separately and PCR apply to a different degree		
** The PCR Threshold for supplies and services or relevant threshold in force at the time under the regulations. When calculating the estimated value of the contract to determine whether the PCR regulations apply, the contract value estimation shall be inclusive of VAT.		
Total value	Type of contract	Procedure to be used
Under £30,000	works	At least one written quote in advance
£30,000 to £499,999	works	At least three written quotes in advance
£500,000 to £5,336,937**	works	Competitively advertised tender in accordance with advice from Procurement Services, Legal Services and Finance
Over £5,336,937**	works	PCR apply – full competitive process with tenders following Find a Tender advertisement, and in accordance with advice from Procurement Services, Legal Services and Finance
** PCR Threshold for works or relevant threshold in force at the time under the regulations. When calculating the estimated value of the contract to determine whether the PCR regulations apply, the contract value estimation shall be inclusive of VAT.		

When applying the thresholds in the table above, contract values should be calculated on the basis of the whole life of the contract and should **include VAT**. No deduction should be made for any available VAT recovery and the standard rate of VAT (currently 20%) should be used.

When advertising a contract, and for contract award notices, the estimated contract value should be provided **exclusive of VAT**.

2 KEY DECISIONS

The following Key Decision thresholds apply:

Approver	Financial Threshold	Conditions
As set out in the Scheme of Delegations	Revenue expenditure/savings with financial implications of up to £500,000	
Chief Executive or Executive Director	Revenue expenditure/savings with financial implications of £500,000 or more – Key Decision	<p>Must consider a written report setting out the justification for the decision.</p> <p>Must consult the relevant Cabinet Member, or in their absence, the Leader, about the decision.</p> <p>Decision should be published on the Council’s website in accordance with the Access to Information Procedure Rules and circulated to the relevant Overview and Scrutiny Committee.</p>
As set out in the Scheme of Delegations	Capital expenditure/savings with financial implications of up to £1m	

Chief Executive or Executive Director	Capital expenditure/savings with financial implications of £1m or more – Key Decision	<p>Must consider a written report setting out the justification for the decision.</p> <p>Must consult the relevant Cabinet Member, or in their absence, the Leader, about the decision.</p> <p>Decision should be published on the Council's website in accordance with the Access to Information Procedure Rules and circulated to the relevant Overview and Scrutiny Committee.</p>
---------------------------------------	--	---

For revenue expenditure, the Key Decision Threshold is £500,000.

For capital expenditure, the Key Decision Threshold is £1m.

A decision will also be a Key Decision where it is likely to be significant in terms of its effect on communities living or working in an area comprising two or more electoral wards in the area of the Council.

3 AUTHORISATIONS AND APPROVALS

PROCUREMENT

The approvals in the table below apply to any proposal to:

- (a) proceed to tender
- (b) award a contract
- (c) waive any part of the Contract Procedure Rules
- (d) extend a contract

Approver	Financial Threshold	Conditions
Cabinet or Cabinet Member with delegated authority ("Delegated Cabinet Member")	Contracts with a value above £750,000 ("Cabinet Approval Threshold")	
Executive Member in conjunction with the Cabinet Member holding the relevant portfolio, or a person nominated by them	Contracts with a value up to £350,000	
Executive Member in conjunction with the Cabinet Member holding the relevant portfolio	Contracts with a value up to £750,000	Not to be exercised by their delegate
Executive Director, or a person nominated by them	Contracts with a value up to £350,000	
Executive Director	Contracts with a value up to £500,000	Not to be exercised by their delegate

Assistant Director	Contracts with a value up to £350,000	Not to be exercised by their delegate
Executive Director or Assistant Director	N/A	<ul style="list-style-type: none"> Delegated Cabinet Member has been consulted by means of a written report the written report sets out the nature of the contract, the tenders received and a recommendation as to the course of action proposed Delegated Cabinet Member has signified in writing his/her approval to the recommended course of action

RESERVES

(section 2.19 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Up to and including £500,000	Director	Relevant Budget Holder
Above £500,000 but no more than £2m	Executive Director	Section 151 Officer and relevant Service Cabinet Member
Above £2m but not more than £5m	Cabinet Member for Finance	Relevant Executive Director, Section 151 Officer and relevant Service Cabinet Member
Above £5m	Cabinet	Cabinet Member for Finance, relevant Service Cabinet Member, relevant Executive Director and Section 151 Officer

VIREMENTS

(sections 3.14 and 3.15 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Up to and including £25,000 up to an aggregate of £50,000 in any financial year	Director	Relevant Budget Holder
Above £25,000 but no more than £50,000 up to an aggregate of £100,000 in any financial year	Executive Director	Section 151 Officer and relevant Service Cabinet Member(s)
Above £50,000 but no more than £100,000 up to an aggregate of £250,000 in any financial year	Cabinet Member for Finance	Relevant Executive Director(s), Section 151 Officer and relevant Service Cabinet Member(s)
Above £100,000 up to an aggregated of £250,000 in any financial year	Cabinet	Cabinet Member for Finance, relevant Service Cabinet Member(s), relevant Executive Director(s), Section 151 Officer
Aggregate increase / decrease in "controllable net" budget of more than 25% or £5m	Cabinet Member for Finance	Section 151 Officer

(section 3.48 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Up to and including £25,000	Director	Relevant Budget Holder
Above £25,000 but no more than £50,000	Executive Director	Section 151 Officer and relevant Service Cabinet Member(s)
Above £50,000 but no more than £100,000	Cabinet Member for Finance	Relevant Executive Director(s), Section 151 Officer and relevant Service Cabinet Member(s)

Threshold	Minimum approval level	Consultation
Above £100,000	Cabinet	Cabinet Member for Finance, relevant Service Cabinet Member(s), relevant Executive Director(s), Section 151 Officer

REPROFILING OF CAPITAL EXPENDITURE

(section 3.51 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Up to and including £25,000	Director	Relevant Budget Holder, and the Section 151 Officer to ensure that there are no adverse implications on capital financing resource
Above £25,000 but no more than £50,000	Executive Director	Section 151 Officer and relevant Service Cabinet Member(s), unless the saving being utilised is more than 25% of the project or 'block' approval that it is to come from, in which case the approval in the next row in this table will apply
Above £50,000 but no more than £100,000	Cabinet Member for Finance	Relevant Executive Director(s), Section 151 Officer and relevant Service Cabinet Member(s)
Above £100,000	Cabinet	Cabinet Member for Finance, relevant Service Cabinet Member(s), relevant Executive Director(s), Section 151 Officer

CHANGES TO CAPITAL PROGRAMME

(section 3.54 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Up to £5m	Cabinet Member for Finance	Relevant Executive Director(s), Section 151 Officer and relevant Service Cabinet Member(s)
£5m and above	Cabinet	Cabinet Member for Finance, relevant Executive Director(s), Section 151 Officer and relevant Service Cabinet Member(s)

SETTLING INSURANCE CLAIMS

(section 5.17 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Up to £20,000	Claims Lead	
Above £20,000 and up to £150,000	Risk and Insurance Manager	
Above £150,000 and up to £500,000	Head of Assurance	
Above £500,000 and up to £1m	Head of Risk and Insurance	Risk and Insurance Manager
Above £1m	Section 151 Officer	Head of Risk and Insurance

PROPERTY TRANSACTIONS

(section 6.21 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Operational and surplus properties		
Up to £250,000	Head of Property	
Above £250,000 and up to £500,000	Director of Property	Head of Property
Above £500,000 and less than £2m	Executive Director Place	Director of Property and Head of Property
£2m and above but less than £5m	Cabinet Member for Property	Executive Member of Place and Cabinet Member for Finance

Threshold	Minimum approval level	Consultation
£5m and above	Cabinet	Executive Member Place, Cabinet Member for Property and Cabinet Member for Finance
Investment properties		
Up to £250,000	Section 151 Officer	Head of Property
Above £250,000 and up to £500,000	Section 151 Officer	Head of Property
Above £500,000 and less than £2m	Section 151 Officer	Cabinet Member for Finance
£2m and above but less than £5m	Cabinet Member for Finance	Leader and Section 151 Officer
£5m and above	Cabinet	Cabinet Member for Finance, Leader and Section 151 Officer

DISPOSAL OF ASSETS

(section 6.29 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Up to £250,000	Head of Service	
Above £250,000 and up to £500,000	Service Director	
Above £500,000 and less than £2m	Executive Director	Service Director and Service Cabinet Member
£2m and above but less than £5m	Cabinet Member for Finance	Executive Director and Service Cabinet Member
£5m and above	Cabinet	Cabinet Member for Finance, Service Cabinet Member, Executive Director

STOCK WRITE OFF

(section 6.35 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Up to £10,000	Budget Holder	
Above £10,000 but not more than £25,000	Director	Budget Holder

Threshold	Minimum approval level	Consultation
Above £25,000 but not more than £50,000	Executive Director	Director
Above £50,000 but not more than £100,000	Section 151 Officer	Executive Director
Above £100,000 but not more than £250,000	Service Cabinet Member	Executive Director and Section 151 Officer
Above £250,000	Cabinet Member for Finance	Service Cabinet Member and Section 151 Officer

LOANS TO THIRD PARTIES

(section 6.44 of the Finance Procedure Rules)

Type of loan	Approval
1. Season Ticket and similar loans made to employees	To be made in accordance with the 'My Employment' guidance on the Council's Intranet.
2. Monies invested with banks and other financial institutions	To be undertaken in accordance with the Council's annual Treasury Management Strategy (see sections 6.38 – 6.43 above).
3. Loans to third parties (including to subsidiaries of the Council) for the purpose of financing expenditure which, if incurred by the Council, would constitute capital expenditure	Such a loan constitutes capital expenditure by the Council (and the repayment constitutes a capital receipt) and so requires Capital Programme approval (see sections 2.31 – 2.36).
4. Loans to third parties (including to subsidiaries of the Council) for other purposes (e.g. to support cash flows)	Subject to the following approval: <ul style="list-style-type: none"> • Less than £2m - Section 151 Officer • £2m and above but less than £5m - Cabinet Member with responsibility for Finance (following consultation with the Section 151 Officer) <p>£5m and above - Cabinet (following consultation with Cabinet Member with responsibility for Finance and Section 151 Officer)</p>

DEBT WRITE OFF

(section 7.17 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Up to £10,000	Service Manager – Income and Assessments or Head of Finance and Transactional Services	
Above £10,000 but not more than £25,000	Director	Budget Holder and Service Manager – Income and Assessments or Head of Finance and Transactional Services
Above £25,000 but not more than £50,000	Executive Director	Director
Above £50,000 but not more than £100,000	Section 151 Officer	Executive Director
Above £100,000 but not more than £250,000	Service Cabinet Member	Executive Director and Section 151 Officer
Above £250,000	Cabinet Member for Finance	Section 151 Officer and Service Cabinet Member

ORDERS FOR WORK, GOODS AND SERVICES

(section 7.39 of the Finance Procedure Rules)

Level	Threshold	Minimum approval required	Allocated cost centre
L3	Above £2m	Director	As determined by the relevant Executive Director
L4	Up to £500,000	Head of Service	As determined by the relevant Director
L5	Up to £150,000	Officer with delegated authority to act on a Budget Holder's behalf	As determined by the relevant Budget Holder

AUTHORITY TO MAKE PAYMENTS

(section 7.61 of the Finance Procedure Rules)

Level	Threshold	Minimum approval required	Allocated cost centre
L1	Above £2m	Chief Executive	All
L1	Above £2m	Section 151 Officer	All

Level	Threshold	Minimum approval required	Allocated cost centre
L2	Up to £2m	Executive Director	All related to areas of responsibility
L3	Up to £1m	Director	As determined by Executive Director
L4	Up to £500,000	Head of Service	As determined by Director
L5	Up to £150,000	Officers with delegated authority to act on a Budget Holder's behalf	As determined by Budget Holder

EX-GRATIA PAYMENTS

(section 7.75 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Up to £5,000	Budget Holder	
Above £5,000 but not more than £10,000	Director	Budget Holder
Above £10,000 but not more than £50,000	Executive Director	Director
Above £50,000	Section 151 Officer	Executive Director

EMERGENCY PAYMENTS

(section 7.82 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Up to £500,000	Executive Director	Executive Director to notify the Section 151 Officer as soon as practicable after the event that the emergency payment has been made
Above £500,000 but not more than £2m	Chief Executive or Section 151 Officer	Cabinet Member for Finance
Above £2m	Cabinet Member for Finance	Chief Executive and Section 151 Officer

DELEGATION OF BUDGET TO A PARTNERSHIP

(section 8.15 of the Finance Procedure Rules)

Threshold	Minimum approval level	Consultation
Less than £250,000	Director	
£250,000 and above but not more than £500,000	Executive Director	Director
£500,000 and above but not more than £2m	Section 151 Officer	Executive Director
£2m and above but not more than £5m	Cabinet Member for Finance	Executive Director and Section 151 Officer
Above £5m	Cabinet	Section 151 Officer and Cabinet Member for Finance

DRAFT

4 OTHER

CAPITAL EXPENDITURE – DE MINIMIS

(section 2.27 of the Finance Procedure Rules)

De minimis limit	Threshold
General (to be applied where no specific limit is applicable)	£10,000
Schools' capital projects funded or supported by Formula Capital Grant	£2,000
Transport (highways) infrastructure	All transactions charged to capital
Land	All transactions charged to capital

DRAFT

5 CONTRACT FORMALITIES

Contract value	Contract formalities	Signing authority
Up to £150,000		Officer with appropriate delegated authority
Above £150,000 and in effect for more than 1 year	Order must be authorised by an Executive Director	
Above £150,000	Must be a deed	Execution as a deed
Less than £1m	Must be a deed	A person authorised to issue an order for the contracts, or The Monitoring Officer or the Section 151 Officer or someone nominated by them
Above £1m	Contracts to be in writing and must be a deed	Executive Director or Chief Executive or under the Council's common seal