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**Cabinet Member for Policing and Equalities  
Council**

**23 March 2026  
24 March 2026**

**Name of Cabinet Member:**

Cabinet Member for Policing and Equalities – Councillor AS Khan

**Director approving submission of the report:**

Director of Law, Governance and Safer Communities

**Ward(s) affected:**

None

**Title:**

**Proposed Amendments to the Constitution – Contract and Finance Procedure Rules**

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**Is this a key decision?**

No

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**Executive summary:**

The Constitutional Advisory Panel, at its meeting on 25 February 2026, considered proposed amendments to the Constitution in relation to changes to the Contract Procedure Rules, Part 3G and the Financial Procedure Rules, Part 3F.

The Advisory Panel agreed with the proposed amendments. This report seeks approval from the Cabinet Member for Policing and Equalities and Council to the proposed amendments to the Constitution.

The report also outlines minor amendments and corrections required to ensure that the Constitution is up to date.

**Recommendations:**

The Cabinet Member for Policing and Equalities is requested to:-

- 1) Recommend that Council approves the proposed amendments to the Contract Procedure Rules, Part 3G of the Constitution as detailed in Appendix A to the report and delegates authority to the Director of Law, Governance and Safer Communities to make the necessary amendments to the Constitution.
- 2) Recommend that Council approves the proposed amendments to the Financial Procedure Rules, Part 3F of the Constitution as detailed in Appendix B to the report

and delegates authority to the Director of Law, Governance and Safer Communities to make the necessary amendments to the Constitution.

Council is recommended to:-

- 1) Approve the proposed amendments to the Contract Procedure Rules (Part 3G of the Constitution) as detailed in Appendix A to the report and delegate authority to the Director of Law, Governance and Safer Communities to make the necessary amendments to the Constitution.
- 2) Approve the proposed amendments to the Financial Procedure Rules (Part 3F of the Constitution) as detailed in Appendix B to the report and delegate authority to the Director of Law, Governance and Safer Communities to make the necessary amendments to the Constitution.

**List of Appendices included:**

The following appendix is attached to the report.

Appendix A - Details of the proposed amendments to the Contract Procedure Rules (Part 3G)

Appendix B - Details of the proposed amendments to the Financial Procedure Rules (Part 3F)

**Background papers:**

N/A

**Other useful documents**

N/A

**Has it or will it be considered by Scrutiny?**

No

**Has it or will it be considered by any other Council Committee, Advisory Panel or other body?**

Yes – Constitutional Advisory Panel – 25 February 2026

**Will this report go to Council?**

Yes – 25 March 2026

## **Report title: Proposed Amendments to the Constitution**

### **1. Context**

- 1.1 The Council's Constitution sets out how the Council carries out its business and makes decisions. It is a living document and is reviewed and updated from time to time to ensure that it meets changing legislative requirements and reflects changes in practise within the Council.
- 1.2 The Constitutional Advisory Panel at its meeting on 25 February 2026 considered proposed changes to the Constitution. These were amendments to the Contracts Procedure Rules as set out in Part 3G of the Constitution and amendments to the Financial Procedure Rules as set out in Part 3F of the Constitution.

### **2. Options considered and recommended proposals**

#### **2. Contracts Procedure Rules – Part 3G**

- 2.1 The proposed amendments to the Contract Procedure Rules as set out in Appendix A are to align to the introduction of the Local Government (Exclusion of Non-Commercial Considerations) (England) Order 2026.
- 2.2 Government have introduced a new voluntary policy that permits in-scope contracting authorities such as Coventry City Council to reserve competitions for below-threshold contracts. Such reservations can be made for:
  - a) Businesses based within the local area or United Kingdom; and/or
  - b) Small and Medium-Sized Enterprises (SMEs) and/or Voluntary and Community Social Enterprises (VCSEs).
- 2.3 Previously, authorities were prevented from reserving below-threshold contracts by reference to the location of contractors as a consequence of section 17(5)(e) of the Local Government Act 1988. To bring the policy about, legislation has been made that disapplies the restriction in section 17(5)(e) of the Act, but only in specific circumstances.
- 2.4 While the policy is voluntary, when in-scope authorities do opt to use it, they must adhere to the provisions set out in the Local Government (Exclusion of Non-Commercial Considerations) (England) Order 2026 and ensure that notice requirements are followed in accordance with the Procurement Act 2023 and Procurement Regulations 2024.
- 2.5 The Order defines a 'relevant contract' as a contract that is a below-threshold contract for the supply of goods, services or works to a contracting authority, a framework or a concession contract.
- 2.6 The 'local area' (3.1(a)) is defined as the City of Coventry or the City of Coventry together with any areas of the counties bordering the City of Coventry. Where a joint procurement exercise is being undertaken with two or more Authorities, the local area is defined as the

areas of the Authorities or the areas of the Authorities together with any areas of the counties bordering the relevant Authorities.

- 2.7 'Based within' (3.1(a)) is defined by the Order as being "where that contractor is based or has established substantive business operations, not taking account of the location of the corporate ownership or control of the contractor".
- 2.8 The option to reserve competitions for below-threshold contracts should be considered on a case-by-case basis and shall be made only where sufficient market intelligence exists in order to deliver value for money through a competitive procurement exercise, and not as a way to de facto directly award contracts.
- 2.9 The proposed changes to the Contract Procedure Rules can be summarised as follows:
  - Inclusion of Reserving Competitions for Below-Threshold Contracts at Rule 20 of the Contract Procedure Rules (Part 3G).
  - In accordance with paragraph 2.8 above and new Rule 20.5 of the CPRs, Directors - in conjunction with the Head of Legal and Procurement Services - shall ensure that a Preliminary Market Engagement Notice is published and market engagement held prior to the reservation of any below-threshold contracts in the subsequent Tender Notice.
- 2.10 The Constitutional Advisory Panel agreed that all of the proposed amendments, as detailed in Appendix A, should be recommended to the Cabinet Member for Policing and Equalities for approval.

### **3. Financial Procedure Rules – Part 3F**

- 3.1. The Council periodically receives grant allocations from central government that are paid directly into the Council's bank account. In these circumstances, there is often no requirement to sign a funding agreement and, in some cases, no discretion for the Council to refuse the funding.
- 3.2. Where such grants must be accepted at pace, the current constitutional arrangements do not explicitly set out a clear approval route, creating a degree of ambiguity in what is effectively an unavoidable transaction.
- 3.3. Appendix B introduces a process within the grant income and expenditure provisions of Part 3F of the Constitution in order to address this. The amendment confirms that where:
  - 3.3.1. a grant allocation is received by the Council from central government,
  - 3.3.2. no agreement is required to be signed, and
  - 3.3.3. acceptance is not discretionary,

approval of the grant (irrespective of value) will be delegated to the Director of Finance and Resources (Section 151 Officer), or in his/her absence, the Head of Finance.

- 3.4. The amendment:

- 3.4.1. Strengthens financial governance by clearly identifying the accountable decision-maker;
- 3.4.2. Reflects the practical reality that some grants must be accepted without delay or choice; and
- 3.4.3. Retains flexibility where speed is required, while ensuring Section 151 oversight.

3.5. The change does not reduce transparency or accountability and sits alongside existing reporting and monitoring arrangements.

3.6. The Constitutional Advisory Panel agreed that all of the proposed amendments, as detailed in Appendix B, should be recommended to the Cabinet Member for Policing and Equalities for approval

#### 4. **Results of consultation undertaken**

4.1 The proposed amendments have been considered by the Constitutional Advisory Panel to which all Group Leaders were invited to attend.

#### 5. **Timetable for implementing this decision**

5.1 It is proposed that following Council approval, authority be delegated to the Director of Law, Governance and Safer Communities to make the amendments to the Contract Procedure Rules, Part 3G, and the Financial Procedure Rules, Part 3F.

#### 6. **Comments from the Director of Finance and Resources and the Director of Law, Governance and Safer Communities**

##### a. Financial Implications

There are no specific financial costs arising from the recommendations within this report. The changes proposed to contract procedure rules are a legislative change with no additional financial implications.

##### b. Legal Implications

There are no specific legal implications arising from the recommendations within this report. The proposed changes to the Contract Procedure Rules, Part 3G reflect a change in legislation.

#### 7. **Other implications**

##### a. **How will this contribute to the One Coventry Plan?**

<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>

Not applicable.

**b. How is risk being managed?**

There is no direct risk to the organisation as a result of the contents of this report.

**c. What is the impact on the organisation?**

Not applicable

**d. Equalities / EIA?**

Not applicable

**e. Implications for (or impact on) climate change and the environment?**

None

**f. Implications for partner organisations?**

None

**Report author(s):**

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Rob Amor	Deputy Head of Procurement	Law, Governance and Safer Communities	27-02-26	27-02-26
John Redfern	Corporate and Commercial Lawyer	Law, Governance and Safer Communities	02-03-26	02-03-26

<b>Names of approvers for submission:</b> (officers and members)				
Lara Knight	Governance Services Co-ordinator	Member Services	03.03.26	10.03.26
Finance: E Dewar	Head of Finance	Finance	03.03.26	03.03.26
Director: Julie Newman	Director of Law, Governance and Safer Communities	Law, Governance and Safer Communities	03.03.26	09.03.26
Councillor M Mutton	Chair of the Constitutional Advisory Panel	-	03.03.26	10.03.26
Councillor A S Khan	Cabinet Member for Policing and Equalities	-	03.03.26	12.03.26

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