

## **ADDENDUM TO THE REPORT ON BREXIT IMPACT ASSESSMENT**

The Cabinet is asked to note the following:

On page 9 of this report the figure of £209,000 is inaccurately quoted as the threshold for OJEU advertising.

The correct thresholds and further clarification on this point is as follows:

### Procurement:

- Local Authorities must comply with the European Public Contracts Directive (2014/24/EU) procurement rules.
- These are transposed into the Public Contract Regulation 2015 which is used by the UK.
- The EU directive sets out detailed procedures for the advertisement and award of contracts whose value equals or exceeds specific thresholds. Details of the thresholds, which are net of VAT, applying from 1st January 2018 are given below:
  - Supply, services and design contracts £181,302 (€221,000)
  - Works contracts £4,551,413 (€5,548,000)
  - Light Touch Regime Services £615,278 (€750,000)
- Procurement at and over the relevant OJEU value must be advertised via OJEU. Procurement less than the threshold values need to follow local procurement rules and do not need to be advertised on OJEU. The Councils local procurement rules are in the councils Constitution.
- If the UK's exit results in the UK not being part of the single market it is likely we will remain a member of the WTO (World Trade Organisation) Agreement on Government Procurement (GPA), which again focuses on Procurement over certain thresholds. There may be potential therefore for a more flexible or different procurement policy for smaller procurements, however longer-term opportunities for procurement regulations are being considered by Government.
- In the medium term though, public procurement rules are likely to remain in place as they have been implemented via UK law.