

STOP PRESS! - October 2014

Delivering Local Authority Service Transfers to Social Enterprises and Local Authority Controlled Companies - Proposed Changes to the Law Relating to Current Part B Services

From 1st April 2015 (the government's current timescale), a contract with a value of above €750,000 (c.£610,000) cannot be granted to a third party organisation, whether a mutual, social enterprise or other organisation without an open market European wide procurement process unless the:-

1. procurement was started before 1st April 2015;
2. proposed contract is a concession contract; or
3. transfer is to a local authority controlled or *Teckal* company. This could be a trading company or a philanthropic body but it must be controlled by the local authority or authorities which lets the contract (as defined in the new regulations).

Local government and its partners have a rapidly diminishing window of opportunity to deliver former Part B projects and/or concession contracts, so now is the time to make decisions to implement and implement swiftly.

Why are these changes being introduced? The Public Procurement and Concession Directives 2014 require the UK to introduce these changes and whilst the government's proposed "light touch" regime for former Part B contracts and special rules for mutuals and social enterprises will soften some of the impact, the key change is the requirement to advertise.

The above changes are just the tip of the iceberg. There will be other fundamental and detailed changes to UK procurement on 1st April 2015 and on 1st April 2016 for concessions. The trigger value for advertising concessions will be much higher but substantial contracts will be caught.

If you need expert advice on how the change will affect your projects or training for your organisation please do contact me at the address below.

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Do look at our website to see how we can assist you further, www.lcowen.co.uk