

## GMCA Audit Committee

### Report for Information

Date: 24<sup>th</sup> November 2025

Subject: Procurement Exemptions

Report of: Steve Wilson, Group Chief Finance Officer

---

### Purpose of the Report:

This report sets out statistical data explaining the extent of the use of Procurement Exemptions at GMCA as requested by the Committee.

### Recommendations:

The Committee is requested to:

1. Note the procedures that govern Procurement Exemptions at GMCA.
2. Consider the information on the usage of Exemptions over recent years.
3. Accept that current controls provide assurance that key risks are addressed.

### Key Decision:

This report does not relate to a Key Decision, as set out in the GMCA Constitution.

### Contact Officers

Sam Pickles, GMCA Head of Commercial

[picklessj@manchesterfire.gov.uk](mailto:picklessj@manchesterfire.gov.uk)

Steve Wilson, GMCA Group Chief Finance Officer

[Steve.Wilson@greatermanchester-ca.gov.uk](mailto:Steve.Wilson@greatermanchester-ca.gov.uk)

### Legal Implications and Advice:

GMCA is subject to the Procurement Act 2023, Procurement Regulations 2024, and the Procurement Contract Regulations 2015 (and related Procurement Policy Notices as

published from time to time). Provision is made for the application of exemptions the GMCA's Contract Procedure Rules (Part 6B) which comply with the relevant legislative requirements, including those set out in the Local Government Act 1972.

### **Risk Implication, including Risk Appetite:**

There are no specific risks recorded on the GMCA Corporate Risk Register relating to procurement exemptions, however the following risks are inherent in all procurement activity:

- Non-compliance with statutory requirements can result in financial penalties, legal repercussions or reputational damage.
- Failure to procure goods or services at competitive prices may lead to financial losses or not achieving the Best Value for money.

### **Financial Implications:**

No direct financial implications, beyond those risks highlighted above.

### **Equalities Implications:**

None identified

### **Carbon and Sustainability Implications:**

GMCA's policies include an approach to social value which considers maximising the social, environmental and local economic value that can be leveraged through procurement.

### **Alternative Options considered:**

None considered

### **Consultation & Communication Implications and Advice:**

None undertaken

### **List of Appendices referred to:**

Appendix A: Exemptions Code of Practice.

## Background Papers

- Internal Audit Report – Use of Procurement Waiver Exemptions, July 2019
- Internal Audit Report – Use of Procurement Waiver Exemptions Compliance, July 2024

### 1. Introduction

1. As part of GMCA's constitution, Contract Procedure Rules (GMCA's Rules) have been adopted which apply to all GMCA purchases outside the Police, Crime and Commission (separate rules apply). GMCA's Rules exist to achieve Best Value when spending public money and ensure legal compliance through fairness in allocating public contracts.
2. Part 6 section B of the GMCA's Constitution details the conditions where exceptions to the Contract and Procurement Rules may apply through the use of a waiver exemption. Waivers are generally sought when in exceptional circumstances, the need for goods and services cannot be met by a competitive process.
3. An internal audit of exemptions was conducted in 2019 and a compliance audit in 2024.
4. Audit Committee have requested this report detailing the use of exemptions at GMCA.

### 2. Exemption Rules and Procedures:

5. Wherever possible, GMCA aims to follow a competitive and transparent process to ensure value for money, regulatory compliance, transparency, and fairness. GMCA's Rules require a proportionate approach to procurement based on value:

| Value of spend<br>(GMCA/GMFRS) | Value of Spend<br>(PCC) | Procedure              |
|--------------------------------|-------------------------|------------------------|
| Under £10K                     | Under £5K               | 1 written quote        |
| Over £10K and under £50K       | Over £5K and under £50K | 3 Written Quotes       |
| Over £50K                      | Over £50K               | Full tendering process |

6. Exemptions are considered only when the standard process is not suitable and must be fully justified and documented. They exempt from constitutional rules, not legal

obligations and so are only applicable below regulated financial thresholds set annually by Cabinet Office. Any exemption can only be granted on one or more of four grounds

- **Auction:** Goods are to be bought at auction and the GMCA's best interest will be served by purchase through auction and has agreed an upper limit for bids; or
- **Single Contractor:** Only one contractor can provide the goods, services or works required and there is no reasonable alternative contractor, or
- **Urgency:** The need for the goods, services or works is so urgent that the time needed to comply with these Contract Procedure Rules would be prejudicial to the GMCA's interests, or
- **Value for Money:** There are value for money reasons justifying an exemption (a clear business case for this must be set out in the exemption application). This justification must always be met.

7. Exemptions including the justification must be detailed in writing and require approval:

- Up to £49,999.99: Director, Senior Procurement Business Partner and either Chief Fire Officer (for GMFRS specific contracts) or Treasurer.
- £50,000 and over: Director, Head of Commercial, Treasurer and Chief Fire Officer (for GMFRS specific contracts) or Chief Monitoring Officer.

### 3. Improvements to Exemption Processes:

8. A new exemption process was introduced following the 2019 Internal Audit to strengthening the need to evidence justifications and always prove Value for Money will be achieved. Further refinements were made in 2024 including:

- Improved Exemption Approval Form, requiring greater detail and enhancing ability of procurement team to challenge inappropriate applications for exemption
- Addition of Monitoring Officer to governance process providing additional rigour
- Publication of the Exemptions Code of Practice (Appendix A) giving clarity to officers on the expectations and process

- Delegations put in place to allow processes to flow when prime approvers are unavailable

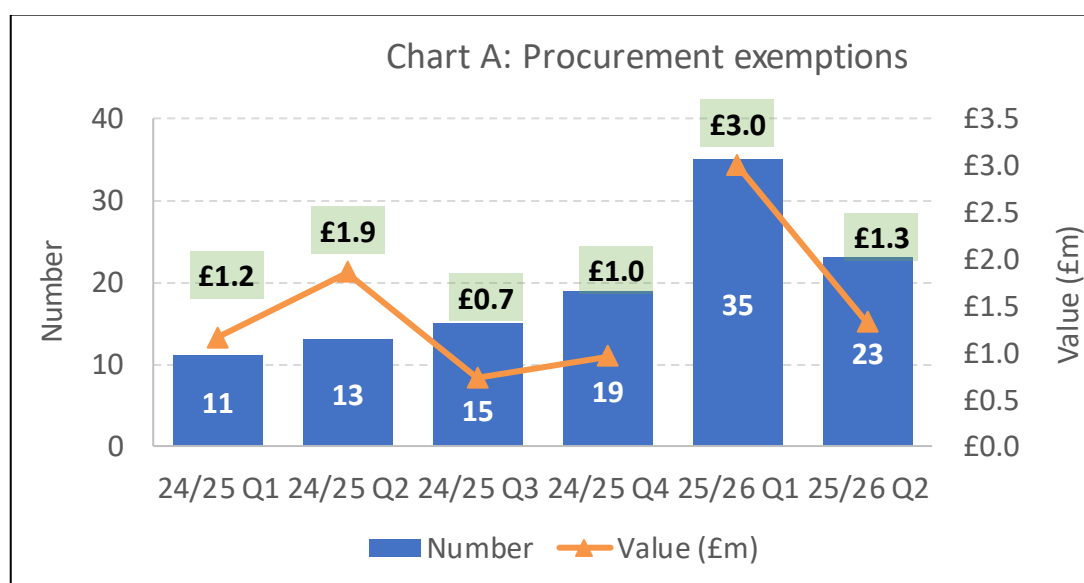
9. All exemptions are recorded on GMCAs Contract Register. The number and value of exemptions are reported to SLT as part of quarterly Corporate KPI Reporting, along with commentary on trends.

#### 4. Exemption Usage:

10. The number and value of exemptions varies with the requirements of the organisation, but the aim is always to keep use to a minimum. In the first two quarters of this financial year 58 exemptions were granted with a total value of £4.3m against £158.1m of competitively awarded contracts. Table A below shows the value of exemptions granted as a percentage of the value of all procured contracts:

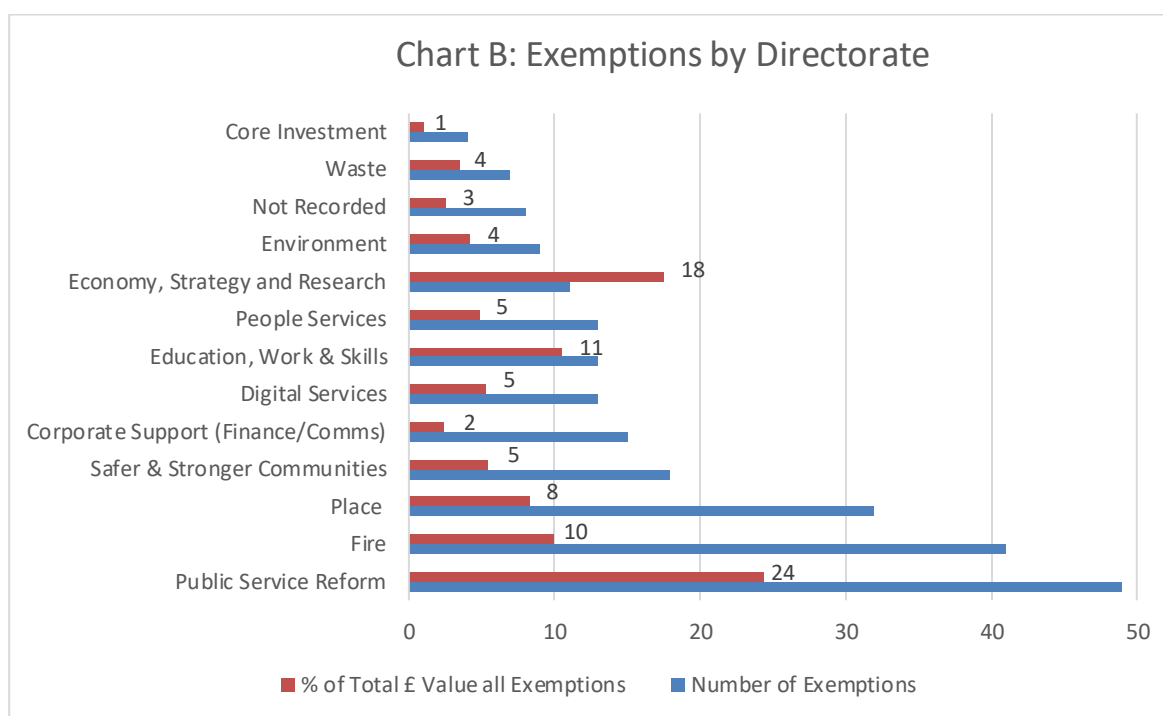
| Table A                                         | 2023/24 | 2024/25 | 2025/26 |
|-------------------------------------------------|---------|---------|---------|
| Spend via exemption vs total procured contracts | 2.3%    | 3.4%    | 2.7%    |

11. The number and total value of exemptions is shown in Chart A below. Please note that as GMCA has transitioned into Integrated Settlement, GMCA saw an uptick in Q1 2024/25 due to funding uncertainty and short timescales across several projects, whereby existing contracts have been extended or short-term solutions put in place.



12. Chart B shows the breakdown of exemptions by Directorate over the last 3 years showing both the number of exemptions approved and by percentage of the overall

total financial value of exemptions granted. The figures represent the nature of activities in each Directorate. For example, Fire has many relatively low value exemptions, mostly linked to specialist equipment or software. Whereas Economy has fewer high value exemptions granted for large packages of work. The most exemptions and the high proportion of the total value sit with Public Service Reform reflecting the need for highly specialised knowledge, the pilot nature of some programmes or contracts resulting from partnerships for external funding bids.



13. Table B below describes the justification used for exemptions over the last financial year. Whilst value for money is always sought, this is not usually sufficient justification alone. Exemptions are predominantly granted where there is only one supplier available meaning competition would not improve value or where the need is too urgent to allow time for competition to take place (usually because of timescales imposed by external funding conditions).

| Table B: Justification for Exemption | % of Exemptions Approved |
|--------------------------------------|--------------------------|
| Auction                              | 0%                       |
| Single Contractor                    | 68%                      |
| Urgency                              | 21%                      |
| Value for Money                      | 11%                      |

## **5. Conclusion**

14. GMCA has appropriate procurement policy and procedures in place, standardising the use of competitive and transparent procurements to ensure value for money, regulatory compliance, transparency, and fairness. Where this is not possible suitable controls are in place to ensure that exemptions are only granted by absolutely appropriate.