
Report to: Audit and Scrutiny Committee

Date of Meeting: 11 June 2026

Subject: Exceptions from the Application of Contract Standing Orders

Report by: Head of Corporate Services

1.0 Purpose

- 1.1. It is a requirement of Contract Standing Orders that exceptions should be reported to the next available Audit & Scrutiny Committee. The purpose of this paper therefore is to provide detail on any Exceptions to Contract Standing Orders submitted in the previous quarter.

2.0 Recommendations

- 2.1. The Committee is asked to note the report, commenting and challenging as appropriate.

3.0 Considerations

- 3.1. Contract Standing Orders (CSO's) apply to all contracts entered into by Council officers. In some circumstances however, exceptions may be granted.
- 3.2. The appropriate senior manager must record their reasons in writing in the form of an exception report for a decision, which must be submitted to the Head of Corporate Services, for consideration.

The Head of Corporate Services is required to consult with the Chief Finance Officer (S95) and Procurement Manager before taking any action that binds the Council. It is a requirement that any such exception shall be reported retrospectively in full to the next Audit & Scrutiny Committee, including the reasons that fully justify the exception. A summary of CSO exemptions will also be provided as part of the Annual Procurement report to the Audit & Scrutiny Committee.

- 3.3. **One (1)** exception has been considered since the last report in August 2025:
- 3.3.1. To permit the extension of the existing contract with MHR International UK Ltd for the provision of the iTrent HR Management System.
- Contract Period: 22 April 2026 to 21 April 2029 (3 years)
 - Total Contract Value: £526,388.75

- CSO Exemption Applied: Contract Standing Orders Section 6(3) – there is a genuinely justifiable case to use an existing contractor/supplier to maintain continuity of supply or site experience.
- Reference: 2/6/2346
- Decision: Granted based on the Council has used the iTrent HR Management System since 2013 and has made significant financial and operational investment in developing a tailored solution supporting payroll, workforce management, absence management and HR reporting across the organisation.

Procuring a replacement system would introduce substantial operational, financial and service continuity risks, particularly in relation to payroll delivery and collaboration arrangements. The extension represents best value for money and ensures continuity of critical HR and payroll services.

Conditions Attached to Approval

- Procurement Form 2 to be completed and authorised
- Order documentation to be signed by the appropriate Head of Service
- Purchase Order to be raised covering the full contract period
- Contract Award Notice without competition to be published on Public Contracts Scotland
- Exception to be reported to Audit & Scrutiny Committee for scrutiny

4.0 Sustainability Implications

- 4.1. There are no direct sustainability implications arising from the recommendations in this report.

5.0 Resource Implications

5.1. *Financial Details*

- 5.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes

- 5.3. Finance have been consulted and have agreed the financial implications as set out in the report. Yes

5.4. *Staffing – there are no staffing implications arising from this report.*

6.0 Exempt Reports

- 6.1. Is this report exempt? Yes (please detail the reasons for exemption below) No

7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) Our Priorities

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all

Our families; children and young people will have the best possible start in life

Women and girls will be confident and aspirational, and achieve their full potential

Our communities will be resilient and empowered so that they can thrive and flourish

(2) Council Policies

Complies with relevant Council Policies

8.0 Impact Assessments

8.1 Have you attached the combined equalities impact assessment to ensure compliance with the public sector equality duty and fairer Scotland duty? (All EFSIAs also require to be published on the Council's website)

Yes

8.2 If an impact assessment has not been undertaken you should explain why:

There are no direct impacts resulting from the contents of this report.

9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

10.0 Appendices

10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

None

11.0 Background Papers

11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes (please list the documents below) No

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Derek Barr	Procurement Manager	45 2017

Approved by

NAME	DESIGNATION	SIGNATURE
Chris Alliston	Head of Corporate Services	