

# Southend-on-Sea Borough Council

Agenda  
Item No.

Report of the Deputy Chief Executive (People)

to

Cabinet

on

13<sup>th</sup> March 2018

Report prepared by: Jacqui Lansley Director of Strategy,  
Commissioning and Procurement

---

## Annual Procurement Plan 2018/19

Relevant Scrutiny Committee: Policy and Resources  
Executive Councillor: Councillor Mooring

### A Part 1 Public Agenda Item

---

#### 1. Purpose of Report

To obtain approval for the Council's Annual Procurement Plan for 2018/19.

#### 2. Recommendation

That the Annual Procurement Plan 2018/19 attached at **Appendix 1** be approved.

#### 3. Background

The Contracts Procedure Rules in Part 4g of the Constitution require the Cabinet to approve an Annual Procurement Plan prior to the start of each financial year.

The Annual Procurement Plan lists the high value (Contracts with a value over £74,999) procurement activity that will be managed by the Corporate Procurement team. It includes all spend areas across each service where leverage and efficiency opportunities exist.

The Annual Procurement Plan for 2018/19 attached at **Appendix 1** has been produced in consultation with the appropriate Deputy Chief Executives, Directors, Group Managers and Council contract managers who have provided details of known contracts in their areas that are due for renewal and any new procurements (Revenue and Capital) in 2018/19.

The Annual Procurement Plan for 2018/19 ensures professional procurement expertise will be employed on the high value and/or high risk contracts. Whilst

this plan gives Cabinet authority to procure, officers will still need to comply with all relevant managerial processes.

Alongside delivery of the Plan during 2018/19 Commissioners across the Council will analyse spend data and the Corporate Contracts Register with the intention of creating a 5-year timetable of when Corporate Contracts are due to expire. Key stakeholders across the Council will start to map out the Council's commissioning intentions and opportunities that exist moving forward. Alongside this will be consideration of the social value benefits, commissioning for outcomes, investment opportunities, and the approach to de-commissioning and how best The Council spends the 'Southend £'. This will further cross-departmental approaches to commissioning and also align with the transformation agenda.

Whilst the longer-term strategic review of contracts is conducted Corporate Procurement and Commissioners will be doing some in depth work around the Procurements on the 2018/19 plan and sourcing opportunities where contracts can be grouped according to outcomes and a more strategic approach to commissioning being developed. This may lead to some quick wins in terms of streamlining services, removing duplication and ever closer alignment with what already exists in the community.

The recent review of the Council's Contracts Procedure Rules (CPRs) will also consider how best The Council spends the 'Southend £'. Notably the CPRs now set out the aspiration to increase spend with local businesses and the added benefits that this could bring to the Town's economy, environment and communities.

An analysis of spend (revenue and capital) in 2016/17 highlighted that The Council spent £154m with external suppliers and of this 25% (£38.7m) was with Southend based businesses. The revised CPRs place a requirement on the service areas to specifically request quotes and single source from local suppliers where spend is under £25k and best value can be ascertained.

Corporate Procurement will continue to work closely with the Economic Development Team and provide training to ensure that local businesses, voluntary and community sector providers are aware of how to formally bid for Council tendered contracts (both in Southend and across the Local/Central Government sector) as well as quoting for lower value contracts (under £75,000). Contractual spend under £75,000 accounted for a total of £19.5M spend in 2016/17, of which local businesses only succeeded in securing £3.3M (17%). The expectation is that the application of the revised CPRs over the coming years will lead to the local percentage spend increasing and therefore benefit Southend by:

- Increased local **employment**,
- Improved **business start-up** success and sustainability
- Increased spend in the local economy because **local suppliers often spend locally**
- Increased **income** through business rates, parking charges and council tax

#### **4. Other Options**

An Annual Procurement Plan is a requirement in the Constitution.

#### **5. Reasons for Recommendations**

Approval of the Annual Procurement Plan is a requirement of the Council's Constitution. Inclusion of a contract in the Plan removes the need for Cabinet approval to issue a tender or award the contract provided it falls within budget tolerances in the Plan and the Plan, does not require it to come back to Cabinet for further scrutiny.

#### **6. Corporate Implications & Corporate Priorities**

##### **6.1 Contribution to Council's vision**

The Corporate Priorities support the aims and vision of the Council along with the objectives of Southend partnerships to improve the quality of life, prosperity and life chances for people in the borough. The Annual Procurement Plan covers activity in all areas of the Council's Corporate Priorities and these are reviewed as part of the options appraisal process.

##### **6.2 Financial Implications**

All procurements will be conducted to ensure value for money and the most economically advantageous tender to the Council is selected.

##### **6.3 Legal Implications**

All of the attached contracts will be tendered in compliance with the UK Public Contracts Regulations 2015.

##### **6.4 People Implications**

Approval of this Plan will commit the Corporate Procurement team resources to these contracts in accordance with the Contracts Procedure Rules and Financial Procedure Rules.

##### **6.5 Property Implications**

None

## 6.6 Consultation

End users of services will be consulted to assist in the design and evaluation of tenders as appropriate.

## 6.7 Equalities and Diversity Implications

Contract specifications will take into account equality aspects and these will be evaluated as part of the tender process through to contract management. The Options Appraisal stage for each procurement also considers whether an Equality Analysis is required and if so this is conducted and signed off by the necessary corporate leads.

## 6.8 Risk Assessment

Risks will be assessed at the 'options appraisal' stage and managed through the tender process and mitigated with an appropriate contract management plan. As part of each procurement the General Data Protection Regulation (GDPR) is also considered in terms of the use and handling of data by the supplier. As part of this process a Privacy Impact Assessment may be required as well as approval by the necessary corporate leads.

## 6.9 Value for Money

The Plan is part of a framework to ensure the Council obtains value for money in procurement. Delivery of the Plan will also contribute to the delivery of the Council's budget for 2018/19.

## 6.10 Community Safety Implications

As detailed in 6.1 these are considered in terms of the contractual contribution to enhanced community safety and the safeguarding of vulnerable adults and children.

## 6.11 Environmental Impact

As detailed in 6.1 these are considered in terms of the contractual contribution to our environment and also the potential added benefits under the Social Value Act.

## 7. Background papers

Contracts Procedure Rules and Financial Procedure Rules as previously approved.

## 8. Appendices

**Appendix 1** – Master Procurement Plan 2018/19