

Southend-on-Sea Borough Council

Report Executive Director Finance and Resources

To

Cabinet

On

16th June 2020

Report prepared by: Lee White, Head of Corporate
Procurement

**Agenda
Item No.**

7

Annual Procurement Plan 2020-21

Relevant Scrutiny Committee: Policy and Resources Scrutiny Committee

Cabinet Member: Councillor Woodley

“A Part 1 Public Agenda Item”

1. Purpose of Report

This report provides the annual procurement plan for 2020/21 in terms of those procurements with a contract value in excess of £1m which require cabinet approval prior to commencement. This is an annual requirement under Part 4g (Contract Procedure Rules) of the Council's constitution. The report also provides a link to the Council's newly developed corporate contract register and 3 year procurement pipeline plan (2020-23).

2. Recommendation

- That those procurements provided in the attached appendix for 2020/21 are formally approved (£1m+ contract value)
- That members note the full procurement plan for 2020/21 (contracts with a value of £25k and above)
- That members note that those capital projects already approved as part of the capital programme (with a value of over £25k) will also form part of the procurement plan for 2020/21
- That members note the development and contents of the corporate contracts register- please note this is currently for internal use but a publicly available format is being developed for the Council website
- That members note the development and contents of the 3 year procurement pipeline plan (2020-23)

3. Background

Each year councillors review and approve the Council's annual procurement plan. In line with the constitution, Cabinet is required to agree procurements with a value in excess of £1m (Appendix 1). For information a link is also provided

further in the report to the full annual procurement plan (all procurements over £25k), corporate contract register and 3 year procurement pipeline plan.

During 2019/20 there has been extensive work undertaken by Corporate Procurement along with contract managers to review the Council's expenditure with suppliers and develop a comprehensive corporate contracts register. The reasons for undertaking this extensive work are:

- To provide a comprehensive register of the Council's key contracts (covers c£120m annual spend)- the register also includes contracts held by South Essex Homes, Trading Companies owned by the Council and also education funded contracts which we support in terms of procurement activity (this will highlight joint commissioning opportunities)
- Provide a comprehensive register of the Council's contract managers and those responsible for implementing the Council's commissioning framework
- Assist in the Real Living Wage review with suppliers
- Assist in the development of a 3 year procurement pipeline plan- this is to support service areas in their commissioning plans as well as suppliers and local businesses in their business planning (as they will know when future opportunities are due to be published)
- The 3 year pipeline plan also aligns with the Southend 2050 Roadmap to 2023
- Assist the Governance Boards (namely the Commissioning and Investment Boards) in their future planning, strategic reviews of expenditure, contracts and commissioning. This should support the Council in the delivery of efficiencies against contractual spend and help meet its financial targets

Alongside the development of the corporate contracts register we are nearing the end of the design phase of our corporate contract management system which was procured in 2019/20. By early autumn 2020 we intend to have most of our strategic contracts set up within this system which will provide a digital interface with suppliers so that contracts may be managed more effectively. The system will also provide a single web-based system where our contract documentation can be held and suppliers will provide reports/accounts/documentation- this will facilitate knowledge transfer should contract managers change.

4. Other Options

Annual approval of the Council's procurement plan is required under the constitution.

5. Reasons for Recommendation

- Approval of the Council's annual procurement plan is required under Part 4g of the Council's constitution
- Members are aware of the development of the comprehensive contracts register and 3 year procurement pipeline plan, and the benefits this will provide in terms of the Council's commissioning plans, financial planning as well as future planning for suppliers and local businesses

6. Corporate Implications

6.1 Contribution to the Southend 2050 Road Map

As detailed above the development of the 3 year Procurement Pipeline plan (2020-23) aligns with the Southend 2050 Road Map and will assist in our future planning and commissioning decisions. Each contract within the plan will be thematically coloured in terms of which outcomes the contract contributes towards. As part of the design of the corporate contract management system we've also developed a field to identify which of the 5 themes each contract supports. Also as part of the procurement process each options appraisal also includes a review of how the contract will assist in the delivery of the outcomes within Southend 2050 and delivery of the Road Map.

6.2 Financial Implications

The annual procurement plan and its delivery will contribute towards the Council's financial targets. As in previous years delivery of the plan has supported reductions in revenue expenditure as well as cost avoidance through ensuring best value is achieved against capital projects. This report has been approved by the Executive Director of Finance and Resources.

6.3 Legal Implications

The development of a corporate contracts register which will be publicly available supports the requirement for transparency in terms of expenditure in the public sector. Where the Council has contracts which are due to complete their contract term it's a legal requirement that these contracts are once again market tested (unless the decision is to de-commission). Further extensions can only be provided under exceptional circumstances.

6.4 People Implications

None

6.5 Property Implications

None

6.6 Consultation

None- note that this report is to approve the annual procurement plan. For each individual procurement there will be consideration of what consultation and engagement will be required as per the Council's Commissioning Framework and legal requirement to consult.

6.7 Equalities and Diversity Implications

As noted above in 6.6 this report is to seek approval of the annual procurement plan but within each project on the plan there will be consideration of equalities and diversity. The development of the corporate contracts register will support transparency and also assist suppliers and local businesses in their future planning and equality of access to contract opportunities- this was discussed with suppliers at the TLC event in January 2020 at the Civic Centre and was welcomed by those in attendance.

6.8 Risk Assessment

It is imperative that the annual procurement plan is approved so that those high value procurements listed within can commence market engagement and consultation in time to conduct a full tender exercise. Due to COVID-19 there's a risk that the supplier market will be overwhelmed with tender opportunities during the summer as Contracting Authorities commence their major projects. Suppliers will therefore have numerous contracts to bid for and so it is key that the Council is ready to publish its opportunities as soon as possible.

6.9 Value for Money

Delivery of the annual procurement plan is one of the Council's ways of market testing opportunities and ensuring that the most economically advantageous tender is awarded the contract (in terms of value and quality).

6.10 Community Safety Implications

Within the annual procurement plan there will be a number of contracts that support outcomes in terms of improving community safety.

6.11 Environmental Impact

Within the annual procurement plan there will be a number of contracts that support outcomes in terms of improving the town's environment.

7. Background Papers

The current Corporate Contracts Register and 3 Year Procurement Pipeline Plan can be found on the intranet at

<http://seattle/Pages/Contracts-Register.aspx>

8. Appendices

Appendix 1- Annual Procurement Plan 2020-21