

Southend-on-Sea City Council

Report Executive Director Finance and Resources

To

Cabinet

On

22nd June 2022

Report prepared by: Lee White, Head of Corporate
Procurement

**Agenda
Item No.**

Annual Procurement Plan Approval (2022/23) and 5 Year Procurement Plan 2022-27
Cabinet Member: Councillor Collins
“A Part 1 Public Agenda Item”

1. Purpose of Report

This report provides details of the £1M+ projects listed within the 2022/23 annual procurement plan (Appendix 1) as well as a full 5 Year Procurement Plan ‘2022-27’ (for information) as has been previously requested by CMT- this is to assist in resource planning. Please note that the 5 year plan will be subject to change and will therefore be reviewed annually.

As per the constitution (Part 4g- Contract Procedure Rules) those procurements with a contract value in excess of £1m require cabinet approval prior to commencement.

2. Recommendation

- That **approval** is given for those procurements provided in Appendix 1 for 2022/23 (£1m+ contract value) as required by the constitution
- That members **note** the full 5 year procurement plan for 2022-27 (contracts with a value of £25k inclusive of VAT and above which will require procurement support/advice)- please note that this will be subject to change and annual reviews
- That members **note** that those capital projects (2022-27) approved by cabinet as part of the capital programme and with a value of over £25k, have also formed part of the final procurement plan for 2022/23 and the full 5 Year Procurement Plan (2022-27)- please note that these will also be subject to change as the capital programme is reviewed
- That members note that once the Government have concluded the Public Procurement Reform (expected in 2023/24), we expect that it will be a mandatory requirement for the public sector to publish their future procurement plan (pipeline plans) and so the 5 year plan will provide that mechanism to publicly report

- That members note the council's contracts, values and suppliers are already publicly available through the council's spend transparency reports (£500+) and also the UK Contracts Finder website where councils are required to publish any contracts awarded that have a value above £25k.

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 copy of the full 5 year procurement plan 2022-27 (Appendix 2) is also provided.

During 2021/22 there has been continued work undertaken by Corporate Procurement along with contract managers and Executive Director management teams to review the Council's expenditure with suppliers and review our comprehensive corporate contracts register. The reasons for continuing this extensive work are:

- To provide a comprehensive register of the Council's key contracts (covers c£120m annual revenue expenditure)- the register will also include contracts held by South Essex Homes, South Essex Property Services, Southend Adult Community College, 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)
- To provide a comprehensive register of the Council's contract managers and those responsible for implementing the Council's commissioning framework
- Assist in the development of the new 5 year procurement plan (note last year was the first publication of a 3 year pipeline plan)- this is to support service areas in their commissioning plans as well as suppliers and local businesses in their business planning- please note that the information with the contract register and procurement plan is already publicly available through the council's monthly spend reports (>£500 transactions) and also via the UK Contracts Finder site where council's have to publish their awarded contracts with a value above £25k.
- 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

4. Other Options

Annual approval of the Council's procurement plan is required under the constitution. We could decide to just publish an annual plan but it is felt that the development of a full 5 year procurement plan will assist the Council and businesses in their resource and future planning. The move to a 5 year plan will also align with the anticipated requirements once the UK Public Procurement Reform is finalised by Government.

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 5 year procurement 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
- The 5 year plan will also align with the anticipated requirements once the UK Public Procurement Reform is approved by Government.

6. Corporate Implications

6.1 Contribution to the Southend 2050 Road Map

Development of the 5 year Procurement plan (2022-27) and alignment with our 5 year Capital programme will assist in our future planning and commissioning decisions. This will also support future planning around delivery of Southend 2050 and the associated Roadmap.

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. For example during 2021/22 delivery of the procurement led to £710k efficiencies against revenue funded contracts and £1.22m in cost avoidance was achieved through delivery of the capital programme procurements. As well as this the Procurement Team generated £25k in income through work with other Local Authorities- this work is continuing in 2022/23.

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).

6.4 People Implications

None to note.

6.5 Property Implications

None to note.

6.6 Consultation

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.

Alongside this we intend to build within the procurement plan a timescale for when each project will be expected to commence and that this must include any necessary approvals and updates to members as part of the commissioning process. This will also be included within Procurement revised options appraisal document (business case). This is aimed at ensuring that members are consulted at the appropriate stages of the commissioning process.

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 (namely the completion of Equality Assessments by commissioners). 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 welcomed at the local business workshops and associated events during 2021/22.

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.

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. Social Value is also tested through a number of procurements which can deliver added value in terms of our local economy, community wellbeing and the environment. The Corporate Procurement Team have been involved in the review of the new Social Value policy and will be integral to its delivery through the tenders which it oversees.

7. Background Papers

Nothing further to note.

8. Appendices

Appendix 1- Annual Procurement Plan 2022-23 (£1M + value)

Appendix 2- 5 Year Procurement Plan 2022-27 (All procurements £25k+)