

Meeting: Cabinet
Date: 28 June 2023
Classification: Decision paper
Key Decision: Yes
Title of Report: **Annual Procurement Plan 2023-24**
Policy Context: Contract Procedure Rules (4g Constitution)
Executive Director: Joe Chesterton (Finance & Resources)
Report Author: Lee White (Head of Procurement)
Executive Councillor: Cllr John Lamb (Portfolio Holder for Regulatory Services)

1. Executive Summary

- 1.1 This report provides the Annual procurement plan for 2023/24 as well as tabs for the remaining years of our original 5 Year Procurement Plan (2022-27). The attached procurement plan provides a full plan for the year and covers all procurements with a value over £25,000- this is the threshold within the regulations where tenders must be publicly advertised unless via a previously advertised framework or equivalent.

2. Recommendations

It is recommended that Cabinet:

- 2.1 **Approve the annual procurement plan for 2023/24 (Appendix 1) which contains those procurements with a value over £25,000 and where corporate procurement need to be involved.**
- 2.2 **Note the indicative future plans for 2024/25, 2025/26 and 2026/27 (on the additional spreadsheet tabs) and that these will continue to be reviewed against the corporate contract register.**
- 2.3 **Note that any procurements related to delivery of the capital programme will be added as required and will not require separate approval.**
- 2.4 **Note that once the Government have concluded the Public Procurement Reform (expected in 2024), we expect that it will be a mandatory requirement for the public sector to publish their future procurement pipeline plans and so the 5-year plan will provide that mechanism to publicly report.**
- 2.5 **Note that the Contract Procedure Rules will be reviewed and updated in 2023/24 to reflect that the approved procurement plan will contain all**

contracts with a value of £250,000+ (currently £1m+ is the constitutional requirement).

2.6 Note that following scrutiny the following updates have been made:

- **Column for Environmental benefits- I have reviewed the procurement plan for 2023/24 alongside Jo Gay (Head of Waste and Climate change) and we have populated based upon the key Carbon impacts in the City (notably Energy and Transport) and those contracts which could contribute to carbon reduction**
- **All tabs of the procurement plan reviewed and lead officer names updated**
- **Highways Lots- we have requested the current budget information from the Service budget holder and this will be provided verbally and for minuting at the cabinet meeting**

3 Background

3.1 Each year cabinet review and approve the Council's annual procurement plan in line with the current constitution (4g Contracts Procedure Rules). The attached procurement plan covers all procurements over £25,000. By completing this at the start of the financial year this supports effective governance and streamlines the approvals process.

3.2 During 2022/23 there has been continued work undertaken by Corporate Procurement along with contract managers and Executive Director leadership teams to review the Council's expenditure with suppliers and review our corporate contracts register. The reasons for continuing this extensive work are:

- To provide a comprehensive register of the Council's key contracts (covers c£130m annual revenue expenditure)- the register includes contracts held by South Essex Homes, Southend Adult Community College, Trading Companies owned by the Council and also education funded contracts (LA maintained schools) which we support in terms of procurement activity.
- Highlight opportunities to jointly commission services across the Council and also with other public sector partners.
- 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 future procurement pipeline plans- this is to support service areas in their commissioning plans as well as suppliers and local businesses in their business planning.
- Assist the Governance Boards (namely the Performance, 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 Reasons for Decisions

- 4.1 Approval of the Council's annual procurement plan is required under Part 4g of the Council's constitution.
- 4.2 Members are aware of the development of the comprehensive contracts register and pipeline 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.
- 4.3 The pipeline plan will also align with the anticipated requirements once the UK Public Procurement Reform is approved by Government (expected in 2024).

5 Other Options

- 5.1 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 pipeline plan will assist the Council and businesses in their resource and future planning. The move to a 5-year plan (2022-27) also aligns with the anticipated requirements once the UK Public Procurement Reform is finalised by Government.

6 Financial Implications

- 6.1 Delivery of the annual procurement plan 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 2022/23 delivery of the procurement led to £864k efficiencies against revenue funded contracts and £336k in cost avoidance.
- 6.2 Timely approval of the procurement plan also ensures that procurements associated with the expenditure of grants (such as LUF) can be delivered on time.
- 6.3 Approval of the plan means that those corporate contracts which are due to expire in 2023/24 can be re-tendered in time and without the need to extend existing contracts- notably suppliers would look to increase prices during these extensions and so again it supports the Council's financial stability.

7 Legal Implications

- 7.1 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). As the Procurement Reform becomes finalised in 2024 we expect the publication of a future pipeline plan will be one of the requirements of local government.

8 Carbon Impact

- 8.1 Within the annual procurement plan there will be a number of contracts that support outcomes in terms of improving the city's environment. Social Value is also tested through a number of procurements which can deliver added value in terms of our local environment. The Corporate Procurement Team have been involved in the review of the new Social Value policy and the development of a Southend Themes and Outcomes Measures (STOMS) framework. This framework includes a number of offers which contractors can commit to in terms of Carbon Reduction. One example of success is the re-tendering of our Waste Disposal contract during 2022/23 which led to a carbon impact reduction of 90%.
- 8.2 We are currently working with the Climate Change team to look at a clear process which will identify which procurements will include a quality measure around Carbon Reduction Plans and their implementation. We have already built this into our new draft Procurement Strategy and is an area of focus now in terms of Effective Contract Management.
- 8.3 Following discussions at Scrutiny a further column has been added to the Procurement Plan (and will be added to the Corporate contract register too) which highlights where carbon reductions could be achieved and whether that is around energy, transport or other (i.e. materials)

9 Equalities

- 9.1 This report is to seek approval of the annual procurement plan but within each project on the plan there will be consideration of equalities (namely the completion of Equality Assessments by commissioners). The development of the corporate contracts register will support transparency and 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 2022/23.

10 Consultation

- 10.1 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. In terms of the annual procurement plan itself, we have consulted on the content via the Teams Contract Register Channel (c150 members), the Council Extended Corporate Leadership Team (ECLT), Executive Director Leadership Teams (EDLTs) and within the Procurement Team itself. This consultation commenced in January 2023.

11 Appendices

11.1 Appendix 1- Full Procurement Plan 2023-27 (All procurements £25k+)