

Meeting: Cabinet
Date: 4th March 2024
Classification: Part 1
Key Decision: Yes
Title of Report: Approval of the Annual Procurement Plan for 2024/25

Executive Director: Joe Chesterton (Executive Director for Finance and Resources)
Report Author: Lee White, Head of Corporate Procurement
Executive Councillor: Cllr John Lamb

1. Executive Summary

- 1.1. This report provides the Annual procurement plan for 2024/25 as well as draft tabs for the years 2025/26 and 2026/27. The attached procurement plan covers all procurements with a value of £250,000 or above as was requested by cabinet last year. It should be noted that there will be a number of other procurements that will be delivered within 2024/25 which will be of a value below £250,000. There will also be a need to add any capital funded procurements to the plan throughout the year.

2. Recommendations

It is recommended that cabinet:

- 2.1.1 Approve the annual procurement plan for 2024/25 (Appendix 1) which contains those procurements with a value of £250,000 or above.
- 2.1.2 Agrees that any capital projects/procurements will be added as required, having being approved as part of the capital programme (both SCC and South Essex Homes).

3. Background

- 3.1.1 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 of £250,000 or above. By completing this at the start of the financial year this supports effective governance and streamlines the approvals process. Appendix one also provides tabs for 2025/26 and 2026/27- these will continue to be reviewed against the corporate contract

register (<https://www.southend.gov.uk/downloads/file/7561/corporate-contract-register>).

3.1.2 Following discussions at scrutiny on the 15th February 2024 there have been a number of amendments made to the procurement plan and clarifications we would like to highlight:

- Each procurement is numbered on the plan for 2024/25 for ease of reference
- Members should note that the penultimate column on the procurement plan (option to extend till) is where the contracts have optional clauses that allow the council to extend the contract beyond its initial term based upon satisfactory performance- for instance the Highways Contract (item 1) was procured in 2015 with a contract term of 7 years + 3 years & 4 months.
- There are a number of procurements without stipulated contract start/end dates for the contract term- this is where the business case (options appraisal) is currently under review and following market engagement we will be best placed to then decide upon the contract term.
- There are a number of parking related contracts listed within the plan- there is an ongoing review around how to secure best value and through which means the service elements would be best delivered.
- Item 44 (Autumn Cottage) has been updated following clarification on the funding stream and contractual arrangement.
- There are a number of contracts listed on the plan which may require short-term extensions to facilitate re-tendering during 2024/25 but everything on the plan is expected to either be re-procured during 2024/25 or contractual extensions utilised and negotiated.

3.1.3 During 2023/24 there has been continued work undertaken by Corporate Procurement along with contract managers and Executive Director Leadership Teams (EDLTs) 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£135m 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 (we then provide training to these officers)

- 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.
- The publication of future pipeline plans will also be a mandatory requirement under the new Procurement Act (from October 2024)
- Assist the Governance 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

- 4.1.1 Approval of the Council's annual procurement plan is required under Part 4g of the Council's constitution.
- 4.1.2 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.
- 4.1.3 The pipeline plan will also align with the anticipated requirements once the UK Procurement Act comes into effect (expected in October 2024).

5. Other Options

- 5.1.1 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 3-year plan (2024-27) also aligns with the requirements once the UK Procurement Act commences in October 2024.

6. Financial Implications

- 6.1.1 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. During 2023/24 (to date) delivery of the procurement plan has led to £421k efficiencies against revenue funded contracts and £1.177M in cost avoidance.
- 6.1.2 Timely approval of the procurement plan also ensures that procurements associated with the expenditure of grants can be delivered on time.
- 6.1.3 Approval of the plan means that those corporate contracts which are due to expire in 2024/25 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

- 7.1.1 The development of a corporate contracts register, which is 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 Act comes into being in 2024, the publication of a future pipeline plan will be one of the requirements of local government.
- 7.1.2 This report, if approved, allows us to commence these procurements as listed. It must be noted that each award will need to then be signed off separately via the Key Decision process.

8. Policy Context

- 8.1 Approval of the Council's annual procurement plan is required under Part 4g of the Council's constitution.

9. Carbon Impact

- 9.1.1 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 2023 which led to a carbon impact reduction of 90%.
- 9.1.2 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.

10. Equalities

- 10.1.1 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 2023/24.

11. Consultation

11.1.1 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. 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 December 2023. This consultation is continuing and any further amendments to Appendix 1 will be complete by the end of January 2024.

12. Appendices

12.1. **Appendix 1:**
Annual Procurement Plan 2024-25

13. Report Authorisation

This report has been approved for publication by:		
	Name:	Date:
S151 Officer	Joe Chesterton	22/01/2024
Monitoring Officer	Kim Sawyer	22/01/2024
Executive Director(s)	Joe Chesterton	22/01/2024
Relevant Cabinet Member(s)	Cllr John Lamb	23/01/2024