

Meeting: Cabinet
Date: 3rd March 2025
Classification: Part 1
Key Decision: Yes
Title of Report: Approval of the Annual Procurement Plan for 2025/26

Executive Director: Joe Chesterton (Executive Director for Finance and Resources)
Report Author: Georgia Ireland (Head of Corporate Procurement)
Executive Councillor: Cllr Paul Collins

1. Executive Summary

- 1.1. This report provides the Annual Procurement Plan for 2025/26 as well as draft tabs for the years 2026/27 and 2027/28. The attached procurement plan covers all procurements with a total contract value of £500,000 or above. It should be noted that there will be a number of other procurements that will be delivered within 2025/26 which will be of a total contract value below £500,000. There may be a need to add any capital funded procurements to the plan throughout the year.

2. Recommendations

It is recommended that cabinet:

- 2.1 Approve the annual procurement plan for 2025 – 2028 (Appendix 1) which contains those procurements with a total contract value of £500,000 and above.
- 2.2 Approve the extension of contracts listed within the procurement plan with a total contract value of £500k above, as permitted within the terms and conditions of the current contract.
- 2.3 Agree to a mid-financial year review of the procurement plan by Cabinet to reflect the additional activity that may occur throughout the year, including new grant announcements for contract spend within the financial year.
- 2.4 Agree that any key decision procurements arising from approvals in the capital investment programme will be added to the procurement plan as required (both SCC and South Essex Homes).

3. Background

- 3.1 Each year Cabinet review and approve the Council's annual procurement plan in line with the current constitution (Part 7 Section 6 Contracts Procedure Rules). The attached procurement plan covers all procurements with a total contract value of £500,000 and above. By approving the procurement plan prior to the start of the financial year this supports effective governance and streamlines the approvals process. Appendix 1 also shows the required procurement activity for 2026/27 and 2027/28 and these will continue to be reviewed against the corporate contract register. It is recommended that there is mid-financial year review of the procurement plan by Cabinet to reflect the additional activity that may occur throughout the year, including new grant announcements for contract spend within the financial year.

- 3.2 The procurement plan provides authority to commence procurement activity of those services with a total contract value of £500k and above. It also provides authority to extend those contracts with a total contract value of £500k or above if required, in line with the contractual terms and conditions. This then enables a timely extension, removing the need for an additional key decision process to take place. The procurement plan for 2025-2028 highlights which key decision activity is either the procurement of a new service, a re-procurement of an existing service or an extension to a current contract.

- 3.2 It is a requirement under the new Procurement Act 2023, which commenced in February 2025, that a Pipeline Notice is issued setting out specified information about any public contract with an estimated total contract value of more than £2m and therefore the approval of the procurement plan supports this.

- 3.3 Work is underway to automate and align both the procurement plan and the corporate contract register to enable the Council to update and report in a more user-friendly way in line with the requirements of the Procurement Act 2023.

- 3.4 The speed at which Local Government reorganisation is likely to progress may require the procurement plan to be presented to Cabinet on a more frequent basis as it will be subject to change.

- 3.5 The new constitution was approved by Full Council on the 12th December 2024 and came into effect on the 1st January 2025. This incorporates the revised Contract Procedure Rules. The Contract Procedure Rules have extended the threshold for obtaining formally tendered quotes (previously £10,000 - £24,999.99) up to £74,999.99 and only procurement activity with a total contract value of £500,000 and above will require a key decision by Cabinet.

4. Reasons for Decisions

- 4.1 Approval of the Council's annual procurement plan is required under Part 7 Section 6 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 now aligns with the requirements of the Procurement Act that came into effect on the 24th February 2025.

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 3-year rolling plan (2025-28) aligns with the requirements of the Procurement Act which commenced on the 24th February 2025.

6. Financial Implications

- 6.1 Delivery of the annual procurement plan will contribute towards the Council's financial sustainability. 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 2024/25 (as at the 10th January 2025) delivery of the procurement plan has led to £126k efficiencies against revenue funded contracts and £297k in cost avoidance.
- 6.2 Timely approval of the procurement plan ensures that new contracts commence promptly at the expiration of the previous contract. It also ensures that procurements associated with the expenditure of grants can be delivered on time.
- 6.3 In addition, approval of the plan means that those corporate contracts which are due to expire in 2025/26 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 sustainability.

7. Legal Implications

7.1 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 is a legal requirement that these contracts are once again market tested (unless the decision is to de-commission). As the Procurement Act 2023 is now live, the publication of a future pipeline plan will be one of the requirements of local government.

7.2 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 7 Section 6 of the Council's constitution.

8.2 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 Social Value policy and the Southend Themes and Outcomes Measures (STOMS) framework will continue to be embedded across the organisation.

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.

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. In terms of the annual procurement plan itself, we have consulted on the content via the Council Extended Corporate Leadership Team (ECLT), Executive Director Leadership Teams (EDLTs) and within the Procurement Team itself. This consultation commenced in November 2024.

11. Appendices

11.1. **Appendix 1:**
Annual Procurement Plan 2025-26

12. Report Authorisation

| This report has been approved for publication by: | | |
|--|-----------------|--------------|
| | Name: | Date: |
| S151 Officer | | |
| Deputy Monitoring Officer | Jayne Middleton | 30.01.25 |
| Executive Director(s) | | |
| Relevant Cabinet Member(s) | | |