

SLOUGH BOROUGH COUNCIL

REPORT TO:	Cabinet
DATE:	17 th May 2022
SUBJECT:	Procurement forward plan for services in excess of £180,000 and works in excess of £1 million in 2022/23
CHIEF OFFICER:	Steven Mair – Director of Finance/Section 151
CONTACT OFFICER:	Clare Priest – Group Manager - Commercial
WARD(S):	All
PORTFOLIO:	Cabinet Member for Financial Oversight, Council Assets & Performance – Councillor Anderson
KEY DECISION:	Yes
EXEMPT:	No
DECISION SUBJECT TO CALL IN:	Yes
APPENDICES:	'A' - List of services to be procured in 2022/23 in excess of £180,000 (services) and £1 million (works)

1 Summary and Recommendation

- 1.1 To seek authority from Cabinet for commencement of procurement for contracts of an estimated value of over £180,000 (services) and £1 million (works), that are proposed to be let in the 2022/23 financial year.
- 1.2 Further reports will be brought to Cabinet with an updated procurement forward plan for any services or works to be procured for the remainder of the financial year or before the cabinet meeting in April 2023.

Recommendations

Cabinet is recommended to

- (a) authorise commencement of procurement for the list of goods, works or services set out in Appendix A;
- (b) delegate authority to the Executive Director of Corporate Operations, following consultation with the Cabinet Member for Financial Oversight, Council Assets & Performance for those procurements indicated in Appendix A as requiring delegated authority to award contract due to tight timescales involved.

Reason

- 1.3 To ensure that Cabinet has proper oversight of planned procurement activity and delegated authority is allowed where timescales are insufficient. As the Council improves its contract register and procurement planning, these delegations should not be required in the future.

Commissioner Review

“This report is a component of the changes necessary to meet the Directions. It is important that the policy promoted here is followed in practice.”

2 Report

Introduction

- 2.1 The Council has reviewed its contracts register to identify those contracts that are due for renewal or require a new procurement. This has enabled the Council to establish a procurement programme for 2022-23 and this report is seeking approval for the procurement forward plan. As service plans are developed, it may be necessary to bring an updated plan to a further meeting of Cabinet. In addition, there may be separate reports seeking approval for significant service decisions, which have procurement implications.

Options considered

Option 1:

- 2.2 Approval of a procurement forward plan. The Council’s contract procedure rules require cabinet authority for procurements with a total value of over £180,000 (services) and £1 million (works). This demonstrates good governance and allows Cabinet to consider whether it wants further oversight of any specific proposals. **This is the recommended option.**

Option 2:

- 2.3 To authorise each procurement on a case by case basis. This would require separate cabinet reports setting out details of each procurement. Whilst this would allow more detail to be provided, this would result in a high number of individual reports. This is not an efficient use of Cabinet time and is not recommended. It should be noted that contracts for services valued over £500,000 and for works valued over £1million require a separate cabinet approval prior to award of contract.

Background

- 2.4 The Council’s Contract Procedure Rules require that each procurement project over £180,000 (services) and £1 million (works) must be on the forward plan approved by Cabinet to authorise commencement of procurement. For projects with a total value under £500,000 (services) or £1 million (works), the award of contract following procurement is delegated to an executive director. For any contract over these

sums, a separate report will be presented to Cabinet seeking authority to award the contract.

- 2.5 Contracts listed in Appendix A will be subject to detailed review with commissioners and executive directors, to challenge and seek to verify if procurement is necessary and to identify opportunities to maximise value for money through contract rationalisation and consolidation. Should the scope of a procurement exercise change significantly from that stated in Appendix A, a further report will come back to cabinet with further details for approval.
- 2.6 Whilst previous reports have been brought to Cabinet each April, the level of detail contained in the procurement forward plan has been insufficient to provide Cabinet will assurance over the procurement methodology and whether is most likely to achieve best value. This has not represented good governance or allowed Cabinet to properly scrutinise or debate planned procurements. This issue was flagged in the MHCLG Governance Review.
- 2.7 To aid the Council in its improvement of contract management and visibility of procurement projects to cabinet, enhancements have been made to the collection of anticipated procurement activity data over £180,000 (services) and £ 1 million (works) for 2022/2023.
- 2.8 The appendix now includes the following information, the level of detail and format of the procurement forward plan will be subject to review and change in the future, however there are a number of procurements where authority is needed urgently and therefore the appendix provides information about those projects where immediate authority is required to allow the commissioning to commence:
 - contract Title
 - description, including deliverables and outcomes
 - status update
 - current or new contract
 - if current contract, state end date
 - estimated value of new contract
 - capital or revenue expenditure
 - intended procurement start date
 - expected contract term
 - planned return date for cabinet authority
 - intended start date of contract
- 2.9 Cabinet forward plan can be split into categories:
 - Category 1: Procurement between £180k and £500k (services) –Cabinet to authorise procurement. Delegated authority given to Executive Directors to award the contract unless Cabinet requires the award decision to be reserved to Cabinet.
 - Category 2: Procurement over £500k (services) / £1million (works) – Cabinet to authorise procurement and note that future reports will be brought back to Cabinet for approval of award of contract.

3 Implications of the Recommendation

3.1 Financial implications

3.1.1 The planned procurements set out in the Appendix are included in approved revenue budgets. For capital funded projects, the funding is included in the capital programme.

3.2 Legal implications

3.2.1 In accordance with the Procurement Application and Authorisation Table set out in the Council's Contract Procedure Rules, all Service Contracts over £180,000 and Works Contracts over £1 million must be on the Forward Plan presented to Cabinet each year in order to authorise commencement of procurement. It is expected that this report will be presented in April, however in order to collate the required level of detail to allow Cabinet to make an informed decision, this report has been delayed until May 2022. In addition, it is expected that the procurement forward plan will be reviewed and updated throughout the year and update reports will be brought to Cabinet to approve further procurements once the detail of these are known.

3.2.2 Full business cases should be reviewed by the Council's internal procurement review board. IT projects should also be reviewed by the Council's internal Information Governance Board. Any project funded by capital should be reviewed by the Council's Cabinet Monitoring board and included in quarterly reporting of the capital programme.

3.2.3 All service contracts over £100,000 should be sealed and contract documentation should be reviewed by HB Public Law. For works contracts, an appropriate model form contract such as JCT or NEC should be used.

3.2.4 As well as compliance with internal procurement rules, the Council must ensure compliance with procurement law. The procurement review board will consider this on a case by case basis.

3.2.5 The Council should also consider and build the following into procurement processes:

- stakeholder engagement
- efficient commissioning and sourcing arrangements
- best value considerations, including social and environmental value, as well as economic
- contract management.

3.3 Risk management implications

3.3.1 There are no specific issues arising directly from this report, however good forward planning will ensure that procurement activity is done in a timely way, which will lead to better value for money.

3.4 Environmental implications

3.4.1 There are no specific environmental implications arising directly from this report.

3.5 Equality implications

3.5.1 The equality implications will be considered on a case by case basis. The revised best value statutory guidance confirms that authorities should avoid imposing onerous contractual requirements on private and voluntary sector contractor, over and above those necessary to comply with the Equality Act 2010, as this can become a barrier to entry to the market for small and medium size firms and the voluntary sector. As part of commissioning arrangements, authorities are also expected to take steps to avoid commissioning services from individuals or organisations which actively or vocally oppose fundamental British values, including democracy, the rule of law, individual liberty, and mutual respect and tolerance of different faiths and beliefs; or which call for the death of members of British armed forces.

3.6 Procurement implications

3.6.1 A business case for each procurement project will be developed which will consider the most appropriate procurement route according to the Council's contract procedure rules, UK Procurement regulations and will need to follow public procurement principles of value for money, equality of treatment, transparency, proportionality.

3.7 Workforce implications

3.7.1 Workforce implications will be considered upon the letting of each contract.

3.8 Property implications

3.8.1 Property implications will be considered upon the letting of each contract.

4 **Background Papers**

None