

# LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>CABINET</b>
<b>DATE OF DECISION</b>	<b>27<sup>th</sup> September 2023</b>
<b>REPORT TITLE:</b>	<b>QUARTERLY PROCUREMENT PLAN UPDATE Q2</b>
<b>CORPORATE DIRECTOR / DIRECTOR:</b>	<b>JANE WEST, CORPORATE DIRECTOR OF RESOURCES</b>
<b>LEAD OFFICER:</b>	<b>SCOTT FUNNELL, HEAD OF STRATEGIC PROCUREMENT AND GOVERNANCE</b>  Email: <a href="mailto:scott.funnell@croydon.gov.uk">scott.funnell@croydon.gov.uk</a>
<b>LEAD MEMBER:</b>	<b>CLLR CUMMINGS, CABINET MEMBER FOR FINANCE</b>
<b>KEY DECISION?</b>	<b>No</b>
<b>CONTAINS EXEMPT INFORMATION?</b>	<b>No</b>
<b>WARDS AFFECTED:</b>	<b>N/A</b>

## 1 SUMMARY OF REPORT

- 1.1 This report sets out the Q2 quarterly update to the Annual Procurement Plan 2023/24, with proposed additions and amends to the plan for the current year.

## 2 RECOMMENDATIONS

For the reasons set out in the report [and its appendices], the Executive Mayor in Cabinet is recommended:

- 2.1 to approve the Q2 update to the Annual Procurement Plan for 2023/24 as set out in Appendix A.
- 2.2 to approve the delegated decisions in the revised APP to those Lead Members or Officers as stated in Appendix A that includes the procurement strategy and award decisions, the duration of the contracts and contract values.
- 2.3 The delegated decisions shall only be exercised following recommendations from the Contracts & Commissioning Board, which include approval from both the Lead Cabinet Member and the Cabinet Member for Finance.

- 2.4** To allow for minor changes to proceed whilst retaining the agreed delegated so long as none of the following thresholds for changes are exceeded:
- i. Contract value exceeds that proposed in the APP/Quarterly Update Report, by the lesser of £500K or 25%, or the new aggregate value exceeds £1m and it becomes a key decision
  - ii. Substantial / material changes to procurement from that defined in the APP/Quarterly Update Report e.g. material risks are identified

(Should either of those thresholds be exceeded, the delegation cannot be exercised, and the decision shall be recommended to the Executive Mayor, unless a further delegation is approved. Where a delegated decision is a Key Decision to Officers, it must be made in consultation with the Lead Cabinet Member).

### **3 REASONS FOR RECOMMENDATIONS**

- 3.1** The Improving Procurement Governance Process Cabinet paper in November 2022 set out a rationale for establishing an Annual Procurement Plan, to simplify and accelerate approvals and ensuring a more strategic deployment of resources whilst maintaining decision making rigour.
- 3.2** Managing a proactive forward plan of procurement projects is fundamental to improving compliance and to ensure that contracts are re-let in time, and the APP approach is a key element of the Council's Procurement Improvement plan.

### **4 BACKGROUND AND DETAILS**

- 4.1** Procurement plans are subject to change throughout the duration of an Annual Procurement Plan, and so a quarterly update allows for any changes to be made and any new additions to be included.
- 4.2** Additions are either a new procurement that has been identified since the last version of the APP, whereas amendments are updates to existing APP entries.
- 4.3** For this quarterly update, there are 14 additions and 11 amendments to planned procurements with 13 additions and 6 amendments to contracts extensions and variations.
- 4.4** The reasons for the changes are included in the appendix, and the precise changes from the original APP are highlighted in yellow. The changes fall into the following categories:
- New Procurement identified  
This is where Procurements to be undertaken this year have been identified since the original APP was published.

- Omission from original APP  
This is where there may have been oversights whilst compiling the original APP, or new information has come to light which wasn't available at the time.
- Process Delay  
This is where a procurement is still taking place, but will be later than originally planned because of delays in the process.
- Service review delayed  
This is where a procurement was dependent upon the outcome of a review into the service, but this hasn't taken place yet. The procurement may or may not take place later than originally planned, but this is dependent upon the outcome of the review.
- Refined procurement approach  
This is where an initial plan has been changed or updated with more up-to-date information.

#### 4.5 There are also some unique reasons for change:

- Extra grant funding made available, vary the contract to increase the value  
This is where additional grant funding has been made available to deliver a project or a scheme, and a variation needs to be made to the original contract value to include the additional spend.
- Extend until possible service replacement  
This is where a third party may replace the service provision, so the Council needs to extend their provision until this position is confirmed.
- Previous tender not awarded  
This is where a compliant process was undertaken but an award was not made, therefore requiring an extension to the existing contract.
- Procurement brought forward  
This is where a procurement will now need to be undertaken sooner than originally planned due to a change in situation, for example a change in markets or to support a programme of works
- Change in approach  
This is where an alternative approach has been decided upon, for example to re-procure instead of extend.

#### 4.6 It is important to note that procurement intentions are indicative and subject to change. For example, it may be the Council's intention to take up a permitted contract extension before the Council has agreed this with the incumbent provider.

## **5 ALTERNATIVE OPTIONS CONSIDERED**

- 5.1** No other options considered at this stage. The November 2022 Cabinet paper established this approach as the process for planning procurement activity and delegating procurement decisions.

## **6 CONSULTATION**

- 6.1** Services across the Council have been consulted to ensure the accuracy of the APP updates. There is no requirement for external consultation as this is an internal process.

## **7. CONTRIBUTION TO COUNCIL PRIORITIES**

- 7.1** The Executive Mayor's Business Plan set out a requirement to review and manage Council contracts better. A proactive forward plan of procurements enables the Council to ensure that contracts are re-procured in a timely manner which is essential to managing a programme of activity, ensuring value for money and supporting the Council priority of balancing the books.

## **8. IMPLICATIONS**

### **8.1 FINANCIAL IMPLICATIONS**

- 8.1.1** The amends to the Annual Procurement Plan set out in appendix A lists contracts that total £510,047,905. The existing governance processes need to be complied with to provide assurance that value for money will be delivered from these procurements.

- 8.1.2** Comments approved by Darrell Jones, Acting Head of Finance on behalf of the Corporate Director of Resources and S151 Officer (17.08.2023).

### **8.2 LEGAL IMPLICATIONS**

- 8.2.1** The Executive Mayor has the power to exercise executive functions pursuant to s9E of the Local Government Act 2000 and has the power to delegate those functions. This report seeks relevant delegations to exercise executive functions.

- 8.2.2** In relation to any contract and procurement strategy/ award/ variation decisions that are key decisions, any delegations to officers shall be limited to "Chief Officers" as defined in the Council's Constitution, meaning: a) the Head of Paid Service; b) the Chief Finance Officer; c) the Monitoring Officer; d) a Statutory Chief Officer; e) a Non-Statutory Chief Officer. Corporate Directors fall within the definition of "Non-statutory Chief Officer", which has the same meaning as in section 2(7) the Local Government and Housing Act 1989 and includes officers who directly report to the Head of Paid Service/ Chief Executive.

**8.2.3** At present the delegations in the Council's Tenders and Contracts Regulations have been superseded by the Executive Mayor's Scheme of Delegation following the introduction of the Mayoral Model.

**8.2.4** Comments approved by the Head of Commercial & Property Law on behalf of the Director of Legal Services and Monitoring Officer (17.08.2023).

### **8.3 EQUALITIES IMPLICATIONS**

**8.3.1** The Council has a statutory duty, when exercising its functions, to comply with the provisions set out in the Sec 149 of the Equality Act 2010. The Council must, in the performance of its functions, therefore, have due regard to:

- a. eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under this Act.
- b. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- c. foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**8.3.2** When a service is contracted out both the contractor and the public authority that commissioned the service must give due regard to the three principles of the General Duty as set out above. Any supplier that is exercising public functions also has an obligation to fulfil the general duty.

**8.3.3** The Contract Management Framework is required to work within the framework of the Equality Strategy 2020- 2024. The deliverables in the Equalities Strategy should be incorporated into the Contract Management Framework and policy documents as detailed below:

"Outline how the proposed contract(s) will comply with the Public Sector Equality Duty outlined in Section 4 of the EQIA; and meet the outcomes of the Council's equality strategy, particularly:

- i. All Council contracts contribute towards delivering our equality objectives.
- ii. Council contractors are inclusive and supportive of vulnerable groups.
- iii. Ensure that every strategy, delivery plan, council contract and staff appraisal have an equality objective linked to it.
- iv. That contractors be requested to adopt Croydon's Equality and George Floyd Race Matters Pledges".

**8.3.4** The Equalities Strategy including the Pledges named above, are provided to all bidders during the tendering stage of the procurement process. Social Value objectives also mirror the Council's commitments to equalities and diversity.

**8.3.5** EQIAs will be completed in respect of each contract.

**8.3.6** Comment approved by Naseer Ahmed on behalf of Denise McCausland, Equalities Programme Manager (17.08.2023).

## **OTHER IMPLICATIONS**

### **8.4 HUMAN RESOURCES IMPLICATIONS**

**8.4.1** There are no immediate Human Resources implications arising from the content of this report. Should matters arise these will be managed under the Council's HR policies and procedures.

**8.4.2** Approved by: Gillian Bevan, Head of HR Resources and Assistant Chief Executives Directorates on behalf of the Chief People Officer (17.08.2023).

## **9. APPENDICES**

**9.1** Appendix A - LBC Quarterly Updated Procurement Plan Q2 2023-24

## **10. BACKGROUND DOCUMENTS**

**10.1** *Improving Procurement Governance* – November 2022 Cabinet

**10.2** *LBC Annual Procurement Plan 2022/23* – March 2023 Cabinet

**10.3** *LBC APP Quarterly Update* – June 2023 Cabinet