

Slough Borough Council

Report To:	Corporate Improvement Scrutiny Committee
Date:	11 th November 2025
Subject:	Update on Procurement 2025
Lead Member:	Councillor Puja Bedi
Chief Officer:	Nick Penny – Director of Finance – Corporate and Commercial
Contact Officer:	Nick Penny – Director of Finance – Corporate and Commercial
Ward(s):	All
Exempt:	No

1. Summary

- 1.1 This report provides an update on the progress made to improve procurement services across Slough Borough Council, and areas of focus for further improvements in the coming months.
- 1.2 It provides an update to the committee on improvements made to the council's procurement services since the directions issued by the Secretary of State on 1st December 2021, updating on the work undertaken since then and provides an update to the Procurement and Contract Management report which was presented to the Corporate Improvement Scrutiny Committee in October 2023.

2. Recommendation/s/request for direction from the committee

- 2.1 The Corporate Improvement Scrutiny Committee is invited to comment and make recommendations if appropriate.

3. Report

- 3.1 The purpose of the Commercial function is to ensure that the Council achieves best value for money for Slough's residents through the procurement of goods and services, robust contract management and commercial activities. This includes the need for transparent processes and ensuring that procurement activity is planned and undertaken in a timely manner. The commercial function supports services with procurement of goods and services with the services area leading on commissioning.
- 3.2 Local government procurement is defined as: the process used to purchase goods, services, and construction work in a fair, transparent, and accountable manner, following legal and regulatory frameworks.
- 3.3 Local government commissioning defined as: the process of identifying local needs, planning, funding, and overseeing public services to achieve specific outcomes for the community.

3.4 The aim is that there is a fully embedded Commercial function at Slough Borough council, that continuously improves to ensure Slough process follows best practice in line with the Procurement Act 2023 (PA2023), whilst delivering value for money for all services it procures or commissions.

3.5

Background

3.6 The Commercial service was established in April 2021 following the Our Futures restructure, at that time the procurement function was outsourced to an external consultancy company (since May 2019). The service lacked strategic oversight of procurement & contracts, and no centralised contracts register was in place. This caused a lack of forward planning in procurement and contract management resulting in rushed procurement, missed exit opportunities and poor value for money as well as not being compliant with the local government transparency code.

3.7 In 2023, the Head of Commercial services assisted an overview and scrutiny committee task and finish group on a review of procurement and contract management; the group made 12 recommendations which were reported to the committee on 2nd February 2023 and approved by cabinet on 27th February 2023. An update on each recommendation is shown in Appendix A below.

3.8 Procurement and contract management activity continues to shift from reactive oversight to a more structured and risk-based model. The implementation of more robust foundations is in progress and need to be built upon further to address previous Grant Thornton VFM recommendations (October 2024), as well as the task and finish group recommendations above.

3.9 Improving procurement is integral to the Council's broader recovery programme. Historical challenges, include missing contract records, inconsistent oversight, and reactive spend controls; these are being addressed in parallel with implementation of PA23 requirements. The procurement function is being reshaped to provide the Council with improved professional support, greater visibility, control, and assurance over its contractual activity. The current design work is aligned with the Council's commissioning and commercial intentions and is being developed in line with the emerging target operating model. The reshape incorporates greater focus on category management and strengthens knowledge and competency within the team.

3.10 Structural and process changes are designed to ensure the procurement function is fit for purpose and fully aligned with the Council's strategic delivery model. This includes clearer separation of roles between commercial assurance, directorate-based procurement planning, and contract oversight. Further integration with finance, legal, and commissioning colleagues will underpin joined-up planning and ensure procurement is embedded into core service and budget cycles.

3.11 The strategic direction remains aligned with expectations, including the Grant Thornton Value for Money assessment and the recommendations from the LGA review, utilising the Crown Commercial Services' Continuous Improvement Assessment Framework as a best practice approach for benchmarking procurement maturity and identifying improvement opportunities.

3.12 The work being explored by the strategic commissioning board will seek to better align procurement and commissioning, actively reviewing opportunities for rationalisation and efficiencies. The approach will support development of the procurement strategy, which will aim to align with the council's priorities and wider community benefits.

3.13 Below is an update on work done to date on key areas across the Commercial team:

3.14 **Contracts Register:** Significant progress has been made to build the contracts register in Agresso, when a new contract is agreed the details are logged on the register and copies of the contract held within the system. For ongoing contracts details are being added to the register and if contractual paperwork is available, this is also being saved in a central database. Currently it is estimated that the contracts register contains approximately 50% of the Council's contractual commitments and expenditure, where there are gaps the Commercial Team are using purchase order commitment and expenditure reports to highlight gaps on register with a view to working with the services to gather the required data and add them to the database. This allows the team to review actual expenditure versus the contract with a view to ensuring contracts are compliant with PA 2023 and represent best value for money for the Council. Appendix B shows the top 20 supplier expenditure in 2024/25.

3.15 **Governance and Compliance:** Core controls have been strengthened, with mandatory use of purchase orders, automated reporting, and standardised templates in place. As part of building the contract register anomalies between the annual contract value and in year expenditure is highlighted to service areas for review as part of the budget monitoring process. The Gateway process will be implemented to introduce systematic checkpoints throughout the procurement lifecycle, the process is intended to flow through the relevant boards on one business case, ensuring a 'one version of the truth' business case that contains the appropriate approvals at the right time. This will go from commissioning through the procurement and into the contract management realm. Once Agresso development is complete, contract selection will become mandatory at requisition stage which will provide a further layer of assurance over compliance and spend control.

3.16 **Procurement Pipeline and Forward Planning:** The Commercial team prepare a contract pipeline report each April which is approved by Cabinet, this report covers all contracts over £215k (including VAT) which either end in the next 12 months and require a new tender or are proposed new contract expenditure which are to be tendered over the next 12 months. It recommends cabinet give approval to begin tender processes with the decision to award the contract delegated to the Exec Director/Director. A contract pipeline update report is approved by Cabinet during the year, with the next one going to December 2025 Cabinet, this report updates on any further contracts to be tendered during the remainder of 2025/26 which were not included in the original report as well as providing a forward plan of tenders for the period April – September 2026. Future pipeline reports will be for 18 months in line with PA 2023 requirements.

3.17 **Risk and Assurance:** Risks are being tracked through improved reporting, contract register validation, and off-contract spend analysis with escalation routes now being tested and monitored. Strategic contracts are being reviewed for enhanced oversight based on value, visibility, or statutory importance. The finalisation of the strategic contract register will enable key contracts to be prioritised for governance and performance review with assurance reporting which will focus on risk-based indicators and link into wider corporate risk frameworks.

3.18 **Commercial and Financial Performance:** Procurement activity is increasingly being linked to improved budget discipline through enforced use of Purchase Orders (PO's) and spend categorisation. Reports are continuing to be developed to flag high-risk activity, including off-contract spend and potential breaches, these will then be reviewed and escalated by the procurement team. System refinements and wider use of dashboards will improve visibility of procurement activity against budgets. Category Managers will use this information to inform savings discussions and drive improved commercial decision-making across directorates.

3.19 **Social Value and Sustainability:** Social value is being introduced earlier in the procurement process, with revised documentation now incorporating National Procurement Policy Statement (NPPS) principles which are in the process of being embedded into planning stages. This remains at an early stage of maturity, NPPS priorities will be embedded into all early procurement planning processes, evaluation criteria and contract templates. Links will be established with strategic commissioning criteria to ensure that social value is consistently reflected in procurement design and performance expectations.

3.20 **Supplier and Contract Management:** Internal audit findings highlighted inconsistent documentation, key performance indicator (KPI) application and handover processes. In response, a refreshed set of standard tools and guidance was needed, alongside the identification of strategic contracts requiring closer compliance oversight. All strategic contracts will be subject to enhanced governance arrangements including regular review cycles, compliance checks, and clearer handover procedures. Contract Management guidance is available on the intranet and training sessions are to be arranged for contract managers in the coming weeks.

3.21 **Improvement and Transformation Initiatives:** Restructuring of the procurement and contract management function is underway, and a new support officer role has been introduced to strengthen internal delivery, support reporting functions, and improve coordination across key workstreams. Interim spend reporting is operational to ensure compliance with PA 2023 requirements. All relevant officers have completed the PA23 training programme, the remaining recruitment will focus on addressing critical capability gaps and aligning resource with the Council's target operating model. The Gateway process will be rolled out to introduce structured checkpoints across the procurement lifecycle, once in place, these changes will shift activity from transitional to business as usual, supported by clearer role definitions, embedded governance, and standardised reporting. Oversight of delivery will remain through the Design Authority and Procurement Review Board, ensuring alignment with strategic objectives and compliance standards.

3.22 **Future Areas of focus include:** A clear procurement improvement plan is being prepared which will take stock of the work done to date as detailed in this report and will have clear timelines and deliverables focussing on ensuring the Council's procurement service follows PA 2023 and best practice whilst working towards a collaborative approach for Procurement and Commissioning across the council.

- Refine the procurement pipeline to enable better forward planning and budget setting.
- Complete contracts register and develop the strategic register which will help to ensure the pipeline report is accurate and provide opportunities for negotiating better value from existing contracts.
- Increase profile of procurement across the Council. Category Managers and Head of Commercial to attend DLT's each month to discuss key upcoming procurements.
- Implement the Gateway process with defined checklists and sign-off points.
- Complete procurement re shape and embed new roles and responsibilities.
- Introduce performance and compliance templates for strategic contracts.
- Fully integrate NPPS and social value into planning documentation.
- Finalise Agresso changes and move to mandated contract selection at requisition stage, and in conjunction with the Strategic Commissioning Board develop the Council's Procurement Strategy

3.23 Ongoing oversight will be maintained through the Design Authority and Assurance Board to ensure delivery remains aligned with corporate risk, financial governance and compliance expectations.

4. Implications

Financial implications

4.1 There are no direct financial implications arising from this report, to proceed to market for an ongoing financial commitment, there has to be an agreed funding source for the duration of the contract term.

Legal implications [Required - send to Legal to complete]

4.2 There are no direct legal implications arising from this report. All tenders over the £215k threshold are reported to cabinet in April of the year they are to be tendered with a further pipeline update later in the year to ensure any missing contractual arrangements are captured. All contractual arrangements are approved by the Procurement Review board which has finance and legal representation and considers the route to market and also approves at tender award stage. This board ensures compliance with legal regulations and PA 2023.

Equalities

4.3 There are no direct equalities implications arising from this report.

Corporate Parenting

4.4 There are no direct corporate parenting implications arising from this report.

Risk management implications

4.5 There are no direct risk management implications arising from this report. The Council takes a risk-based approach to the management of contracts. Contracts are risk assessed to ensure that those highest risk contracts have a robust contract plan in place, which is managed by the contract owner, and supported by the contract management support lead in the commercial team.

4.6 The commercial team uses the council's risk management framework to ensure that any risks of strategic importance are escalated to the directorate or corporate risk register and mitigating actions are managed accordingly.

Environmental implications

4.7 There are no known environmental implications arising from this report.

Equality implications

4.8 The Best Value Statutory Guidance states that authorities should avoid "gold plating" the Equality Act 2010 and should not impose contractual requirements on private and voluntary sector contractors over and above the obligations in the Act. This includes seeking to remove unnecessary paperwork and obstacles to contract compliance thereby making it easier for small and medium firms and the voluntary sector to apply and bid for contracts and lowering costs to taxpayers.

Appendices

Appendix A – 2023 overview and scrutiny committee task and finish group recommendations:

- 4.1 **Recommendation 1:** The start of the procurement process must be well managed, with clear outcomes and deliverables in the procurement specification, which include outcomes-based deliverables, gateways, monitoring, timelines, milestones and reporting.
- 4.2 **Recommendation 2:** When assessing tenders for work they should be scored against the outcomes and deliverables in the specification and the results retained as evidence.
- 4.3 **Recommendation 1& 2 Update:** The Commercial service works closely with service areas to ensure tenders are well planned, with a well-managed procurement process ensuring there are clear outcomes and deliverables in the specification and that tenders are robustly scored against these. The team are working to ensure that the level of record keeping continues to be improved and is in line with the PA 2023.
- 4.4 **Recommendation 3:** Where authority is delegated to Officers for the award of a high value/high risk contract, this should be in consultation with the lead member. Members must be properly consulted with evidence of decisions in writing and their agreement clearly sought.
- 4.5 **Recommendation 3 Update:** The Council has updated its constitution with a list of significant officer decisions which require a formal decision report to be published. This includes contracts over the financial threshold of £215k and any decision exercised following specific delegation from Cabinet, should record the consultation process and comments from the consultee. This takes place during briefings between the appropriate lead member and executive director, where a record of the consultation is required for contract sealing purposes, an email confirming the outcome of the briefing between the lead member and executive director is requested.
- 4.6 **Recommendation 4:** Council staff must follow a proper governance process, as set out in the updated Contract Procedure Rules, including having an effective and up to date forward procurement plan.
- 4.7 **Recommendation 4 Update:** See 3.14 above.
- 4.8 **Recommendation 5:** Cabinet reports for procurement must set out the evidence base for a particular recommendation and have an effective options appraisal as part of the report. Consideration should be given to phasing procurement and reserving future decisions to Cabinet for high value / high impact commissioning.
- 4.9 **Recommendation 5 Update:** When a contract is not covered by the Pipeline Contract report or due to the nature of it requires a cabinet report in its own right, the cabinet report will include an options appraisal. All award decisions for award of a procurement over £500k are subject to a cabinet report at the preferred supplier stage before formal award. All tenders over £30k (£25k plus VAT) require approval by the internal Procurement Review Board which includes finance and legal representation, this board approves the route to market and as part of this a paper is prepared which covers a compact options appraisal which uses the Keep, change, do nothing' methodology.
- 4.10 **Recommendation 6:** Contracts on the Council's contract register must be risk assessed to identify the scale of the risk for each contract. This should be done using a standardised risk assessment matrix that considers contract value, business value

and impact, sourcing and contractual complexity, and performance. This will ensure that mitigations are put in place to proactively manage risks.

- 4.11 **Recommendation 6 Update:** PA 2023 and best practice require assessments to be made on the financial viability of companies at the start of the tender, at the award stage and annually during the contract term. The commercial team are embedding this as a business as usual practice, with additional ratio analysis at tender stage to be undertaken by the Finance Business partnering team on high value/high risk contracts or where additional financial checks are required at award stage.
- 4.12 **Recommendation 7:** There must be a dedicated contract manager for high value/impact contracts identified through the risk assessment process. This officer should be appropriately trained and should have responsibility for monitoring the contract and ensuring compliance with the contractual requirements. The officer should keep records of contract meetings and should convene formal monitoring meetings as required by the contract. The officer should raise any risks with the relevant Executive Director. The officer should have access to legal and finance advice, as required, to assist with their role.
- 4.13 **Recommendation 7 Update:** In line with the requirements of PA 2023 and best practice the Commercial team have developed a Contract Management strategy which has been rolled out across the organisation, work is ongoing to increase the profile of this at a senior level within the organisation. This policy will provide best practice guidance to contract managers within the services to enable them to manage their contracts, off the back of this the Commercial team will offer training and support to Contract Managers.
- 4.14 **Recommendation 8:** Meaningful KPI's must be developed for contracts and reviewed and followed up regularly at contract review meetings to ensure that any performance issues are discussed and challenged accordingly. For more significant commissioning arrangements, contract review meetings should include operational and strategic meetings with key officers in attendance. These meetings should be confidential to allow for full and frank discussion, with opportunity to agree minutes to be put in the public domain where updates are to be provided to a formal member meeting. If a contractor is invited to attend a formal Member meeting, consideration should be given to allowing this to take place in Part 2 to allow for a more detailed discussion about any issues.
- 4.15 **Recommendation 8 Update:** Key performance indicators are required to be included on all tenders advertised above threshold (£215k), there will be occasions where performance monitoring will be required for those contracts under threshold. For contracts over £5million procured under PA 2023 we are required to publish contract performance information, this is related to 3 key performance indicators and a contract performance notice (UK9) issued annually. The contract management toolkit contains a template for monitoring these indicators, review meetings and performance. The Quality Assurance board will help contract managers maintain and collect the data for this requirement.
- 4.16 **Recommendation 9:** A standardised framework for contracts should be implemented, which includes a contract management plan for each contract, tailored to take account of value and impact of the contract. This considers important mechanisms for the management of a contract, including roles, responsibilities and governance, dispute resolution, key performance indicators, and exit plans.
- 4.17 **Recommendation 9 Update:** The contract management strategy and toolkit ensures a standardised approach to contract management which is aligned to central government best practice. Strategic contract identification (risk matrix) should be

completed at the initial procurement stage and again at award to ensure that the appropriate support is available from the contract management support team.

4.18 **Recommendation 10:** When commissioning management consultancy, consideration should be given to the payment mechanism and if this is on a time and materials basis, there should be close monitoring of the value being delivered via this arrangement and consideration of alternatives, such as recruiting in-house resource.

4.19 **Recommendation 10 Update:** A business case setting out the route to market requires approval at the Procurement Review board, category managers support services in the preparation of these business cases and the specification for management consultancy engagements with the aim of ensuring the right service is commissioned, presenting value for money for the Council and ensuring the deliverables are clear.

4.20 **Recommendation 11:** When commissioning services, ensure that decisions are informed by data, including benchmarking data where available, to demonstrate value for money for Slough's residents.

4.21 **Recommendation 11 Update:** As part of the tender process questions are asked of potential providers which ask them to provide examples of how they have delivered specific elements of the service elsewhere and how they have achieved the desired outcomes of the tender for other similar organisations. Financial checks are undertaken on all potential suppliers, with further checks undertaken pre award, non-financial checks such as Ofsted and Care Quality Commissioning rating.

4.22 **Recommendation 12:** Ensure there is an effective mechanism to review commissioning activity, including reviewing whether the arrangement delivered on the intended strategic aims and capturing any lessons learned. Regular reports should be presented to CLT and the Lead Member responsible for contract management.

4.23 **Recommendation 12 Update:** Procurement are going to attend DLT's on a regular basis to discuss key upcoming and ongoing procurements, there is also a monthly CLT slot with a similar subject matter. It is expected that the Executive Directors will use the information from these to update the lead members for their areas regarding key upcoming procurements and contract management.

Appendix B – Top 20 Expenditure by Supplier 2024/25:

Supplier	Financial Year 2024/25	Core Function
Slough Children First	48,396,561	The Council's children's social care services
Cardo (South) Limited	28,037,912	HRA Repairs, maintenance, and investment contract
Matrix Scm	24,947,761	Temporary agency staffing
Qed Slough Ltd	7,173,844	PFI contract
Grundon Waste Management Limited	5,846,671	Waste contract
Care Uk Community Partnership Ltd	4,987,828	ASC Care home
APTUS EA LTD	4,290,455	Temporary Accommodation
SLOUGH CITY REAL ESTATE LTD	3,528,418	Temporary Accommodation
Marsh Ltd	2,109,715	Insurance
Saba Park UK Services Limited	2,256,093	Civil Parking enforcement and car parks

Edf Energy	2,336,857	Corporate electricity
C.H.O.I.C.E Limited	1,770,432	ASC Care Home / Supported Living
HCRG Care Services Ltd	1,568,542	School Nursing (0-19 contract) - Public Health
Turning Point	1,908,336	Main Core Contract Substance Misuse - Public Health
Solutions 4 Health Ltd	1,936,634	Integrated Health & Wellness Service - Public Health
MMCG (2) Limited	1,600,986	ASC Care Home
Langley Haven Care Homes Ltd	1,434,093	ASC Care Home
London Borough of Harrow	1,504,232	Legal Services
Macadamia Support Limited	1,241,036	ASC Care services
West Berkshire County Council	717,504	Berkshire Equipment Service Contract - Adult Services
Grand Total	147,593,907	