

Committee: Cabinet

Date:

Title: Annual Procurement Report 2024/25

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2025

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Summary

1. Uttlesford have a shared service arrangement for Procurement with Chelmsford City Council. The service provides the council with support and advice on procuring goods and services, focusing on compliance, quality and value for money.
2. This report provides members with an update on procurement activity for the previous financial year, 2024/25.
3. The council has spent £28.7 million on the purchasing of goods and services with external suppliers in 2024/25 to support the effective delivery of its services.
4. The Public Contract Regulations 2015 have been replaced by the Procurement Act 2023, transform public procurement following Brexit, embed transparency and provide a more flexible process to support access for small and medium enterprises (SME's) to engage with public contracts increasing social value.

Recommendation

5. The Cabinet is requested to note the contents of this report

Financial Implications

6. No direct financial impacts from this report, but the service aims to provide guidance to officers to support them in achieving value for money on all its procurement needs.

Background Papers

7. None

Impact

- 8.

Communication/Consultation	Chelmsford City Council procurement Team, Corporate Management Team, Informal Cabinet Board
Community Safety	N/A
Equalities	N/A

Health and Safety	N/A
Human Rights/Legal Implications	All our procurement is governed by our commitment to ensuring our supply chain is free from Modern Slavery and Human Trafficking
Sustainability	Where possible contracts are tendered to support the council's climate action objectives and commitment to the climate change emergency
Ward-specific impacts	N/A
Workforce/Workplace	N/A

Chelmsford City Council – Procurement Service

9. Chelmsford City Council (CCC) has provided our Procurement Service since 2021. The arrangement has worked extremely well, and the council has access to a wide range of knowledge and experience in all aspects of procurement. The agreement has eliminated the previous risk of a single point of failure when the service was delivered in-house.

Uttlesford Procurement Strategy

10. The council has an approved 4 year Procurement Strategy (2022-2026) which can be viewed using the following link [Procurement Strategy 2022-2026 - Uttlesford District Council](#). The strategy is due to be reviewed and a new strategy to be in place for 2026. The current strategy focuses on the following 3 priorities
- a. Social Value - The introduction of The Themes, Outcomes and Measures (TOMS)

The Themes, Outcomes and Measures (TOMS) were formally introduced into our procurement processes following the adoption of the Procurement Strategy in October 2022. The aim of the National TOMs Framework is to provide a minimum reporting standard for measuring social value and are seen as the best standard to measure and report on social value. For more information around the TOMS framework, the Social Value portal provides a clear guide to understanding what the framework aims to achieve. [Measurement | Social Value TOM System™ | Social Value Portal](#)
 - b. Climate Change - The Strategy aims to support the delivery of the council's Climate Crisis Strategy through the supply chain and delivery partners where appropriate.
 - c. Contract Management - Deliver a consistent contract management framework across the council to support and enable all buyers and senior managers with contract management responsibilities. (please see paragraph 13)
11. Social Value and climate change scoring cannot be included in all tenders and procurement processes. When direct awards or quotation processes are undertaken

it can be difficult to include Social Value and climate change scoring. Framework awards have some elements of Social Value scoring, but this is limited.

12. The Council currently targets large works contracts for the provision of social value tender initiatives with the use of a set of standard weighted criteria. In the 25/26 period The Council aims to broaden the use of social value in procurement processes by creating a set of criteria which align more closely with high value Service based contracts. This would enable the Council to improve the number of contracts awarded which include Social Value.

National Procurement Strategy – October 2022

- 13 The Local Government Association has developed a toolkit to support the delivery of The National Procurement Strategy (NPS). The purpose of the toolkit is to help councils set objectives in relation to the maturity levels in each of the key areas of the strategy and to assess their own progress against those objectives.
14. The Strategy and toolkit are geared towards larger councils with high-value and/or high-risk procurement requirements. In a small council such as Uttlesford where due to our size and the level/type of our procurement it would not be either possible or practical for the council to aspire to achieve all these objectives.
15. Taking account of the size of our contracts a more pragmatic and focused approach has been taken on what the council can add value to within its procurement process. There are two specific areas where it is felt that processes can be improved, to deliver positive impacts for both the council and to support the local economy
 - a. Social Value (further details set out in paragraphs 22 and 23)
 - b. Contract Management – including a procurement pipeline (further details set out in paragraphs

Procurement Compliance and Contract Spend

16. As outlined in the Contract Procedure Rules, attached as Appendix A, services are required to engage with the Procurement Team for the purchasing of all goods and services over £50k and those deemed to be high risk. Not all high-risk contracts will be over the £50k limit, for example, some contracts that are related to the health and safety of staff or residents could be of a low value but high risk if not delivered and managed effectively. It should be noted that services can engage with the procurement team for any of their procurement needs irrespective of value or risk.
17. The Governments Procurement Policy Statement and the new Procurement Act 2023, sets out the expectations of local authorities to drive economic growth and provide SME's 'a fair chance' at gaining council contracts, and to drive additional social value (more details on this are set out in paragraphs 28 – 31).
18. There are many different approaches to compliant procurement as set out in the Contract Procedure Rules, Chelmsford Procurement will carry out a route to market assessment and advise on the most appropriate procurement process.
19. The following table sets out the routes to market most used when procuring goods or services and shows the benefits and limitations of each process.

Procurement process	Time to procure	Compliant	Competitive process	Supports SME engagement	Added social value
Exemption request (contract awarded outside of procurement rules)	Immediate	Yes	No	No	No
3 Quotes (only for contracts below £50k)	1 to 2 weeks (depending on speed of responses)	Yes	Yes	Yes	Limited
Direct Award via a framework	1 to 2 weeks	Yes	No	No	Limited
Mini competition via a framework	2 to 4 weeks	Yes	Yes	Limited	Limited
Open competition	Longer time and dependent on complexity of contract, 3 to 9 months	Yes	Yes	Yes	Yes

20. A summary of all contracts and services awarded with the support of the Chelmsford procurement team are detailed in the table at Appendix B, these are normally the higher value, higher risk or more complex contract awards.
21. The Contract Procedure Rules allow requests for exemptions from the contract rules, but this should be the exception rather than the norm, exemptions would normally only be sought for purchasing goods and supplies below £150,000. Full details of all exemptions are set out in the table in Appendix C and officers can request an exemption where it is demonstrated that:
- There is only one supplier in the market
 - The time required to seek quotes could cause environmental or health and safety risks; and/ or
 - The time required to seek quotes could result in funding being lost
22. The total council spent for 2024/25 was £28.7 million on goods and services. When assessing the compliance of procurement spend you are required to calculate the total spend to an individual supplier over a longer period, this has been done over a three-year period, and this is set out in the table below. The figures do not include grant payments or payments to other local authorities as these are not governed by the procurement regulations.

2024/25 Supplier Spend	Spend by Threshold	Compliant Spend	
		£	%
Spend £50,000 and above	26,269,522	4,082,433	16%
Spend between £50,000 and £10,000	1,864,721		
Spend below £10,000	652,317		
Total Supplier Spend	28,786,560		
Aggregate spend over 3 years			
Spend £50,000 and above	81,619,917	17,167,945	21%
Spend between £50,000 and £10,000	5,313,070		
Spend below £10,000	1,971,136		
Total Supplier Spend	88,904,123		

23. The most significant contract awarded this year was the appointment of a new supplier to deliver our Housing Repairs and Maintenance contract. This contract represents not only our highest-value agreement but also one of the most complex undertakings. The procurement process required significant input from our officers, external consultants, and our procurement team to ensure its successful delivery.
24. In alignment with our Climate Action Plan, the appointed contractor, Axis, will deliver approximately £8 million of decarbonisation works between 2025 and 2026. Further decarbonisation projects are also being planned as part of the annual £5 million stock investment programme, ensuring continued progress towards our sustainability goals.

Social Value

25. A key feature of the Axis contract is the inclusion of up to £300,000 in social value over the life of the contract, in addition to the wider social benefits generated through local employment opportunities, apprenticeships, and community engagement initiatives.
26. In addition, a new contract awarded for the planned and ad hoc repairs of the council owned assets (exc. commercial assets). Although the contract award relates to the current financial year 2025/26 the social value element has been included in this report to show how via negotiations with the supplier this has been included in a direct award contract. The contract includes three elements of social value, the supplier's commitments are set out below.
- to work with local SMEs where possible as our priority to ensure we reinvest and help bolster local economies. In addition to hiring local, contracting and using local suppliers, we look to provide training sessions for SMEs.
 - provide 1 x 1-week unpaid work placement to a referred customer. Our work placement project is designed to support those from disadvantaged / minority groups.
 - environmental community clean-up initiatives aim to enhance local spaces by organising activities such as litter picking and general garden tidying.

Contract Management

27. A significant amount of work has been carried out over the last 12 months to ensure a comprehensive contracts register is in place and the development of a contract management framework. The key activities delivered are listed below and work continues to embed this into all services across the council.
- The development of a Contract Management Framework, attached as Appendix D. This includes setting out different levels of contract classification (high, medium and low) and the contract management engagement required for each level
 - Full training was provided to all officers who are responsible for procuring goods and services, during September and October 2024
 - Members of the Cabinet also received a workshop on the new framework, an outline of the training provided to officers and an overview of the new processes put in place
 - Developing the contract register to ensure a comprehensive record of all council contracts
 - The contract register has now been published on the Uttlesford business website to allow all suppliers to identify what contracts we have and when they are due to end. It is hoped that this will provide an early opportunity for SME's (small and medium sized enterprises) to bid for the work. [Contracts register - Uttlesford District Council](#)

Procurement landscape

28. The National Procurement Policy Statement was updated at the beginning of the year and The Procurement Act 2023 came into force on 24 February 2025 and are available to view using the following links

[National Procurement Policy Statement](#)
[Procurement Act 2023 - Guidance documents - GOV.UK](#)

29. The National Procurement Policy has three key priorities which sets the governments expectations for all Local Authorities to incorporate into their procurement processes.

Priority: Contracting authorities should drive economic growth and strengthen supply chains by giving SMEs and VCSEs a fair chance at public contracts, creating high quality jobs and championing innovation.

Priority: Contracting authorities should deliver social and economic value that supports the Government's missions including by working in partnership across organisational boundaries

Priority: Contracting authorities should ensure the right commercial capability and standards are in place to procure and manage contracts effectively and to collaborate with other contracting authorities to deliver the best value

30. The Procurement Act 2023 will replace the current Public Contracts Regulations Act 2015 to become the law that regulates public procurement in England, Wales and Northern Ireland. This is to support the Governments updated National Procurement Policy Statement. The key principles of the new act are summarised below.
- Transform public procurement post Brexit
 - Introduction of flexibility in procurement processes

- Embed transparency throughout the commercial lifecycle so that the spending of taxpayers' money can be properly scrutinised
- Open-up public procurement to new entrants such as small businesses and social enterprises – (creating social value)

31. The key changes that will apply following the introduction of the new Procurement Act are.

- Procurements that commence after the Procurement Act 2023 go live date must be conducted under the regulations of the new act. All procurements that have commenced prior to this date will be governed by the previous Public Contracts Regulations Act 2015 (PCR 2015) and will continue to rely on PCR 2015 for the duration of that contract.
- Previously contract evaluation was based on 'MEAT' – Most Economically Advantageous Tender, the new regulation has updated it to 'MAT' – Most Advantageous Tender. The principle behind this is to allow more use of quality scoring in particular around Social Value. *This does not mean that we can disregard the principle of ensuring that we also achieve Value for Money.*
- A central digital platform has been put in place (CDP) to publish notices and contract awards. This will support the aim to increase the levels of transparency, additional notices are required to be published, and these are detailed in the table below.

Plan - early notification of upcoming contract over £2m	Market engagement notices	Procurement phase	Contract Mgt. phase
Pipeline notices	Planned procurement	Tender notice	Contract performance notices
	Preliminary market	Contract award notice	Contract change notices
		Contract detail notice	Contract payment notices
		Transparency notice	Payment Compliant notice
		Procurement termination notice	Contract termination notice
		Below threshold tender notice	
		Dynamic market notice	

- All contracts with a value over £30,000 (inclusive of VAT) must be published on the CDP, plus individual payments per contract of over £30,000 must be published. The council already publishes all its supplier payments over £250 every quarter as part of the transparency requirements.
- The Act introduces the concept of a supplier debarment list requiring contracting authorities to exclude suppliers mentioned on the list.
- There are additional requirements for contracts over £5 million, which include setting a minimum of 3 KPI and performance must be assessed and published at least once a year.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
That the Council does not ensure value for money through its procurement activities.	2 – The Council has clear Contract Procedure Rules in place	2 – There may be some risk that if procurement rules are not followed the Council may not realise best value through its contracts	All contracting managers have received training in compliant procedures, and how to ensure a competitive procurement process is followed. Periodic reminders are issued with links to the guidance and frameworks
Legal challenges received from suppliers due to non-compliant contract awards	2 – The Council has clear Contract Procedure Rules in place, some contracts may be awarded outside of the recommended procurement process	2 – The Council could be subject to legal challenges and face financial penalties from not ensuring contracts are accessible to all bidders	The Contract Procedure Rules are accessible to all staff on the Council intranet. Training is provided to all staff on procurement and contract management processes

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.