

LONDON BOROUGH OF CROYDON

REPORT:	CABINET
DATE OF DECISION	22nd MARCH 2023
REPORT TITLE:	ANNUAL PROCUREMENT PLAN 2023/24
CORPORATE DIRECTOR / DIRECTOR:	JANE WEST, CORPORATE DIRECTOR OF RESOURCES
LEAD OFFICER:	SCOTT FUNNELL, HEAD OF STRATEGIC PROCUREMENT AND GOVERNANCE Email: scott.funnell@croydon.gov.uk
LEAD MEMBER:	CLLR CUMMINGS, CABINET MEMBER FOR FINANCE
KEY DECISION?	NO
CONTAINS EXEMPT INFORMATION?	NO
WARDS AFFECTED:	N/A

1 SUMMARY OF REPORT

- 1.1 To set out the recommendations and actions to be taken to approve the Annual Procurement Plan (APP) for the financial year 2023/24.

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 APP for the financial year 2023/24 as set out in Appendix A.
- 2.2 to approve the delegated decisions in the 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 require 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).

- 2.5** To note that an update report in respect of the APP performance for 22/23 shall be presented to the Mayor in Cabinet in May.

3 REASONS FOR RECOMMENDATIONS

- 3.1** The Improving Procurement Governance Process Cabinet paper on 16th 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** The first APP was introduced for the period from November 2022 until 31st March 2023 and will provide oversight of how well the Council is complying with meeting procurement timescales. A full update will be provided to Cabinet once this period has concluded, and this will establish a baseline of how well the Council is currently performing in this area.
- 4.2** It should be recognised that although procurement compliance has recently improved, there are remaining historic issues. The proposed series of delegations within the APP enables a streamlined approach, but further efficiencies are possible and will be explored through a review of the Council's Tender and Contracts Regulations (TCR) which is now underway.
- 4.3** The TCR review will consider efficient approval thresholds, taking into account the requirements within the existing Procurement legislation, and changes that are proposed in the forthcoming Procurement Reform Bill. The role and function of the Commissioning and Contracts Board (CCB) will be reviewed, to enhance the strategic oversight of procurement whilst maintaining the accountability of individual procurement decisions.

- 4.4** There were procurements listed in the November 2022 – March 2023 APP that were not completed during that period. This is because they either missed the identified deadline, or the activity spanned across financial years. Whilst these entries have also been included within the APP 2023/24, they are not requesting a new delegation as the existing delegation is still in place.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1** No other options considered at this stage as the recent 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. 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 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 Annual Procurement Plan set out in appendix A lists contracts that total over £990m. 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 Interim Head of Service, Finance on behalf of the Corporate Director of Resources and S151 Officer. (Date 02/03/2023)

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 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. (Date 03/02/2023)

8.3 EQUALITIES IMPLICATIONS

8.3.1 The Council has an obligation under the Public Sector Equality Duty, which is to eliminate unlawful discrimination, to advance equality of opportunity and to build better relationships between groups with protected characteristics.

8.3.2 The Council is also obligated to comply with the Equalities Act and UK Law to meet the Council's Contract procedure rules and best practice. In accordance with legislation the Council will need to consider and take proactive steps at every strategic stage, to ensure diversity of third-party suppliers and to assess the presence of the equality of opportunity for, staff, residents and for contracted business. The council are also responsible for ensuring that external contractors are meeting the Public Sector Duty and are not unlawfully discriminating. The compliance with the Equality Act 2010 should be demonstrated in relevant equalities considerations throughout the procurement process to ensure that each function meets the requirements of the Equalities Act.

8.3.3 Comments approved by the Director of Policy, Programmes and Performance (10/03/2023)

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 on behalf of the Chief People Officer. (Date: 03/02/2023)

9. APPENDICES

9.1 Appendix A - *LBC Annual Procurement Plan 2023/24*

10. BACKGROUND DOCUMENTS

10.1 *Improving Procurement Governance* – November 16th Cabinet