

**CABINET  
5 NOVEMBER 2024**

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**PROCUREMENT PLAN UPDATE**

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**Responsible Cabinet Member -  
Councillor Mandy Porter, Resources Portfolio**

**Responsible Director -  
Elizabeth Davison, Executive Director – Resources and Governance**

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**SUMMARY REPORT**

**Purpose of the Report**

1. The Annual Procurement Plan was considered by Cabinet in April this year. Since then, additional contracting intentions have developed. Cabinet is asked to consider and approve the assessment of contracts that are considered to be strategic or non-strategic.
2. To update Cabinet on the outcomes of procurement(s) previously designated as Strategic.
3. To update Cabinet about the decisions taken by the Procurement Board to waive the Contract Procedure Rules.
4. To give Cabinet an update concerning Social Value.
5. To give Cabinet an update about the Procurement Act 2023 and its likely implementation.

**Recommendations**

6. It is recommended that:-
  - (a) Members approve the assessment of strategic and non-strategic contracts as presented in **Appendix 1** and that:
    - (i) Further reports/ updates on the procurement process for those contracts designated as strategic (including decisions made by the Procurement Board) be brought to Cabinet.
    - (ii) The contract award decisions for the contracts designated as non-strategic be delegated to the appropriate Directorate as listed in the plan at Appendix 1.

- (iii) The contract award decisions for the contracts designated as strategic, as listed in the plan at Appendix 1, be delegated to the Procurement Board to approve and will be reported back to Cabinet.
- (b) that Members note the contents of this report in respect of the update of strategic procurements, Procurement Board waiver decisions, and Social Value.

### **Reasons**

- 7. The recommendations are supported by the following reasons for strategic and non-strategic procurements:-
  - (a) The Contract Procedure Rules require Cabinet to approve the designation of contracts as strategic and non-strategic and:
  - (b) Contracts designated strategic are of high value and high significance in respect of the impact on residents, Health & Safety and public safety.
  - (c) The contracts designated non-strategic are of a lower value and lower significance in respect of the impact on residents and public safety.
- 8. In respect of Procurement Board waiver decisions, the recommendations are supported by the following reasons: -
  - (a) In order to comply with the Contract Procedure Rules.
  - (b) To provide Cabinet with information about the decisions made by the Procurement Board.
  - (c) To supplement the reports that are taken to Cabinet about proposed spend over £100,000, that are set out in the Annual Procurement Plan and the in-year update to that report.

**Elizabeth Davison**  
**Executive Director – Resources and Governance**

### **Background Papers**

No background papers were used in the preparation of this report.

Council Plan	Strategic oversight of procurement is important in the delivery of the Council's objectives
Addressing inequalities	This decision will not have any direct impact on addressing inequalities.
Tackling Climate Change	This decision will not have any direct impact on tackling climate change.
Efficient and effective use of resources	The production of the update to the Procurement Plan is designed to save Member and Officer time for requesting delegated powers to make contract award decisions.
Health and Wellbeing	This decision will not have any direct impact on Health and Wellbeing
S17 Crime and Disorder	This decision will not have any direct impact on Crime and Disorder
Wards Affected	This decision will not affect any wards
Groups Affected	This decision will not have an impact on any groups.
Budget and Policy Framework	This report does not recommend changes to the Budget and Policy Framework
Key Decision	Yes
Urgent Decision	No
Impact on Looked After Children and Care Leavers	This report has no direct impact on Looked After Children or Care Leavers

## MAIN REPORT

### Information and Analysis

#### Strategic Contracts

9. Any contract award decision with a value below £100,000 is delegated to officers. Under the Contract Procedure Rules an annual Procurement Plan is produced listing details of all existing and new contracts that are £100,000 or above and which require a tender process.
10. This then allows Cabinet to be advised of the contracts of £100,000 and over and to decide which of those contracts are strategic.
11. For those contracts designated strategic the final contract award decision will be approved by the Procurement Board and will be reported to Cabinet.
12. For the contracts designated non-strategic, the decision will be delegated to the relevant Directorate and detailed in the decision record.
13. The Contract Procedure Rules state that if a contract has not been included on the Annual Procurement Plan a separate report must be taken to Cabinet to determine if it is deemed strategic or non-strategic.

## **Assessment of contracts**

14. Details of which contracts are designated strategic, and which are designated non-strategic are detailed in **Appendix 1**. The contracts have been assessed against the criteria agreed by Cabinet, the criteria are provided at **Appendix 2** for information. However, Members and Officers may decide to recommend other than what the score suggests. Anything else would be considered non-strategic.
15. Based on the criteria there is one contract that are designated strategic in the update to the Annual Plan:
  - (a) **Town Centre Development Project**

The Procurement will be a further competition via the Pagabo Developer Led Framework. The stated total contract value is the total development costs and not the cost to the Council. Development costs for the Council will be a limited amount.

## **Update on Procurements previously designated as Strategic**

16. There is no further update on the strategic procurement activity detailed in the previous update.

## **Procurement Board waiver decisions**

17. Under the Contract Procedure Rules, the Procurement Board may waive the Contract Procedure Rules in specific circumstances and is required to report waiver decisions that have been made to Cabinet.
18. The Contract Procedure Rules can only be waived as an exception. The Contract Procedure Rules require the Procurement Board when considering requests for waivers to take into account the following:
  - (a) The contract value and the length of the proposed contract.
  - (b) What steps have been taken to satisfy that the best value duty has been complied with (for instance quotations, market testing).
  - (c) The extent to which there are good reasons why it is not possible to undergo a competitive process (for instance, pressing need or urgency, where further work is required before going to market, where only a short contract extension is needed, or the lack of an available market).
  - (d) Whether the new contract is intended to be a stop gap prior to undergoing a competitive process.
  - (e) The availability of compliant alternatives to direct awards, such as frameworks.
  - (f) Any other reason that is being given by the commissioning area.

19. This report details the circumstances and the reasons why the contract procedure rules have been waived by Procurement Board at **Appendix 3**, during the period **1st March 2024 – 30th September 2024**.

### **Social Value**

20. Procurement is working with contracted suppliers on monitoring the social value achieved through a procurement process and will provide a further update in the Annual Procurement Plan Update in April.
21. Details of the social value achieved in current projects are detailed below;
  - (a) **Darlington Railway Heritage - Hoptown**

Willmott Dixon have achieved a total Social Return on Investment on the project of 24.28%, this includes:

    - (i) 1116 hours of school and college support to 281 students
    - (ii) 265 apprenticeship weeks delivered.
    - (iii) £105,000 spent with social enterprises.
    - (iv) 15 new jobs created.
    - (v) 77.38% local labour within 40 miles of the projects

### **The Procurement Act**

22. It was planned that the Procurement Act 2023 would come into force on 28 October 2024. However on the 12 September 2024 the Government announced that further consideration would be required to allow time to produce a new National Procurement Policy Statement (NPPS) to reflect the new governments priorities. As a result, the proposed date for implementation has been put back to the 24 February 2025.
23. In preparation from the early spring Procurement Officers have been attending training (via the Government commercial College) and reviewing guidance from the Cabinet Office. Lead Procurement Officers have also been meeting with the Local Government Association and also other Procurement Officers across the North East and West on implementation of the Procurement Act.
24. The Procurement Team are continuing to update the intranet pages and sending out communications via the briefing and drafting a communications/training schedule to include videos and in person training, for procuring officers and suppliers. Briefing sessions have also been run for senior staff.

### **Outcome of Consultation**

25. No consultation was carried out in preparation of this report.