

**CABINET
7 OCTOBER 2025**

PROCUREMENT PLAN UPDATE

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

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

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.

Recommendations

5. 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

6. 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.
7. 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	The strategic procurements for Warm Homes (HUG3 and SHDF) will have a positive impact on tackling climate change in Council Dwellings and Private Sector Housing.
Efficient and effective use of resources	The production of the update to the Procurement Plan is designed to save Member and Officer time 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

8. 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.
9. This then allows Cabinet to be advised of the contracts of £100,000 and over and to decide which of those contracts are strategic.
10. For those contracts designated strategic the final contract award decision will be approved by the Procurement Board and will be reported to Cabinet.
11. For the contracts designated non-strategic, the decision will be delegated to the relevant Directorate and detailed in the decision record.
12. 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

13. 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.
14. Based on the criteria there are no contracts that are designated strategic in the update to the Annual Plan.

Update on Procurements previously designated as Strategic

15. Updates on the strategic procurement activity detailed in the previous report.
 - (a) **Town Centre Development Project**
Following a further competition via the Pagabo Developer Led Framework a decision was made to award the contract to City Heart Limited.
 - (b) **Warm Homes SHDF Works**
A decision has been made to abandon the procurement exercise and look at alternative procurement options, due to the lack of competitive bids, through another organisation's framework.

Procurement Board waiver decisions

16. 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.
17. 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.

18. 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 **April 2025 – August 2025**.

Social Value

19. 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.
20. Details of the social value achieve in current projects are detailed below;

(a) Framework Agreement for Joint Venture Residential Development with Darlington Borough Council

Esh Homes Limited have committed to a total of 15 measures to be achieved over the term of the contract.

Listed below is the progress to date against the measures:

- (i) 4.6 FTE Darlington residents employed
- (ii) 12.8 FTE Tees Valley residents employed
- (iii) 1.8 FTE Darlington and Tees Valley residents employed via NEETs
- (iv) 104 apprenticeship weeks delivered for residents across the North East
- (v) 6 hours of educational activity in construction in the curriculum

(b) Refurbishment of 156 Northgate

Compass Developments (NE) Ltd have committed to a total of 8 measures to be achieved over the term of the contract.

Listed below is the progress to dates against the measures;

- (i) 52 apprenticeship weeks delivered for Darlington residents
- (ii) 12 hours to support young people into work
- (iii) £11,520.98 local spend
- (iv) £2,918.00 SME spend**

21. The Council have awarded contracts/frameworks in the procurements listed below, where the suppliers have committed to several social value measures. An update on the progress will be provided in the April 2026 report.

- (a) Northern Echo Refurbishment
- (b) Home Care and Support Framework
- (c) NEPO508 Neutral Vendor for Temporary Workers

Outcome of Consultation

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