



2024/25

**Second Quarter
Procurement
Review**

1. Introduction

- 1.1 A key element of achieving continuous improvement and meeting efficiency and savings targets is to ensure that the Council is achieving best value through its sourcing activities, through effective and compliant procurement practices.
- 1.2 The Council's previous Procurement Strategy was developed in 2014 to ensure that its objectives linked closely with the Council's overall strategic vision and aims and objectives. The key actions included, delivery of cashable savings, development of a professional Procurement unit, updated Procurement Rules to support transparency and the implementation of electronic tendering processes and procurement systems. All of which have been achieved.
- 1.3 The revised Joint Procurement Strategy is now approved. The revised strategy, covering 2022-2025 will focus on the following key objectives to support the aims of the Council's Corporate plan and align with the LGA National Procurement Strategy:
 - Delivering Value for Money
 - Commercial focus and effective Contract Management
 - Maintaining Transparency and Ethical practices through effective leadership
 - Promoting Responsible and Sustainable Procurement
 - Supporting the Local Economy and Business Growth
 - Delivering Social Value (CSR) through our Contracts
- 1.4 The Council will work to achieve these priorities by adopting and implementing the following key themes which underpin and will drive the strategy forward over the next three years:
 - Showing Leadership
 - Behaving Commercially
 - Achieving Community Benefits
 - Environmental Sustainability
 - Ethical Sourcing
- 1.5 In addition to the deliverable actions as detailed in the revised Strategy, during 2023/2024 we will be focussing on preparing a revision to the current Procurement Procedure Rules which govern our own internal regulatory framework for contracting. The current procedure rules were refreshed in 2017, which incorporated changes to requirements for contract award authorisations and procedures appropriate to varying spend thresholds.
- 1.6 Revision to current procedures are required to enable less restrictive requirement practices which will directly support the strategy's key objectives ie to support local, achieve community benefits and support our climate change actions.

2. Second Quarter Completed Procurements

- 2.1 The activity supported by the Council's procurement team during the second quarter 01 July 2024 to 30 September 2024 is summarised below:

Second Quarter	High Value (> £181,000)	Low Value (< £181,000)	Total
SMDC Only	2	6	8
JOINT (SM/HP)	2	9	11
TOTAL			19

- 2.2 Annex A provides details of the procurement exercises reviewed and completed during Quarter two.

3.0 2024/25 Procurement Forward Plan & Projects

- 3.1 The table below details the number of exercises which fall into either low or high value (profiled over full contract term) scheduled for completion or starting in 2024/25.

2024/25 Activity	High Value (> 181,000k)	Low Value (< £181,000k)	Total
SMDC	6	23	29
JOINT (SM/HP)	7	39	46
TOTAL			75

In addition to the above, there are a further 125 listed items, which are a combination of recurring operational contracts, spend reviews and one off projects, brought forward from previous years for review and completion for both HPBC and SMDC combined.

- 3.2 Some of the more significant 'high level' procurement activity that is scheduled for delivery in 2024/25 to 2025/26 includes:-

- Leisure Transformation programme support
- Levelling Up Funded projects support
- UK Shared Prosperity Fund project support
- Fowlchurch Depot project support
- IT / Transformation project support (inc. new Intranet / Finance system upgrade)
- Insurance Contract
- Elections Stationery and Canvass Service Contract
- Hybrid Mail Inc Annual Billing Contract
- Arboricultural works Contract
- Simpler recycling changes to waste legislation – vehicles and facilities procurement

Transforming Public Procurement Reforms

- 3.3 The Procurement Bill, which will reform the existing Public Sector Procurement Rules, has been approved through Parliament. The reforms will;
- create a fully transparent public procurement system, through a central digital platform;
 - aim to create a simpler and more flexible, commercial system that better meets our country's needs while remaining compliant with our international obligations;
 - open up public procurement to new entrants such as small businesses and social enterprises so that they can compete for and win more public contracts.
- 3.4 The Procurement Act 2023 has initiated a lead in comprehensive learning and development programme for public sector Contracting Authorities co-ordinated by the Cabinet Office.
- 3.5 The Procurement team have been working to complete several hours of online training through the Cabinet commercial college as part of the national roll out programme for learning and application in practice of the new regime. Procurement officers have now received their certificates on successful completion of the multiple learning assessments.
- 3.6 Under the new Act there will be an increased focus on procurement transparency and additional reporting requirements for contracts once executed. New requirements for publication of actual contract documents, performance monitoring and notices required for contract change modifications for high value contracts over £5m (total contract value) will be mandatory. There is however, a more flexible approach to how we procure for above threshold contracts, namely the standard open procedure remains and the new Competitive Flexible procedure (CFP) replaces four of the existing procedures into one which permits contracting authorities to design their own exercise subject to the complexity and proportionate to the future contract.
- 3.7 Since the first quarter report, the implementation date of the new regime 28 October 2024 as advised, has been deferred until 24 February 2025. Cabinet office advised the reason for the deferral on implementation is due to the progress being made to publish the new National Procurement Policy statement and development of the central digital platform for commercial activities.
- 3.8 Above threshold contracts procured upto the revised date will be subject to the current regime and also applies to any contracts sourced before and after using

pre-procured national frameworks procured to the regulations at the time of the procurement is concluded ie Public Contract Regulations 2015.

- 3.9 Annex B of this report provides further detail on the requirements of the new Procurement Act (PA23) for public sector authorities.

4. Procurement Performance

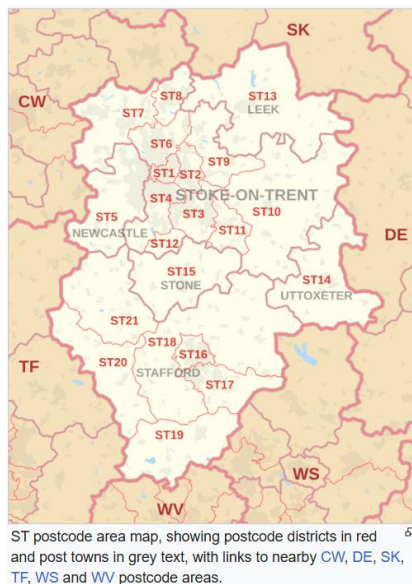
- 4.1 This section reports on the Council performance in terms of procurement activity.

- 4.2 Performance for the second quarter is highlighted below:-

Performance Indicator	Target	Performance at 30 September 2024
Annual contract spend as % of gross expenditure budget	1% improvement to 23/24 (94%)	95%
Performance at 31/03/2024 (Annual)		
Supplier (Creditor) spend within the local area as a % of total spend	8% (2023/24) 8.5% (2024/25)	7.3% (2023/24)

5. Local spend analysis

- 5.1 Local spend is measured through total expenditure of which proportion is with businesses from the ST postcode area and encroaching into immediate neighbouring boundary areas ie WS WE SK. The diagram below shows the postcodes for ST areas and surrounding areas included in the summary:

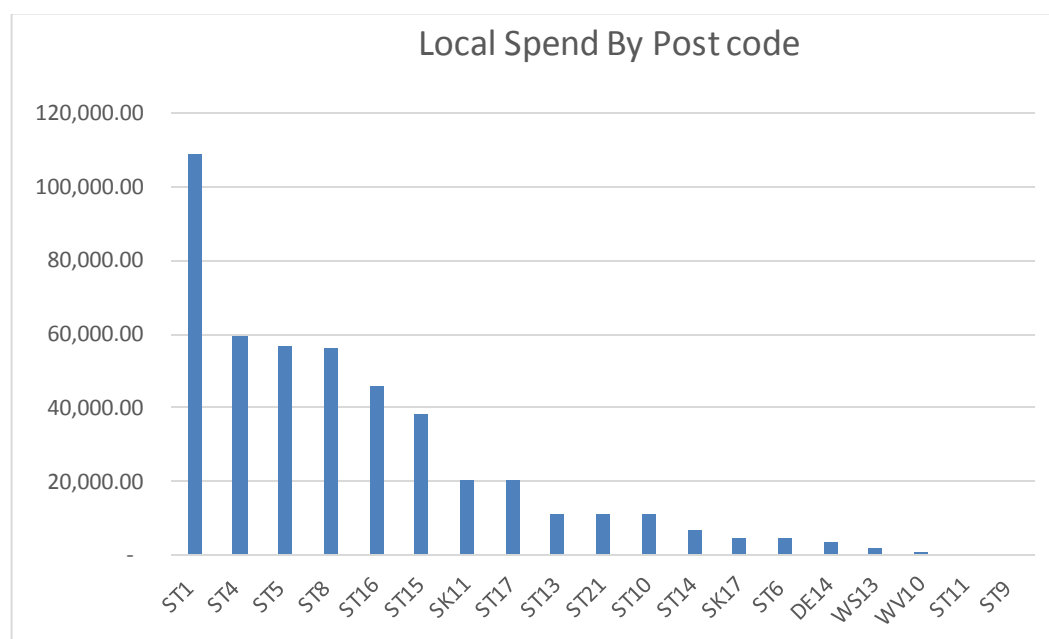


- 5.2 Since April 2024 to 30 September 2024 (Qtrs 1 and 2) the Council has spent 3.25% of their expenditure with businesses in the local area, table 5.2.1 details the level of expenditure per postcode.

Table: 5.2.1: Qtrs 1 and 2 expenditure per local area postcode:

Local Spend QTRs 1 and 2	
Post code	Total
ST1	108,811.52
ST4	59,488.85
ST5	56,768.30
ST8	56,303.99
ST16	45,836.33
ST15	38,436.30
SK11	20,613.48
ST17	20,187.00
ST13	11,300.26
ST21	11,060.65
ST10	11,000.95
ST14	7,025.00
SK17	4,621.76
ST6	4,410.30
DE14	3,670.00
WS13	2,181.60
WV10	763.00
ST11	200.00
ST9	-
Grand Total	462,679.29

Chart 5.2.2: local spend by post code



ANNEX A

Second Quarter Procurement Activity Completed – SMDC

Contract name	Brief contract description	Service Area	Contract Awarded To	Contract Start Date	Contract End Date	Total Contract Value	PROCEEDURE
Electric Charging points Cheadle LC	CCN to PROC-5691	Assets Capital Projects	E.ON	Oct 24	TBC	33,698	Single source
Glebeville play area	Glebeville play area refurbishment	Service Commissioning	Wicksteed Ltd	08/07/2024	31/12/2024	69,719	Tender
PPA – Planning consultancy (detail redacted)	Planning appeal consultancy	Development Services	Declan Cleary	01/10/2024	01/01/2025	5,000	Quote
Replacement market Lorry	Fleet purchase AES Markets Logistics	Service Commissioning	AM Commercials Ltd	02/09/2024	02/09/2024	43,200	Quotes (2nd hand purchase)
Damp and Mould Contractor Programme	Damp and Mould programme - Private rented	Environmental Health & Licensing	G2 recruitment -	25/09/2024	31/03/2025	60,000	Single Source
LUF Brough Park LC - construction (Delivery management agreement)	Design & works	Service Commissioning	Alliance Leisure Services Ltd	21/10/2024	Subject to programme	16,026,728 (Construction) 996,233 (Equipment) £17,022,961 (total)	Framework
LUF Nicholson Institute - RIBA design	Design & works	Communities & Climate change	Alliance Leisure Services Ltd	10/10/2024	Subject to programme	204,034	Framework
LUF Leek Market Hall/ Butter Market - construction (Delivery management agreement)	Design & woks	Regeneration	Alliance Leisure Services Ltd	02/04/2024	25/11/2024	3,304,911 <i>(Not reported in Q1 report)</i>	Framework

Second Quarter Procurement Activity Completed – JOINT (HPBC & SMDC)

Contract name	Brief contract description	Service Area	Contract Awarded To	Term	Total Contract Value (inc exts)	Procedure
Temporary Licensing Staff	Agency Staff	O D & Transformation - HR	Oyster Partnership	3 months	18,000	single source
Website Accessibility monitoring	Software	O D & Transformation - ICT	Site Morse	5 yrs	24,561	Framework
Office Furniture	Supply of furniture – meeting space	O D & Transformation - ICT	Southern Broadstock	2 months	6,717	Single source
Particulate Monitors	Earth sense monitors	Environmental Health & Licensing	Earth Sense Systems	2 months	12,150	Framework
Playing Pitch Strategy	Playing pitch surveys (Sport England agenda)	Development Services	FMG Consulting Ltd	1 yr	36,400	Tender
Office furniture	Main office Furniture	O D & Transformation - ICT	Emergent Crown Contract Office Furnishings Ltd	4 wks	10,225	Framework
Waste service design and route modelling	Consultancy support to undertake waste service modelling	Service Commissioning	Bartec Ltd	3 months	40,000	Tender
AES Fleet replacements - Multiple awards	Fleet replacements AES	Service Commissioning	NTM Ford Retail Trust Alports	16 wks +	NTM £390,720 (HP) Ford Retail Trust Ford £95,602 Alports £128,495	Framework
Leisure Uniforms	Uniforms supply	Service Commissioning	Alliance Leisure Services Ltd (Taylor Made Designs)	4 wks	25,826	Framework
Insurance Services Contract	Provision of insurance cover for council's activities	Finance	Lots 1,2,3 Protector Insurance Lot 4 Risk Management Partners Lot 6 Maven Public Sector Lot 7 Zurich Municipal TOTAL HP: 561,079 TOTAL SM: 171,455	3 yrs (2+2 yrs)	732,534 (p/a) TCV fixed term 3 yrs £2,197,602	Tender (PCRs15)

Arboricultural Services Multi lot Framework	Trees works and surveys framework	Development Control	<p>LOT 1 = Works at HP Arb Tree Care P Storer Thompson Tree Bankswood Tree Care</p> <p>LOT 2 = Works at SM P Storer Arb Tree Care N&J Hamps Valley</p> <p>LOT 3 = Stmps HP P Storer Arb Tree Care</p> <p>LOT 4 = Stumps SM P Storer Arb Tree Care N&J</p> <p>LOT 5 = Surveying HP Glen Dale Ground Control Peak Tree</p> <p>LOT 6 = Surveying SM Glendale Ground Control Thompson Tree</p>	2 + 2 yrs	400,000	Tender (PCRs15)
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Procurement Act 2023: Summary guidance for Elected members

1.0 Introduction

- 1.1 This guidance note provides detail on the Transforming Public Procurement changes coming into effect early 2025 in accordance to the new Procurement Act 2023. A programme to deliver support and guidance, including reviews of procedures and practices for council officers and elected members is currently underway, further detailed information will be provided in the next few months.

2.0 Background

What is the Procurement Act 2023 and why do we need it?

- 2.1 Prior to leaving the European Union (EU), the UK's public procurement legislation mainly derived from EU directives, consisting of four separate sets of regulations and separate regulations for Scotland.

Previous Regulations	Procurement Act 2023 and relevant regulations to be made under the Act
<ul style="list-style-type: none"> Public Contracts Regulations 2015 Utilities Contracts Regulations 2016 Concession Contracts Regulations 2016 Defence and Security Public Contracts Regulations 2011 	A single, uniformed framework for public procurement

- 2.2 The UK's exit from the EU provided an opportunity to create a simpler and more transparent system to better meet our needs.

Legislation

- 2.3 New legislation will be introduced under the changes to Public Sector contracting, this will be:
- 2.4 **The Procurement Act 2023** This is the primary legislation which has received Royal Assent and which is due to come into force on 28 October 2024.
- 2.5 The Cabinet Office has now announced that the Procurement Act 2023 will not come into effect until 24 February 2025, having been delayed to allow the new government to re-consider and update the National Procurement Policy Statement to best reflect its priorities.
- 2.6 **The Procurement Regulations 2024** These are the secondary legislation which merged two different Statutory Instruments into one. The regulations contain the CPV (Common Procurement Vocabulary) codes and the contents of what has to go into notices.

3.0 Public Contract Regulations 2015 to Procurement Act 2023 - key changes

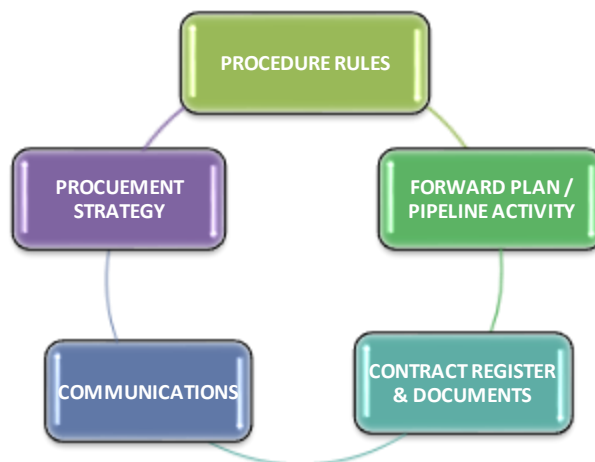
3.1 The new Act solidifies some existing practices as well as incorporating new concepts:

- **Value for money:** move away from the Most Economically Advantageous Tender (MEAT) to Most Advantageous Tender (MAT)
- **Maximise public benefit** Economic, environmental and social value. Amplifies the focus and importance of sustainability and social value in public sector procurement
- **Increased transparency** more transparency from buyers needing to share more information with suppliers about future opportunities and performance. Increase to public notices.
- **Acting with integrity** Putting more accountability on buyers, there is a focus on preventing fraud and corruption and improved control of their own procurement processes. Procurement review unit (whistleblowing Cabinet office service)
- **Fairness and equal treatment** no supplier to be at an unfair advantage or disadvantage and that suppliers to be treated the same
- **More SME involvement** needs to be a focus on increasing SME participation, buyers need to consider deadlines and the complexity of the procurement, purely to allow the flexibility of allowing SMEs to participate

4.0 Preparation and Implementation

What should authorities be doing to prepare?

- 4.1 All contracting authorities to complete the Cabinet Office online transforming public procurement (the TPP course) training, potentially even the deeper dives for procurement professionals and already have looked at the Council's readiness for the Act.
- 4.2 The Council's Procurement officers have completed nine modules of online training and final assessment certificates through Cabinet office commercial college. Work is currently underway to review and refresh the Council's procurement planning, governance practices and toolkits, as follows:



- 4.3 The transition period will incorporate procurement that have started under the existing regulations or have been procured under them that are in term after the go live date ie a framework which was procured prior to 24 February 2025 with a contract term of 4 years, this will continue to be subject to the old regime for its life cycle ie no requirements for reporting contract data or performance information as required under the new regime.
- 4.4 For above threshold procurements that are procured as a new contract exercise after 24 February 2025 this will be subject to the new regulations.

5.0 Contacting thresholds and procedures

Above threshold contracts

- 5.1 The Procurement Act 2023 has certain obligations that are triggered at set financial thresholds. The threshold (for goods, services and works) which determine whether a procurement is a covered procurement (the award, entry into and management of a public contract) and therefore bound by the main provisions of the Procurement Act 2023.
- 5.2 Current thresholds upto 31 December 2025 (refresh every 2 yrs 01/01/26)

Description (Sub central governments)	Threshold Inc VAT £
Works contract (i.e. "construction services")	5,372,609
non-works contract (i.e. "Goods", "Services")	214,904
Light touch contract (not a Utility or Concession)	663,540

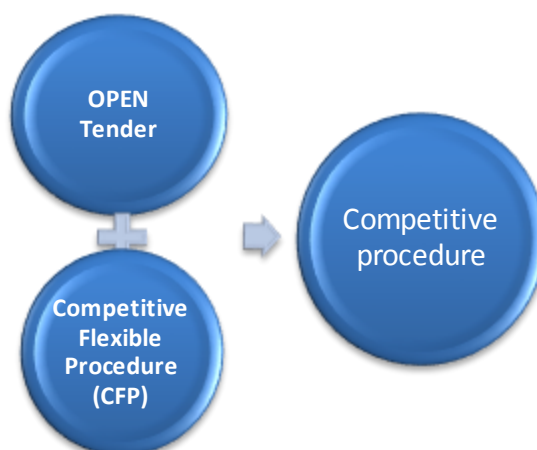
Below threshold contracts

- 5.3 The Council regularly sources contracts which fall below public contract thresholds. Under the new Act there are additional requirements to note:
- 5.3.1 New requirements to have regard to small and medium-sized businesses and whether barriers can be removed or reduced.
- 5.3.2 Publication of notifiable below-threshold contract opportunities should be made using a below threshold tender notice on the transparency platform instead of an opportunity notice on Contracts Finder.
- 5.3.3 Where a contracting authority wishes to advertise a below-threshold opportunity, they must publish it on the central platform before any other medium.
- 5.3.4 Local government and other authorities that are subject to the Local Government Act 1988 may now reserve competitions for below-threshold contracts to suppliers that are UK-based **or located in a specific county** or London borough. Under the previous regime, only central government

departments (plus their executive agencies and non-departmental public bodies) were able to take advantage of this policy.

Procedural changes

- 5.4 Under the Procurement Act, there will be only two possible procedures buyers can use as opposed to five regulated procedures under PCRS15, the new procedures offer much more flexibility to buyers to design their own procurement exercise to suit the complexity and nature of their contracts, the new procedures are as follows:



- 5.4.1 **The Open tender procedure** This is a single stage procedure and will remain largely as it does under the Public Contracts Regulations 2015, this would be used for simple and straightforward purchasing.
- 5.4.2 **The Competitive Flexible Procedure** is new. This gives options to the buyer to create a multi-stage procedure. For example, the 2-stage procedure - SQ & ITT. Or it could be the restricted procedure plus extras. For example, product demonstration. It provides greater opportunity for dialogue and negotiation. This is for more complex contracts which would not suit a one stage tender.

6.0 Transparency

- 6.1 There is an increase on the number of notices which contracting authorities must publish, some of which will not be required for the Council's contracting activities, however it should be noted that the following are additional to the existing notices under the old regime:

Notice	Detail / requirements
Pipeline notice	Buyers spending over £100million each financial year. The Pipeline Notice will contain opportunities over £2million that will be going out to tender in the next 12 months
Preliminary Market Engagement	Issued before the publication of a tender notice, to allow buyers to speak with the market to help them understand more which will help shape requirements.

(PME) Notices	All PME activity must be registered with the Procurement unit to comply to publication requirements.
Planned Procurement Notices (PPNs).	<p>Similar to the Pipeline Notices and provides market with advanced notice of an upcoming bid (similar to PINs under old regime)</p> <p>PPNs can be issued between 40 days and 1 year before the bid is formally advertised</p>
Spend data	Buyers have to publish information about any payment of £30,000 or more on a contract

The Central Digital Platform

- 6.2 The Central Digital Platform (CDP) will contain all the procurement notices. It will allow everyone to search, view and understand what buyers are buying, who they are buying from and how much they are spending. It will provide more visibility and access to opportunities. This will help planning, identify pre-market engagement opportunities, Pipeline Notices, PPNs and Tender Notices.
- 6.3 Suppliers will need to register and store their details so that they can be used for multiple bids – ideally simplifying the process for them without having to repeat data entry.
- 6.4 CDP will sit within the existing Find a Tender service (FTS). This system is being updated to include the new requirements.

7.0 Contract Management

- 7.1 The Procurement Act focusses on performance of suppliers delivering public sector contracts. The commercial toolkits will give buyers insight into suppliers who are entered on to a debarment list and have to present performance data for high value contracts.
- 7.2 For individual contracts of over £5million, at least 3 Key Performance Indicators (KPIs) must be agreed. There is a drive on accountability of the buyer and part of this is through improved contract management. the buyer must publish performance data at least once a year throughout the contract

Contract Variations / modifications

- 7.3 A below threshold contract may be modified in any way if the result of that modification is that the value remains below the relevant threshold. If, as a result of the modification, the value of the contract will exceed the relevant threshold, the contract may only be modified in a way which is permitted by the Act and would then be subject to the general requirements of the Act (and be treated as an above threshold contract).
- 7.4 There are additional new grounds for modification of contracts now applicable:

Modification Ground
New Grounds
Urgency and the protection of life, etc.
Materialisation of a known risk
For defence authority contracts on developments in technology
For defence authority contracts to ensure continuous supply

- 7.5 The new grounds enabling a swifter response to changes, challenges and opportunities that arise within the “manage” phase of the procurement lifecycle. Ensuring that contracts remain fit for purpose and able to deliver their intended objectives. Also improving transparency and demonstrating how contracts evolve through the delivery stage following procurement and award.
- 7.6 Any modifications for an above threshold contracts must be subject to the publication of a ‘contract change notice’ this must be completed and published **before** the modification is applied to the contract.
- 7.7 Permitted variations to values under the new regulations are more flexible to the existing regime, provided that they adhere to the grounds as detailed. Modifications under the Act may now be made successively, allowing for multiple separate modifications of increasing value – each individually up to 50% of the immediately preceding value of the contract, to be made during a contract’s lifetime. This now permits a reset to the value of the contract after the modification is applied.

8.0 Further guidance & next steps

- 8.1 There is a lot of supporting information and guidance available through central and Local government organisations to support procurement teams with the implementation of the new Act. The Council’s procurement officers have already committed several additional hours to complete training, attend seminars and legal webinars to ensure they are familiarised to the requirements of the new regulations and Act.
- 8.2 Cabinet office have useful content for both professional teams and those wanting to know high level summary on changes, knowledge drops (short videos) are very effective and can be accessed using the following link
- <https://www.gov.uk/guidance/the-official-transforming-public-procurement-knowledge-drops>
- 8.3 The Council’s procurement team will be completing further updates in the next few weeks and will be consulting on a review of the current Procurement Procedure Rules to ensure the Council is compliant and also delivering its procurement strategy outcomes and those of the National Procurement Policy statement when released.