

Future Procurement Plan

Cabinet Member for Finance, Procurement and Revenues & Benefits

Date: 10 May 2022
Agenda Item: 3
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Key Decision? YES
Local Ward Members



CABINET

1. Executive Summary

- 1.1 The Procurement Strategy provides a number of guiding principles and actions to help develop our approach to procurement. The development and publication of a Future Procurement Plan is one of these actions.
- 1.2 The Procurement Team has worked across the Council to map out the proposed procurement activities due in the next 12-18 months that fall above the Key Decision level based on existing requirements and Approved Budgets.
- 1.3 The estimated overall contract value for the detailed procurement activities is circa £15m of the planned procurement value over the coming 12-18 months.
- 1.4 The Contract Procedure Rules that came into force on 01 January 2022, require a Procurement Initiation Plan (PIP) to be completed at the commencement for each procurement activity. The PIP stage provides the opportunity for the requirement to be reviewed and considered in light of the Being a Better Council programme. It is also at this stage where the strategic delivery options of 'stop doing', 'deliver in-house', 'outsource', 'third party delivery' are considered.
- 1.5 The Contract Procedure Rules also delegate the responsibility to individual Cabinet Members to agree to contracts up to a value of **£400,000** providing they are within existing Approved budgets. Therefore this report provides Cabinet with visibility of current planned procurement activity.

2. Recommendations

- 2.1 That Cabinet notes the Future Procurement Plan including the forthcoming contracts that will require sign off by individual Cabinet Members.

3. Background

- 3.1 The Procurement Strategy provides a number of guiding principles and actions to help develop our approach to procurement. The development and publication of a Future Procurement Plan is one of these actions along with improving the visibility of procurement opportunities for suppliers.

What we plan to achieve	What we plan to do	Who we will work with
A fully populated forward looking work plan	Update with information received and procurement initiation form content Regular engagement with officers and managers. Regular Procurement updates to officers	Heads of service and managers in all service areas
Improve visibility of procurement opportunities	Future work plan to be published on website in form of anticipated procurement opportunities All current procurement opportunities to be published	Heads of service and managers in all service areas

- 3.2 Through the development of the Future Procurement Plan we will also be meeting the objectives in the Procurement Strategy of complying with best practice and service areas programming their activities in advance.
- 3.3 The Procurement Team has been working across the council to identify procurement activities that are planned to take place in the next 12-18 months and that are above the Key Decision threshold of £75,000 based on the current specification and budget allocation.
- 3.4 In line with the Contract Procedure Rules that came into force on 01 January 2022, a Procurement Initiation Plan (PIP) will be completed at the commencement for each procurement activity. The PIP stage provides the opportunity for the requirement to be reviewed and considered in light of the Being a Better Council programme. It is also at this stage where the strategic delivery options of ‘stop doing’, ‘deliver in-house’, ‘outsource’, ‘third party delivery’ are considered.
- 3.5 The PIP requires details on the contract including the proposed procurement route as well as seeking confirmation from the Finance Team on available budgets and if any additional support is needed from HR, Legal, Data Protection or other specialist services.
- 3.6 The PIP, in line with the Procurement Strategy, also asks for details on the approach being taken to support the aims and objectives in relation to:
- **Social value** – e.g. training, employment, apprenticeships, talks, volunteering days etc.
 - **The use of local suppliers** – e.g. as primary suppliers (i.e. opening up opportunities to locally based suppliers) or as secondary suppliers (i.e. supply chain opportunities)
 - **Environmental impact, sustainability, carbon reduction & climate change** – e.g. specifying lower impact products, recycled goods, reusable goods, reduced transport mileage etc.
- 3.7 The Future Procurement Plan attached at **APPENDIX A** includes the following details:
- Title
 - Description
 - Approximate Value for maximum term
 - Estimated Term (including options to extend)
 - Responsible Cabinet Member
 - Service Area

Alternative Options	Procurements could be undertaken on a case by case basis as they arise without forward planning and visibility of the overall level of procurement across the Council.
Consultation	Leadership Team has been consulted.

Financial Implications

Based on the planned procurement activity across the next 12-18 months spend would be circa £15m (based on current specification and budget allocation – both will be reviewed). A summary of activity by contract value and Governance responsibility:

Project	Total Value	Annual Value
Printing Services – Election Canvas / Registration	£80,000	£20,000
Scanning Services - Elections	£80,000	£26,667
Printing Services - Elections	£110,000	£36,667
Viability Assessment	£120,000	£40,000
Payroll Services	£150,000	£30,000
Corporate Training	£200,000	£50,000
Contact Centre Telephony	£250,000	£83,333
Trunk Road Cleaning Service	£250,000	£50,000
External Audit Services	£275,000	£55,000
Total £0-£400k	£1,515,000	£391,667
Printing Services – Council Tax	£500,000	£100,000
Housing Redevelopment (Bore Street)	£500,000	£500,000
Customer Management System	£800,000	£114,286
Electricity Supply	£1,000,000	£250,000
Homeless Support Services	£1,000,000	£200,000
Total £400k to £1m	£3,800,000	£1,164,286
Insurance	£1,600,000	£400,000
Vehicle Supply for Joint Waste Service	£8,000,000	£1,142,857
Total Above £1m	£9,600,000	£1,542,857
Total	£14,915,000	£3,098,810

Project	Total Value	Annual Value
External Audit Services	£275,000	£55,000
Total Audit & Member Standards Committee	£275,000	£55,000
Vehicle Supply for Joint Waste Service	£8,000,000	£1,142,857
Total Cabinet member for Climate Change & Recycling	£8,000,000	£1,142,857
Viability Assessment	£120,000	£40,000
Trunk Road Cleaning Service	£250,000	£50,000
Total Cabinet member for Economic Development, Leisure & Local Plan	£370,000	£90,000
Printing Services – Council Tax	£500,000	£100,000
Total Cabinet member for Finance, Procurement and Revenues & Benefits	£500,000	£100,000
Contact Centre Telephony	£250,000	£83,333
Customer Management System	£800,000	£114,286
Electricity Supply	£1,000,000	£250,000
Payroll Services	£150,000	£30,000
Corporate Training	£200,000	£50,000
Insurance	£1,600,000	£400,000
Total Cabinet member for Innovation & Corporate Services	£4,000,000	£927,619
Printing Services – Election Canvas / Registration	£80,000	£20,000
Scanning Services - Elections	£80,000	£26,667
Printing Services - Elections	£110,000	£36,667
Homeless Support Services	£1,000,000	£200,000
Housing Redevelopment (Bore Street)	£500,000	£500,000
Total Cabinet member for Regulatory, Housing	£1,770,000	£783,333
Total	£14,915,000	£3,098,810

As part of the Procurement Initiation Plan, the Finance Team is consulted to confirm the available budget for the contract.

Approved by
Section 151
Officer

Yes

Legal Implications	Any of the listed procurement activities that fall above the Public Contract Regulations 2015 thresholds will be procured in line with the regulations.
Approved by Monitoring Officer	Yes
Contribution to the Delivery of the Strategic Plan	Each of these procurement activities contribute to the delivery of the Strategic Plan, either directly – providing a direct solution / service to our residents, or indirectly – providing the council with the tools and support it needs to deliver the wider Strategic Plan.
Equality, Diversity and Human Rights Implications	<p>As part of the Procurement Initiation Plan for each of the listed procurement activities, consideration is given to the impact on equality, diversity and human rights – where it is identified as being needed, an equalities impact assessment or other relevant assessment will be undertaken.</p> <p>The standard supplier questionnaire used in procurement activities above £75,000 include questions relating to the Modern Slavery Act; and as part of the Procurement Initiation Plan if the requirement is identified as being in a high-risk sector, additional questions/assessments will be included.</p>
Crime & Safety Issues	None identified
Environmental Impact	<p>As part of the Procurement Initiation Plan for each of the listed procurement activities consideration is given to the environmental impact of the requirement and if there are any alterations to the specification that can be made or mitigations included to reduce the environmental impact or carbon footprint.</p> <p>As part of the Procurement Initiation Plan for each of the listed procurement activities consideration is given to the engagement of locally based suppliers not only to increase the % of our spend that is spent locally but also to reduce the impact of any travel and transportation needed and the associated carbon and air pollution.</p>
GDPR / Privacy Impact Assessment	As part of the Procurement Initiation Plan for each of the listed procurement activities consideration is given to the data protection requirements of the contract. If the requirement includes the use/collection/sharing of personal or sensitive data, further work is undertaken with the Data Protection Officer to ensure that the correct assessments and contractual documentation is used.

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
A	That the procurement activity once undertaken exceeds the approved budget allocation. Head of Finance & Procurement Relevant Head of Service for each procurement activity	Likelihood: Yellow (material) Impact: Yellow (material)	The Finance Team is consulted during the completion of the Procurement Initiation Plan to identify the allocated budget. At this stage we are able to identify any concerns and put in place appropriate next steps (e.g. changing the requirement's specification, re-allocating budgets, seeking additional funding etc.)	Likelihood: Green (tolerable) Impact: Yellow (material)
B	That the PCR2015 regulations are not complied with when a procurement activity is undertaken Head of Finance & Procurement Relevant Head of Service for each procurement activity	Likelihood: Yellow (material) Impact: Red (severe)	The Procurement Team must be consulted when any above PCR2015 procurement activity is undertaken to ensure that the correct procedures are followed.	Likelihood: Green (tolerable) Impact: Yellow (material)
C	Lack of forward planning results in reactive procurement activity being undertaken Head of Finance & Procurement Relevant Head of Service for each procurement activity	Likelihood: Red (severe) Impact: Yellow (material)	Future Procurement Plan (FPP) has been developed and reviewed by Leadership Team. Procurement Team and Stakeholders to work together to deliver procurement activities to agreed timescales.	Likelihood: Green (tolerable) Impact: Yellow (material)
D	Changes to procurement regulations impact FPP Head of Finance & Procurement	Likelihood: Yellow (material) Impact: Yellow (material)	The recent Green Paper on procurement has outlined the planned changes to legislation impacting public procurement. The most recent feedback from Central Government is that the draft Act will not be published until 2023 at the earliest. The Procurement Team will monitor information and analyse any impact on the Contract Procedure Rules, FPP and procurement activity as and when it becomes available.	Likelihood: Green (tolerable) Impact: Green (tolerable)
E	Increase in below Key Decision Level procurement activity impacts Procurement Team's ability to deliver the FPP Head of Finance & Procurement	Likelihood: Yellow (material) Impact: Red (severe)	Work has been undertaken to identify below Key Decision procurement activities and map workload demands. Where suitable Stakeholders will be supported to deliver their own below Key Decision procurement activities. Leadership Team have been asked to feedback any possible procurement activities to the Procurement Team as soon as they are identified. Procurement Team is seeking to expand the resources in the team subject to approvals / recruitment.	Likelihood: Green (tolerable) Impact: Yellow (material)
F	Further procurement activities are identified during the next 12-18 months that are above the Key Decision threshold Head of Finance & Procurement Relevant Head of Service for each procurement activity	Likelihood: Yellow (material) Impact: Yellow (material)	The Procurement Team has worked with teams across the Council to identified future procurement needs; however, there may be additional requirements that are as yet unknown that are needed – for example as a result of changing requirement from central government or council policy. If and when these are identified they will be added to the FPP.	Likelihood: Yellow (material) Impact: Yellow (material)

	Background documents
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Any previous reports or decisions linked to this item

	Relevant web links
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Any links for background information which may be useful to understand the context of the report

<https://www.lichfielddc.gov.uk/downloads/file/1825/procurement-strategy>

Future Procurement Plan – next 12-18 months – above £75k total contract value

Title	Description CMD – Cabinet Member Decision (under £400k) CD – Cabinet Decision (over £400k)	Mo – Must Have S – Should have Co – Could have W – won't have	Capital v Revenue	Re-Tender v New Requirement	Expiry of current contract	Approximate Value for maximum term	Estimated term (including options to extend)	Delegation to	Service Area
Contact Centre Telephony	Provision of specialist contact centre telephony service CMD	Mo – Must have	Revenue – within budget (possible savings)	Re-Tender	Shared Service	£250,000	3 years	Cabinet member for Innovation & Corporate Services	Corporate Services
Customer Management System	Provision of CMS, CRM and associated software CD	Mo – Must have	Revenue – within budget	Re-Tender	01/08/2023	£800,000	7 years	Cabinet member for Innovation & Corporate Services	Corporate Services
Electricity Supply	Provision of electricity supply CD	Mo – Must have	Revenue – within budget (possible reduction in consumption but increase in pkwh/£)	Re-Tender	31/03/2023	£1,000,000	4 years	Cabinet member for Innovation & Corporate Services	Corporate Services
Viability Assessment	District Valuer Service CMD	Mo – Must have	Revenue	New requirement (previous contract has expired)	N/A	£120,000	3 years	Cabinet member for Economic Development, Leisure & Local Plan	Economic Development
External Audit Services	Provision of External Audit services (procurement via PSAA) CMD	Mo – Must Have	Revenue	Re-Tender	01/03/2023	£275,000	5 years	Audit & Member Standards Committee	Finance & Procurement
Printing Services – Council Tax	Printing and posting of council tax bills CD	Mo – Must Have	Revenue	Re-Tender	30/09/2022	£500,000	5 years	Cabinet member for Finance, Procurement and Revenues & Benefits	Finance & Procurement
Printing Services – Election Canvas / Registration	Provision of printing services for election canvas / registration CMD	Mo – Must have	Revenue	New requirement	N/A	£80,000	4 years	Cabinet member for Regulatory, Housing & Health	Governance & Performance
Scanning Services - Elections	Provision of scanning services for postal votes CMD	Mo – Must have	Revenue	New requirement (previous contract has expired)	N/A	£80,000	3 years	Cabinet member for Regulatory, Housing & Health	Governance & Performance
Printing Services - Elections	Provision of postal vote printing CMD	Mo – Must have	Revenue	New requirement (previous contract has expired)	N/A	£110,000	3 years	Cabinet member for Regulatory, Housing & Health	Governance & Performance

Title	Description CMD – Cabinet Member Decision (under £400k) CD – Cabinet Decision (over £400k)	Mo – Must Have S – Should have Co – Could have W – won't have	Capital v Revenue	Re-Tender v New Requirement	Expiry of current contract	Approximate Value for maximum term	Estimated term (including options to extend)	Delegation to	Service Area
Payroll Services	Provision of payroll services CMD	Mo – Must have	Revenue	Re-Tender	31/07/2023	£150,000	5 years	Cabinet member for Innovation & Corporate Services	Governance & Performance
Corporate Training	Provision of a variety of training programmes CMD	S – Should have	Revenue	New Requirement	N/A	£200,000	4 years	Cabinet member for Innovation & Corporate Services	Governance & Performance
Insurance	Provision of the range of insurance policies that are required CD	Mo – Must have	Revenue	Re-Tender	31/03/2023	£1,600,000	4 years	Cabinet member for Innovation & Corporate Services	Governance & Performance
Trunk Road Cleaning Service Note: policy decision about frequency pending	Provision of cleaning services of trunk roads (this is different to the roadsweeping contract) CMD	S – Should have	Revenue	Re-Tender	31/12/2022	£250,000	5 years	Cabinet member for Economic Development, Leisure & Local Plan	Operational Services
Vehicle Supply for Joint Waste Service	Provision of waste service-related vehicles CD	Mo – Must have	Revenue	Re-Tender	31/03/2023	£8,000,000	Up to 7 years	Cabinet member for Climate Change & Recycling	Operational Services
Homeless Support Services	Provision of services relating to homelessness including management of accommodation and face to face support services CD	Mo – Must Have	Revenue	Re-Tender	31/05/2023	£1,000,000	5 years	Cabinet member for Regulatory, Housing & Health	Regulatory, Housing & Well-being Services
Housing Redevelopment (Bore Street)	Re-development works at Bore Street LSH are running the procurement on LDC's behalf CD	Mo – Must Have	Capital (Ring-fenced funding)	New Requirement	N/A	£500,000	Length of works	Cabinet member for Regulatory, Housing & Health	Regulatory, Housing & Well-being Services
Total						£14,915,000			