



## Policy and Resources Committee

8 December 2020

**Title**

### Annual Procurement Forward Plan [APFP] 2021/2022

**Report of**

Chairman of the Policy & Resources Committee

**Wards**

All

**Status**

Public

**Urgent**

No

**Key**

Yes

**Enclosures**

Appendix 1 – Annual Procurement Forward Plan 2021/22

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## Summary

This report sets out the detail of envisaged procurement requirements for 2021/2022 and, where known, for 2022/23 and seeks authorisation to proceed with procurement activity in accordance with the Council's Contract Procedure Rules, subject to service confirmation of continued requirement, any additional approvals required under the Council's Constitution, including the Contract Procedure Rules, and identification of approved budget source.

# Officers Recommendations

1. That approval be given to Officers to proceed with procurement activity as presented in the Annual Procurement Forward Plan (APFP) 2021/2022, and where known for 2022/23, subject to service confirmation of continued requirement any additional approvals required under the Council's Constitution, including the Contract Procedure Rules, and identification of approved budget source.

## 1. WHY THIS REPORT IS NEEDED

- 1.1 Under paragraph 4.1 of the Council's Contract Procedure Rules any Procurement, including extensions and variations to contracts set out in the Annual Procurement Forward Plan and approved by the Policy and Resources Committee, is deemed as authorised irrespective of the Contract value.
- 1.2 The Annual Procurement Forward Plan (APFP) is set out in Appendix 1 and it includes all known procurements that are anticipated in the 2021-22 financial year. These have been identified against category of spend as follows:

Sub-£25k (£10,000-£24,999)
ITQ (£25,000-£189,329)
OJEU & Works (ITQ (> £189,330))
Framework Agreement

Each category value is subject to different governance authorisation requirements, as detailed within the Council Constitution Article 10 Table B and Contract Procedure Rules. The APFP includes all procurement exercises that it is anticipated may be required during the year. This enables greater oversight and better planning of procurement activity and should not be regarded as indicating approval (or otherwise) of the business case for any particular scheme or project.

- 1.3 The APFP does not identify source of funding, as this is a service area responsibility.

## 2. REASONS FOR RECOMMENDATIONS

- 2.1 To comply with the Council's Contract Procedure Rules.
- 2.2 To avoid presentation of individual requests for approval to procure values above £189,330 to various Council committees
- 2.3 To provide visibility of individual service requirements to procure lower values above £10,000 and beneath £189,329. Inclusion on the Annual Procurement Forward Plan provides both visibility and authorisation to procure subject to budget confirmation.

### **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 The only alternative action is to present individual requests to Policy and Resources Committee and other thematic committees. This was rejected as being burdensome both to Council officers in preparing such reports and committee members in the time that would be required to consider them.
- 3.2 There is also a timing issue in that many of these procurements will need to start imminently and it would be challenging to schedule individual approvals from relevant theme committees in time.

### **4. POST DECISION IMPLEMENTATION**

- 4.1 Officers will proceed with review of the authorised Annual Procurement Forward Plan 2021-22. Commencement of procurements will be subject to CSG Procurement Business Partners meeting with service area leads/budget holders to confirm procurement requirement, procurement timeline, budget and whether the procurement activity supports strategic or operational delivery of services/works/supply. Procurement activity requires the provision of an authorised Procurement Launch Document. The Procurement Launch Document (PLD) provides an audit trail which confirms the requirement, authorisation for procurement is in place, the procurement option/strategy to be delivered, the budget for the contract, alignment with Council policies, collaboration, working with SMEs, apprenticeships, risks and procurement timeline. The PLD is authorised by service lead, commissioning lead, CSG Procurement, budget holder and Finance Business Partner.
- 4.2 Review of the Annual Procurement Forward Plan will include potential aggregation of requirements across services and removal of items that are not being progressed and/or procurement has been concluded removing the need for authorisation to proceed within the financial period of the Annual Procurement Forward Plan.

### **5. IMPLICATIONS OF DECISION**

#### **5.1 Corporate Priorities and Performance**

- 5.1.1 The Annual Procurement Forward Plan (APFP) will enable the Council to maintain an accurate oversight of procurement activity across the full range of services and support more commercial and efficient procurement practices. The APFP supports transparency and drives achievement of the Council's key priorities as set out in the Barnet Plan 2024. The Council, working with local, regional and national partners, will strive to deliver the following outcomes:

- 1) Is a pleasant, well maintained borough that we protect and invest in;
- 2) Our residents live happy, healthy, independent lives with the most vulnerable protected;
- 3) Is has safe and strong communities where people get along well.

- 5.1.2 In particular, it will support our approach outlined in Barnet 2024 that:

The APFP also supports transparency and achievement through the Authority's Entrepreneurial Barnet 2015-2020 commitment which encourages businesses to improve Barnet's wider economic community through targeted activities such as:

- improving Barnet's physical and digital infrastructure;
- supporting town centres;
- delivering business mentoring schemes;
- equipping the workforce with the skills and behaviours it needs to succeed in a competitive and changing world.

5.1.3 The Council is a signatory to London Council's Procurement Pledge "to create jobs and training through its supply chain." Typically, this will include a requirement of suppliers to:

- Recruit a percentage of the workforce locally, for example by advertising with local Jobcentre Plus;
- Create apprenticeships;
- Offer a number of work placements to young people, graduates, or workless people;
- Offer additional training and qualifications opportunities to a percentage of their existing workforce;
- Work with their own supply chains to create additional opportunities;

## 5.2 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

5.2.1 The costs pertaining to the contracts contained within the Appendix to this report are contained within the individual service budgets of the Council.

5.2.2 Procurement will work with individual services to:

- confirm continuation of envisaged requirement as recorded on the published plan within the Appendix
- ascertain the budget source (capital/revenue/grant) for the contract which will result from the procurement exercise and achieve finance confirmation for budget spend
- consider aggregation opportunities across service requirements

5.2.3 Value for money is a key consideration; both when identifying opportunities to join up procurement activity across Barnet or as part of consortium arrangements, and in the tender evaluation process.

## 5.3 **Social Value**

5.3.1 The Public Services (Social Value) Act 2012 requires that consideration is given for above threshold £189,330 from January 2020 service contracts to secure benefits for the community, environment and value for money for the London Borough of Barnet as follows:

- (a) how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area; and
- (b) how, in conducting the process of procurement, it might act with a view to securing that improvement.

5.3.2 The Council has extended the Social Value Act's requirements and supports social value and sustainability delivery opportunities through all procurements at the Council, not just above threshold services contracts.

5.3.3 Service areas will be asked to confirm that the development of specifications for all proposed procurements have taken these requirements into consideration. It should be noted that such considerations could compromise the Council's ability to maximise the value for money it can achieve, so a balance will be sought wherever possible

#### 5.4 **Legal and Constitutional References**

5.4.1 The Council's Constitution, Article 7 sets out the terms of reference of the Policy and Resources Committee including:

(1) To determine strategic policy, finance and corporate risk management including recommending: Capital and Revenue Budget; Medium Term Financial Strategy and Corporate Plan to Full Council, Finance issues, Procurement Forward Plan, Local Plans, Information Technology, Strategic Partnerships, Customer Services and Resident Engagement, Emergency Planning and the effective use of resources.

5.4.2 The Council's Constitution, Article 17 (Contract Procedure Rules) sets out the authorisation process for entering contractual commitments. "Authorisation" is the approval required before quotations or tenders for supplies, services or works may be sought in accordance with Council Constitution Article 10 Table B.

5.4.3 The Council's Constitution Article 10 Table B summarises Authorisation and Acceptance Procedures, including that procurements of £500,000 and over may be authorised by the Annual Procurement Forward Plan:

- The aim is to speed up the procurement process by removing unnecessary bureaucracy – in this case, a duplication of the authorisation process.
- Any contract, including additions, extensions and variations, which have been included in a directorate or service's Budget and supporting plans and strategies or any other Committee approved plan is deemed as authorised irrespective of value.

#### 5.5 **Risk Management**

5.5.1 If the Council does not manage the contract renewal programme effectively and efficiently it could lead to a detrimental impact on value for money and the likelihood of delivering significant procurement savings. In addition, the Council will be unable to forward plan the need for appropriate resource to support the programme. Well planned processes will enable effective commercial negotiations to take place thereby driving lower costs from the portfolio of contracts put to market.

#### 5.6 **Equalities and Diversity**

5.6.1 Pursuant to the Equality Act 2010, the Council and all other organisations exercising public functions on its behalf must have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advance equality of opportunity between those with a protected characteristic and those without; promote good relations between those with a protected

characteristic and those without. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regard to eliminating discrimination. All organisations that submit tenders for Council business are required to submit their Policy Statement regarding how they manage compliance with the Equality Act, or equivalent legislation.

## **5.7 Corporate Parenting**

5.7.1 Identified service area procurements may have direct and/or indirect impacts on looked after children and care leavers. Procurement will work with service areas to identify any opportunities to support children in care and/or care leavers as part of the procurement process, as well as to identify and seek to mitigate any potential adverse impacts of a procurement.

## **5.8 Consultation and Engagement**

5.8.1 Consultation and engagement will take place within individual procurement projects as appropriate to the product(s) or service(s) required. Service users will be engaged in the procurement process as part of a co-design approach where appropriate.

## **5.9 Insight**

5.9.1 Insight data will be used to support the delivery of the Annual Procurement Forward Plan as it will enable preparation of market engagement with internal and external stakeholders prior to procurement exercises and that Barnet's community requirements are considered to inform these.

5.9.2 Post tender delivery insight data will be used to support contract management.

## **6. BACKGROUND PAPERS**

6.1 Policy and Resources Committee 5 December 2017 Agenda item 11 Annual Procurement Forward Plan 2018/19 Appendix 1 Procurement activity by service area for 2018/19

<https://barnetintranet.moderngov.co.uk/documents/s43785/Annual%20Procurement%20Forward%20Plan%20APFP%2020182019.pdf>

6.2 Policy and Resources Committee 13 February 2018 Agenda item 9 Annual Procurement Forward Plan Supplement 2018/19 Appendix 1 Annual Procurement Forward Plan Supplement 2018-19

6.3 <https://barnetintranet.moderngov.co.uk/documents/s44913/Annual%20Procurement%20Forward%20Plan%20APFP%20Supplement%2020182019.pdf>

6.4 Policy and Resources Committee 11 December 2018 Agenda Item 13 Annual Procurement Forward Plan 2019/20 Appendix 1 Annual Procurement Forward Plan 2019/20

<https://barnet.moderngov.co.uk/documents/s50126/Annual%20Procurement%20Forward%20Plan%20APFP%202019-2020.pdf>

- 6.5 Policy and Resources Committee 6 January 2020 Agenda Item 10 Annual Procurement Forward Plan 2020/21 Appendix 1 Annual Procurement Forward Plan 2020/21  
<https://barnet.moderngov.co.uk/documents/s56939/Annual%20Procurement%20Forward%20Plan%20APFP%2020202021.pdf>