



Cabinet

Title	Annual Procurement Forward Plan (APFP) 2024-25
Date of meeting	12 December 2023
Report of	Councillor Barry Rawlings, Leader of the Council and Cabinet Member for Resources & Effective Council
Wards	All
Status	Public
Key	Key
Urgent	No
Appendices	Appendix A – Annual Procurement Forward Plan (APFP) 2024-25
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Summary	
<p>This report sets out the detail of envisaged procurement requirements for 2024/2025 and, where known, for 2025/26, 2026/27. The council has prepared a list of proposed procurement activity. This can be found in Appendix 1.</p> <p>This report seeks authorisation to enable commencement of procurement activity in accordance with the Council's Contract Procedure Rules, subject to confirmation of continued requirement, available budget, and any additional approvals required under the Council's Constitution.</p>	

The use of the Annual Procurement Forward Plan (APFP) is in line with the Council's Constitution.

The approval of the APFP does not automatically provide approval for all procurement. Where appropriate, procurement activity will be referred to Cabinet or relevant Cabinet Member approval as part of the council's overarching governance process and set out in the Constitution, Contract Procedure Rules.

Recommendations

- 1. That Cabinet approve the Annual Procurement Forward Plan (APFP) to enable commencement of procurement activity for 2024/25 – 2026/27 (as identified in Appendix 1).**
- 2. That Cabinet note the requirements for procurement activity to be subject to service confirmation of continued requirement, any additional approvals required under the Council's Constitution, including the Contract Procedure Rules, and authorisation of a Procurement Launch Document including identification of approved budget source as set out in Appendix 1.**

1. Reasons for the Recommendations

- 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 (APFP) and approved by the Cabinet, is deemed as authorised to commence, provided there is not an additional authorisation requirement identified, such as Cabinet or Portfolio holder approval depending on the value of the procurement. Cabinet approval will be required for contracts over £0.500m in the new executive system unless they are authorised via the Cabinet decision on the APFP.
- 1.2 The APFP is set out in Appendix 1 and it includes all known procurements that are anticipated in the 2024-25 financial year. These have been identified against category of spend for thresholds up to 31 December 2023 as follows:

Thresholds up to 31 December 2023	Thresholds w.e.f. 1 January 2024*
ITQ Goods & Services (£25,000-£213,476)	ITQ Goods & Services (£25,000-£214,903)
ITQ Works (£25,000 - £5,336,936)	ITQ Works (£25,000 -£5,372,608)
Find a Tender Service [FTS] & Works ITQ (> £213,477)	Find a Tender Service [FTS] & Works ITQ (> £214,904)
Find a Tender Service [FTS] Works (> £5,336,937)	Find a Tender Service [FTS] Works (> £5,372,609)
Framework Agreement	Framework Agreement

* The Public Procurement (Agreement on Government Procurement) (Thresholds) (Amendment) Regulations 2023 was laid before Parliament 26 October 2023 and this identified threshold amendments for Public Contract Regulations 2015 w.e.f. 1 January 2024

Each category value is subject to different governance authorisation requirements, as detailed within the Council Constitution Part 4B and Contract Procedure Rules. The APFP includes all procurement exercises in excess of £25,000 that are envisaged to be required during the year. The APFP provides oversight and enables 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. As an appendix to the Cabinet report the APFP provides a good practice, transparent annual pipeline update to the market of envisaged procurement activity.

- 1.3 The APFP does not identify the source of funding, as this is a service area responsibility. The procurement activity cannot commence without confirmed source of funding/budget allocation which is confirmed in the Procurement Launch Document (PLD).
- 1.4 The APFP contract title relates to the topic of envisaged procurement activity which will be finalised upon authorisation of Procurement Launch Document (PLD) and prior to release of procurement activity to market.
- 1.5 The APFP Appendix identifies activities of £0.500m and above which require additional approval to proceed. The additional reporting requirements on the APFP relate to activities that are subject to one or more of the following criteria:
- provision of Full Business Case (FBC);
 - capital works funding;
 - high value projects/programmes, and;
 - any activity identified at point of APFP authorisation by Cabinet.
- 1.6 Additional authorisation for values in excess of £0.500m will be sought from Cabinet and/or through Cabinet delegation.
- 1.7 Reasons for authorisation recommendation being:
- To comply with the Council's Contract Procedure Rules, which form part of the Council's Constitution.
 - To avoid presentation of multiple individual requests for approval to procure contracts above £0.213m to portfolio members and over £0.500m to Cabinet. Cabinet approval can be via approval of the APFP.
 - To provide visibility of individual service area requirements to procure lower values above £25,000 and beneath £213,476. Inclusion on the APFP provides both visibility and authorisation to procure, subject to budget confirmation.

2. Alternative Options Considered and Not Recommended

- 2.1 Alternative options to authorisation of the APFP to Cabinet would be to present individual procurement requirements in accordance with Council Constitution Part 4B. This is not recommended owing to the administration burden it would place upon officers and members to prepare, consider and approve each activity.

3. Post Decision Implementation

- 3.1 Procurement and service area officers will proceed with a review of the authorised APFP 2024-25.
- 3.2 Procurement activities will commence, where there is no additional approval mechanism, as Procurement Business Partners confirm with service area leads/budget holders that the requirement to procure is still valid and a Procurement Launch Document (PLD) is fully authorised. The PLD provides an audit trail which confirms the requirement, authorisation for procurement is in place including Capital Strategy Board approval as appropriate, the procurement option/strategy to be delivered, the budget for the contract, alignment with Council policies, collaboration, working with SMEs, apprenticeships, risks, delivery of Social Value and procurement timeline.
- 3.3 Review of the APFP by Procurement Business Partners and service areas 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 APFP.

4. Corporate Priorities, Performance and Other Considerations

Corporate Plan

- 4.1 The 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 Our Plan for Barnet 2023-2026 and is built on the pillars of ***"caring for people, our places and the planet"***. The plan sets out the key priorities and specific areas of focus we will undertake to deliver this vision. The pillars are underpinned by a foundation of being ***Engaged and Effective***. This part of the report refers how we will become a 'listening council' collaborating and building a continuous dialogue with residents and communities. It also refers to how we will transform how we work to deliver these priorities.
- 4.2 The Council is a signatory to London Council's Procurement Pledge "to create jobs and training through its supply chain." It is to be noted that the Social Value Policy of the Council captures the requirements typically expected through this pledge:
- 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;

Corporate Performance / Outcome Measures

- 4.3 The APFP will enable identification of procurement activity in support of Barnet's Social Value Policy and the delivery of contracts which align with social value Themes, Outcomes and Measures (TOMs) and provide evidence in support of community benefit through social value delivery of procured contracts.

Sustainability

- 4.4 The APFP will also enable identification of procurement activity in support of sustainability and net zero targets.

Corporate Parenting

- 4.5 The APFP will enable identification of procurement activity in support of requirements by the looked after children and care leavers teams. Inclusion on the APFP facilitates authorisation to procure in a timely fashion.

Risk Management

- 4.6 If the Council does not manage the contract renewal programme effectively and efficiently it could lead to a detrimental impact on best value 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.

Insight

- 4.7 Insight data will be used to support the delivery of the APFP 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.
- 4.8 Post tender delivery insight data will be used to support contract management.

Social Value

- 4.9 The Public Services (Social Value) Act 2012 requires that consideration is given for above threshold (£213,477 from January 2022 and £214,904 from January 2024) 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.
- 4.10 The council has extended the Social Value Act's requirements through development of a Social Value Policy to support social value and sustainability delivery opportunities through all procurements at the Council, not just above threshold services contracts.
- 4.11 The council updated the Social Value Policy October 2023 with the introduction of measures to strengthen our approach to the management and benefit realisation of Social Value outcomes, a streamlined number of Themes Outcomes Measures (TOMs) and an action plan to structure the implementation of this policy. This includes the requirement for a Social Value Matrix to be embedded in the Invitation to Tender/Quote for above £25k requirements, replacing the social value question in the current tender documents.
- 4.12 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. Resource Implications (Finance and Value for Money, Procurement, Staffing, IT and Property)

- 5.1 The costs pertaining to the contracts contained within the Appendix to this report are contained within the individual service budgets of the Council. All procurements are subject to confirmation that budget is in place for the identified contracts.
- 5.2 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.
- 5.3 Best value 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.

6. Legal Implications and Constitution References

- 6.1 Under the Council's Constitution, Part 2D the terms of reference of the Cabinet states that Cabinet is responsible for the following functions:
- Development of proposals for the budget (including the capital and revenue budgets, the fixing of the Council Tax Base, and the level of Council Tax) and the financial strategy for the Council;
 - Monitoring the implementation of the budget and financial strategy;
 - Recommending major new policies (and amendments to existing policies) to the Council for approval as part of the Council's Policy Framework and implementing those approved by Council;
 - Approving policies that are not part of the policy framework;
 - Management of the Council's Capital Programme
 - All key decisions (as defined in the Council Constitution) which includes the award of contracts over £500,000 and all matters reserved to the Executive under the Contract Procedure Rules and which may be done via the Annual Procurement Forward Plan;
- 6.2 The Council's Constitution, Part 4B (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 Part 4B1.
- 6.3 The Council's Constitution Part 4B1 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.
 - In accordance with Contract Procedure Rules, paragraph 4.1 any procurement, including, extensions and variations to contracts, which have been set out in the Annual Procurement Forward Plan and approved by Cabinet is deemed as authorised irrespective of value (subject to paragraph 4.3) .
 - The Contract Procedure Rules at paragraph 4.3 states that there are separate reporting and authorisation requirements for certain procurement exercises which must be adhered to,

and these are set out in the Appendix 1 to this Report. This states that the authorisation (where applicable and as indicated by 'Yes') is subject to additional authorisation in accordance with CPRs 4.3 *as determined by/to be determined by Cabinet/Portfolio Lead Member/Director/Capital Strategy Board*. Any such additional authorisation requirement will be confirmed by Cabinet at the Cabinet meeting.

7. Consultation

- 7.1 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.

8. Equalities and Diversity

- 8.1 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. As part of this exercise the Council is required to consider any equalities impact (where applicable) of its decisions. 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.

9. Background Papers

- 9.1 Policy and Resources Committee 9 December 2021 Agenda Item 8 Annual Procurement Forward Plan [APFP] 2022/23
<https://barnet.moderngov.co.uk/documents/s69057/Annual%20Procurement%20Forward%20Plan%20APFP%202022-2023.pdf>
- 9.2 Policy and Resources Committee 22 February 2023 Agenda Item 15 Annual Procurement Forward Plan [APFP] 2023/24
https://barnet.moderngov.co.uk/documents/s76392/APFP%202023-24%20PR%20Ctte%20Report%20FINAL_22022023.pdf
- 9.3 Policy and Resources Committee 20 April 2023 Agenda Item 8 Annual Procurement Forward Plan [APFP] Addendum Update 2023/24
https://barnet.moderngov.co.uk/documents/s77620/APFP%202023-24%20Addendum%20Update%20PR%20Ctte%20Report_270323.pdf