

South Lakeland District Council
Overview and Scrutiny Committee
Friday, 4 February 2022
Procurement Schedule 2022/23

Portfolio: Finance and Resources Portfolio Holder
Report from: Section 151 Officer
Report Author: Gillian Flowers – Procurement Specialist
Wards: (All Wards);
Forward Plan: Key decision included in the Forward Plan as published on 11th January 2022
Links to Council Plan Priorities: N/A

1.0 Expected Outcome and Measures of Success

1.1 It is expected that Council will deliver Value for Money in the provision of services and improve the efficiency of its procurement activities through the approval of the procurement exercises proposed for 2022/23

2.0 Recommendation

2.1 It is recommended that the Overview and Scrutiny Committee:-

(1) consider the Draft Procurement Schedule for 2022/23 attached at Appendix 1, and forward any comments to cabinet for their consideration.

3.0 Background and Proposals

3.1 Since April 2016 the Council's Constitution has permitted officers to conduct and conclude the contracting processes without further approval providing it is in line with the Procurement Schedule, to be approved by Council at least annually. Where a procurement process is over budget then approval will still be required in accordance with the Financial Procedure Rules. Where an officer seeks approval for a waiver or exemption under the Contract Procedure Rules this is also included in the Procurement Schedule. Due to their nature, it is hard to predict with accuracy the numbers of exemptions/waivers as they can be a sign of an urgent procurement requirement. The exemptions/waivers will be documented in the Procurement Schedule update in September.

3.2 In November 2021, changes were made to the Constitution that have clarified the process for the Procurement Schedule and the subsequent approval process on award. The development of the Delegated Executive Decision has added to transparency. There were also changes to the thresholds at which decisions are made

3.3 One of the consequences is a revision to the Schedule that includes the quarter of the year when the procurement process is likely to start, taking into account procurement, legal and implementation lead times. There remains a column for the anticipated start

date of the contract. There still remains a need for procurements which are Key Decisions to be put on the Forward Plan and this is indicated on the schedule.

- 3.4 The Procurement Schedule for 2022/23 is attached at Appendix 1. There are 82 procurement projects identified which is considerably lower than the 135 procurement exercises originally approved for 2021/22. It is thought that Local Government Reorganisation has focussed the departments on what is important in terms of Business as Usual. It has been identified that 40 of these projects are completely new requirements, 18 are re-provisions or contract renewals, which means the remaining 24 are carried over from the previous procurement schedule. Where items are on a previous procurement schedule and are in progress, they might not be included on the 2022/23 schedule, as it is assumed that the budget for them remains in place and Council authority to proceed has been agreed previously. This schedule has been compared to the Capital Programme so, again, it can be assumed that the budget is there to complete the works.
- 3.5. Procurement have been involved in the LGR Strategic Commissioning, Procurement and Contract Management Workstream. Information has been gathered for this workstream, and endeavours are being made to ensure that this council remains legally compliant and safe up to vesting day and beyond. Inevitably there will be an increase in exemptions as this council aligns with those contracts let by Eden and Barrow and while there is uncertainty over future requirements. Procurement anticipates that there will be more joint contracts with Eden and Barrow and that consequently there may be an increase in contracts that are above the Public Contracting Regulations. This may have an impact on lead times as the process can be lengthier and there are other legal obligations.
- 3.6. On the 1st January 2022, there was a change to the Public Contracting Regulations 2015 thresholds. The thresholds are now VAT inclusive.

| | Works | Services and Goods |
|-----------|------------|--------------------|
| Threshold | £5,336,937 | £213,477 |

4.0 Appendices Attached to this Report

| Appendix No. | Name of Appendix |
|--------------|------------------------------|
| 1 | Procurement Schedule 2022/23 |

5.0 Consultation

- 5.1 CMT, Leadership Team

6.0 Alternative Options

- 6.1 Council could decide not to approve all or part of the Procurement Schedule. This would mean that separate acceptance reports may be required for all or specific tenders. This would mean increased lead time to procurement and a greater administrative burden.

Finance and Procurement

7.1 There are no direct financial implications of the report. Staff resources are required to manage individual procurement exercises, both procurement staff and individual service teams. Effective procurement will enable the Council to demonstrate it achieves value for money. Where procurement exercises have not been run in a lawful manner there may be fines and other additional costs.

Human Resources

7.2 There are no direct staffing implications of the report. Individual procurement exercises may have direct staffing implications.

Legal

7.3 This report has no direct legal implications at this stage but individual proposals resulting from this report may have direct legal implications.

Health, Social, Economic and Environmental

7.4 Have you completed a Health, Social, Economic and Environmental Impact Assessment? No

7.5 If you have not completed an Impact Assessment, please explain your reasons: advice is taken on the Health, Social, Economic and Environmental Impact of each procurement project. This report considers the overall process rather than individual procurement exercises.

| | | Positive | Neutral | Negative | Unknown |
|--------------------------------|---|----------|---------|----------|---------|
| Environment and Health | Greenhouse gases emissions | | | | X |
| | Air Quality | | | | X |
| | Biodiversity | | | | X |
| | Impacts of Climate Change | | | | X |
| | Reduced or zero requirement for energy, building space, materials or travel | | | | X |
| | Active Travel | | | | X |
| Economy and Culture | Inclusive and sustainable development | | | | X |
| | Jobs and levels of pay | | | | X |
| | Healthier high streets | | | | X |
| | Culture, creativity and heritage | | | | X |
| Housing and Communities | Standard of housing | | | | X |
| | Access to housing | | | | X |
| | Crime | | | | X |
| | Social connectedness | | | | X |

Equality and Diversity

7.7 Have you completed an Equality Impact Analysis? No

7.8 If you have not completed an Impact Assessment, please explain your reasons: advice is taken on the Equality and Diversity impact of each procurement project. This report considers the overall process rather than individual procurement

7.9 Summary of Equality and Diversity impacts

| Please indicate: P = Positive impact; 0 = Neutral; N = Negative; Enter "X" | | | | | |
|--|---|--|---|---|---|
| Age | P | | 0 | X | N |
| Disability | P | | 0 | X | N |
| Gender reassignment (transgender) | P | | 0 | X | N |
| Marriage & civil partnership | P | | 0 | X | N |
| Pregnancy & maternity | P | | 0 | X | N |
| Race/ethnicity | P | | 0 | X | N |
| Religion or belief | P | | 0 | X | N |
| Sex/gender | P | | 0 | X | N |
| Sexual orientation | P | | 0 | X | N |
| Armed forces families | P | | 0 | X | N |
| Rurality | P | | 0 | X | N |
| Socio-economic disadvantage | P | | 0 | X | N |

| Risk Management | Consequence | Controls required |
|--|--|--|
| Failure to accept tenders within time limits | Potential need to re-tender and/or loss of most economically favourable tenders. | Robust procurement processes including efficient mechanisms for accepting tenders. |

Contact Officers

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Background Documents Available

| Name of Background document | Where it is available |
|-----------------------------|---|
| Council Constitution | https://www.southlakeland.gov.uk/yourcouncil/ |

Tracking Information

| Signed off by | Date sent | Date Signed off |
|---------------------|-----------|-----------------|
| Section 151 Officer | 20/1/22 | 25/1/22 |
| Monitoring Officer | 20/1/22 | 26/1/21 |
| CMT | 17/1/22 | 19/1/22 |

| Circulated to | Date sent |
|---------------------------------|------------------|
| Lead Specialist | 20/1/22 |
| Human Resources Lead Specialist | N/A |
| Communications Team | N/A |
| Leader | N/A |
| Committee Chairman | N/A |
| Portfolio Holder | 17/1/22 |
| Ward Councillor(s) | N/A |
| Committee | 04/02/22 |
| Executive (Cabinet) | N/A |
| Council | N/A |