



**Report for: Cabinet**

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**Date of Meeting:** 10 April 2025

**Subject:** A review of procurement delivery 2024-2025 and a forward look at the Three-year procurement pipeline 2025-2028

**Key Decision:** Yes

**Responsible Officer:** Sharon Daniels – Strategic Director of Finance

**Portfolio Holder:** Councillor David Ashton - Portfolio Holder for Finance and Highways

**Exempt:** No

**Decision subject to Call-in:** Yes

**Wards affected:** ALL

**Enclosures:** Appendix 1 - Three-year procurement programme (£100,000 and above) Pipeline:

Year 1: April 2025-March 2026

Year 2: April 2026-March 2027

Year 3: April 2027-March 2028

Appendix 2 - Contracts awarded (£100,000 and above) in the period April 2024 to February 2025.

Appendix 3 - Contracts Extended April 2024 to February 2025

## **Section 1 – Summary and Recommendations**

This report sets out the pipeline for all procurement projects with a value over £100,000 for the financial period April 2025 to March 2028. The report also informs Cabinet of all contracts awarded over £100k between April 2024 and end of February 2025. Finally, the report informs Cabinet of all contracts that were extended in the same period.

### **Recommendations:**

Cabinet is requested to:

1. Note the pipeline for all procurement with an aggregate value of over £100,000 for the three-year period commencing April 2025 and ending March 2028. Appendix 1
2. Note all contracts awarded over £100,000 during the period April 2024 to February 2025. Appendix 2
3. Note all contracts that were extended during the period April 2024 to February 2025 compliant with the Public Contract Regulations 2015 and the Contract Procedure Rules, using extensions facilities already approved by the financial scheme of delegation. Appendix 3

**Reason:** To provide Cabinet with details of procurement awards and extension of contracts delivered in the period April 2024 to end of February 2025 as well as the procurement programme for the period April 2025 to end of March 2028. This is to ensure that Cabinet has full oversight of procurement activity and an early opportunity to see the planned procurement programme to allow for timely engagement of portfolio holders in each of the procurements under the programme.

## **Section 2 – Report**

### **2. Introductory paragraph**

- 2.1 The Council has an extensive annual procurement programme through which it contractually engages with third party organisations to deliver works, goods, and services for the Council. Therefore, the Council has an important responsibility to ensure that the works, goods, and services are commissioned professionally, compliantly and in line with the Council's vision of delivering a well-run council that provides value for money and puts residents first, and at the heart of everything we do.
- 2.2 This report follows the direction of travel recommended and approved in a procurement report to Cabinet in April 2024. In that report a recommendation was approved to:

- provide Cabinet with full oversight of the delivery of the procurement programme annually. This was to ensure Cabinet as a whole and individual Portfolio Holders are kept informed and engaged in strategic decision making about the procurement programme and individual projects within it.
  - To provide Cabinet with full and early details of the procurement programme at the beginning of each financial year for everything over £100,000 and to subsequently engage and consult with portfolio holders and Cabinet on individual procurement projects in the pivotal commissioning phase of planning and design pre procurement.
- 2.3 Additionally, it is important to provide information on procurement delivery and achievements for the previous financial year, which in this case is for 2024-2025.

### **3. Background**

- 3.1 During 2024-2025 (April 2024 to February 2025) the Council has spent c.£336m on procurement of works, goods, and services. These are payments made to third party organisations with whom we have procured. The London Borough of Harrow, like most councils, is a commissioning organisation. Nearly all the services that the Council delivers are through contracting with private and voluntary sector organisations to deliver on our behalf.
- 3.2 Therefore, the process and disciplines of strategic commissioning, procurement and contract management play a pivotal role in ensuring the Council is buying the right things, at the right volumes, at the right price, in a strategically planned, well managed and timely manner, and that this is done lawfully and in full compliance with The Public Contracts Regulations 2015, Procurement Act 2023 and the Provider Selection Regime 2023, the Council's Contract Procedure Rules 2025, the UK subsidy control regime and current best professional practice in commissioning, procurement and contract management.
- 3.3 It is important to note national and international factors that have a direct effect on our supply chains. Our supplier's strength and ability to navigate global economic and political volatility, uncertainty, complexity, and ambiguity and deliver to the Council exactly what we require at value for money has and continues to be tested. This has a significant impact on successful Council commissioning, procurement, and contract management.

#### **4. Current situation**

- 4.1 The Corporate Procurement Team (CPT) has undertaken considerable procurement transformation during 2024, ensuring that the organisation is fully prepared for the Procurement Act 2023 (PA23) which went live on the 24th of February 2025. The Council's Contract Procedure Rules have been re-written to align with the PA23 and these were approved in October 2024 at full council. The CPT have also developed up to date guidance and toolkits for contract management, role of an evaluator, social value and low carbon procurement.
- 4.2 The CPT have delivered training to almost 200 officers and members on the PA23. Furthermore, the CPT have delivered numerous other procurement related training such as 'The role of a tender evaluator' and 'Delivering Value through Contract Management'. A suite of procurement training is planned for 2025-2026 to ensure the Council has the skills and capability to deliver first class commissioning, procurement and contract management under the new regulations.
- 4.3 During the Financial Year 2024-25 the CPT have completed 10-hour Cabinet Office E-learning sessions on PA23 and attended 'deep dives' so all are trained to Practitioners Level. Three members of the team are classified as superusers for PA23.
- 4.4 The CPT have continued to ensure that Portfolio Holders are engaged at key points during the commissioning and procurement process to ensure that their input is sought and considered before the procurement process goes live.
- 4.5 Tender documents, which include the service specification, evaluation criteria, method statements and pricing schedules are made available for Cabinet Members for all procurement on the pipeline seeking Cabinet approval to commence.

#### **Procurement Delivery: Contracts Awarded in the period April 2024 to February 2025**

- 4.6 In the period April 2024 to February 2025, 76 contracts over £100k were awarded and entered by the Council as per the table below. The figure of £336,262,546 in the table below is the total contract value of the 76 contracts awarded. Contract values will be across many future years. The volume of contracts awarded is in line with the 78 contracts that were on the procurement pipeline for 2024-2025 that were reported to Cabinet last March.

<b>Contracts Awarded in the period April 2024 to March 2025</b>			
<b>Directorate</b>	<b>Contracts awarded between £100,000 up to £499,999</b>	<b>Contracts awarded £500,000+</b>	<b>Total Value</b>
Adults & Public Health	6	1	£9,459,337
Children Services	2	2	£3,059,421
Culture, Environment and Economy	18	2	£25,778,320
Housing and Regeneration	14	8	£169,908,527
Resources	10	7	£124,070,703
Managing Director's	2	4	£3,986,238
<b>Total</b>	<b>52</b>	<b>*24</b>	<b>£336,262,546</b>

\*These 24 were all seen and approved by Cabinet to commence procurement, and all were given delegated authority to award.

The above 76 contracts were procured using the following procurement procedures.

<b>Procurement Route</b>	<b>Directorate</b>							<b>Total</b>
	<b>Resources</b>	<b>Managing Director's</b>	<b>Housing &amp; Regeneration</b>	<b>Children Services</b>	<b>Adult Social Care</b>	<b>Culture, Environment and Economy</b>	<b>Public Health</b>	
<b>Competitive Process</b>	2	3	9	1	1	4		<b>20</b>
<b>Competitive Process - Concession</b>						1		<b>1</b>
<b>Direct Award - Concession</b>						1		<b>1</b>
<b>Direct Award - Framework</b>	8	1	8	2	1	6		<b>26</b>
<b>Direct Award - LTR</b>	1		1	1	3		1	<b>7</b>
<b>Direct Award - Reg 32</b>		1				8		<b>9</b>
<b>Direct Award - Waiver beneath PCR</b>	4		4					<b>8</b>
<b>Direct Award Process A (PSR)</b>							1	<b>1</b>
<b>N/A</b>	2	1						<b>3</b>
<b>Total</b>	<b>17</b>	<b>6</b>	<b>22</b>	<b>4</b>	<b>5</b>	<b>20</b>	<b>2</b>	<b>76</b>

The detail behind each of the above awards is attached in Appendix 2.

\*N/A – these were procurements that were out of scope of the contract procedure rules for example a grant

## 5. Procurement Delivery 2024 - 2025: Contracts Awarded: highlights by Directorate

### 5.1 Resources

5.1.1 Procurement of a new contract for the borough's General Information and Advice Service for residents. Other major contracts awarded in

2024-25 include the council's Temporary Labour Contract; the Revenues and Housing Benefits Processing Support Service; and Managed Print and Hybrid Mail Services.

- 5.1.2 Strengthening the local economy by supporting local businesses is a key consideration when designing a procurement. For the rollout of Windows 11 devices, the council engaged local SMEs and identified those as being able to meet the council's requirement and deliver on value. Contracts were awarded through a series of smaller procurements, reducing the cost and environmental impact of delivery.

## **5.2 Housing and Regeneration Directorate**

- 5.2.1 The key contracts that were procured in the Housing and Regeneration Directorate were Repairs and Maintenance service for housing stock and the four-year agreements for the Council's gas and electricity. Contracts have also been awarded for electrical and water testing.
- 5.2.2 Contracts have been awarded for improvements to our housing estate, including works such as new roofs, estate improvement works and new windows as well as internal improvements.

## **5.3 Culture, Environment and Economy Directorate**

- 5.3.1 Culture, Environment and Economy awarded a few contracts central to delivery of the Council's corporate priority of 'Putting Residents First'. These included a professional services contract to support the Council to develop a long-term transport strategy which will greatly improve borough transportation for residents, visitors and businesses and a plan for the delivery of borough wide Electric Vehicle Infrastructure projects.
- 5.3.2 In line with the Council Priority of delivering 'a Borough that is Clean and Safe' a contract for a programme of Weed Control was awarded which will ensure the Borough's public spaces are free of weeds for the next 3 years with a 2-year extension option.
- 5.3.3 A number of vehicles were procured to support front line service delivery as part of the Council's ongoing programme of vehicle replacements including an all-electric tipper truck, two food waste collection vehicles and a large mechanical road sweeper which will increase capacity for street cleansing operations.

## **5.4 Adult Social Care & Public Health**

- 5.4.1 A number of contracts in Adult Social Care were awarded, The Care Act Information & Advice Contract and Independent Mental Health Advocacy & Independent Mental Capacity Advocacy was awarded and the Carers Services.

5.4.2 In Public Health two of their major contracts were awarded under the new Provider Selection Regime 2023 (PSR), The Adult Substance Misuse and Children and Young Peoples Substance Misuse contracts, Oral Health Promotion and Community Hubs and Winter Wellness.

## 5.5 Children Services

5.5.1 The Contract for Semi-independent Living (Unaccompanied Asylum Seekers) was awarded as well as the Youth Justice Management Information System and Support Services and Supported Living Services for Care Leavers.

## 6. Contracts Extended in the period 2024-2025

6.1 During the Financial Year 2024-2025 several contracts as per the table below were extended beyond their original term. All these extensions were compliant with the procurement regulations and the Council's Contract Procedure Rules.

<b>Directorate</b>	<b>Compliantly Granted Extensions</b>
Adults and Public Health	5
Children Services	0
Culture, Environment and Economy	7
Housing and Regeneration	9
Resources	5
Managing Director's	4
<b>Total</b>	<b>30</b>

The detail behind each of the above is attached in Appendix 3

6.2 All extensions that were executed are allowable within the terms and conditions of contract with the suppliers and were also approved by those authorised under the financial scheme of delegation.

6.3 All extension decisions are made by commissioners and the service area based on supplier performance and value for money.

## 7. The Procurement Pipeline 2025-2026

7.1 The detail of the procurement programme for the period April 2025 to March 2026 along with the subsequent two years is set out in Appendix 1. The table below gives a summary and shows that in 2025-2026 there are 67 procurement projects on the procurement pipeline. The number of procurements that will require Cabinet approval is 25 with an even spread of projects over £500,000 across the directorates.

<b>Procurement Pipeline 2025-2026</b>				
<b>Directorate</b>	<b>No of projects on the Procurement Pipeline over £100,000 up to £500,000</b>	<b>No of projects on the Procurement Programme Pipeline £500,000+</b>	<b>Total number of procurements projects *</b>	<b>Estimated* Value of Procurement Pipeline (includes initial term and any extension options)</b>
Adults & PH	2	4	7	£96,810,988
Children's	3	4	7	£4,334,225
CEE	14	2	16	£68,886,161.
H&R	6	7	14	£42,618,763.
Resources	11	4	16	£121,658,319
MD's	3	4	7	£9,674,523
<b>Total</b>	<b>39</b>	<b>25</b>	<b>67</b>	<b>£343,982,980</b>

\* This value is based on current contract award values for all cyclical procurement activity. New projects and one-off projects on the pipeline will not all have an estimated value although are included in the total number of projects.

7.2 The Procurement Act 2023 went live on the 24th of February 2025. This will mean that the procurement pipeline for 2025-2026 will need to follow the requirements of the Procurement Act 2023 or the Provider Selection Regime (Healthcare contracts only). The Contract Procedure Rules were updated and approved by full Council on the 23rd of October 2024 to align the Council's governance with the changes in public procurement.

## 8. The Procurement Pipeline 2025-2026 – highlights by directorate

### 8.1 Resources Directorate

8.1.1 Across the Resources and MD directorates there are 23 procurements identified on the pipeline to take place during 2025-26, for a series of contracts which have current values totalling over £130m. These include major contracts which will require a decision on exercising extensions or re-procuring. The largest of these is the council's contract for Temporary Recruitment Services which is valued at £112m over four years. Others include Enforcement Agent contracts totalling £6.6m; ongoing application maintenance and implementation support for MS Dynamics products (£5m); and the council's Legal Case Management System (circa £1.4m).

8.1.2 Other projects for 2025/26 include a re-procurement of the council's postal services (£1.46m); the Pension Fund Administration System (£979,000); income management (£334,000); and banking services (£160,000).



## **8.2 Culture, Environment and Economy Directorate**

8.2.1 The 2025/2026 financial year for the Culture, Environment and Economy Directorate includes 15 proposed procurements and / or extension options at an estimated total contract value of more than £68.4 million. Some of the key projects for 2025/26 include and a Hired Passenger Transport Framework valued at £30m and an extension option decision for a Special Needs Transport Managed Service Contract with a total value of £35m. These contracts support the boroughs most vulnerable residents as part of the Councils priority to 'Put Residents First'.

8.2.2 In support of Council front line service delivery, a number of contracts for supplies and services to the in-house fleet workshop will be procured at a total value of £560,000 and for Harrow Arts Centre it is planned to invest £300,000 to procure a replacement modular building which will provide high quality facilities for its ever-popular activity programme for residents.

## **8.3 Housing and Regeneration Directorate**

8.3.1 The 2025/2026 financial year for the Housing and Regeneration Directorate includes 14 proposed procurements at an estimated value of more than £42 million. Prominent projects for the coming financial year include infrastructure works at the Council's leisure sites with an estimated contract value of £4 million and the planned procurement of a Minor, Mechanical and Electrical framework with an estimated total contract value of £28 million.

8.3.2 In addition, multiple contracts will require formal decision-making on possible extensions or re-procurement. These include the Kitchen & Bathroom replacement programme, with a contract value of £1.7 million and the £700,000 communal gas servicing and maintenance contract.

## **8.4 Adult Social Care and Public Health**

8.4.1 Over the coming financial year there are 7 projects on the pipeline for Adults Social Care and Public Health which have a total contract value of just over £96 million. Two of the major contracts to be re-procured for Public Health are, Health Visiting and 0-19 School Nursing which is £26million, and the Outer North-West London Integrated Sexual Health Contract which is £33million over the life of the contract.

8.4.2 In Adult Social Care one of the major projects to be re-procured is Domiciliary Care (Home care) which has an annual spend of around £20million, and the Block Provision of Residential Care Beds for ASC - (Sancroft) which is £8.8million, Independent MH Advocacy (IMHA) / Independent Mental Capacity Advocacy (IMCA) and Care Act Advocacy with a contract value of £359,256 and the Carers Support Services £374,346.

## 8.5 Children Services

8.5.1 In Children Services there are 7 projects totalling £4.3million, the key projects over the coming financial year are, Supported Living Services for Care Leavers - 8 units £110,000, Floating Support for 18+ Care Leavers and the Provision of Short-breaks for Children and Young People with Disabilities which is £740,000.

## 9. Implications of the Recommendation

9.1 The implications of the recommendations set out at the front of this report are positive. Full oversight of the procurement forward plan for 2025-2026 and information about all procurement awards and contract extensions made in 2024-2025 allows for effective communication with and engagement of Cabinet and Portfolio Holders into the planning and design of tendering exercises, giving confidence that as a Council we are working together to deliver the best outcomes for our residents.

9.2 Officers involved in the commissioning and procurement processes will continue to ensure portfolio holder engagement in the development of the tender documents.

## 10. Risk Management Implications

Risks included on corporate or directorate risk register?

**No** - A risk register is created for each procurement project under the procurement programme.

Separate risk register in place?

**Yes:** A risk register is created for each procurement project under the procurement programme.

The relevant risks pertaining to the procurement pipeline are in the table below.

The following key risks should be taken into account when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
<p>The provisions of the Procurement Act 2023 (including meeting the transparency requirements of the Act) are not fully or effectively implemented by the Council</p> <p>Procuring Goods, Services and Works compliantly with two sets of regulations (PCR15 and the PA23)</p>	<ul style="list-style-type: none"> <li>▪ Continue training and development</li> <li>▪ Ensuring templates and documents are readily available for both regulations and sufficient guidance on the procurement hub</li> </ul>	<b>GREEN</b>
<p>Planning and delivery of the 3-year procurement pipeline lacks an overarching strategic framework</p>	<ul style="list-style-type: none"> <li>▪ Planning and delivery is continually delivered through effective and regular communication between the CPT, Procurement Boards and PHs</li> <li>▪ The procurement pipeline follows a clear strategic framework consistent with the Council's Corporate objective of delivering value and putting residents first.</li> <li>▪ The Procurement Pipeline also looks to deliver strategic issues such as Social Value, Responsible and sustainable procurement and supporting our local economy.</li> </ul>	<b>GREEN</b>
<p>There is insufficient resources and capacity within the corporate Procurement Section to lead on and to support delivery of the 3-year procurement pipeline across the Council</p>	<ul style="list-style-type: none"> <li>▪ The CPT has the capacity and capability to provide professional support on public procurement to our internal stakeholders. We have significant levels of procurement experience across the team in all categories of procurement from social care to professional services, to the built environment.</li> <li>▪ This report has detailed our delivery in the period 2024-2025 – a demonstration of our capability to deliver.</li> </ul>	<b>GREEN</b>

Risk Description	Mitigations	RAG Status
<p>The Council fails to take appropriate measures to effectively prevent, identify and remedy any conflicts of interest arising with members in the conduct of procurement procedures, including conflicts of interest between duties and responsibilities of Portfolio Holders and members at the strategic level and at operational levels of procurement</p>	<ul style="list-style-type: none"> <li>▪ We will require officers to sign a declaration of interest and confidentiality and non-disclosure throughout the commissioning, procurement and contract management process relating to each procurement they are involved in or contributing too</li> </ul>	<b>GREEN</b>
<p>Delays in tendering timetables.</p>	<ul style="list-style-type: none"> <li>▪ The visibility of the procurement programme to Cabinet and the new approach adopted should not create any delays as there is no change to the process other than having the tender documents ready for Cabinet to approve.</li> </ul>	<b>GREEN</b>
<p>All commencement and award approvals do not follow the procurement gateway process.</p>	<ul style="list-style-type: none"> <li>▪ All commencement and award approval are strictly governed by the Contract Procedure Rules and the Financial Regulations which outline the procurement reporting process and the scheme of delegation, and any non-compliance is a fundamental breach of these rules</li> <li>▪ Continued training to all officers on the CPRs</li> </ul>	<b>GREEN</b>
<p>Contract Management capability and resource is not at the standard that allows for effective delivery of contract value and the increased contract lifecycle reporting requirements under the Procurement Act 2023.</p>	<ul style="list-style-type: none"> <li>▪ A contract management capability review was undertaken in 2024 and provides a basis to inform the ongoing change required to support the contract management function within Harrow.</li> <li>▪ Contract Management, Commercial Awareness and Negotiation training scheduled for first quarter of 2025.</li> </ul>	<b>GREEN</b>
<p>Perceived ambiguity between which Procurement regime is applicable to each procurement as we transition between PCR15 to PA23</p>	<ul style="list-style-type: none"> <li>▪ The visual design of guidance, policies, reports and contracts has been considered as part of transition to distinguish between each legal framework for public procurement.</li> </ul>	<b>GREEN</b>

## **11. Procurement Implications**

- 11.1 This year is a year of change in public procurement with the Public Contract Regulations (PCR15) being replaced by the Procurement Act 2023 for all new procurement activity taking place from the 24th of February 2025.
- 11.2 Any contracts that were already awarded under the Public Contract Regulations 2015 will continue to be governed by those regulations. This will mean that for several years ahead we will be operating in parallel both the old and the new procurement regulations.
- 11.3 All tendering projects and procurement awards resulting from the procurement programme included in this report under Appendix 1 will be undertaken in full compliance with the relevant procurement legislation, other associated legislation and only after the requisite internal governance approvals have been received

## **12. Legal Implications**

- 12.1 HB Public Law, the Council's legal service, will continue to advise and work with the Corporate Procurement Team and directorates to ensure that the Council's procurement activity is lawful and complies with the Public Contracts Regulations 2015, Procurement Act 2023, Provider Selection Regime 2023 and the Council's Contract Procedure Rules 2025 as applicable. Furthermore, the Council's legal service will continue to review and provide legal clearance in relation to applicable gateway and Cabinet reports in accordance with the Council's constitution as well as ensuring that the appropriate approval has been sought prior to any contract being executed. The Council's legal service will continue to draft (and ensure contract templates are kept updated in line with changes in law including the PA 2023) and advise on the most appropriate forms of contracts to be used when procuring goods, works and services as stated in this report.

## **13. Financial Implications**

- 13.1 There are no financial implications arising directly from the recommendations within this report. The procurement governance process requires, as mandatory, finance to approve availability of budgets prior to a tender process proceeding or an award of contract being made.
- 13.2 Financial due diligence is also undertaken on all companies we intend to contract with to ensure they have the financial strength to deliver the contract

## **14. Equalities implications / Public Sector Equality Duty**

14.1 An Equalities Impact Assessment is not required for the recommendations set out in this report. An equalities impact assessment will be undertaken for procurements that are part of the programme of procurement detailed in this report.

## **15. Council Priorities**

1. A council that puts residents first
2. A borough that is clean and safe
3. A place where those in need are supported

## **Section 3 - Statutory Officer Clearance**

### **Statutory Officer: Jessie Man**

Signed on behalf of the Chief Financial Officer

Date: 11 February 2025

### **Statutory Officer: Patricia Davila**

Signed on behalf of the Monitoring Officer

Date: 06 March 2025

### **Chief Officer: Sharon Daniels**

Signed by the relevant Strategic Director

Date: 10th March 2025

### **Procurement: Nimesh Mehta**

Signed by the Assistant Director of Procurement

**Date:** 12 March 2025

**Has the Portfolio Holder(s) been consulted? Yes**

## **Mandatory Checks**

**Ward Councillors notified: NO**

**EqIA carried out: NO**

An Equalities Impact Assessment is not required for the recommendations set out in this report. An equalities impact assessment will be required for procurements that are in scope of the recommendations of this report.

**EqIA cleared by: N/A**

## **Section 4 - Contact Details and Background Papers**

**Contact:**

Nimesh Mehta, Assistant Director Procurement

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**Call-in waived by the Chair of Overview and Scrutiny  
Committee: NO**