

COUNCILLORS' INFORMATION BULLETIN (FORMERLY SCRUTINY BULLETIN)

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The provision of this information does not override the authority of the Standing Orders as set out in the Council's Constitution. For example, Councillors remain entitled to ask for a specific item to be placed on a Scrutiny agenda, request a call-in or to ask questions of a Portfolio Holder.

If require further information please contact Jo Quinnell, Assistant Democratic Services Officer at committee.services@exeter.gov.uk

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Councillor's Information Bulletin: 13 January 2025

Title of Update: Procurement Waiver/Strategy Update

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1. What is the update about?

The Council's last Value for Money Audit made a recommendation to consider reporting contract waivers to members to ensure transparency and accountability in the decision-making process and to ensure that members are aware of any movement away from standard procurement procedures and are able to hold the Council accountable for its decisions. The purpose of this update is to provide members with details of details of waivers between April and December 2024 and a general update on procurement matters.

2. Background

An update was published in the April 2024 Scrutiny Bulletin with the intention of providing quarterly updates. However, due to a change in personnel within the procurement team, this latest update is being published a little later than intended.

Looking ahead, the intention is to continue to report waivers and procurement updates to members whether via this bulletin or alternative committee. Future reporting arrangements will be agreed with the Head for Legal and Democratic Services who now holds overall responsibility for the procurement function and is the Council's Monitoring Officer.

The Council's procurement team was established in October 2018, there are currently 6 members in the team. The main purpose of the procurement function is drive value for the Council while ensuring compliance with national procurement and transparency legislation.

3. Waivers to the Contract and Procurement Procedures Q1 – Q3 2024/2025

The Contract and Procurement Procedures form part of the Council's Constitution and set out the process that must be followed if in exceptional circumstances there

may be legitimate and compelling reasons where it may not be possible for the Responsible Officer to comply with a specific part of the Procedures. Under current Procedures this is called an Exemption, under draft new procedures this will be called a Waiver in line with standard procurement practice and vocabulary.

For expenditure under £100k ex VAT, it is currently permissible for a Head of Service or SMB member to approve a waiver to the Procedures, but they are required to forward a copy of the written approval (Exemption Form) to the procurement to be added to the Waivers Register (summarised in Appendix A).

The Service Lead Commercial and Procurement is required to sign off waiver requests over £100k ex VAT in addition. Waivers are not normally approved for expenditure beyond 1 year in duration.

During the period 1 April 2024 to 31st December 2024, a total of 15 requests were approved and recorded as summarised in the table below:

Waiver (Exemption) Primary Reason:	Total (Q1-Q3 2024/25)	Value of Waiver (ex VAT)
Increased Cost/Loss of Income	2	£135,000
Limited Markets	4	£260,900
Reputational Damage (the Council would be criticised for failing to act promptly)	6	£260,700
Compliant Direct Award via Framework	3	£1,800,000
Total	15	£2,456,600

It is possible that some waivers to the rules have been agreed in service areas that have not been reported to the procurement team. However, the team monitor requisitions raised over £500 and actively seek to identify contracts where there has not been a compliant procurement process or signed waiver.

If members have specific questions pertaining to any waiver detailed in Appendix A, they should contact the Interim Service Lead for Commercial and Procurement for further information.

4. Strategy Update/Service Achievements

In January 2024, Executive Committee agreed for the Council to sign up to the new Devon Districts Procurement Strategy. This Strategy sets out some high-level themes under which objectives will be delivered within the next four years. The previous service lead drew up a draft action plan, although this will be updated in consultation with the new Head of Service, to reflect the new service structure and will be reported on to members during 2025/2026.

Notable procurement service achievements during 2024 include:

4.1 Public Contracts awarded (1st April 2024 – 31st December 2024 – does not include contracts between £100k and UK threshold):

	Number of Awarded Contracts Awarded	Value of Contracts Awarded
Contract over UK Procurement Threshold (works/services/goods)	5*	£19,341,836

*includes one over threshold procurement managed on behalf of Teignbridge District Council during maternity cover.

Public contracts signed included Wellbeing Exeter (£2.9million), Painting and Decorating Housing Assets (£8million), Asbestos Removal (£1.8million) and Teignbridge District Council - Grounds Maintenance Contract – (£6.2million).

4.2 Delivering Value

- South West Procurement Alliance rebate secured through use of their procurement frameworks - £44,505 received that can be used for community initiatives in the city.
- Social value achieved via the Countess Wear embankment collapse works – on-site educational opportunity to be delivered for local engineering students.
- Exeter City Council led on a collaborative procurement with Torridge District Council, East Devon District Council, and Teignbridge District Council for the re-procurement of Enforcement Agency Services. The new 6 year-contract will deliver new elements of added value for each authority.
- Provided maternity leave procurement cover for Teignbridge District Council (and South Hams) between April and September 2024 generating additional service income.

4.3 Continuing Professional Development

- One team member completed their Level 3 Chartered Institute of Procurement and Supply (CIPS) qualification and will now commence study on their Level 4

Diploma, a globally recognised professional qualification (1-2 year study/exam programme).

- All procurement team members have completed their Government Cabinet Office 10-hour e-learning on the new procurement legislation (a national study programme). One member of the team has completed the further “deep dive” procurement training thereby achieving “Advanced Practitioner” status.

4.4 Supporting local suppliers

- The team attended the Devon Councils “Meet the Buyer” event in October 2024 at Teignbridge District Council Offices in Newton Abbot.
- The team attended and presented at the Chamber of Commerce Pitch and Procure event at Exeter College in October 2024.
- The team attended and presented at the Green Accord event for suppliers at the Matford Centre, Exeter in November 2024.

4.5 Service Improvements/General

- The team has processed 7092 purchase orders 1st March 24 to 31st Dec 24 across 1306 different suppliers. This represents a spend value of £29,883,387.
- In Q1-Q3, the procurement support officer has responded to around 590 requests for help in respect of e-procurement (which includes signposting to relevant training materials).
- The team is advanced in their preparations of templates and procurement procedures – this has proved time consuming for procurement professionals across the country.
- Hour long- presentation to elected members in November 2024 on procurement in general and also on the implications of the Procurement Act 2023.

4.6 Identified priorities for the year ahead include:

- Restructure of the procurement team to address interim arrangements
- Further preparation for the implementation of the new Procurement Act from February 2025 (including training and development of new ITT templates)
- Improved spend/performance monitoring to identify opportunities to improve value for money, improvements to contract management and review social value processes and monitoring
- Further work to improve procurement resources and information for internal stakeholders.

5. Procurement Reform – Procurement Act 2023

On 24th February 2024, the new procurement legislation is expected to come into force and the proposed benefits of the new legislation were articulated in the April

2024 Scrutiny Bulletin and at the members procurement training event in November 24. This will herald the most significant change in public sector procurement in nearly a decade.

New Contract and Procurement Procedures reflecting the new legislation will be presented to Executive and Council for approval/adoption in February 2025.

If required further high-level information about the procurement reform can be found here:

<https://www.gov.uk/government/collections/transforming-public-procurement>

Appendix A – Waivers (Exemptions) to the Contract and Procurement Procedures Q1-3 2024/2025

Exemption Reference	Project / Contract Title	Directorate / Service	Responsible Officer	Signed by Corp Manager / SMB Member	Supplier	Exemption Start Date	Exemption End Date	Reason it is longer than a year if applicable	Exemption Value £	Reason for Exemption
EXMP0039	Wonford Community Wellbeing Hub: Quantity Surveyor and Cost Consultant	Place	James Bogue	Ian Collinson	Randall Simmonds	01/09/2024	31/03/2025	N/A	32,700	Limited Markets
EXMP0038	Corn Exchange: To complete identified emergency repairs to include window replacements and concrete repairs	Asset Maintenance	Adrian Pengelly	David Hodgson	Mercury Construction	21/10/2024	31/12/2024	N/A	61,000	Reputational Damage
EXMP0037	Energy Efficiency Improvement Works (WS2)	Asset Maintenance	Adrian Pengelly	Dave Hodgson	CLC Contractors	02/05/2023	01/05/2025	Length of contract. Exemption is for whole contract	500,000	Compliant Award via Framework
EXMP0036	Fire Safety Works	Housing Assets – Safety, Health, Environment & Quality	Michelle Davidson	Ian Collinson	CLC Contractors	30/07/2024	31/07/2025	N/A	550,000	Compliant Award via Framework
EXMP0035	Guildhall MSCP To complete urgent specialist deck coating and associated works	Finance/Corporate Property	Mike Carson	Dave Hodgson	Concrete Repairs Ltd	01/09/2024	30/09/2024	N/A	97,000	Increased cost/loss of income and reputational damage
EXMP0034	Catering Edwards Court	Tenancy Services - Extra Care	Claire Taylor	Lawrence Blake	Graze by Dish	01/09/2024	31/08/2025	TBC	73,200	Limited Markets
EXMP0033	Corn Exchange Emergency repairs	Finance/Corporate Property	Mike Carson	Dave Hodgson	Mercury Construction	01/08/2024	30/11/2024	N/A	79,000	Reputational Damage
EXMP0032	Gas Servicing - bridging contract	Gas Servicing - Bridging Contract	Ian Miles	Ian Collinson	Liberty Gas Group Ltd	01/04/2023	30/09/2023	N/A	750,000	Compliant direct award via Framework

EXMP0031	Asset Valuations (Part portfolio)	Finance/Estates	Sam Partridge	Chased 04/12/2024	Jones Lang Salle (LLS)	13/04/2023	12/04/2024	N/A	90,000	Limited Markets/Reputational Damage
EXMP0030	Commercial Collaboration Water Lane Liveable Exeter	City Development	Mike Carson	Ian Collinson	Coldwell Banker Richard Ellis (CBRE)	03/07/2024	31/12/2024	N/A	65,000	Limited Markets
EXMP0029	Dynamic Energy Management and System maintenance improvement project	Culture, Tourism and Leisure	Joseph Harvey	Jon-Paul Hedge	Mclaren Design Services	01/05/2024	30/04/2025	N/A	38,000	Increased cost/loss of income and limited markets
EXMP0028	Exeter City Local Plan Viability Assessment	City Development & Housing	George Marshall	Ian Collinson	Three Dragons	01/03/2024	31/03/2026	This work is necessary over a long period of time to reflect viability work in a series of phases which could be required in response to the statutory processes of Local Plan Examination.	35,000	Reputational Damage/Increased Cost/loss of income
EXMP0027	Building Services Planned preventative maintenance Term Contract to Corporate Property Sites	Corporate Property	Mike Carson	Dave Hodgson	WEMco	01/04/2024	31/03/2025	N/A	35,000	Reputational Damage/Increased Cost/loss of income
EXMP0026	Home Contents Insurance	Tenancy Services	Lawrence Blake	Ian Collinson	Thistle Insurance Services Ltd	01/01/2024	31/03/2025	?	24,000	Reputational Damage
EXMP0025	Door Maintenance Services PPM Term Contract to Corporate Property Sites	Finance/Corporate Property	Mike Carson	Dave Hodgson	Five Star Maintenance	01/04/2024	31/03/2025	N/A	26,700	Reputational Damage/Increased Cost/loss of income

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