

SELECT COMMITTEE REVIEW FINDINGS: PROCUREMENT IN HILLINGDON: SECURING VALUE FOR OUR RESIDENTS

Committee name	Finance and Corporate Services Select Committee
Officer reporting	Mark Braddock - Democratic Services
Papers with report	Draft findings, conclusions, and recommendations
Ward	All

HEADLINES

At the last Committee meeting in September, draft findings, conclusions, and recommendations were presented to the Committee. These were circulated at short notice, so Members rightly wished to consider them further and feedback any comments, before the final report was then prepared for the Committee and later submission to Cabinet.

The Committee is now requested to agree their final recommendations and, in order to not delay submission of the final report to Cabinet, to provide delegated authority for its sign-off and review by the Committee outside the formal meeting structure. A copy of the latest draft set of findings, conclusions and recommendations is attached for the Committee.

RECOMMENDATIONS:

- 1) To agree the final findings, conclusions, and recommendations to Cabinet on their procurement review; and**
- 2) To delegate authority to the Democratic Services Officer, to complete the final review report for submission to Cabinet with the agreement of the Chairman, and in consultation with the Opposition Lead, noting that all Committee Members will also receive a copy for any final feedback.**

Implications on related Council policies

A key role of Select Committees is to make recommendations on service changes and improvements to the Cabinet who are responsible for the Council's policy and direction.

How this report benefits Hillingdon residents

Select Committees directly engage stakeholders in shaping policy and recommendations to seek improvements to the way the Council provides services to residents.

Financial Implications

There are no direct financial implications associated with this report.

Legal Implications

There are no legal implications arising from this report.

Classification: Public

DRAFT CONCLUSIONS & RECOMMENDATIONS

Finance and Corporate Services Select Committee's review into "Procurement in Hillingdon: Securing value for our residents"

1. Transparency and good governance

The Committee was impressed by the professionalism of the Procurement Team who support the Council's varied service areas in procuring goods and services and concluded that the Council's procurement arrangements were sound and adapting positively to national changes in procurement practice.

The Committee found that improvements could be made to the internal transparency of existing contractual arrangements in service areas to understand the volume and type of contracts that the Council manages. The Committee believed that the development of a high-level contract oversight tool for senior officers, Cabinet decision-makers and scrutineers would help identify future synergies and symmetries in relation to contracts for services, and also support the Council's BID transformation process. Therefore, the Committee recommends:

That during 2024, a headline contracts register, or matrix, be established (or adapted from existing systems) for sight by managers, Cabinet Members and Select Committees to include:

- **all contracts over a certain value (as determined by the Cabinet Member for Finance)**
- **name of the contract**
- **category of service provided**
- **value**
- **who the contract is with**
- **its construct or status, for example, one-off, term or part of a framework**
- **start, termination and any extension dates**
- **Whether a local, regional, or national supplier**

2. A common procurement approach and value-for-money

The Committee found that the use of Framework Agreements for procurement both encouraged the common use of requirements across the wider Council and delivered synergies in purchasing, which also allowed the procurement team to focus on added value work, new opportunities, and more strategic outcomes. To that end, the Committee recommends:

- a) **That the Corporate Management Team embed a culture of using Framework Agreements for common services and works by 2025 across the authority, where feasible, where trusted contractors can be commissioned or called-off the framework efficiently. The aim is to provide more dynamic and responsive procurement arrangements, with due diligence and robust governance oversight.**
- b) **That to ensure continued value-for-money for resident' taxpayers, that Framework Agreements should be reviewed approximately every 5 years, depending on any mitigating circumstances.**

Classification: Public

The Committee concluded that decision-makers and scrutineers needed to have a greater understanding of repeat contracts, why they were extended or re-awarded to the same supplier, and how they were reviewed to ensure value-for-money was being attained, in particular where there were long-established contracting companies. Therefore, the Committee recommends:

- c) That where contracts continue to be awarded to the same provider, the service areas must fully account for why a competitive tender process was not sought and/or how the continuation continues to provide value-for-money in all reports to Cabinet and Cabinet Member decision-makers and for subsequent select committee scrutiny.**

3. Social and local value

The Committee welcomed the principle of the promotion of social value in contracts, such as to meet climate change targets, and importantly grow the use of local suppliers to support the Hillingdon economy. However, the Committee was mindful of the potential cost implications of these and concluded that value-for money and quality should always come first. Therefore, to move forward prudently with new social value requirements, and particularly to ensure local suppliers are not disenfranchised with any complexities in the procurement process, the Committee recommends:

- a) That the Council pursues a programme of encouraging local companies to engage with the tendering and procurement process starting in 2024 which could include:**
- Holding events or virtual seminars inviting local suppliers and trade organisations and explaining on how to bid for Council contracts;**
 - Guidance on how to complete tenders to make the process more understandable and accessible for smaller businesses.**
- b) In support of the Council's commitment and ambitious net zero targets, and to further encourage contractors and suppliers to move to reducing their own carbon footprint, that the Procurement Team consider flexible scoring criteria on positive environmental factors in tender bids, in addition to the existing cost and quality basis for their evaluation.**