

REVIEW BY THE FINANCE & CORPORATE SERVICES SELECT COMMITTEE: *PROCUREMENT IN HILLINGDON: SECURING VALUE FOR OUR RESIDENTS*

Cabinet Member	Councillor Martin Goddard
Cabinet Portfolio	Cabinet Member for Finance
Officer Contact	Mark Braddock, Democratic Services
Papers with report	Final review report

HEADLINES

Summary	To receive the final report detailing the major review conducted by the Finance and Corporate Services Select Committee which considered the Council's procurement arrangements and processes. The review makes recommendations for Cabinet to consider.
Putting our Residents First Delivering on the Council Strategy 2022-2026	This report supports our ambition for residents/ the Council of: An efficient, well-run, digital-enabled council working with partners to deliver services to improve the lives of all our residents This report supports our commitments to residents of: A Thriving Economy & A Digital-Enabled, Modern, Well-Run Council
Financial Cost	There are no direct financial costs associated with the recommendations articulated by the Select Committee.
Relevant Select Committee	Finance & Corporate Services Select Committee.
Relevant Wards	N/A

RECOMMENDATION

That Cabinet welcomes the Select Committee's report and its findings, which seek to enhance procurement processes and practices in Hillingdon. Furthermore, Cabinet agrees to delegate decisions on taking forward the implementation of the Committee's specific recommendations to the Cabinet Member of Finance.

Reasons for the recommendations

The recommendations from this review offer practical and effective recommendations to support the Council's approach to procurement and, through procurement activity by the Council, ways to

strengthen our support to local businesses. The review's findings are based on significant Select Committee evidence and exploration on the topic over a number of months.

Alternative options considered/ risk management

The Cabinet could decide to reject some, or all, of the Committee's recommendations or pursue alternative routes by which to progress the objectives of the review. Cabinet can also delegate authority to consider the recommendations further.

SUPPORTING INFORMATION

About the Review

During 2022/23, the Finance & Corporate Services Select Committee undertook an in-depth review into the procurement practices within the London Borough of Hillingdon. The review sought to ensure that procurement processes in Hillingdon aligned with the Council's priorities and values, delivering best value services to residents.

The witness sessions provided an essential regulatory context, including the changes arising from the [now] Procurement Act 2023, along with how Council officers undertake contract management, performance monitoring and are addressing financial challenges that may arise with contracts, e.g. inflation.

The Committee explored the core principle of value for money, the potential benefits of framework agreements, and in particular the need for transparency in contractual arrangements for decision-makers, such as understanding why contracts were extended or "rolled-over" to the same supplier.

Notwithstanding the importance of value-for-money, the Committee looked at how the Council could embrace a broader definition of "value", particularly in respect of supporting local businesses and our net-zero ambitions.

The Committee heard from witnesses, in particular the Council's Head of Procurement, along with Partner and Head of Public Procurement at Trowers law firm and officers managing large council contracts.

Findings, Conclusions & Recommendations

The Committee's findings are set out on Page 15 of their report and specific recommendations from page 17.

In summary, the Committee's review acknowledged the performance of the Procurement Team but suggested decentralising some tasks to Directorates to enhance efficiency and allow the Procurement Team to focus on significant contracts and procurement policy. The Committee recommended a review of service engagement in the procurement process, potentially delegating contracts up to a certain value to service areas.

Recognising the value of consolidation, the Committee advocated for a considerable reduction in the number of contracts across services. The volume of contracts, estimated at around 2,500, posed challenges in terms of scrutiny, transparency, competitiveness, and control. One approach to this was the use of framework agreements.

The Committee expressed concerns about contract roll-overs and continuous direct awards, emphasising the need for transparent reviews to ensure value-for-money for residents. They have proposed updates to the Council's Rules on Procurement in the Constitution suggesting that relevant Cabinet Members be briefed before formal decisions on extensions and roll-overs are made. Additionally, the Committee have recommended a compulsory review date, initially set at 10 years, for longstanding roll-overs with the same supplier.

To enhance oversight, the Committee have proposed that each Cabinet Member have a digest of contracts under their portfolio, with periodic reviews by both Cabinet Members and Select Committee Chairmen for performance, relevance, and competitiveness.

Other recommendations to the Cabinet focussed on local businesses, minimising barriers for local businesses applying for contracts, to diversify competitive opportunities locally for Council contracts, increased utilisation of the local business knowledgebase and the importance of fostering commercial care, collaboration, and engagement with subcontractors, especially local companies, by the main contractor appointed by the Council.

The guiding principle throughout the review was achieving value-for-money for residents.

The Committee wished to share its final thoughts with Cabinet which were around the wider role the Council can play through its varied services, not only through procurement, in fostering an attractive business environment in Hillingdon.

Procurement Comments on Recommendations

The Procurement Team welcome the outcome of the review and note that many of the recommendations are already being actively considered, supported by a recent operational review of procurement, the Council's migration to Oracle Fusion finance system and the impending implementation of the Procurement Act.

Financial Implications

There are no direct financial implications associated with the recommendations flowing from the findings of the Select Committee's review.

RESIDENT BENEFIT & CONSULTATION

The benefit or impact upon Hillingdon residents, service users and communities

The recommendations, if adopted, will help improve the Council's approach to best value around contracts, ultimately benefiting resident taxpayers – along with local businesses.

Consultation carried out or required

The Committee sought a range of witness testimony, as set out in the report.

CORPORATE CONSIDERATIONS

Corporate Finance

Corporate Finance have reviewed this report and confirm that there are no direct financial implications associated with the recommendations set out within the Select Committee's report.

Legal

Legal Services confirm that the legal implications are included in the body of the report. Additional legal advice will be provided, as necessary, when the recommendations are implemented.

BACKGROUND PAPERS

[Minutes of Select Committee meetings](#)