


<b>Cabinet</b>	 <b>TOWER HAMLETS</b>
19 February 2025	
<b>Report of</b> Julie Lorraine, Corporate Director, Resources	<b>Classification:</b> Unrestricted
<b>Contracts Forward Plan – Quarter Three (FY2024-2025)</b>	

<b>Lead Member</b>	Councillor Saied Ahmed, Cabinet Member for Resources and the Cost of Living
<b>Originating Officer(s)</b>	Andy Grant – Interim Programme Director – Procurement
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	Yes
<b>Forward Plan Notice Published</b>	26-11-2024
<b>Reason for Key Decision</b>	Significant Financial Expenditure and Significant Impact on two or more wards
<b>Strategic Plan Priority / Outcome</b>	A fair and prosperous community

## Executive Summary

The Council's Procurement Procedures require a quarterly report to be submitted to Cabinet, setting out a forward plan of supply and service contracts over £1m in value, or capital works contracts over £5m. This provides Cabinet with the visibility of all high value contracting activity, and the opportunity to request further information regarding any of the contracts identified. This report provides information relating to quarter One of the 2024-2025 financial year. Only contracts which have not previously been reported are included in this report.

## Recommendations:

The Mayor in Cabinet is recommended to:

1. Consider the contract summary at Appendix 1 and identify those contracts about which specific reports – relating to contract award – should be brought before Cabinet prior to contract award by the appropriate Corporate Director for the service area.
2. Authorise the appropriate Corporate Director in consultation with the Mayor to award those contracts set out in Appendix 1 and not identified in accordance with recommendation 1, following an appropriate procurement exercise.

3. Authorise the Director Legal Services (Monitoring Officer), to execute all necessary contract documents in respect of the awards of contract referred to at recommendation 2, subject to an appropriate award decision being achieved in accordance with recommendations 1 and 2 above.

## **1. REASONS FOR THE DECISIONS**

- 1.1 The Council's Procurement Procedures require submission of a quarterly forward plan of contracts for Cabinet consideration, and it is a requirement of the Constitution that "The contracting strategy and/or award of any contract for goods or services with an estimated value exceeding £1m, and any contract for capital works with an estimated value exceeding £5m shall be approved by the Cabinet in accordance with the Procurement Procedures as amended by the General Purposes Committee held on 05 October 2021. This report fulfils these requirements for contracts to be let during and after quarter one of the current financial Year.

## **2. ALTERNATIVE OPTIONS**

- 2.1 Bringing a consolidated report on contracting activity is considered the most efficient way of meeting the requirement in the Constitution, whilst providing full visibility of contracting activity; therefore no alternative proposals are being made.

## **3. DETAILS OF THE REPORT**

- 3.1 Council's procurement procedures and processes have undergone major improvements to ensure they are clear, concise and transparent. Our systems, documentations and guidance to suppliers have been transformed to ensure they reflect best practice in Public Sector procurement. Our efforts in maintaining effective dialogue with our bidders during the procurement process has helped to minimise procurement challenges.
- 3.2 To ensure the Council continues to be recognised for its sound procurement practices and effective engagement with the supply community, it is imperative that delays in contract award are minimised and adherence to the timetable outlined within our Invitation to Tender documentations.
- 3.3 The importance of procurement as an essential tool to deliver Councils wider social, economic and environmental aims has resulted in the need to ensure effective elected Member engagement in the pre-procurement and decision-making process as identified in the recent Best Value audit.
- 3.4 This report provides the forward plan for quarter four of the current financial year at Appendix 1 and gives Cabinet Members the opportunity to select contracts about which they would wish to receive further information, through subsequent reports.
- 3.5 The report also includes a Procurement Forward Plan 2023-2028 to provide the Mayor and Cabinet members with high level visibility of planned

procurement activity and the opportunity to be informed in advance of the procurement cycle.

- 3.6 Appendix 1 details new contracts that are planned during quarter four of this financial year. This plan summarises new contracts that have been registered with the Procurement Service, and are scheduled for procurement during the reporting period.
- 3.7 Contracts which have previously been reported are not included in this report. Whilst every effort has been made to include all contracts which are likely to arise, it is possible that other, urgent requirements may emerge. Such cases will need to be reported separately to Cabinet as individual contract reports.
- 3.8 Cabinet is asked to review the Contracts Forward Plan (CFP), confirm its agreement to the proposed programme and identify any individual contracts about which further information – relating either to contracting strategy or to contract award – will be required before proceeding.

### **Consultation**

- 3.9 The table below outlines contracts identified in Appendix 1 and the relevant service area/directorates. Officers from the relative service areas were advised to consult with Lead Members on the proposal of each of the contracts:

<b>Directorate</b>	<b>Number of Contracts</b>	<b>Project title / description</b>
Communities	3	<ul style="list-style-type: none"> <li>• CCTV Operators</li> <li>• Purchase of Mechanical Sweepers for Waste services (Vehicle Replacement Programme 2025/2028)</li> <li>• Purchase of Food Waste vehicles for Waste services</li> </ul>
Health, Adults and Social Care	1	<ul style="list-style-type: none"> <li>• East London Apartments</li> </ul>
Housing and Regeneration	1	<ul style="list-style-type: none"> <li>• Electrical MTC Corporate Contract</li> </ul>

- 3.9.1 The Council also ensures further governance through its tollgate process, which is a procurement project assurance methodology, designed to assist in achieving successful outcomes from the Council's high value contracting activities (over £1m, for revenue contracts, and £5m, for capital works contracts which have not gone through the Asset Management Board approval system).

## **4. EQUALITIES IMPLICATIONS**

- 4.1 Equality and diversity implications and are addressed through the tollgate process, and all contracting proposals are required to demonstrate that both financial and social considerations are adequately and proportionately addressed.

## **5. OTHER STATUTORY IMPLICATIONS**

5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications.
- Consultations.
- Environmental (including air quality).
- Risk Management.
- Crime Reduction.
- Safeguarding.

### **Best Value Implications**

5.2 The Council is required to consider the value for money implications of its decisions and to secure best value in the provision of all its services. The Council procures circa £350m of supplies and services annually with a current supplier base of approximately 3,500 suppliers. The governance arrangements undertaking such buying decisions are set out in the Council's Procurement Procedures, which form part of the Financial Regulations.

5.3 The contracts listed in Appendix 1 are all subject to the Council's tollgate process which involves a detailed assessment by the Procurement Review Panel of the procurement strategy to ensure compliance with existing policies, procedures and best value duties prior to publication of the contract notice.

5.4 The Council's Medium Term Financial Strategy approved by Full Council on 28<sup>th</sup> February 2024 included savings of £465k each year from contracts. The Council currently spends in excess of £46.5m annually with third party suppliers and this represents a 1% saving each year. The saving will be delivered through contract opportunities, for example, renegotiating contract terms as contracts are reviewed to reflect changing business or service user needs, better technology, market developments and alternative ways of commissioning and delivering services.

### **Sustainable Action for Greener Environment**

5.5 Contracts are required to address sustainability issues in their planning, letting and management. This is assured through the tollgate process.

5.6 Social value will be captured in every procurement by the most appropriate method for each procurement and will be measured in terms of deliverability and impact.

### **Risk Management**

5.7 Risk management is addressed in each individual contracting project and also assessed through the tollgate process.

### **Efficiency Statement**

- 5.8 Contract owners are required to demonstrate how they will achieve cashable savings and other efficiencies through individual contracting proposals. Proposed efficiencies are subsequently monitored throughout implementation.

## **6. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 6.1 This report details the contract forward plan for quarter three of 2024-25 in accordance with the Council's procurement procedures. All contract spend should be carried out within approved resources and, where possible, savings identified to improve value for money and contribute to MTFS savings.

## **7. COMMENTS OF LEGAL SERVICES**

- 7.1 The Council has adopted financial procedures for the proper administration of its financial affairs pursuant to section 151 of the Local Government Act 1972. These generally require Cabinet approval for expenditure over £1m for revenue contracts and £5m for capital works contracts as Key Decisions.
- 7.2 Cabinet has approved procurement procedures, which are designed to help the Council discharge its duty as a best value authority under the Local Government Act 1999 and comply with the requirements of the Public Contract Regulations 2015. The procurement procedures contain the arrangements specified in the report under which Cabinet is presented with forward plan of proposed contracts that exceed specified thresholds. The arrangements are consistent with the proper administration of the Council's financial affairs.
- 7.3 Pursuant to the Council's duty under the Public Services (Social Values) Act 2012, as part of the tender process and where appropriate, bidders will be evaluated on the community benefits they offer to enhance the economic social or environmental well-being of the Borough. The exact nature of those benefits will vary with each contract and will be reported at the contract award stage. All contracts delivered in London and which use staff who are ordinarily resident in London will require contractors to pay those staff the London Living Wage. Where workers are based outside London an assessment will be carried out to determine if the same requirement is appropriate.
- 7.4 When considering its approach to contracting, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). Officers are expected to continuously consider, at every stage, the way in which procurements conducted and contracts awarded satisfy the requirements of the public sector equality duty. This includes, where appropriate, completing an equality impact assessment as part of the procurement strategy, which is then considered as part of the tollgate process.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- None

### **Appendices**

- Appendix 1 – new contracts planned: Q3 of the Financial Year and beyond.

### **Background Documents – Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012**

- None

### **Officer contact details for documents:**

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