

Select report type  
Audit Committee

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**Committee Name and Date of Committee Meeting**

Audit Committee – 14 March 2023

**Report Title**

Procurement Annual Update

**Is this a Key Decision and has it been included on the Forward Plan?**

No

**Strategic Director Approving Submission of the Report**

Judith Badger, Strategic Director of Finance and Customer Services

**Report Author(s)**

Karen Middlebrook, Head of Procurement  
01709 334755 or [Karen.middlebrook@rotherham.gov.uk](mailto:Karen.middlebrook@rotherham.gov.uk)

**Ward(s) Affected**

Borough-Wide

**Report Summary**

This report seeks to provide an update on procurement activity undertaken in the last 12 months to Audit Committee

**Recommendations**

1. Audit Committee is asked to note the content of the report

**List of Appendices Included**

None

**Background Papers**

1. [Financial and Procurement Procedure Rules](#)

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**

N/A

**Council Approval Required**

No

**Exempt from the Press and Public**

No

## **2023 Procurement Annual Update**

### **1. Background**

- 1.1 The Council spends in excess of £350m per annum on a wide range of goods, works and services ranging from construction, transport and regeneration activity, to commissioned care services for vulnerable children and adults through to business and professional services such as food, consultancy and ICT.
- 1.2 The role of the procurement function is to ensure this expenditure is made in compliance with the legislation (Public Contracts Regulations 2015 (as amended)) and the Council's own Financial and Procurement Procedure Rules (FPPRs). To do this it is essential there are robust procurement practices to ensure value for money is being achieved, ethical practices are being applied and the contract the Council enters into are robust, deliver against key priorities and minimise risk.
- 1.3 The last annual update to Audit Committee was 15 March 2022. This report therefore seeks to provide an update for 2023.

### **2. Key Issues**

- 2.1 Over the preceding 12-month period, the main focus has been business as usual, continuing to provide professional support to Services to procure their contractual requirements in a manner compliant with the legislation and/or the Council's own Financial and Procurement Procedure Rules (FPPRs), whilst ensuring social value commitments are secured and value for money is achieved.
- 2.2 A significant part of the Procurement Team's resource has been utilised supporting the major regeneration capital procurement projects and it is likely this trend will remain for the coming 12-month period. This increased size of the regeneration programme has created additional resource pressure on the procurement service and will continue to do so. Options are being considered as to how procurement can best manage that pressure whilst still delivering a high-quality service. Potential additional capacity within the procurement service and a focus as a Council on forward planning of procurement activity will be vital steps in mitigating the impact of significantly increased regeneration activity.
- 2.3 This last year has been challenging in terms of the economic landscape the Council has been procuring within, with inflation at a high, shortages of supply and labour within the supply chain and the risk of financial collapse of suppliers within some industries.
- 2.4 This has required analysis pre-procurement to understand the current supply market along with detailed due diligence on the successful supplier once identified to ensure the expectations of the contract are both understood from the supplier, and the proposal is fully understood by the Council, before proceeding to contract award.

2.5 To support the above and continue to further procurement knowledge, understanding and the application of procurement processes and procedures across the Council, the team has continued to deliver procurement related training to Officers.

2.6 The procurement team is also closely monitoring the progress of the Procurement Bill. Since the last update the Bill has moved from the House of Lords and is in the Report Stage of the House of Commons for further debate and amendments. It is anticipated that the Bill will receive Royal Assent in late spring. The Bill itself is a complex piece of legislation, but much of the detail surrounding the new regime will sit within secondary legislation, statutory and non-statutory guidance, which is currently not yet drafted, and which will be the subject of further consultation. Cabinet Office has committed to providing a six-month lead in period before the new regime take effect. This six-month lead in period will commence *after* the final version of secondary legislation is laid in Parliament. It is therefore anticipated that the 'go live' of the new Regulations will come into effect Spring 2024 at the earliest.

### **3. Options considered and recommended proposal**

3.1 No options have been considered, as this is an update report in activity that has taken place, rather than recommended future proposals.

### **4. Consultation on proposal**

4.1 As an update report there has been no consultation.

### **5. Timetable and Accountability for Implementing this Decision**

5.1 This report is for Audit Committee information and noting, therefore it is not anticipated there will be a decision requiring implementation.

### **6. Financial and Procurement Advice and Implications**

6.1 All associated procurement implications are detailed in the main body of the report.

6.2 There are no direct financial implications arising from this procurement update report. The costs associated with the operational activities of the procurement service are factored into the Council's budget.

### **7. Legal Advice and Implications**

7.1 The work undertaken by the Corporate Procurement Team and the measures implemented as set out in this report, are consistent with relevant procurement Regulations and best practice in relation to procurement. This in turn lessens the likelihood of legal challenge in respect of procurement activity and contract management.

7.2 It will be necessary for the Council to keep abreast of the changes which are made to the Procurement legislation as referred to above, as part of the Government's "Transforming Public Procurement" proposals.

## **8. Human Resources Advice and Implications**

8.1 HR & OD colleagues will continue to work with Procurement to review staff engagement and learning activity to ensure they are effective in raising awareness.

## **9. Implications for Children and Young People and Vulnerable Adults**

9.1 As an update report there are no direct implications for Children and Young People and Vulnerable Adults.

## **10. Equalities and Human Rights Advice and Implications**

10.1 As an update report there are no direct implications aligned to Equalities and Human Rights.

## **11. Implications for CO<sub>2</sub> Emissions and Climate Change**

11.1 As an update report there are no direct implications linked to CO<sub>2</sub> Emissions and Climate Change.

## **12. Implications for Partners**

12.1 As an update report there are no implications for Partners.

## **13. Risks and Mitigation**

13.1 Through the actions implemented as detailed in this report, and through FPPRs risks and appropriate mitigations are continuously considered at a corporate level and at project level.

### **Accountable Officer(s)**

Rob Mahon, Assistant Director; Financial Services

Karen Middlebrook, Head of Procurement