

Report for: Overview and Scrutiny Committee – 26th October 2026

Item Number: 8

Title: **Update on Procurement Improvement Plan**

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Ward(s) Affected: All

Report for Key/ Non-Key Decision: N/A

1. Purpose

- 1.1. The purpose of this report is to update the Overview and Scrutiny Committee on the Council's programme of work to improve the delivery of procurement activity, including commissioning and contract management arrangements across the organisation.
- 1.2. The report provides an overview of progress that aligns with the Commissioning Modernisation Programme, including developments in governance, commercial capability, transparency and social value delivery.
- 1.3. The Council spends £393.7M (2026/27) of its annual revenue budget through externally commissioned services and supplies. Effective commissioning, procurement and contract management is therefore critical in ensuring value for money, supporting delivery of corporate priorities and securing positive outcomes for residents.
- 1.4. Over the last year, the Council has continued to develop a more strategic and commercially focused approach to commissioning and procurement. This has included strengthening how we identify the needs and requirements of the services commissioned, procurement oversight and governance, improving contract management arrangements and introducing enhanced planning processes and implementation of changes brought about by the Procurement Act 2023.
- 1.5. The work is being delivered through interconnected programmes and initiatives - the Commissioning Modernisation Programme, the Procurement Effectiveness Review, the development of category management

approaches, improvements to commercial governance and the implementation of a new Source-to-Contract system.

- 1.6. The report also provides an overview of the Council's contracts pipeline, contract award activity, direct awards, approach for VCSE and SME participation, social value delivery and emerging areas of commercial focus, including agency labour expenditure and contract compliance.

2. Cabinet Member Introduction

N/A

3. Recommendations

That the Overview and Scrutiny Committee:

- 3.1. Note the progress made in strengthening commissioning, procurement and contract management arrangements across the Council.
- 3.2. Note the progress achieved through the Commissioning Modernisation Programme.
- 3.3. Note the ongoing Procurement Effectiveness Review that has recently commenced.
- 3.4. Note the proposed future work relating to category management, social value, supplier transparency, SME and VCSE participation and commercial governance.
- 3.5. Note the emerging priorities identified within this report and provide feedback on future reporting requirements.

4. Background information

- 4.1. The Council continues to operate within a challenging financial environment whilst maintaining a strong focus on delivering quality services and positive outcomes for residents. Effective commercial management has an increasingly important role in supporting the Council to achieve these objectives.
- 4.2. Nationally, the public procurement landscape has undergone significant change through the implementation of the Procurement Act 2023. Contracting authorities must have regards to the importance of-

- delivering value for money;
- maximising public benefit;
- sharing information for the purpose of allowing suppliers and others to understand the authority's procurement policies and decisions; and
- acting, and being seen to act, with integrity,

4.3. The new legislation places greater emphasis on transparency, contract lifecycle management, supplier engagement and the delivery of public benefit. These reforms present an opportunity for the Council to further develop its commercial capability and strengthen procurement practices.

4.4. In response, the Council has continued to invest in the development of commissioning, procurement and contract management arrangements. This includes improving governance structures, developing commercial skills, embedding stronger planning arrangements and increasing organisational focus on contract management and supplier performance.

4.5. The Council's approach recognises that successful procurement outcomes are dependent not only on the procurement exercise itself but on effective commissioning, market engagement, contract mobilisation and ongoing contract management.

4.6. A key factor in bringing all the improvement initiatives and ambition remains procurement and implementation of a new 'Source to Contract' technology for the Council, which will embed the new ways of working, improving accountability and increasing value for money.

5. Commissioning Modernisation and Procurement Effectiveness Review

5.1. The Commissioning Modernisation Programme was established to modernise how the Council commissions services from third-party organisations. The Commissioning Modernisation Programme is addressing service redesign within commissioning, procurement and contract management.

5.2. There needs to be a corporate understanding of the difference between the functions of commissioning and procurement within the commissioning lifecycle (process). Procurement and Commissioning are both decision making processes for deciding how to use the total resources available to improve outcomes and purchase works, goods or services in the most efficient, effective, equitable and sustainable way.

- 5.3. **Commissioning** is the process by which public bodies including local authorities, decide what services their communities need, allocate funding for those services, and oversee their delivery. It involves a structured cycle that includes an assessment of need, options appraisal, procurement, and performance monitoring. The goal is to improve outcomes in a manner that is efficient, effective, equitable and sustainable. (*Local Government Association*) - Responsibility for commissioning and contract management is currently led by individual services.
- 5.4. **Procurement** is defined as the buying of works, goods or services that enable an organisation to operate its supply chains. The central strategic procurement team are responsible for overseeing the steps of the procurement cycle, covering core activities such as market analysis, sourcing, negotiation, contracting and supplier relationship management. Procurement adds value and reduces risk across the supply chain by establishing the right working relationships with suppliers. (*Chartered Institute of Procurement & Supply*)
- 5.5. The Commissioning Modernisation Programme has continued to support the Council's ambition to strengthen the way services are designed, commissioned, procured and managed.
- 5.6. The programme seeks to ensure that commissioning decisions are informed by evidence, aligned to corporate priorities and focused on delivering improved outcomes for residents. It promotes earlier planning, improved understanding of market conditions and stronger integration between service areas and commercial functions.
- 5.7. The Commissioning Modernisation Programme was established to modernise how the Council commissions third-party services and to deliver a savings target of £16.2m – 5% of the Council's ~£323m in-scope third-party budget base. The programme is overseen by the Haringey Commissioning Board (chaired by the Section 151 Officer), supported by a monthly Strategic Operational Group, with delivery through two workstreams: Commissioning and Practice and Service Re-design.
- 5.8. The scope of the programme currently is revenue contracts over £25,000 due for renewal by 30 April 2027, plus contracts held in scope through short-term extensions running to 31 December 2027. The scope for future years will be contracts due for renewal and the tender planning process must commence in that financial year. Capital works are out of scope.

5.9. Of the ~£323m in-scope spend, £8.81m of savings has been identified for 2026/27, the breakdown by Directorate is shown in the following table:

Directorate	Identified in-scope	Validated (n)	SAP spend	Savings identified
Adults, Housing & Health	42	8	£235.0m	£5.30m
Children's Services	12	12	£40.9m	£2.05m
Environment & Resident Experience	23	11	£37.0m	£0.66m
Finance & Resources + Digital	32	15	£4.6m	£0.80m
Culture, Strategy & Communities	10	0	£0.9m	£0.00m
Total	151	70	£323.2m	£8.81m

5.10. As at 24 June 2026, 55 contracts with a combined value of £411m had been submitted to the Panel. An update for progress is currently being finalised and included in the Quarter 2 finance monitoring report to Cabinet in December 2026 and Overview and Scrutiny Committee in January 2027.

Savings

5.11. As highlighted above, total projected savings identified through the Commissioning Panel for 2026/27 is £8.81m. Savings forecast to date are £1,041,988 comprising:

Directorate	Savings forecasted to date
Children's Services	£681,241
Adults, Housing & Health	£165,000

Directorate	Savings forecasted to date
Environment & Resident Experience	£145,747
Finance & Resources	£50,000
Culture, Strategy & Communities	£0
Total	£1,041,988

Cost avoidance

5.12. Cost avoidance identified to date through Panel-related activity is £1,221,750, comprising:

Directorate	Cost avoidance to date
Finance & Resources	£531,000
Adults, Housing & Health	£300,000
Children's Services	£196,262
Environment & Resident Experience	£194,488
Culture, Strategy & Communities	£0
Total	£1,221,750

5.13. The Agency Targeted Transfer intervention converts long-standing agency placements into permanent recruitment. The cost avoidance forecast to date is £913,694.

5.14. Taken together, the programme is forecast to deliver £3,177,432 of financial benefit to date in 2026/27:

Benefit	Value to date
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Benefit	Value to date
Commissioning Panel – savings achieved	£1,041,988
Commissioning Panel – cost avoidance	£1,221,750
Agency Targeted Transfer – cost avoidance	£913,694
Total	£3,177,432

5.15. This represents strong early-year delivery against the £8.81m of savings identified for 2026/27 and the wider £16.2m programme target. The savings profile is expected to build through the year as contracts progress through Panel gateways, and into 2027/28, which is the key delivery year given the volume of renewals falling due.

5.16. Alongside the Commissioning Modernisation Programme, the Council has introduced a Procurement Effectiveness Review to assess and improve commercial maturity across key areas including sourcing and category management, governance, developing capability, data and technology. The review will map the current state of effectiveness against a best practice baseline.

Procurement Effectiveness Review

5.17. The Procurement Effectiveness Review has commenced and will consider a number of key areas including;

- Strategy & Organisation
- Business Engagement and Commercial Effectiveness
- Sourcing Processes, Category and Supplier Management
- Purchase to Pay
- People & Skills
- Measurement, Policies, Controls and Compliance;
- Systems, Data and Metrics

5.18. The Strategic Procurement function is adopting new objectives as part of a new delivery model;

- **Value** – by delivering value for money services we will strengthen the council's financial stability

- **Opportunity** - delivering social value and responsible procurement to create opportunities and deliver benefit to our communities
- **Innovate** – by leading and driving change, we will enable the council delivery model for procurement to become efficient and effective
- **Commercial** – by delivering the best outcomes across the council whilst maximising commercial opportunities
- **Engage** – by collaborating with all our stakeholders and becoming a trusted strategic partner of our Services to deliver the best outcomes.

5.19. Several improvements have already been delivered during the reporting period, including;

- a. Enhanced procurement governance arrangements
- b. Improved forward planning and pipeline visibility
- c. Introduction of a Contract Management Framework
- d. Development of standardised contract management templates and tools
- e. Increased training and support for commissioners, contract managers and procurement professionals
- f. Improved transparency and reporting arrangements
- g. Continued developments in response to the requirements of the Procurement Act 2023.

5.20. The Council recognises that commercial maturity is an ongoing journey and will continue to prioritise capability development, governance and continuous improvement.

6. **Contracts Pipeline**

- 6.1. Effective procurement begins with effective planning. The Council has therefore continued to strengthen management of its procurement pipeline to provide earlier visibility of upcoming requirements and support better resource planning.
- 6.2. The contracts pipeline identifies contracts due to expire within the next eighteen months and provides visibility of future procurement activity across the organisation. It supports service planning, market engagement and procurement prioritisation.
- 6.3. To ensure compliance with the Procurement Act 23, the Council also publishes all upcoming procurements over £2m at the beginning of on the Central Digital Platform (Find a Tender Service).

6.4. Analysis of the current pipeline includes:

- a. Contracts due to expire within the next eighteen months – 2,196
- b. Strategic procurement projects currently under way - 301
- c. Contracts valued at £2 million and above - 77
- d. Directorate and category level analysis
- e. Pipeline activity by financial year

6.5. Improved visibility of upcoming procurement activity supports early market engagement, reduces financial risk and enables better coordination of commercial resources.

6.6. The pipeline also assists the Council in identifying opportunities to maximise social value, support local suppliers and improve procurement outcomes

6.7. Cross function working is essential in the successful delivery of procurements activity which requires Commissioning teams, Procurement team, Contracts Managers and other stakeholders engaging at the earliest opportunity.

6.8. To mitigate against unnecessary direct awards of contracts, extension and variation of existing contracts, officers must engage at the earliest opportunity to develop a clear procurement timetable, aligned with any transformational activity related to the service being delivered. This approach to working is being implemented but the Council recognises that improvements are still needed as evidenced by the high number of direct awards that continue. This needs to a fact-based evidence approach to support the recommended routes to market which must allow sufficient time for a competitive process.

7. **Contracts Register**

7.1. The council has struggled to develop a “single source of truth” for all contracts activity due to a disparate number of systems supporting Source to Contract activity. Further, there is limited integration of systems which means there is an over reliance on manual interventions.

7.2. The Council has conducted a discovery exercise to explore the feasibility of a consolidated view of the Council’s contracts.

7.3. The work to date has highlighted the risk related to fragmented data and data ownership, and found that substantial contract, supplier and financial

data exists across Council systems, but no single system provides a complete and authoritative view of contractual activity.

7.4. There is a dependency on 'Legacy systems' and the data distributed across a range of systems managing key activity including;

- Haringey's finance system - SAP
- Haringey Procurement and Contracting Systems (HPCS) - Wag Digital
- London Construction Programme which is utilised for a wide range of Haringey works projects – Axian
- Social Care Dynamic Purchasing System – Axian
- SEN Transport Dynamic Purchasing System – ADAM
- Print & Communications Dynamic Purchasing System - Panacea
- Social Care contracting – Controcc and Liquidlogic

Service-specific applications require significant manual reconciliation and manual inputs which can create inconsistencies in reporting.

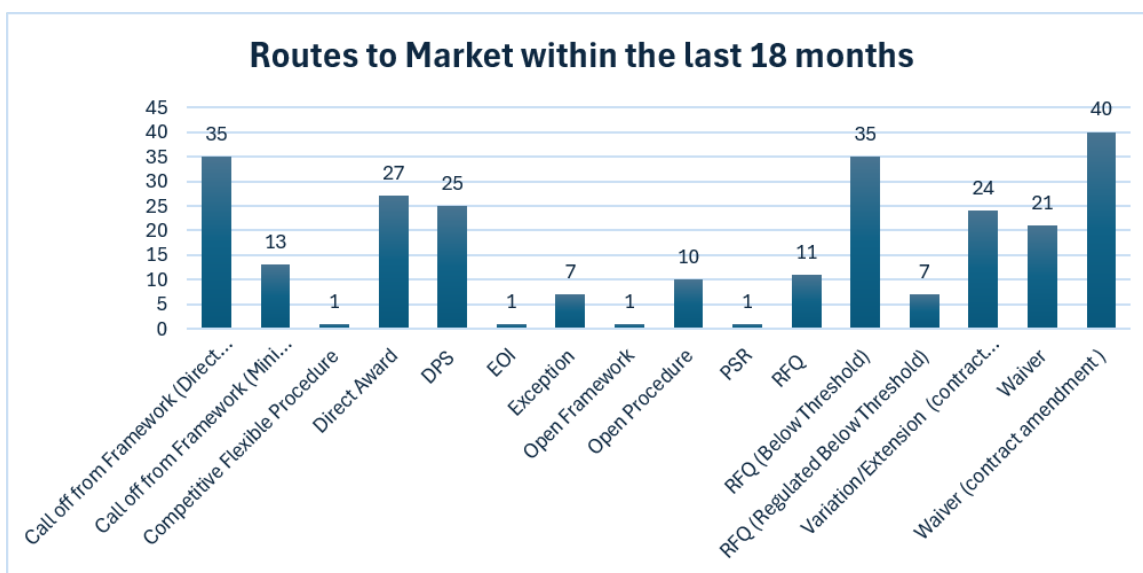
7.5. The council is required to publish contract data, expenditure reports and payment reports. This makes a centralised contracts register a major source of information. Furthermore, it assists in identifying existing commercial commitments, supply chain risks, supplier relationships and drives procurement activity across the organisation. It also supports compliance with transparency requirements under the Procurement Act 2023 and public accountability principles.

7.6. It has been agreed that a single 'Source to Contract' solution is required to standardise our approach to sourcing and contract management activity and improve contract visibility, reporting capability and supplier information management across the procurement lifecycle. A report requesting permission to go out to tender is expected to be presented to Cabinet in December 2026.

8. **Contract Awards**

8.1. During the last 18 months, 262 contracts have been awarded where Strategic Procurement has been engaged.

The following chart summarises the different routes to market that were utilised:



A breakdown of activity led by Strategic Procurement, by Directorate is set out in the Table below:

Directorate	Contracts Awarded
Adults, Housing & Health	121
Children's Services	30
Culture, Strategy & Communities	14
Environment & Resident Experience	43
Finance & Resources	54

9. Direct Awards

- 9.1. Scrutiny of direct awards forms an important part of effective procurement governance and transparency.
- 9.2. Direct awards can arise through a number of routes, including the use of compliant framework agreements that permit direct award mechanisms, circumstances where only one supplier can meet the requirement, or where legislation permits an exemption from competition.
- 9.3. There may be occasions when direct awards have been progressed due to insufficient time to run a competitive process. Strategic Procurement are therefore working to develop a clearer pipeline of procurement activity and early engagement with directorates to reduce the need for such awards.

9.4. The Council continues to ensure that all direct awards are subject to appropriate governance and approval arrangements. However, the existing fragmented systems and data make reliable reporting difficult.

9.5. This section provides an analysis of direct awards made up of Single Tender Actions and compliant direct awards from Framework Agreements in 2025/26 and 2026/27 to date.

Directorate	FY25/26 Direct Awards	FY25/26 Awarded Value £'000	2026/27 YTD Direct Awards	2026/27 YTD Awarded Value £'000	Total Direct Awards	Total Awarded Value £'000
Adults, Housing & Health	9	11, 410	3	200.6	12	11,610
Children's Services	1	47.4	4	672.5	5	720
Culture, Strategy & Communities	1	100	0	0	1	100
Environment & Resident Experience	3	212.8	2	207.9	5	420.8
Finance & Resources	4	182.1	0	0	4	182.1
Grand Total	18	11.95m	9	1.08m	27	13.04m

9.6. The Council remains committed to promoting competition wherever possible whilst ensuring continuity of service, compliance with legislation and effective risk management.

10. Category Management

10.1. Category Management further defines procurement activity as ‘the process of managing spend through segmenting expenditure into discrete groups of similar or related products and services called categories. The categories are based on the supply market and how it is influenced by procurement and commissioning strategies.’

10.2. Category management is a key element of the Council's wider commercial improvement programme. However, the existing systems and fragmented data does not support the Council's needs and ambitions.

10.3. Category Management approach seeks to move procurement activity from a transactional focus towards a more strategic understanding of expenditure, suppliers, markets and future demand.

10.4. The Council is continuing to develop category-based approaches across key expenditure areas including:

- a. Construction
- b. Housing
- c. Adult Social Care
- d. Children's Services
- e. ICT and Digital
- f. Professional Services
- g. Contingent/ Temporary Labour

10.5. The implementation of a new Source to Contract solution will support improved planning, stronger supplier engagement, identification of savings opportunities, better management of commercial risk and increased delivery of social value outcomes.

10.6. Future activity will focus on strengthening spend analysis capability, developing category strategies and improving market intelligence.

10. VCSE and SME Participation

11.1. Supporting participation by Voluntary, Community and Social Enterprise organisations (VCSEs) and Small and Medium-sized Enterprises (SMEs) remains an important element of the Council's approach towards procurement and inclusive economic growth.

11.2. Early planning of procurement activity is encouraged to allow for premarket engagement which creates the opportunity for the council to engage with SME's and VCSE's.

11.3. The council does not currently classify its suppliers and therefore does not have the ability to report the number of VCSE or SME organisations in its supply chain. There is the potential to enrich supplier data as part of the ERP and Source to Contract procurement activity.

11.4. Future improvements are expected to provide greater visibility of:

- a. SME expenditure.
- b. VCSE expenditure.

- c. Local supplier participation.
- d. Supply chain opportunities.
- e. Trends over time.

11.5. Improved reporting will support informed and improved decision-making and strengthen the Council's ability to monitor progress against its priorities and inclusive economy objectives.

12. Social Value

12.1. The Social Value Act 2012 requires public authorities in England and Wales to consider economic, social and environmental benefits when procuring public services. Haringey Council is committed to fulfilling its obligations under The Public Services (Social Value) Act 2012 and the National Procurement Policy Statement to maximise the wider economic, environmental and social benefits through its procurement activity.

12.2. **Part Four, Section J**, of the **Council's Contract Standing Orders** provides guidance and outlines obligations for Council Officers to consider and embed social value requirements into procurement processes and contract management arrangements to ensure that procurement activity delivers benefits beyond the goods, works or services being procured.

12.3. Council contracts over £500,000 require Social Value to be included as a part of the evaluation criteria with weighting between 10% to 25% of the total award criteria, unless otherwise agreed by Cabinet.

12.4. The Council uses **Social Value Portal** for capturing bidder commitments during bidding stages, and these become a part of their contractual obligations. Successful supplier delivers outcomes against their commitments including employment and skills opportunities, apprenticeships, work placements, support for local businesses, environmental improvements and wider community benefits etc.

12.5. At the time of preparing this report, some of the social value commitments across 79 projects on the Social Value Portal have delivered the below:

- creation of **27 jobs**
- over **182 apprenticeship weeks**
- **£171k** to community support initiatives
- **£38k** donations to charities

- 12.6. More than £7m of delivered social value has already been independently validated, demonstrating strong progress in translating contractual commitments into tangible outcomes for Haringey communities.
- 12.7. It has been recognised that work needs to be done to improve Contract Management capabilities across the Council to strengthen overall contract management which includes Social Value delivery. Training is in development and the new 'Source to Contract' and the Contract Management and Quality Assurance Framework will support this further.
- 12.8. **Social Value Policy:** Work is also progressing on the development of a refreshed Social Value Policy that will establish a clear framework for future delivery and measurement of social value outcomes.
- 12.9. The proposed policy will seek to align social value priorities with the Council's wider corporate objectives through the revised Corporate Delivery Plan expected to be published in November 2026 and ensure consistent application across commissioning, procurement and contract management activity.

13. Statutory Officer Comments (Corporate Director of Finance and Resources (procurement), Director of Legal and Governance, Equalities)

Finance

- 13.1 There are no direct financial implications arising from the contents of this update report. The improvements being put in place to improve procurement and contract management processes across the organisation and fully embed the requirements of the new Procurement Act 2023 is expected to improve value for money on contract spending and contribute towards the Council's Financial Resilience Plan to reduce non-essential spending the reliance on Exceptional Financial Support from 2026/27 onwards.
- 13.2 The 2026/27 budget approved by Council in March 2026 has assumed savings of £3m on contract spend in 2026/27 (£9.2m over the next three years from 2025/26) and the improvements set out in this report will contribute towards the delivery of these savings.

Strategic Procurement

- 13.3 The Chief Procurement Officer has been consulted in the preparation of this report and confirms the information contained in this report is an accurate reflection of the progress made to date.

Legal

- 13.4 The Director for Legal and Governance has been consulted in the preparation of this report.

The Council's Constitution at Part 3, Section B and Part 4, Section 4, empowers the Overview and Scrutiny Committee to review or scrutinise the decisions or actions taken in connection with the discharge of any of the Council's functions. This noting report provides an update on the Council's Procurement Improvement Plan. There are no direct legal implications arising from this report.

Equality

N/A

11 Use of Appendices

N/A

12 Local Government (Access to Information) Act 1985

N/A