

# OVERVIEW & SCRUTINY BOARD

15<sup>th</sup> January 2026

<b>Subject Heading:</b>	Procurement and Contract Management
<b>ELT Lead:</b>	Kathy Freeman, Strategic Director Resources
<b>Report Author and contact details:</b>	Euan Beales – Head of Procurement and Contract Management <a href="mailto:Euan.beales@haverling.gov.uk">Euan.beales@haverling.gov.uk</a>
<b>Policy context:</b>	This report provides an overview on Procurement and Contract Management conducted by the Council.

An initial report on Procurement and Contract Management as requested to be presented at the February 2026 O&S meetings.

O&S have requested a narrative on the following elements of procurement and contract management.

- What is the annual value of the Council's Contract register spend?
- What are the three largest spend contracts
- What governance process is followed
- How are contracts managed generally
- How do we measure the cumulative outcomes from contracts against the council priorities?
- What dispute and resolution process is in place
- Can we realise financial savings from the largest two contracts due for procurement in the next year-can we achieve?

## 1. Contract Register

1.1 The current contracts register as at the 13<sup>th</sup> November 2025 comprised of 199 entries with an annual spend of £225,707,435.04. Please note this was the values as provided within the tender returns and does not represent actual spend.

## 2. Top 3 Contracts by annual spend

Supplier	Service	Annual Value	Contract term incl Extensions in years	Start Date	End date inc Extensions
Wates Property Services Ltd	Contract for the Provision of Development Management Agreement	£48,979,591.84	16	27/04/2018	26/04/2033
Adecco UK Ltd	Managed Services for Temporary Agency Resources	£27,243,243.24	6	26/07/2025	26/07/2031
Marlborough Highways Limited	Provision of Highways Term Contract	£20,300,000.00	10	01/04/2025	31/03/2031

## 3. Procurement Governance

3.1 Council spend is governed by a set of rules called the Contract Procedure Rules and these rules form part of the Councils Constitution and can be found in Part 4.4.

3.2 The Councils spend is covered by 3 separate legal statutes.

- Public Contract Regulations 2015
- The Health Care Services (Provider Selection Regime) Regulations 2023
- Procurement Act 2023

3.3 To comply with the obligations as set out in the 3 sets of legislation the current Contract Procedure Rules have been re-drafted and are in the process of being taken through formal governance processes.

3.4 Currently procurement activity is separated into 3 value led bandings.

Procurement Spend Thresholds		
Route 1 up to £25,000 PSR starts at £0.01	Route 2 £25,001 to PCR2015/PA23 Goods and services threshold and up to £500,000 for Works PSR above £25,000	Route 3 above PCR2015/PA23 Goods and services threshold and above £500,000 for Works PSR above £25,000

3.5 The current thresholds are as follows for PA23 to add context to the route bandings

Goods and Services	Works	Concession	Light Touch
£214,904	£5,372,609	£5,372,609	£663,540
<i>Please note the above values are inclusive of VAT</i>			

\*\* please note the threshold for Goods and Services will change to £207,720 incl VAT from the 1<sup>st</sup> January 2026 as outlined in PPN023

3.6 The governance routes taken for the 3 contracts detailed above are as follows.

Contract for the Provision of Development Management Agreement – Wates Property Services Ltd



Managed Services for Temporary Agency Resources – Adecco UK Ltd



Provision of Highways Term Contract - Marlborough Highways Limited



## 4. Contract Management

4.1 Contract Management is devolved to the individual services, but the following principles apply.

Element	Wates	Adecco	Marlborough
<b>Contract Monitoring Meetings</b>	Yes, monthly contract monitoring meetings, plus formal JV Board meeting	Yes, quarterly formal review, daily and weekly discussions held	Yes, monthly meetings held
<b>Key performance indicator review</b>	Yes, forms part of the contract monitoring meeting	Yes, forms part of the quarterly review	Yes, forms part of the monthly contract meeting
<b>Performance challenges and rectification</b>	The DM agreement is part of the wider JV partnership with Wates, and is performance monitored by the JV Board. An improvement plan would be issued in the event that any rectification is required.	In the event performance becomes an issue a formal improvement notice will be issued with a date of rectification and expected quality point	All service levels are monitored; in the event they fall below required standards an improvement plan is generated
<b>Change process (Variation)</b>	Variations are validated and managed through the contract terms and process.	Variation process is contained in the contract	Variations are validated and managed through the contract terms and process
<b>Escalation process</b>	Escalation process is contained with the contract and the Members Agreement, ultimately reverting to JV Board	Clear escalation process at all levels Council and Adecco	Escalation process is contained in the contract and is set up between both parties
<b>Price/cost review</b>	Costs are checked and verified by independent cost consultants	Costs are checked weekly as part of the invoicing process any amendments are actioned quickly	Fixed costs and schedule of rates are applied and validated  Price validation for work not contained in the core contract

4.2 Although Contract Management is devolved across the Council currently, going forward the aspiration is to develop and create a framework that will sit centrally. The framework will encompass good contract management principles, set out how to be effective, how to map, track and record compliance and to develop an understanding on how to identify and manages breaches within the contract.

4.3 The Contract Management framework will be developed over the next 12 months in correlation with the revised Contract Procedure Rules.

## 5. How do we measure the cumulative outcomes from contracts against the council priorities?

5.1 Each contract would have followed the governance process, which results in the strategy and the award papers being approved by Cabinet. Each paper requires the author to link the process to the three corporate plan headings as shown below

People - Supporting our residents to stay safe and well

Place - A great place to live, work and enjoy

Resources - Enabling a resident-focused and resilient Council

5.2 As an example, the Adecco contract for the provision of contingent Labour aligned to the Resources priority.

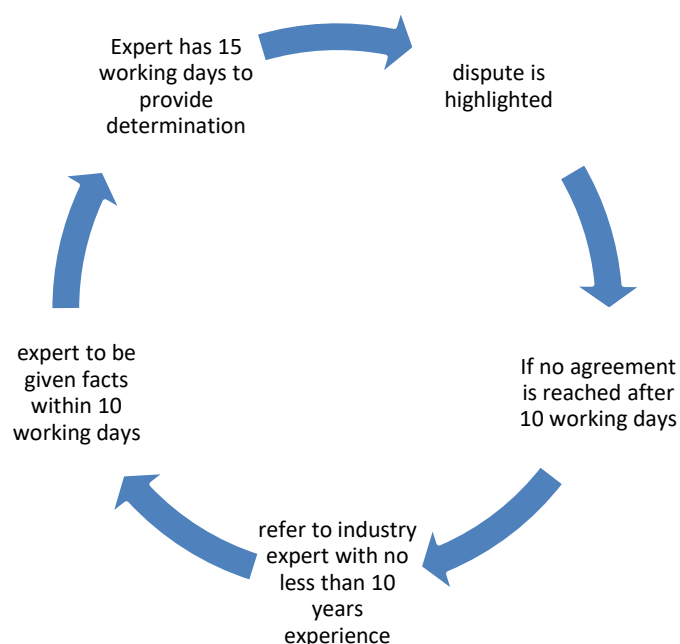
5.3 The link between strategy/award and Corporate Plan priorities is currently not recorded, however the procurement service is implementing an e-procurement tool and the links between the contract and the Corporate Plan will be developed, with the aim of being able to develop a summary report.

5.4 In addition, the e-procurement tool will look to map, record and report on Key performance indicators per contract to give visibility and transparency to the contract management activity and to ensure the Council receives what is due through the agreement.

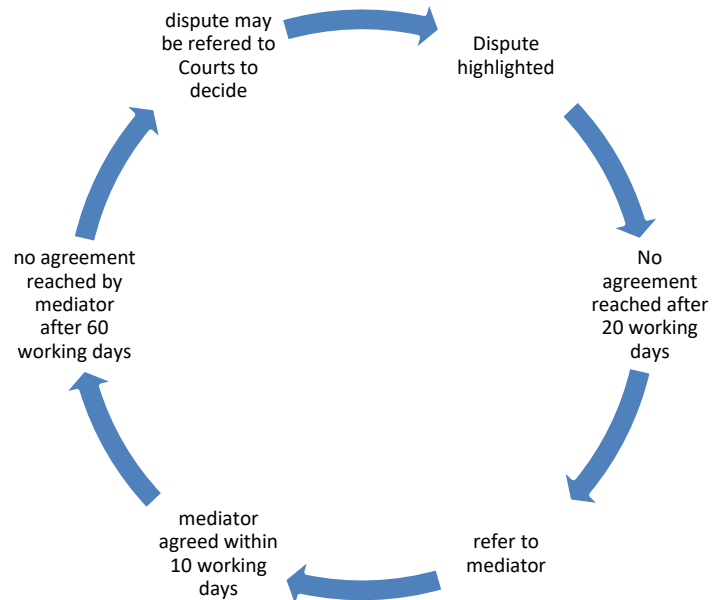
## 6. What dispute and resolution process is in place

6.1 Each contract has specific clause(s) that outlines the process and timelines, a summary flow is shown as follows.

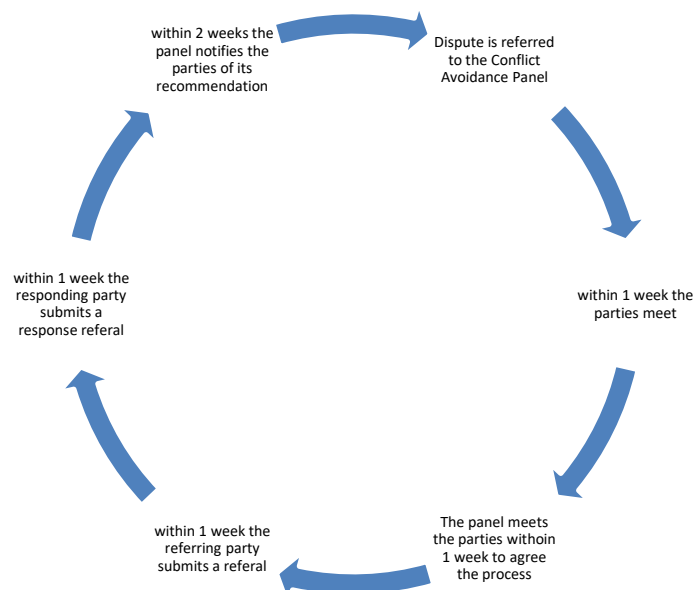
Wates – Clause 21



## Adecco – Clause 29



## Marlborough – Clause W2 in Volume 3



## 7. Can we realise financial savings from the largest two contracts due for procurement in the next year-can we achieve?

7.1 After review of the Contracts Register, the three largest (they are intrinsically linked), that will be re-procured/assimilated into a wider programme are.

Contract Title	Supplier	Est Value	Est Length
Estate Improvement 5 year programme	BTS Property Solutions Ltd	£50,000,000	5 Years
Window and Door Replacement	Equans Regeneration Limited	£19,500,000	7 Years Initial term 5 years Extension 2 years
Kitchen and Bathroom Refurbishment 5 year programme	Mears Limited	£6,300,000	5 years

7.2 The three procurements outlined above will form part of the new Planned Housing contracts (3 wider service contracts), that are currently going through due diligence prior to award.

7.3 Savings for these could be recorded as either non-cashable or cashable.

Non Cashable, there will be a potential to deliver more services for the same budget envelope, as an example the current spend may allow for 1,000 windows to be fitted, but the new contract may be able to deliver 1,050 windows generating cost avoidance for 50 windows, which could reduce the need for further internal works such as damp or blown plaster etc.

The contracts will be for a longer period (Initial term of ten years plus an extension option for a further six years), this reduces hidden costs to the Council such as re-procurement (including evaluation) and implementation.

Cashable, there may be cost reductions in schedules of rates or the levels of indexation, however this cannot be quantified until the contracts have been through appropriate governance and have been awarded in line with the relevant procurement legislation.

7.4 To ensure the contracts that cover the Housing Planned Maintenance portfolio remain a value for money proposition, the costs submitted will be reviewed by an independent cost consultant on a 2-year cycle, this ensures the Council will be in front of baselining the costs and is seen as transparent by the provider in its approach.

7.5 The contracts will show the costs attributed to the current market and surrounding dependencies such as the employment market, raw material costs and training for the supply chain.

## 8. Social Care Procurement

8.1 The procurement of Social Care can be procured as individual placements/services, through patient choice or through pre-existing routes to market such as Dynamic Purchasing Systems so will not show on the contracts register.

8.2 In order to ensure value for money and contract management is in place, a pipeline has been developed to enable the aggregation of historically separate services.

8.3 The current provision is set across a number of procurement process derived through the previous legislation (Public Contract Regulations 2015), examples are a framework that covers the Councils Homecare requirements, and the Councils own Dynamic Purchasing System for placements.

8.4 As an example, the Adult Commissioned Placements Framework was developed after strategic and commercial review. The tender has closed and is in the process of being evaluated following a compliant procurement process. The framework will cover 3 core and strategic placement services required for adults, this will cover the following service requirements.

Lot 1 – Home Care Services

Lot 2 – Supported Living Services

Lot 3 Care Home Services

8.5 To support the element of competition and to assist with driving quality and value for money the level of tender returns was above the expected level, this was reflected as follows

Lot	Number of Tender Returns
Lot 1 Home Care Services	135
Lot 2 Supported Living Services	63
Lot 3 Care Home Services	22

8.6 The tender will enable a more transparent supply chain with set contractual terms and obligations aligning to how the Council wants to work rather than the market driving costs and availability.

8.7 Additionally in some circumstances the place of service is determined through needs assessment, and this may identify single source sites where competition is not possible and when combined with patient choice can reduce the ability to negotiate. The framework will in essence set agreed terms for a sufficient number of sites that give the Council a wider choice at agreed costs, which puts the Council commercially on the front foot.



- 8.8 The framework will add structure and the ability to contract manage an agreed pool of suppliers under the same terms and conditions, which enables clear and transparent data to ensure that the costs associated to the services are conducted in line with the tender return and the level of quality agreed.
- 8.9 As an example for Children's Social Care, the Council utilises the Dynamic Purchasing System (DPS) which is managed by the London Borough of Newham for children's placements. The DPS allows the Council to procure a wide variety of placement needs. The process is to issue a needs outline, which is then issued to all providers in the DPS. The providers will then return the offers back to the Council, and on a needs assessment for suitability the order will be placed. This is a well-used process which was procured under the relevant legislation.
- 8.10 Contract management and monitoring for the existing adults and children's requirements are initially assessed by social workers to define the quality and scope of care required. This ensures quality outcomes which are monitored by the quality outcomes teams who also assess risks posed by the need.