

Local government procurement and contract management

Lessons learned from recent auditor reports

December 2022



Contents

Introduction	1
Strategic planning	3
Internal control	5
Time, technical expertise and people	7
Commercial awareness	9
Contract management	10
Conclusion	12
Appendices	13
Appendix 1: Good practice checklist for local authorities	14
Appendix 2: Challenge questions for members	16

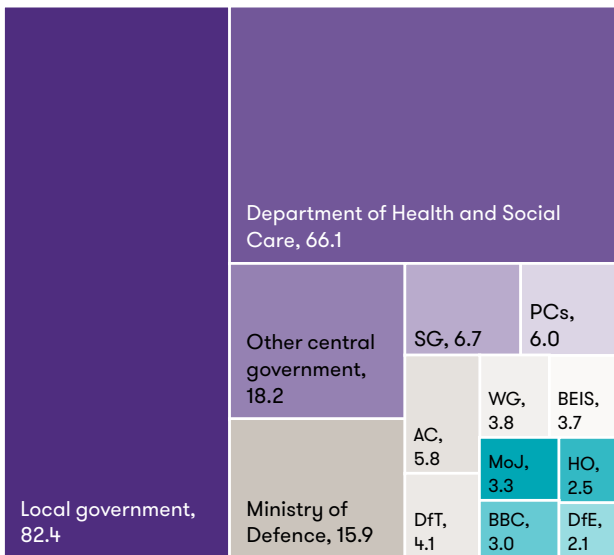
Introduction

Local authorities in England spend around £82.4 billion a year on goods and services. More than a third of all UK government spending on goods and services is spent in the local government sector¹. Allowing for capital spending as well, the UK public sector procures around £300 billion a year overall from commercial partners².

Within this, local authorities run local services and deliver high value capital projects every year, balancing the complicated requirements of the Procurement Act and the Social Value Act together, often under close review from electors and other stakeholders. Whole of Government Accounts show that local government spending on goods and services outweighs spending by any one other individual UK government sector.

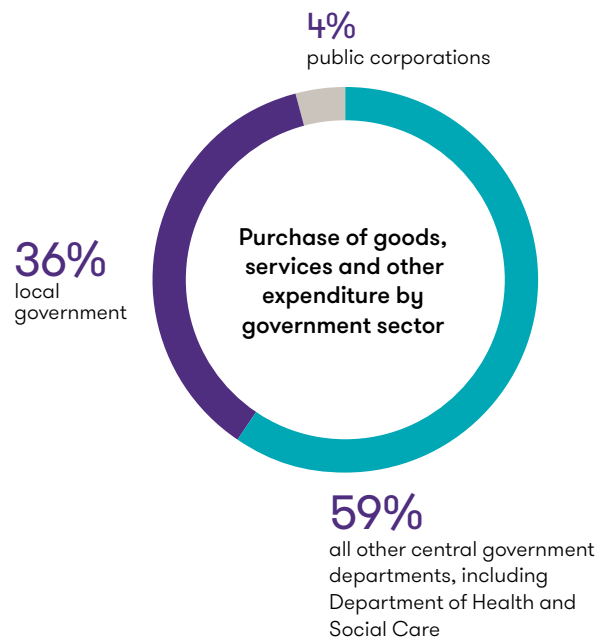
UK public spending

Public spending on goods and services, £ billions – analysis by segment and department³



PCs Other Public Corporations	AC Academies
DfT Department for Transport	MoJ Ministry of Justice
WG Welsh Government	BBC British Broadcasting Corporation
HO Home Office	BEIS Department of Business, Industry Strategy
DfE Department of Education	
SG Scottish Government	

Goods, services and other expenditure by segment⁴



¹ HM Treasury, Whole of Government Accounts: year ended 31 March 2020, June 2022
² Cabinet Office, Transforming Public Procurement: Government response to consultation, December 2021
³ HM Treasury, Whole of Government Accounts: year ended 31 March 2020, June 2022
⁴ HM Treasury, Whole of Government Accounts: year ended 31 March 2020, June 2022

Given the current focus on net zero, local growth, and efficiency, the opportunity for local authority procurement to make a difference to the wider government agenda has perhaps never been higher. The importance of maintaining good practice has also perhaps never been higher. Local authority members and officers, for the most part, already work well with the commercial partners they appoint. However, with so much public money at stake, there is always scope for continuous improvement and for learning from examples of procurements that did not work entirely as intended.

We reviewed a large number of reports, inspections and interventions issued by a number of firms, including 53 Annual Auditor Reports issued by Grant Thornton UK LLP. To help build on existing good practice, in this report we highlight some common themes for members and officers to consider:



Strategic planning



Internal control



Time, technical expertise and people



Commercial awareness



Contract management

This report considers a selection of issues we identified under each theme and makes recommendations both to local authorities and, in one case, to central government. The report presents a good practice checklist for local authority members and officers to reflect on. It also includes challenge questions for members, drawn from scenarios to avoid. It is important to remember that the “Nolan Principles of Public Life” underpin consideration of any one recommendation, checklist point or challenge question. Local authority members and officers play an important role for the country when they procure through commercial partners. The same core principles that apply to local authority direct spend, apply to all local authority spend with commercial partners as well.



Strategic planning

The procurement strategy is a lever for cascading corporate strategy down to services and capital projects delivered through commercial partners.

Strategic alignment

Members set corporate plans and priorities to reflect their strategic vision for the local authority – typically referencing services; people; community; growth; efficiency; and the environment. Procurement is the vehicle local authorities use to spend taxpayer’s money to achieve those priorities. In our view, this is more effective when the corporate plan and the procurement strategy are clearly aligned to one another.

We identified issues where there was incompatibility between corporate priorities and the procurement strategy. Members for one local authority, for example, incorporated “Climate Change Emergency” into their corporate priorities, but signed off on the procurement of a new diesel fleet without debating climate impacts. There was nothing in the procurement strategy or policies to require that climate impacts were considered and discussed when making procurement decisions. Members for another local authority incorporated social value into their procurement strategy but interpreted that as meaning only procure from suppliers with a local postcode (regardless of price), because the relationship back to higher level corporate goals wasn’t understood.

We note that setting strategic priorities is more likely to influence behaviour in practice if they are mapped to measurable actions and indicators; if there are clear accountabilities; and if the measurement is monitored regularly.

Where local authorities had a procurement strategy in place, it was often either unsupported by actions and indicators or supported by ones that had not been updated or tracked for more than three years. We also found for a quarter of the reports we reviewed that the procurement strategy itself had not been updated the last time the corporate plan was updated.

Sharing the strategy

Officers, members, suppliers, outsource providers, local authority-controlled companies that procure services, and contract managers all need to be aware of, and required to comply with, the procurement strategy if it is to be effective. The strategic principles, actions and indicators also work best when they are cascaded down to indicators within specific contracts.

Many local authorities include the procurement strategy and associated policies within their Constitution, to ensure officer and member awareness. This should be supported by appropriate training. The “social value equates to postcode” example previously mentioned shows clearly that being aware of a strategy doesn’t necessarily mean understanding it. For many of the Annual Auditor Reports we reviewed, much of the procurement work is being done by staff in the service departments rather than by specialised central procurement units (CPUs). Regular training that covers the basic principles of procurement is essential both for officers and members in this devolved environment.

Understanding the implications of using alternative service delivery models

Legal requirements do not necessarily change just because a different delivery model is used. Nor does the strategic need to spend well change when the spending is incurred through a wholly owned subsidiary. We identified one local authority that had planned to deliver a £30 million arts centre through a subsidiary to avoid public contracts regulations. The final cost of the project was £67.5 million, and it was delivered more than a year behind the target date. To stay on the right side of procurement law, the local authority had to concede that its subsidiary had no obligation to deliver anything – in effect making it impossible to dispute outcomes or control the budget. We identified another local authority with a similar case of procuring a £4.3 million highways contract through a subsidiary, only to find it lost day-to-day control over expenditure and could not effectively manage the procurement budget.

We identified two other local authorities using the same shared services provider. Neither local authority had an up-to-date procurement strategy in place – because the shared services provider had delayed updating its strategy for three years and the local authorities had wanted the shared service provider to “go first”. The local authorities were left working with out-of-date strategies and found it harder to hold the shared service provider to account.



Recommendations

- 1 Consider how well your corporate strategic priorities align with your procurement strategic goals.
- 2 Ensure procurement strategic goals are supported by measurable actions and indicators.
- 3 Provide appropriate and training to members and officers involved in procurement activity.



Internal control

As for any other area of business, once the procurement strategy and associated policies are in place, strong internal controls are needed to ensure they are applied. Procurement can bring higher risk of fraud and corrupt practice – making strong internal control essential.

The Annual Auditor Reports we reviewed did not indicate concerns around the day-to-day operation of internal control. However, they did reveal the following.

Procedures – fully comprehensive and fully documented

For one local authority, contract procedure rules were comprehensive in most areas but did not cover the evaluation of tenders and the full range of due diligence required of potential suppliers. As a result, the local authority's public realm contract was let and re-let several times between 2013 and 2022 to a dormant company – no one checked for accounts filing at Companies House during due diligence, because there were no rules or procedures prompting it. The local authority then lacked effective contract management arrangements for holding the contractor to account. When they took legal advice in 2022, the validity of the entire arrangement was flagged by the legal advisors as a matter of concern.

Another local authority managed £23 million premises procurement through spot purchases. There were rules and arrangements for procurement law in place, but low value individual purchases were less likely to meet the threshold at which rules applied. The local authority was left with reduced control over expenditure and budget management; significant risk of non-compliance across the estate; and lack of data for monitoring cost in use of the property portfolio; the value of backlog maintenance liability; and accurate forward planning.

One local authority awarded its waste contract to an external contractor in 2017 without completing a pre-contract checklist and without retaining other key tender evaluation and decision documents. When there was a dispute about agreed levels of contamination in recycling, the local authority could not support its case. Eventually they had to terminate the contract and take it back in house at a cost above budget of £1.1 million per annum.

Re-procurement when contracts end

When a contract ends, re-procurement is required – except for contracts where waivers are allowed by law and appropriate waiver processes are followed before the contract is rolled over. Where contracts are rolled over without any lawful waiver having been agreed – in advance or retrospectively – there is in effect a breach of procurement law. At one local authority, there were 94 breaches of procurement law when contracts were rolled over in 2020-21 (£14 million) and a further 203 breaches in 2021-22 (£69 million). The local authority in question procured services worth more than £600 million every year. Re-procurement arrangements had not been consistently applied when contracts ended.

Tone at the top

The Annual Auditor Reports showed some cases of rules being by-passed, either because of lack of officer resource and time; or because members did not fully understand their duties around declaring interests, remaining independent, or ensuring officers do the same.

One local authority had almost reached the end of a procurement process to re-let its special educational needs disability (SEND) transport contract for four years at a price it said would save £300,000 per annum. When Cabinet papers were published for the meeting where decision was due, they named the successful bidder before the procurement was concluded. Concerns were raised by other bidders. Subsequent investigation found multiple processes by-passed: Officers involved in the exercise had not declared potential conflicts of interest; had not completed the Starting a Procurement form to capture key information from the outset; and had not responded to bidder's applications within agreed timescales. The procurement had to be deferred, and the existing contract continued with, in order to meet statutory obligations.

The previously mentioned £30 million arts centre refurbishment, procured through a subsidiary to avoid public contracts regulations, is an example of how things can go wrong when legal implications are not understood. It is arguable that the overspends and delays and legal issues could have been avoided if member responsibilities under the Nolan Principles had been better understood at the outset. The impacts of any suggestion to avoid regulation should be carefully considered before a course of action is pursued.



Recommendations

- 1 Ensure the Nolan Principles of Public Life are evident when undertaking procurement activity.
- 2 Have clear procurement and contract management processes and rules in place, that are clearly communicated and understood.
- 3 Be mindful of procurement regulations such as fair and open access of suppliers and their benefits.
- 4 Where there is non-compliance, it should be dealt with promptly, rectified and lessons learned should be shared.

Time, technical expertise and people

Good procedures can only work effectively in practice when there are the necessary time, technical expertise and people to discharge them.

Time

One local authority advertised invitations to tender for a four year £22 million SEND transport contract in March 2021, with a go live date in September 2021. For a relatively complicated procurement, this was a rushed timescale. The local authority allowed insufficient time for suppliers to submit high quality bids, and for appropriate evaluation and scrutiny. After the decision was announced, challenges were successfully raised around the quality of information provided by suppliers; processes for declaration of interest not being followed; and financial and risk modelling not being correctly undertaken. The procurement had to be delayed, damaging the local authority's credibility and relationships with suppliers; opening the local authority up to legal challenge; and putting the future of the transport service at risk. The timescale had simply not been sufficient for everything that was required.

Technical expertise

With increasingly complicated technical procurements falling to local government, local authorities often lack the technical expertise, or corporate capacity, they need to discharge the procurements effectively. We identified one heat network capital contract which went four times over budget (£4 million to £16 million) as both the supplier and the local authority had so much under-scoped the technical work. The supplier had to submit 190 "relevant matters" supporting change requests to the original specification.

We identified another local authority which appointed an implementation partner for a business-critical cloud-based Enterprise and Resource Planning (ERP) business system without officers having the IT expertise to scope the work. The ERP system had an estimated cost of £1.2 million and provided core functions for the local authority's finance, human resources, payroll, and procurement services as well

as for maintained schools in the borough, a children's trust and the fire service. The local authority's relationship with the implementation partner quickly broke down when the extent of under-scoping became clear. An "us and them" culture took over, where the focus should have been on working through issues together.



People

The Central Procurement Unit (CPU) team can be important for bringing cohesion to a local authority's procurement and providing experienced oversight to all the many contracts entered into with commercial partners. At one local authority, where the CPU had such longstanding recruitment and retention issues that they eventually had to buy in procurement support from another local authority, a £2.1 million per annum waste contract ran for two years without the required pre-contract checklist being completed. Internal Audit had already reported a similar failure to complete pre-contract checklists for a landscaping project, but without a strong CPU, no improvement had been made.

At another local authority, lack of co-operation between service engineers and the CPU on a highways contract procurement meant that specifications weren't drawn up properly when the contract was tendered and awarded. This led to disputes and the relationship with the supplier broke down. Non-sharing of knowledge between service line staff and the CPU meant that the highways team had no foresight of Health and Safety risks, environmental issues or works planning. Additional requirements were identified after the tender and there were excessive compensation events claims. Jobs had been awarded by the CPU without knowing the contractor's workplan, meaning insufficient allowance for unforeseen events; and costs increasing when traffic management and restricted hours working was established. Service line officers reported that they had not been clear on the role of the CPU.

It is not only within the CPU that people are important. As previously mentioned, significant parts of procurement are often conducted by service line staff at local authorities. Senior staff capacity also matters – in finance and other teams. At one local authority, an independent investigator reported that the senior finance staff overseeing an energy procurement were “too overloaded with work” to follow changes in the energy market. They oversaw parts of the procurement not realising the terms they thought they were buying in at were in fact no longer available.



Recommendations

- 1 Ensure roles and responsibilities of individuals involved in procurement and contract management are clear, for both the local authority and for suppliers.
- 2 Consider the warning signs such as high numbers of breaches and waivers.
- 3 Set appropriate timescales for procurement exercises and ensure there is appropriate capacity and skills made available.



Recommendation for central government

- 1 More than one third of UK public spending on goods and services from third parties is procured through local government. Central government should ensure its sector support activity is suitably targeted and resourced to address sector capability and capacity issues and risks.

Commercial awareness

Procurement involves negotiation. To negotiate effectively, local authorities need to be just as commercially aware as the suppliers they deal with.

Understanding price

The lessons learnt from the collapse of Carillion are by now widely understood across the public sector. The concept of “should cost” modelling is well developed and used for spotting bidders quoting prices so low, their margin may not be sustainable. There is an emphasis, since Carillion, on being watchful for suppliers underpricing (alone or in cartels) to win business.

This does not mean that the risk of over-pricing has gone away. We identified one authority whose highways maintenance term contracts were priced using sample data provided by the chosen supplier. Detailed evaluation by investigators at bill of quantities level showed a difference in the supplier’s sample calculation per unit of around £8,000 in £600,000 (1.3%). Extrapolated over the full value of the contract, this would have been significant. The difference had not been taken into account by officers.

Anticipating trends

Since Carillion, the importance of understanding profit margins and sustainability throughout a contractor’s supply chain is also now widely understood. As we enter a period of high-level inflation, rising interest rates and falling exchange rates, it is more important than ever to plan for future trends. To be able to anticipate trends, local authorities need to invest in staff who genuinely know their market. There are significant examples of local authority officers not being in a position to anticipate trends – both in the medium term and even in the short term. For one local authority with a failed highways procurement, a Best Value inspection concluded “there is no evidence of the highways team either having full understanding of their key suppliers or active engagement as to market and supplier (medium term) health”.

In 2021, the National Audit Office⁵ specifically highlighted the Adult Social Care market as an area where government market monitoring needs to strengthen going forward. We concede that none of the Annual Auditor Reports and other interventions

we reviewed raised themes around Adult Social Care, but with labour market shortages also an issue, this is an area where monitoring trends will be particularly important.

Sharing knowledge in a timely manner

In the investigation into the failed energy procurement previously mentioned, investigators found that the energy contracts manager had previously reported weaknesses in processes without “being heard”. Investigators concluded that failings in the culture of “having the confidence to speak up and be heard” in part explained why Cabinet, the Chief Executive Officer and the Senior Finance Officer had all progressed with approving a procurement on terms which did not exist. The local authority’s deemed loss was £7.5 million. The investigators also highlighted that stronger ability to respond quickly when the new information did become available would have helped. They noted that “a live market requires a decisive quick turnaround approach that can be achieved with a smart, digital, automated approach to match requirement with provision and (short term) time to market”.



Recommendations

- 1 Work collaboratively with neighbouring authorities and other public bodies to share data on markets and best practice.
- 2 Have the right person specifications in place for procurement and contract management roles.
- 3 Provide appropriate professional training to key officers.
- 4 Engender a culture of openness between members and officers.

⁵ National Audit Office Good Practice Guidance, Managing the Commercial Lifecycle, July 2021

Contract management

Getting best value out of procurement isn't just about contracts being signed. Once the pinnacle of signing contracts is passed, the longer task of managing them begins. Often, it is at the contract management stage of procurement that true value is delivered.

When contract management works well, there are better relationships with suppliers; fewer disputes; and better outcomes. When it doesn't work well, the door starts to open for risk of fraud. In this section of our report, we explore considerations around longer-term contract management.

Maintaining contract, waiver and breaches registers

Local authorities are relatively good at setting contracts registers up but can be less effective at keeping the registers up to date and maintaining registers of waivers and breaches. It is difficult both for a local authority and for its prospective suppliers to judge (and plan for) pipelines of future work where the contracts register is not up to date. This can affect continuity; fairness of supplier access to the work; and, in turn, competitive pricing at bid stage. It's equally difficult for local authorities to demonstrate the reasonable practice required around waivers and breaches where there are either no registers for them or the registers are not up to date. For the local authority where auditors reported £69 million of breaches in one year, some might well have been legitimate waivers – there simply wasn't the data in place to show it.

Setting clear roles and responsibilities

Clear roles and responsibilities are essential in relation to procurement and contract management. One local authority signed a £58 million 10-year annual service delivery contract for Children's Services and allowed the contract to go live without a dedicated, formal contract manager having been appointed. The relationship with the supplier became so difficult that when costs were disputed, the Department for Education and the Children's Minister had to get involved. At

the same local authority, we identified confusion around which officer was responsible for managing a leisure contract, making decisions around the contract harder when relations with the contractor started to break down after financial disputes during the Covid-19 pandemic.

At another local authority, we identified contract management had been left to engineering staff, who had no contract management capability. This led to poor specifications for mini tenders; inadequate risk assessment; and a rise in compensation claims from disgruntled suppliers.

Using indicators that map back to strategy

Cascading strategic priorities and indicators down to specific contract terms makes for strong corporate grip. We identified one local authority suffering from a series of legacy challenges stemming from poor procurements, where contract specifications hadn't flowed logically from strategic goals. These included the under-scoped ERP system work mentioned earlier. In addition to being under-scoped, there was no business case and no defined benefits or goals for the work. The local authority in question also had a 25-year £650 million integrated waste and recycling services contract with Key Output Targets based on annual quantity metrics rather than the frequency and service quality metrics the local authority needed. Finally, there was a £58 million 10-year annual service delivery contract for Children's Services signed with no performance indicators having been set. This was the case where disputes between the local authority and the Children's Trust supplier about outputs from the contract had to be referred to the Department for Education and the Children's Minister.

Multi-year arrangements

Some local authority contracts, for example for waste and recycling services, can span decades. Since Carillion, there are already widely understood lessons around maintaining financial control over long life-cycle contracts. The need to re-run supplier financial viability assessments at later intervals in a contract's life cycle is one that is going to be very important as we move into a high inflation environment.

Just as important for local authorities though, with staff turnover and retention a growing issue, is the need to maintain their own knowledge base over the life of long-term contracts. At one local authority, we identified a seven-year public realm and facilities management contract where in the later years, the local authority had no staff left with sufficient technical knowledge to scrutinize the contractor's performance. By the end, they were relying on the contractor for the technical assistance its contract managers needed. This put the independence of scrutiny at risk.



Recommendations

- 1 Keep registers of waivers and breaches up to date to monitor compliance.
- 2 Ensure that roles and responsibilities between contract managers and service line staff are clear.
- 3 Align contracts with priorities and the procurement strategy and include relevant performance indicators so that the corporate plan and procurement strategy can be measured and monitored.
- 4 Maintain high level controls over the whole life of a contract, including supplier health checks and internal management resilience checks.
- 5 Consider how contract management arrangements can protect against and identify potential fraud.

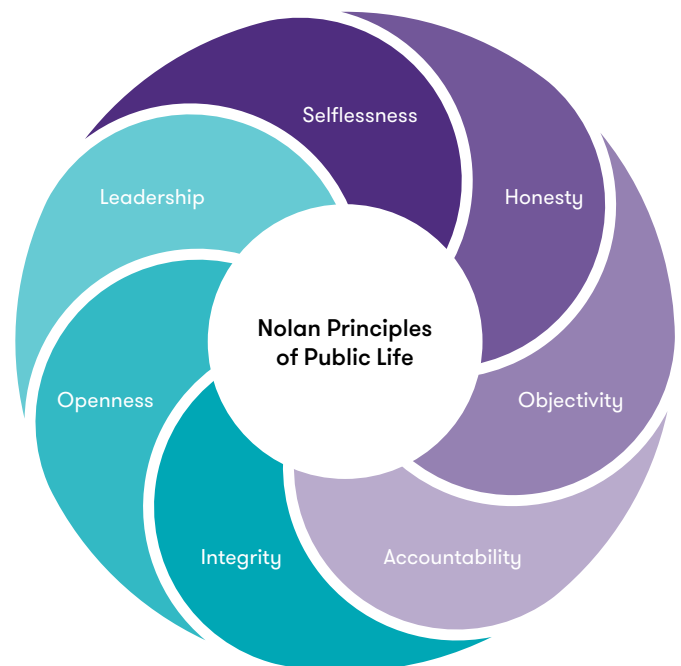


Conclusion

Local government procurement in England represents a third of UK public sector spend on goods and services. With net zero, local growth, and efficiency becoming increasingly important, local authorities have an opportunity to work with their commercial partners, with one another, and with central government to ensure that the outcomes from this procurement spend are maximised.

Procurement and contract management is working well at many local authorities. This report has considered examples where things have gone wrong, often creating significant risks in relation to the use of public money, service delivery, and the reputation of the councils concerned. This provides lessons for all in the sector, and we have used our findings to set out a good practice checklist, which is included as an appendix.

The legal framework and the commercial environment within which local authority procurement takes place is complex and regular training, both for members and officers, remains important. At its heart, procurement is a series of transactions conducted by people, and how well individuals work together will affect the outcome. Effective leadership and communication, relationships built on openness and trust, market awareness, and a sense of common purpose can be just as important as mastering the technical and regulatory requirements. Underpinning our findings is the need for individuals involved in procurement activity to ensure they adhere to the Nolan Principles of Public Life.



Appendices

APPENDIX 1

Good practice checklist for local authorities

Considerations	Yes	No	Comments
The procurement strategy is up to date and reflects the priorities of the current corporate plan.			
The procurement strategy and associated policies is incorporated into the Constitution and Codes of Conduct. Officers know where to find it.			
Suppliers understand our procurement goals and values and the correct way to do business with us. Information for suppliers is kept up to date.			
The goals and priorities in the procurement strategy are matched by specific, measurable actions and indicators.			
Progress against procurement strategy actions and indicators is monitored and measured. Responsible officers and members are named.			
The actions and indicators for the procurement strategy are reflected within actions and indicators written into individual contracts. Contract managers understand their responsibilities to achieve.			
Training is comprehensive, both for central procurement unit (CPU) team staff and also for other staff in service lines; relevant finance staff; and leaders.			
Members have all the training they need to fully understand their responsibilities; the regulatory framework; and the commercial landscape.			
The CPU and service line staff hold regular meetings with one another. They understand one another's roles and responsibilities.			
The procurement strategy is shared with relevant subsidiaries. Training opportunities are shared with subsidiaries.			
There are arrangements for monitoring the performance of subsidiaries who undertake procurement, against both the procurement strategy and on specific contract indicators.			
There are end-to-end procurement procedures in place. The procedures cover all expected steps from invitations to tender to award of contract. We are satisfied that the procedures are regularly walked through to check for gaps.			
We have a policy in place for document retention. There are arrangements in place for checking compliance with the policy.			
There are systems in place to detect high numbers of low value awards and to check for wider procurement regulation compliance.			
Contracts registers complete and up to date. This includes registers for waivers and breaches.			
The contracts register is regularly checked for coming expiry and renewal dates.			
There are standard procedures in place to ensure sufficient time for contract rollover and renewal, within the requirements of public contracts regulations.			
There are arrangements in place to detect high numbers of waivers and breaches and review root causes. We are satisfied that the level of waivers and breaches at our organization is not a cause for concern.			

Good practice checklist for local authorities (continued)

Considerations	Yes	No	Comments
There are comprehensive arrangements in place for declarations of interest. These apply to officers as well as members.			
We have sufficient technical expertise internally and/ or we buy in sufficient external technical expertise when needed.			
We share expertise and knowledge with other local authorities and central government. In the event of new technical and commercial challenge, we would know where to go for support.			
We regularly monitor vacant posts in the procurement team and amongst service line and finance staff dealing with procurement. We are satisfied that there are sufficient staff in post to manage procurement effectively.			
We provide senior leaders and members with procurement recommendations and decision papers within sufficient timescales, and with sufficient documentation, to allow for effective decision-making.			
There are procedures in place to monitor change specifications on contracts. These procedures are designed to identify trends. We are satisfied that high numbers of change requests would be investigated promptly for underlying root causes.			
There are procedures in place to monitor challenges and disputes. We are satisfied that high numbers of change requests would be investigated promptly for underlying root causes.			
We have the tools, knowledge and procedures required to robustly challenge supplier prices. Our procedures require granular checks on bid prices, including testing assumptions.			
Our award criteria is not solely based on price. Our criteria recognizes that lowest price is not automatically best. Supplier health, social value and wider procurement priorities and goals are also reflected in award criteria.			
Officers and members understand the markets they deal with. There are recruitment specifications, training opportunities and networking options with government and sector experts to ensure this.			
We have arrangements for regular monitoring of supplier health on all significant service and capital contracts. Our arrangements require routine checks over the whole life of each contract.			
Considering current inflationary pressures, labour shortages and the energy crisis, we are content that our supplier health checks are up to date.			
Officers and members have safe spaces to speak-up. Our procedures for testing officer confidence to speak-up are effective and current.			
If officers and members want to express concern about current or future procurements and contracts, they know who to go to.			
Our arrangements recognize that different expertise is needed for different markets.			
Expertise and market knowledge is kept up to date. On long-running contracts, where contract managers change over time, we are satisfied that there is sufficient training and handover for the knowledge base and supplier relationship to remain strong.			
We recognise contract management as a skill in its own right. This is reflected in person specifications at recruitment stage and in training opportunities.			
There are clear lines of communication between contract managers and service line managers and finance teams. Each understands the others' role and responsibility. Relevant information is shared correctly between all.			
There are effective arrangements in place for monitoring and measuring performance on contracts and escalating risks and issues where required. Responsible officers and members are named.			

APPENDIX 2

Challenge questions for members



Is my oversight as good for spending with commercial partners as it is for direct spend?



What can I do to protect legal compliance, operational efficiency and the achievement of strategic priorities?



Do the choice quotes⁶ below feel familiar to my local authority? What responsibility do I have to remedy?

“Management were reluctant to make use of the professional expertise of the central procurement team.”

“The manner of the pausing of the procurement has damaged the Council’s reputation, put further strain on officer and member relationships, and created uncertainty and risks.”

“Technical requirements were significantly higher than had been expected – with the contractor submitting 190 “relevant matters” supporting specification change requests.”

“This time frame was inadequate for such a large and complex contract.”

“I am never sure what their role is.”

“Since the suspension of the Assistant Director, management of the service has been placed with ‘operational’ engineering staff. Of particular concern are the low contract management capability leading to loss of value.”

“There was a two-year delay in completing the Council’s pre-contract checklist, which should have been completed prior to awarding the contract.”

“Procurement decisions have contributed to a number of key legacy challenges facing the Council, which have not been resolved.”

“Overloaded with work thereby affecting their ability to focus sufficiently on significant issues such as the energy contracts.”

“The Council relies on its contractor for technical assistance which limits the Council’s ability to scrutinize or monitor effectively.”

“The Council has at times appeared to lose sight of this joint responsibility and an ‘us and them’ culture has been in evidence.”

⁶ Quotations taken from 53 recent Annual Auditor Reports issued by Grant Thornton UK LLP as well as a selection of other recent reports, inspections and interventions by Grant Thornton UK LLP, Mazars LLP and Max Caller CBE.

