

Governance and Audit Committee Report

Annual Procurement Report 2024-25

Lead director: Amy Oliver, Director of Finance

Date of Meeting: 17th September 2025

Useful information

- Ward(s) affected: All
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- Report version number: v2
- Date of the report: 17th September 2025

1. Summary

1.1 The Council's Contract Procedure Rules require an annual report after each financial year to the Governance and Audit Committee.

1.2 The purpose of this report is to inform the Committee of the activity of the procurement function of the Council (which comprises of three specialist procurement teams: Procurement Services, DDaT and Social Care, Education & Public Health Procurement Team) over the previous financial year and evidence compliance with the requirements of the Contract Procedure Rules.

2. Recommended actions/decision

2.1 The Committee is asked to note the contents of this report and make any comments to the Director of Finance.

2. Background

2.1. The Contract Procedure Rules require the Head of Procurement to report a summary of waivers (not exemptions) to Governance and Audit Committee annually.

2.2. As reported at the last meeting, the legislation for procurement changed in February 2025 and the resultant, revised Contract Procedure Rules have been approved at the Full Council meeting on 3rd of July 2025.

3. Procurement Processes Completed

3.1. During 2024-25 the Council completed 203 procurements via the procurement teams with a total estimated value of £279,759,017.26 over the lifetime of the contracts.

3.2. The table below shows these, split by the procurement team and by the value of banding as per the Contract Procedure Rules.

Table 1: Procurements completed in 2024-25 by team and contract size

Team	Small	Medium	Large	Above Threshold	Total
Social Care, Education & Public Health	0	9	6	8	23
DDaT	3	8	3	2	16
Corporate Procurement	11	65	48	40	164
Total	14	82	57	50	203

3.3. Many additional smaller value (under £30k) contracts would have been procured by departments and not recorded centrally.

3.4. The above Table 1 does not include awards made by the Passenger Transport Team, which are awards of individual journeys under the Council's Dynamic Purchasing System. These are generally small and medium contracts, of which 819 have been awarded in the period.

3.5. The internal auditors reviewed procurement compliance at the Council and found that all the procurements reviewed as part of the audit were tendered using appropriate methods and compliant evaluation and award of contracts was carried out.

3.6. This is a positive finding and confirms that appropriate practices are in place and they are being followed by the procurement teams.

4. Procurement Plan

4.1. As per the Contract Procedure Rules, the Council was required to publish its annual Procurement Plan for 2025-26. This is published on the Council's Open Data website for all to view and is updated regularly (https://data.leicester.gov.uk/explore/dataset/procurement-plan-and-pipeline/table/?disjunctive.contract_group_pcr_threshold).

4.2. Under the new Procurement Act, from 2025-26 we will also be required to publish an annual procurement pipeline. This must show contracts valued at £2m and above that are to be procured in the next 18 months. This was successfully completed within the required deadline of 56 days following the start of the new financial year 2025-26.

4.3. The publication of the individual pipeline notices can be found on the Central Digital Platform (Find a Tender Service [Search results - Find a Tender](#)).

4.4. The plan and pipeline are used to assist with improving planning future activity.

5. Waivers

5.1. The Contract Procedure Rules require the Head of Procurement to report a summary of waivers (not exemptions) to the Governance and Audit Committee. The table below show an analysis of the waivers approved during 2024-25 and a comparison with the previous year. This is shown by both department and a broad categorisation of the reason for the waiver.

Table 2: Waivers by department: 2024-25 and previous financial year

Department	2024-25		2023-24	
	Total Value	Total Number	Total Value	Total Number
Social Care and Education	£ 34,804,329.10	42	£597,760.00	5
City Development and Neighbourhoods	£19,022,533.00	58	£11,478,732.46	21
Corporate Resources and Support	£1,627,603.89	18	£542,229.54	6
Public Health	£ 330,100.00	4	0	0
Grand Total	£55,784,565.99	122	£12,618,722.00	32

Table 3: Waivers by reason: 2024-25 and previous financial year

Reason for Waiver	2024-25		2023-24	
	Total Value	Total Number	Total Value	Total Number
Continuity of provision	£ 39,185,314.10	57	£2,328,201.90	14
Retrospective	£ 12,720,087.79	42	£216,744.00	2
Urgency	£ 2,905,185.41	14	£9,312,491.10	7
Limited Supply Market	£ 371,023.69	2	0	0
Other	£ 602,955.00	7	£761,285.00	9
Grand Total	£ 55,784,565.99	122	£12,618,722.00	32

5.2. It should be noted a single waiver of £32.5m accounts for nearly 60% of the overall waiver value and skews the figures for 2024-25. In this instance, a compliant tender process commenced in a timely manner. However, risks identified during the initial tender meant that it had to be discontinued and re-issued. As this concerns essential home care social care services, which currently support circa 3,000 people in the city, the existing contract was extended via waiver to ensure continuity pending the new procurement.

5.3. It is important to acknowledge that on occasion, genuine circumstances may lead to the situation whereby a fully compliant procurement process cannot be followed and therefore a waiver is requested for continuity or on the grounds of urgency.

5.4. This is usually a risk-based decision where procurement compliance risks are weighted up against other factors such as the impact on the service or works and/or escalation of costs if timely action isn't taken.

5.5. Retrospective waivers, which are second highest reported reason for a waiver, are generally waivers concerning decisions that have been already made (e.g. supplier

appointed, or arrangement formed) without appropriate process and/or approval in place.

5.6. The increase in these is attributable to improved spend controls and detection of non-compliance in the reporting period. It is worth noting that most local authorities don't include such instances as part of their waiver reporting.

5.7. In summary, we have seen the value and number of waivers increase during 2024-25, and while it is disappointing, this should not be interpreted solely as a decline in compliance.

5.8. We believe that the increase is a result of:

- Introduction of Strategic Procurement Panel in November 2023. All new procurement requests are now reviewed by the panel before the activity can proceed. This led to increased detection of historical non-compliance.
- Improved control mechanisms in place, whereby purchase orders are matched against contract data (contracts register held by procurement) before being approved. Where there is no contract in place, a responsible officer is advised to carry out a compliant procurement. However, in many instances, a waiver is required (often retrospective) to cover any activities that have already taken place or provide continuity of provision pending compliant procurement.
- Spend review meetings between finance and procurement, where spend data is match against awarded contract information (contracts register held by procurement) and any instances of spend without contract in place are investigated.
- The overall strict application of the rules, meaning even a relatively small deviation requires approval via a waiver. It was intended that a very strict approach would deter future instances of non-compliance. Therefore, our data is not directly comparable with that of other local authorities.

5.9. We believe that numbers should be decreasing gradually in the coming years.

5.10. Procurement Teams will continue working with all departments to further improve awareness around procurement compliance and take steps to improve.

5.11. In addition to the above, we are proposing to bring a mid-year report to this committee to provide an update on waivers to ensure sufficient corporate oversight.

6. Financial, legal, equalities, climate emergency and other implications

6.1 Financial implications

There are no significant financial implications from this report. However, it is important the Council has robust procurement procedures as this should help ensure we secure value for money, minimise fraud and reduce the likelihood of any successful challenges to awards.

Signed: Amy Oliver, Director of Finance

Dated: 4th August 2025

6.2 Legal implications

There are no legal implications directly arising beyond those identified in the body of the report. Legal Services work collaboratively alongside the procurement teams to minimise and manage waivers wherever possible.

Signed: Kevin Carter

Dated: 1st August 2025

6.3 Equalities implications

The Equality Act 2010 sets out anti-discrimination law and the requirements of the public sector equality duty (PSED). The PSED requires public authorities to have due regard to the need to: eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act. Advance equality of opportunity between people who share a protected characteristic and those who do not and foster good relations between people who share a protected characteristic and those who do not.

To have 'due regard' means that when making decisions (and in its other day-to-day activities) the council must consciously consider the need to: eliminate discrimination, advance equality of opportunity, and foster good relations. This includes when it plans and makes decisions about its procurement. The purpose of this report is to inform the Committee of the activity of the procurement function of the Council the previous financial year and evidence compliance with the requirements of the Contract Procedure Rules. Compliance with the PSED should help public authorities ensure that the goods and services they procure are fit for purpose thus ensuring they meet the needs of their users. As such it should also be seen as an effective tool for improving economy, efficiency, and effectiveness and therefore value for money.

The purpose of the procedure rules is to ensure that any procurement process for services, works or goods achieves best value and is transparent, open, and fair making it possible for all decisions to be audited satisfactorily.

Signed: Equalities Officer, Surinder Singh Ext 37 4148

Dated: 24 July 2025

6.4 Climate Emergency implications

Whilst figures are not available, it is highly likely that procurement is Leicester City Council's largest source of carbon emissions, due to the embodied and outsourced emissions of the wide range of goods and services it procures. Following the council's declaration of a climate emergency in 2019 and ambition to achieve net zero carbon emissions by 2030 it is therefore vital that action is taken to reduce these emissions wherever possible.

The council's Sustainable Procurement Guidance provides information on limiting negative environmental impacts from procurement activity. This guidance should continue to be applied to procurement activities, by including sustainability requirements in specifications for goods, works and services and through specific sustainability-related questions within the quality/method statement evaluation process of procurement exercises wherever relevant. This will help ensure that procurement decisions support the achievement of the council's climate change related targets. The council's Social Value Charter also provides guidance on securing environmental sustainability-related benefits from procurements, in

areas including carbon emissions, air quality, green space, waste and use of natural resources.

The annual procurement pipeline, required under the new Procurement Act for 2025/26 and made available online, has introduced more transparency and it is important that due consideration is given to sustainable procurement measures that stand up to public scrutiny.

Signed: Phil Ball, Sustainability Officer, Ext: 37 2246

Dated: 29 July 2025

6.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

7. Background information and other papers:

None.

8. Summary of appendices:

None.

9. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No.

10. Is this a “key decision”? If so, why?

No.