

Governance and Audit Committee Report

Annual Procurement Report 2025-26

Lead director: Amy Oliver, Director of Finance

Date of Meeting: 16th September 2026

Useful information

- Ward(s) affected: All
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- Report version number: v1

1. Summary

1.1 The Council's Contract Procedure Rules require that an annual procurement report is presented to the Governance and Audit Committee following the end of each financial year.

1.2 The purpose of this report is to inform the Committee of the activity of the procurement function of the Council in the previous financial year 2025-26 and evidence compliance with the requirements of the Contract Procedure Rules.

1.3 The information contained in this report includes the relevant procurement activity conducted by the Council's three (3) specialist procurement teams:

- 1.3.1 Corporate Procurement Services;
- 1.3.2 Digital, Data and Technology (DDaT); and
- 1.3.3 Social Care, Education & Public Health Procurement Team.

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.

3. Procurement Processes Completed

3.1. During 2025-26 the Council's procurement teams completed 278 procurements with a total estimated value of £563m over the lifetime of the contracts.

3.2. Compared to the previous financial year 2024-25, this is an increase in both quantity and total value, as show in the summary table below.

Table 1: Total procurements completed: 2025-26 and previous financial year comparison

	2025-26	2024-25	Difference
Total Number	278	203	+37%
Total Value	£563m	£280m	+101%

3.3. The tables below show a summary of procurements completed, split by the procurement team and contract value band as defined in the Contract Procedure Rules.

Table 2: Number of procurements completed in 2025-26 by team and contract size

Team	Small	Medium	Large	Threshold	Total
Social Care, Education & Public Health	1	9	7	11	28
DDaT	29	8	9	13	59
Corporate Procurement	48	65	45	33	191
Total	78	82	61	57	278

Table 3: Value of procurements completed in 2025-26 by team and contract size

Team	Small	Medium	Large	Threshold	Total
Social Care, Education & Public Health	£ 19,000	£ 470,924	£ 1,026,189	£ 430,705,847	£ 432,221,960
DDaT	£ 363,278	£ 500,921	£ 1,077,917	£ 13,637,443	£ 15,579,559
Corporate Procurement	£ 549,835	£ 3,511,020	£ 12,453,017	£ 98,898,418	£ 115,412,290
Total	£ 932,113	£ 4,482,865	£ 14,557,123	£ 543,241,708	£ 563,213,809

Threshold contracts are defined by law and further described at [section 6](#) of this report.

- 3.4. Under the Council's Contract Procedure Rules, contracts with an estimated value below £30,000 may be awarded directly by the relevant service area without involving the specialist procurement team (with the exception of DDaT contracts). As a result, the above table only includes low-value contracts where the service area chose to seek support from the procurement team and does not represent all small contracts awarded by the Council during the reporting period.

4. Procurement Plan

- 4.1. As per the Contract Procedure Rules, the Council maintains its Procurement Plan, showing all known, upcoming procurements in the next 18 months and beyond. Among others, this informs the supply market and the general public of the upcoming contract opportunities that are planned by the Council.
- 4.2. This is published on the Council's Open Data website and is updated as a minimum quarterly (https://data.leicester.gov.uk/explore/dataset/procurement-plan-and-pipeline/table/?disjunctive.contract_group_pcr_threshold).
- 4.3. Additionally, under the new Procurement Act, from 2025-26 the Council is also required to publish individual procurement pipeline notices for certain contracts. This is required for contracts valued at £2m and above that are to be procured in the next 18 months. This was successfully completed at the start of the new financial year 2025-26 and subsequently the Council has already placed its pipeline notices for 2026-27.
- 4.4. The publication of the individual pipeline notices can be found on the Central Digital Platform (Find a Tender Service [Search results - Find a Tender](#)).

4.5. The plan and pipeline are used to assist with planning of the future procurement activity.

4.6. The Council's current Procurement Plan identifies approximately 400 contracts with a combined estimated value of £1.8 billion. The Plan is subject to change throughout the year and may not include all procurement activity, as new requirements can arise. Similarly, some planned procurements may not progress if organisational priorities or circumstances change.

5. Waivers

5.1. The Contract Procedure Rules require that a summary of waivers is reported to Governance and Audit Committee annually.

5.2. A waiver is a formal approval to depart from the Council's Contract Procedure Rules in exceptional circumstances where conducting a full competitive procurement process is either not practicable or not in the Council's best interests. Waivers are only granted where there is a justified reason, such as maintaining continuity of service provision, responding to an urgent need, or where there is a limited supply market. The waiver process ensures that any departure from normal procurement requirements is subject to appropriate approval and governance.

5.3. The table below show the breakdown of the waivers approved during 2025-26 and a comparison with the previous year. This shows significant improvement on the previous year.

Table 4: Waivers by department: 2025-26 and previous financial year

Department	2025-26		2024-25	
	Total Value	Total Number	Total Value	Total Number
Social Care and Education	£801,233	2	£ 34,804,329	42
City Development and Neighbourhoods	£8,293,735	46	£19,022,533	58
Corporate Resources and Support	£1,046,700	5	£1,627,603	18
Public Health	£0	0	£ 330,100	4
Grand Total	£10,141,670	53	£55,784,565	122

Table 5: Waivers by reason: 2025-26 and previous financial year

Reason for Waiver	2025-26		2024-25	
	Total Value	Total Number	Total Value	Total Number
Continuity of provision	£3,046,463	6	£39,185,314	57
Retrospective	£4,546,448	30	£12,720,087	42
Urgency	£1,390,089	9	£2,905,185	14
Limited Supply Market	£310,000	2	£371,023	2
Other	£848,669	6	£602,955	7
Grand Total	£10,141,670	53	£ 55,784,565	122

5.4. The total number of waivers in 2025-26 is less than half the number recorded in the previous financial year.

5.5. In addition, the total value of waivers approved has reduced by more than 80% compared with 2024-25. This substantial reduction demonstrates the positive impact of strengthened controls, increased awareness of procurement requirements, and improved compliance across the organisation.

5.6. It is important to recognise that, in certain circumstances, genuine operational needs may make it impractical to follow a full, competitive procurement process. In such cases, a waiver may be requested to ensure service continuity or to address urgent requirements.

5.7. In 2025-26, waivers represented less than 2% of the total value of procurements completed. This is a positive indicator of strong procurement governance, demonstrating high levels of compliance with the Council's Contract Procedure Rules and a continued reduction in reliance on waivers.

6. New Procurement Thresholds

6.1. As of January 2026, the applicable procurement thresholds have decreased, and are now as follows:

Table 6: Procurement Thresholds from 1st January 2026 to 31st December 2027 (values include VAT)

Contract Type	Previous Threshold	Current Threshold	Change
Good and Services	£214,904	£207,720	Decrease
Works and Concessions	£5,372,609	£5,193,000	Decrease
Light Touch Regime	£663,540	£663,540	No change

6.2. Contracts with an estimated value exceeding the applicable threshold are known as Threshold Contracts.

6.3. The decrease in threshold values, combined with inflation, means more contracts are now 'in-scope', this means a fully regulated procurement process must be followed.

6.4. The procurement thresholds change every two (2) years, and the next change is due on the 1st January 2028.

7. Implementation of the Procurement Act 2023 and its impact

7.1. The Council completed its first full year of operating under the Procurement Act 2023, which came into force in February 2025. During the reporting period, the Council's Contract Procedure Rules were updated to align with the new legislation and procurement activity has been delivered under the revised framework.

- 7.2. The Act has introduced significantly greater transparency requirements, requiring procurement and contract management activity to be supported by the publication of a wider range of notices on the Central Digital Platform.
- 7.3. The implementation of the Act has increased the administrative and compliance requirements associated with procurement activity. In addition, the Council has experienced an increase in procurement challenges from suppliers, reflecting a trend reported across the public sector as organisations and suppliers adapt to the new legislative environment.
- 7.4. Despite this increase, the Council successfully defended its position in all cases and no challenge progressed to a full court trial. These outcomes provide assurance that procurement processes continue to operate effectively and in accordance with the applicable legal framework.
- 7.5. The procurement teams continue to manage a mixed regulatory environment, with some legacy contracts remaining subject to the Public Contracts Regulations 2015 and certain health-related procurements governed by the Provider Selection Regime Regulations 2023. This requires careful application of the appropriate legislative framework throughout the procurement and contract management lifecycle.

8. Procurement Training

- 8.1. To further improve compliance and overall awareness of the procurement related topics, a series of training and development initiatives took place in the reporting period.
- 8.2. All officers within the specialist procurement teams have successfully completed the Government's official 10-module Procurement Act training programme known as Transforming Public Procurement (TPP) and all new starters are expected to complete this training. In addition, all procurement staff complete the Chartered Institute of Procurement & Supply (CIPS) Ethical Procurement and Supply training and assessment programme and accreditation is renewed annually.
- 8.3. To support services the procurement teams run a series of in-house training sessions. A total of 339 employees attended these sessions, helping to increase awareness of procurement requirements and responsibilities across the organisation.
- 8.4. In addition, specialist Procurement Fraud training was delivered by an external provider to 69 procurement staff and officers who commission and manage contract regularly.
- 8.5. The continued investment in procurement training and development has contributed to improved awareness of procurement requirements across the Council and supports the positive compliance trends highlighted within this report, including the significant reduction in the number and value of procurement waivers.

9. Engaging local suppliers and Social Value

- 9.1. The Local Government Order 2026 provides the Council with greater flexibility to reserve certain procurement opportunities for local suppliers. This is a welcome development that enables the Council to maximise local spend, support local businesses, and contribute to economic growth within the city.
- 9.2. Internal guidance has been developed to support officers in applying these provisions consistently and appropriately in procurement activities.
- 9.3. The flexibility does not apply to Threshold Contracts (described at [section 6](#) of this report).
- 9.4. In addition, the procurement teams continue to focus on securing greater Social Value through the Council's contracts. During the coming year, the implementation of a new e-tendering system will provide enhanced and centralised monitoring of Social Value commitments and outcomes, enabling the Council to better track, measure and report the community benefits delivered through its procurement activity.

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

11.1 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

Dated: 26 August 2026

11.2 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: 13 August 2026

11.3 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. 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 2025-26 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: 10 August 2026

11.4 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 as soon as possible, it is therefore vital that action is taken to reduce these emissions wherever possible.

Procurement remains one of the Council's most significant mechanisms for influencing carbon emissions and wider environmental outcomes through its supply chain. The report highlights ongoing consideration of environmental issues through procurement training, continued focus on social value, enhanced contract monitoring arrangements and opportunities arising from a substantial future procurement pipeline. Whilst there are no direct climate emergency implications arising from the recommendations of this report, procurement activity presents an important opportunity to support delivery of the Climate Ready Leicester Plan through the incorporation of carbon reduction, climate adaptation and wider environmental requirements within future contracts.

Signed: Phil Ball, Sustainability Officer, Ext 372246

Dated: 12 August 2026

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

N/A

12. Background information and other papers:

None.

13. Summary of appendices:

None.

14. 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.

15. Is this a "key decision"? If so, why?

No.