Slough Borough Council

Information needed	Details
Report To:	Audit Committee
Date:	22nd July 2026
Subject:	Procurement Compliance Report
Chief Officer:	Ian O'Donnell – Chief Operating Officer (S151 Officer)
Contact Officer:	Robert Bradfield - Head of Procurement & Commercial
Ward(s):	All
Exempt:	No
Appendices:	None

1. Summary and Recommendations

1.1 This report provides an update on the Procurement Improvement Programme (PIP) following completion of the Procurement Diagnostic Review. This review was required due to prior internal audit and external reviews findings as well as an internal drive to improve service delivery, compliance and promote value for money at the forefront of all procurement activity. The diagnostic took place between January and April 2026.

1.2 It sets out progress made to strengthen procurement governance, compliance and assurance arrangements; implementation of priority improvement actions, development of key performance indicator (KPI) reporting, and compliance activity linked to the Procurement Act 2023 (PA23). The Procurement Act 2023 attained Royal Assent on 26 October 2023; however, the substantive rules and new regulations did not take effect until they formally came into force on 24 February 2025.

Recommendations:

Audit and Corporate Governance Committee is recommended to:

(a) To note and comment on the findings of the Procurement Diagnostic Review and progress against the Procurement Improvement Programme.
(b) To note and comment on the development of the Procurement Act 2023 Compliance Assurance Framework and associated improvement actions.

Commissioner Review

It is essential that public funds are managed economically, efficiently, effectively, and to the highest standards. The commissioners welcome this report in addressing the ongoing challenges following the insourcing of procurement, improving procurement and contract management processes, and a commitment to transparency and accountability.

The commissioners will be keen to understand the next tier of the plan. ‘How’ and ‘When’ the Council will monitor and evaluate the integration of the Procurement Act 2023 and the Councils own approved procurement rules into standard operating procedures, the effectiveness of the internal controls, and procurement waivers, breaches & off contract spend. Providing enhanced training and guidance for officers and members and strengthening the governance gateways including regular monitoring and reporting to this Committee will be vital components.

Commissioners are content for this report to be considered and look forward to the receipt of the action plan, with realistic timelines and dedicated resources identified, to deliver the plan and sustain the improvements.

2. Report

Introductory paragraph

2.1 The PIP supports the Council’s objectives by strengthening governance, improving compliance, increasing visibility of commercial activity, and ensuring greater value is achieved from third-party expenditure.

2.2 The Procurement Improvement Programme is built around three connected components: a Procurement Diagnostic Review to identify improvement priorities, a Procurement Act 2023 (PA23) Compliance Assurance Framework to assess statutory compliance, and a KPI reporting framework to provide ongoing management oversight and assurance. Together these elements provide the evidence base, assurance mechanisms and performance monitoring necessary to strengthen procurement governance, reduce risk and improve commercial outcomes across the Council.

2.3 All strands of the PIP will be picked up through the Finance Improvement Programme, which will provide coordination and corporate reporting structure to enable consistency and progress.

Background

2.4 A comprehensive ‘procurement diagnostic review’ has been completed to assess procurement capability, governance arrangements, contract management maturity, systems, compliance and opportunities for value improvement. The review identified 25 recommendations and supporting actions covering operating model, governance, policy, contract management, performance reporting, savings delivery and Procurement Act 2023 compliance.

2.5 Establishment of programme leadership and governance arrangements to oversee implementation of the Procurement Improvement Programme.

2.6 The diagnostic concluded that procurement activity requires stronger and more consistent corporate governance, improved organisational capability and greater visibility of commercial activity. The review found that many of the issues identified were symptoms of wider organisational causes rather than isolated compliance failures. These included:

- Procurement being viewed primarily as a tendering service rather than a strategic commercial function.
- Limited visibility of future procurement demand, resulting in reactive and late engagement.
- Inconsistent ownership and management of contracts once awarded.

- An incomplete policy framework and governance arrangements that focused heavily on transactional compliance rather than assurance and risk management.
- Limited management information available to assess compliance, contract performance, supplier risk and value delivery.
- Variable levels of procurement knowledge and capability across commissioning and contract management functions.

2.7 The improvement programme has therefore been designed to address these root causes rather than individual symptoms. It combines changes to governance, operating model, training, contract management, data reporting and Procurement Act 2023 compliance arrangements to create a sustainable control framework that improves both compliance and commercial outcomes. The key improvement themes are:

- Creation of a Procurement Strategy aligned to PA23
- Creation of a Social Value Policy aligned with legislation and SBC requirements.
- Mandatory procurement training for contract leads, commissioners, and contract managers.
- Strengthened governance and decision making.
- Increased visibility of procurement activity through KPI measurement and reporting.
- Improved visibility of procurement demand and pipeline activity.
- Consistent contract and supplier management.
- Clear accountability for contract performance.
- Improved commercial capability across the Council.
- Delivery of savings and wider value outcomes, including social value.

2.8 Progress has already been made in addressing the priority recommendations arising from the diagnostic review. Initial activity has focused on establishing governance, assurance and management information foundations upon which the wider transformation programme will be built. Key activities have included:

- Commercial Activity Register and Single Front Door triage process implemented and operational.
- Revised Procurement Review Board Terms of Reference.
- Corporate stage-gate procurement process established.
- Monthly KPI reporting was introduced for CLT.
- Reviewing Contract Procedure Rules.
- Contract and Supplier Management Framework in drafting stage.
- Third-party savings ‘cross-cutting’ opportunity assessment underway.

2.9 The diagnostic is split into 6 key workstreams as set out in the table below, key deliverables are being signed off internally including how they will be delivered, what resources (if any) are required to enable delivery & when they will be delivered by and will now form the basis of the Finance Improvement Project with overall deliverable date in 2027:

Workstream
1. Procurement Act Compliance
2. Governance & Operating Model
3. Processes & Systems
4. Contract & Supplier Management
5. Commercial Capability
6. Benefits Realisation

2.10 A detailed PA23 Compliance Assurance Framework has also been developed, covering governance, organisational compliance, pre-procurement controls, transparency requirements, procurement procedures, evaluation and award processes, contract management, modifications, payment compliance and continuous improvement. The framework provides a structured mechanism for reviewing and evidencing compliance with the requirements of the Procurement Act 2023, identifying opportunities for enhancement where appropriate, and supporting the Council in maintaining ongoing regulatory compliance and good procurement practice.

2.11 Priority activity during 2026 includes:

- Conducting a compliance review across the Councils procurement and contract management activities.
- Reviewing and embedding transparency notice requirements into processes and systems.
- Reviewing and implementing contract management and KPI publication arrangements.
- Reviewing and amending (where necessary) the suite of tendering documents in use
- Reviewing and recommending any relevant amendments to governance documents for procurement and contract management
- Reviewing and implementing training as required across the Council

2.12 The table below sets out the Domains and corresponding Items from the PA23 assurance framework:

Domain	Item
1. Governance & Organisation	1.1 Establish clear ownership 1.2 Update internal governance 1.3 Training & capability
2. Pre-Procurement Assurance	2.1 Confirm applicability of the Act 2.2 Threshold and route-to-market checks 2.3 Procurement objectives & NPPS 2.4 Conflicts of interest
3. Procedure Selection & Design	3.1 Selecting the correct procedure 3.2 Designing the process 3.3 Tender documentation assurance
4. Transparency & Notice Publication	4.1 Notice sequencing 4.2 Record keeping
5. Evaluation & Award Assurance	5.1 Evaluation governance 5.2 Standstill 5.3 Award decision
6. Contract Management & Modification Assurance	6.1 Contract performance 6.2 Modifications 6.3 Termination 6.4 Payments
7. Oversight & Continuous Improvement	7.1 Procurement oversight 7.2 Debarment list

KPI Reporting:

2.13 The KPI framework forms a key component of the Council's procurement assurance arrangements, providing regular visibility of procurement activity, compliance, performance and value delivery to CLT.

2.14 The KPI framework has been developed following the diagnostic review and provides oversight of procurement activity, active projects, contracts, spend, compliance, and value delivery.

2.15 The procurement KPI framework has been established to provide regular management information and assurance regarding procurement activity across the Council. The framework is intended to increase visibility of commercial activity, support informed decision-making, identify emerging risks, and provide evidence of improvement over time.

2.16 Initial reporting has focused on procurement demand, pipeline activity, project delivery and governance oversight. This has already provided improved visibility of procurement activity across Directorates, enabled earlier engagement by the Procurement Team, and highlighted opportunities to strengthen forward planning and compliance with corporate procurement processes.

2.17 As the framework matures, KPI reporting will become a key component of the Council's overall procurement assurance arrangements. It will support senior management in monitoring procurement performance, identifying areas requiring intervention, measuring the effectiveness of improvement activities, and demonstrating progress against the objectives of the Procurement Improvement Programme.

2.18 The current KPI suite should be regarded as the first phase of development. Over the coming months, additional measures will be introduced to strengthen assurance and provide a more comprehensive view of procurement performance and compliance. Planned enhancements include reporting on:

- Procurement Act 2023 compliance.
- Contract Procedure Rule compliance and waiver activity.
- Contract management performance and governance.
- Spend under contract and off-contract expenditure.
- Supplier performance and risk management.
- Contract expiry management and forward planning.
- Savings, benefits realisation and social value outcomes.

2.19 The KPI framework will continue to evolve throughout 2026 and 2027 as underlying data quality improves, new governance arrangements become embedded, and compliance monitoring processes mature. Future reporting will place increasing emphasis on compliance assurance, contract management effectiveness and value-for-money outcomes, providing greater transparency and assurance to senior management, Audit Committee and Commissioners. The next phase of KPI development will focus on compliance and assurance measures. Particular emphasis will be placed upon:

- Procurement Act 2023 compliance.
- Contract Procedure Rule (CPR) compliance.
- Procurement waivers and exemptions.
- Confirmed breaches of CPRs and corrective actions.
- Spend under contract and off-contract expenditure.

- Contract register completeness and accuracy.
- Contract management performance.
- Procurement training completion rates.
- Supplier performance and risk monitoring.

These measures will establish a clearer baseline position for compliance across the Council and enable trends, risks and improvement actions to be monitored over time.

Next steps

2.20 Whilst good progress has been made in establishing the foundations of the Procurement Improvement Programme, the Procurement Diagnostic Review and PA23 Assurance Framework have identified a programme of work that remains necessary to achieve sustainable compliance, effective governance and improved value-for-money outcomes. The next phase of the programme will therefore focus on embedding new ways of working, implementing agreed recommendations and demonstrating measurable improvements in procurement performance and organisational compliance.

2.21 The introduction of performance reporting has already begun to provide valuable insight into the Council's current procurement maturity and compliance position. Early reporting has identified opportunities to strengthen the consistency of governance documentation, forward planning and compliance with established procurement processes. These findings reinforce the importance of continued focus on management oversight, earlier procurement engagement and embedding the revised governance arrangements across the organisation.

2.22 Whilst the current KPI suite provides an initial view of procurement activity, the most important compliance measures are still being developed as underlying data quality and system controls are strengthened. These include reporting on spend against contracted arrangements, completeness of procurement and supplier management data, contract expiry management and waiver activity. During 26/27, the Procurement function will progressively implement these compliance KPIs, supported by the Commercial Activity Register, Procurement Front Door process and enhanced contract management arrangements. This will provide the organisation with a clearer assessment of compliance with procurement legislation and Contract Procedure Rules, allowing targeted intervention where risks or non-compliance are identified and providing greater assurance to Members, CLT and external auditors.

2.23 To ensure the Procurement Improvement Programme fully supports the Council’s wider strategic, financial and governance objectives, delivery of the next phase will be managed through the Finance Improvement Programme (FIP). Embedding procurement improvement activity within the FIP governance framework will provide a structured approach to programme management, performance monitoring and accountability, ensuring that procurement contributes effectively to financial sustainability, budget management, value delivery and organisational assurance.

2.24 During August to December 2026 the programme will focus on establishing a robust baseline of procurement compliance and performance information. This will include:

- Completion of the Procurement Act 2023 compliance review.
- Assessment of compliance with Contract Procedure Rules.
- Analysis of procurement waivers, exemptions and confirmed breaches.
- Validation of contract register completeness and accuracy.
- Measurement of spend under contract and off-contract expenditure.

- Development and testing of enhanced KPI reporting.

2.25 The outputs from this work will provide a comprehensive view of procurement compliance performance and will enable targeted improvement activity to be prioritised according to risk and materiality.

2.26 Alongside compliance reporting, implementation of the Contract and Supplier Management Framework, revised governance arrangements, training programme and Procurement Act 2023 action plan will continue through 2026/27.

2.27 A further update report will be presented to the next Audit and Corporate Governance Committee. The report will include:

- Baseline Procurement Act 2023 compliance results.
- Contract Procedure Rule compliance reporting.
- Waiver and breach analysis.
- Off-contract spend metrics.
- Updated KPI dashboard.
- Progress against the Procurement Improvement Programme workstreams.
- Key risks, mitigation actions and next-phase priorities.

3. Implications of the Recommendation

3.1 Financial implications

The procurement improvement programme is intended to improve value for money through stronger commercial governance, improved procurement planning, contract optimisation, supplier management, and delivery of third-party savings opportunities. A separate savings programme is being developed to validate and realise identified opportunities.

3.2 Legal implications

The programme supports the Council's continuous improvement journey in relation to procurement and contract management. This links to the external auditor's recommendation on the need for a procurement strategy.

- The best value guidance emphasises that a characteristic of a well functioning authority is effective procedures in place and followed to ensure members and all officers comply with procurement procedures and adhere to the Contract Procedure Rules, that there is a sustainable procurement function delivering value for money and procurement processes ensure economic, efficient and effective outcomes of contract procurement and management, driving social and environmental value in the Borough.

3.3 Risk management implications

Failure to implement the improvement programme could result in ongoing compliance risks, inconsistent procurement practice, reduced visibility of commercial risks, reduced assurance to Audit and Commissioners, and missed opportunities to achieve value for money. The diagnostic action plan provides a structured approach to mitigation.

3.4 Environmental implications

Slough Borough Council's emerging approach to Social Value is expected to have positive indirect environmental implications.

As the Council strengthens its Social Value framework, environmental considerations will become more embedded in procurement and commissioning activity. This includes:

- Integration of environmental outcomes into Social Value weighting – The emerging model will likely place greater emphasis on carbon reduction, sustainable supply chains, and responsible resource use. This will encourage suppliers to adopt greener practices and demonstrate measurable environmental improvements as part of contract delivery.

3.5 Equality implications

There are no direct equalities implications arising from this update report. However, the activity described will be assessed in line with the Council's duties under the Equality Act 2010 and the Public Sector Equality Duty (PSED).

The work contributes indirectly to the Council's commitment to fairness, inclusion, and accessible services by:

- Ensuring decision-making processes remain transparent and equitable, with no disproportionate impact on any protected characteristic group.
- Supporting consistent governance and oversight, which helps maintain compliance with equalities legislation across service areas.
- Reinforcing organisational expectations around inclusive practice, particularly where future policy, commissioning, or operational changes may affect residents or staff.
- Maintaining awareness of potential equalities impacts, ensuring that any subsequent decisions or implementation activity are subject to appropriate Equalities Impact Assessment (EqIA) where required.

Overall, the equalities implications are assessed as neutral, with no adverse impacts identified.

3.7 Procurement implications

The programme represents a fundamental reset of procurement across the Council. Procurement will operate through strengthened governance, stage-gate assurance, improved contract management, enhanced compliance controls and clearer performance reporting. The objective is to deliver both compliance assurance and improved commercial outcomes across all Directorates.

4. Background Papers

None