

Procurement and contract Transformational Programme

Executive Summary:

The Third Party Spend (TPS) Programme has been created to deliver a comprehensive, cross-council transformation on all processes involving external spending. The programme has a strong focus on achieving financial savings and enhancing value for money, as well as implementing robust contract management and procurement practices. As well as meeting the requirements of the Improvement programme, this programme builds on previous TPS activity completed in 2024/25 and responds to both internal savings targets and external regulatory changes, it also identifies risk across the organisation and moves to mitigate against it.

This document introduces Workflow Packages designed to support the TPS Programme with transformation. Each workflow package outlines a specific area of transformation including delivering improved procurement practice, improving contract performance, identifying and resolving gaps in process and adopting digital tools.

Improvement plan

The corporate improvement plan includes key areas of improvement across commissioning and procurement. The TPS transformation programme includes and addresses planning on these as follows:

Improve procurement and contract management function and practice – including:

- Implement new structure for procurement and contracts team
- Commission new contracts and procurement system
- A review of Third party spend
- Development and roll out of a Contracts Resource Toolkit
- Development of new strategy:
 - Procurement
 - Commissioning
- Continue to embed new governance for commissioning, contract management and procurement (e.g. commercial and commissioning delivery group, joint commissioning delivery group, commissioning, procurement and contracts performance board)

Strengthening financial management practice and policy

The programme will ensure there is improved financial compliance across the organisation by strengthening policy, practice and approaches to budget monitoring, controls and forecasting, income and debt collection, procurement practices and contract management

Senior Accountable Officer
(SAO)

Executive Director (S151 Officer)

Responsible Delivery Lead
(RDL):

Strategic Director - Commissioning

Executive Member:

Finance Portfolio Holder

Activity:
Start
End

Develop and deliver an action plan to strengthen the Internal Control Environment in response to the Limited Assurance opinion of the Chief Audit Executive

- Develop and agree the action plan
- Deliver the action plan

Oct 2025
April 2026

March 2026
June 2027

Consider and agree further responses to External Auditor Annual Report and statutory recommendation (as directed by Audit & Governance Committee and Council)

Nov 2025

Jan 2026

Financial literacy training to create strong financial literacy skills across the organisation to develop skills and discipline - including:

- Develop clear training plans for budget holders
- Deliver training and set a clear expectation for all budget holders to be fully accountable for delivery within agreed budgets

Nov 2025
Feb 2026

Feb 2026
Jun 2026

Improve financial management practices - including:

- Simplify budget lines/codes and cost centres
- Improved controls and processes for moving budgets/savings/funds between codes (e.g. internal transfers)
- Better communications around year-end adjustments
- An accountability framework – with clear budget holder responsibilities

Feb 2026

Jul 2026

Improve procurement and contract management function and practice – including:

- Implement new structure for procurement and contracts team
- Look at income for efficiencies
- Commission new contracts and procurement system
- A review of Third party spend
- Development and roll out of a Contracts Resource Toolkit

Oct 2025
Oct 2025
Jun 2025
Oct 2025
Jan 2026

May 2026
Mar 2026
Mar 2026
Apr 2026/ongoing
Sept 2026

Development of new strategy:

- Procurement
- Commissioning

Nov 2025
Dec 2025

May 2026
May 2026

Continue to embed new governance for commissioning, contract management and procurement (e.g. commercial and commissioning delivery group, joint commissioning delivery group, commissioning, procurement and contracts performance board)

Aug 2025

Dec 2026/ongoing

Review and refresh the approach to income collection and debt recovery to improve collection performance

Jun 2026

Dec 2026

Introducing the Workflow Packages

This outlines suggested Workflow Packages for the transformation programme, summarising structure and high-level expectations. The packages are modular, allowing for incremental or parallel implementation based on council priorities and resource capacity.

Defined Workflow Packages are critical for the success of a transformation programme in procurement and contract management for several compelling reasons:

1. Structured Approach to Complex Change
2. Clear Objectives and Deliverables
3. Targeted and Focussed Activity
4. Manageable Incremental Progress
5. Risk Mitigation
6. Enhanced Stakeholder Engagement
7. Measurable Success
8. Facilitates Change Management

In essence, the Workflow Packages transform an ambitious vision into a series of actionable, interconnected projects. They provide the necessary structure, clarity, and control to navigate the complexities of organisational change, ultimately leading to a more efficient, effective, and value-driven procurement and commissioning function within the Local Authority.

The Workflow Packages have been defined as follows:

- 1. Oversee Third Party Spend Savings Initiatives**
- 2. Strategic oversight: Procurement, Contract Management and Commercial commissioning**
- 3. Sourcing & Category Management Implementation**
- 4. Contract Management & Performance Monitoring Enhancement**
- 5. TPS Systems Innovation & Automation**

WP1 continues ongoing activities supporting Third Party Spent savings targets and is the immediate priority for the council. The remaining packages set out activities for the longer term: WFP 2 & 3 focus largely on benchmarking status and implementing overarching governance, strategy and process improvements, whilst WFP4 onwards largely target delivery of specific improvement and innovation objectives. It is important to

acknowledge that, as activity around Third Party Spend is already in progress, several actions that have been identified within the Workflow Packages are already underway. This document therefore seeks to extend the programme beyond works already being delivered and expand on action plans already being progressed. This also formalises the expected outcomes of the programme for programme sponsors and the delivery team. This provides clear visibility, alignment, and accountability as the programme continues to evolve and deliver benefits.

The workflow Packages are defined in this document at a high level of the objective and key aspects of delivery. A clearly defined action plan for each workflow package shall be defined here: [TPS Action Plan.xlsx](#),

WP1: Oversee Third Party Spend Savings Initiatives

Objective: To provide oversight and escalation route on projects supporting Third Party Spent savings targets

Key activities:	Description:	Inputs / Outputs
Project Identification:	<p>Savings Activity Identification: Identification of current and upcoming activity across the council that aim to deliver third party cost savings</p> <p>There are many third party spend and savings initiatives identified by finance and commissioning research that require central reporting on savings delivery and progress.</p>	<p>Inputs:</p> <ul style="list-style-type: none"> Project “PIDs” from services that have identified savings opportunities <p>Outputs:</p> <ul style="list-style-type: none"> Governance and oversight of priority savings projects.
Governance Assessment	<p>Governance Assessment: Review and determine which savings activities should be reported on, and to which level</p> <ul style="list-style-type: none"> Confirm activities that should remain under BAU control and reporting Identify high profile savings projects/opportunities where additional governance or support would be recommended or where additional reporting on progress is desired by leadership 	
Progress Monitoring	<p>Monitor progress and reporting: Track the advancement of higher-profile savings initiatives through monthly reporting. Act as forum for issue escalation where existing forums do not readily exist. This requires a clear methodology and robust system support so that confidence in savings figures is improved.</p> <p>Ongoing Suitability Review – Review monitoring and delivery effectiveness - if more structured governance activity and support is required for individual projects - review need for wraparound support or creating of standalone workflow.</p>	<p>Success Metrics:</p> <ul style="list-style-type: none"> Timely reporting of project updates Cost savings reported without any duplication Non-duplication of effort with other reporting forums

WP2: Strategic oversight: Procurement, Contract Management and Commercial commissioning

Objective: A strategic review of Commercial commissioning, Procurement, and Contract Management practices to standardise policies, streamline processes, and optimise resource allocation.

Key activities:	Description:	Inputs / Outputs
Current State Assessment:	<p>Plan response to As/Is' Benchmarking: Respond to the recommendations from CCIAF benchmarking and review recommendations from audits, and PwC reviews.</p> <p>Current State Mapping:</p> <ul style="list-style-type: none"> • Governance: Document current policies and procedures • Staff Resource Mapping: Map resources dedicated to commercial commissioning, procurement, and contract management across departments (FTEs, roles, skill sets, time allocation). • Technology Resource Mapping: Identify all existing software, systems, and tools supporting procurement, and contract management (e.g., specific departmental databases, spreadsheets, niche software). Assess their current utilisation and effectiveness. • Knowledge Resource Mapping: Identify key knowledge holders, best practice repositories (formal & informal), and siloed knowledge areas. • Contract information: Identify all active contracts in the organisation. 	<p>Inputs:</p> <ul style="list-style-type: none"> • Feedback to date (CCIAF, PwC, Audits) • Existing governance policies and procedures • Departmental staffing plans and structure charts. • Register of procurement/commissioning software • Technology inventory (software, systems, tools) • Staff skills matrices or training records. • Current Contract Information <p>Outputs:</p> <ul style="list-style-type: none"> • New strategies and governance structures for Commercial Commissioning, Procurement, and Contract Management. Defined structures, processes, training, systems, and reporting. • Effective and correct contract register (interim) • Structure map report of org-wide procurement posts • Report on Technology Resource Utilisation • Skill Gap Analysis Report. • Recommendations for redeployment or upskilling. • Training plan with resource allocation, transition and awareness materials.
Policy & Process Redesign:	<p>Legislation and Policy - Strategic Alignment: Establish CCIAF as the standard assessment framework aligning all strategies, processes, and governance to its principles. Align practice with the New Procurement Act 2023, ensure compliance with contract rules and PA23 notices, and review social value, sustainability, and carbon net zero implications. Training and certification initiatives to support compliance.</p>	Success Metrics:

	<p>Organisational Restructuring and Resource Planning: Actions focus on assessing current structures, proposing new organisation charts, mapping resources, creating job descriptions, running recruitment, and developing business cases for restructuring. This includes job evaluation, costings, phased implementation plans, and appointing internal champions to support change</p> <p>Process Optimisation: Create processes that minimise manual work and use automation and technology to allow more time for strategic tasks like category management and contract negotiation.</p> <p>Skill Gap Analysis & Planning: Identify required new skills or upskilling needs.</p>	<ul style="list-style-type: none"> • Improved CCIAF commercial maturity rating • Procurement Act Compliance • Correct procurement and commercial commissioning capacity for the organisation to meet its requirements • Number of staff trained/certified under new policies • Improved utilisation rates of existing procurement technologies.
Communication & Training Plans:	<p>Resource Allocation: Plan and allocate sufficient staff and financial resources for comprehensive communications and training on new systems and processes, ensuring skill maximisation. Using internal champions to support change.</p> <p>Stakeholder Engagement and Communication: Deliverables emphasise facilitating consultations, communicating with internal and external stakeholders, providing guidance and awareness communications, and engaging with suppliers and partner organisations to ensure smooth transitions and shared understanding</p>	

Note: A significant portion of the above activities are already completed in relation to future structure - business case presented and approved. Lead time for implementation currently unknown due to spend restrictions.

WP3: Sourcing & Category Management Implementation

Objective: To embed strategic sourcing and category management principles, maximising value from supplier resources and internal expertise.

Key activities:	Description:	Inputs / Outputs
Spend Analysis	Analysis of current spending to identify opportunities for cost savings and efficiency.	Inputs: <ul style="list-style-type: none"> Supplier capability databases Market intelligence reports. Internal expert directories. Outputs: <ul style="list-style-type: none"> Category Strategies detailing how external and internal resources will be leveraged. SME engagement plan. Comprehensive stakeholder management strategy
Category Strategy Development:	<p>Categorise Spend: Section spend into logical categories based on Pro Class categorisation. Create action strategy for each category. Engage internal SMEs in this process if appropriate.</p> <p>Market Resource Mapping: Identify not just current suppliers, but the broader market capabilities, innovation potential, and social value offerings from diverse suppliers (SMEs, VCSEs). Understanding the market landscape, available suppliers, and how best to implement procurement for each category.</p> <p>Resource Leverage Planning: For each category, explicitly plan how to leverage supplier innovation, sustainable practices, and social value contributions as key resources, not just cost.</p> <p>Internal Resource Allocation: Define who will lead and support each category.</p>	
Supplier Relationship Management (SRM) Framework Development:	<p>Supplier as Resource: Develop the SRM framework with a view to optimising suppliers as strategic resources, fostering collaboration, and joint problem-solving to extract maximum value beyond just contract delivery.</p> <p>Resource Investment in SRM: Allocate specific resources (e.g., dedicated supplier relationship managers for critical suppliers) and technological resources (e.g., SRM module in a system) to effectively manage strategic supplier relationships.</p>	
Upcoming Commissioning Review	Validate Requirements: Based on output of Workflow 2 (on new processes and contract identification), implement new processes requiring business justification	Success Metrics: <ul style="list-style-type: none"> Timely completion of activities with assurance of data capture. Implementation of Commissioning Review process – prevention of non-essential spend. <p>Further success metrics for this shall be longer term</p> <ul style="list-style-type: none"> Number of innovation initiatives co-developed with suppliers. Value of social and environmental outcomes delivered through supplier partnerships. Improved internal collaboration scores between procurement/commissioning and service areas on category projects.

	for all upcoming commissioning activity. Challenging current commissioning aiming to reduce or stopping non-essential spend.	
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WP4: Contract Management & Performance Monitoring Enhancement

Objective: To establish robust contract management practices, ensuring maximisation of contract value and effective use of allocated resources.

Key activities:	Description:	Inputs / Outputs
Contract Management – Current State Maturity Assessment:	<p>Current Contract Management Maturity Assessment: Implement WP2&3 recommendation improvements on contract management processes.</p> <p>Resource Utilisation Review: Identify and assess how effectively current contract management staff and systems are utilised. Is too much time spent on low-value contracts? Are critical contracts under-resourced?</p> <p>Contract Register: Review and update existing manual Contracts Register. All tender information for next 18 months collated. This is presently being coordinated manually however will be taken forwards via Pipeline tool.</p>	<p>Inputs:</p> <ul style="list-style-type: none"> Contract risk assessments. Workload analysis of contract management staff. <p>Outputs:</p> <ul style="list-style-type: none"> Updated contract register Resource Allocation Model for Contract Management. New Contract Management Toolkit Automated alerts and reporting from the contract management system that optimise human oversight.
Contract Management Framework Development & Delivery:	<p>Risk-Based Resource Allocation: Design the framework to allocate contract management resources (human and technological) based on contract risk, value, and strategic importance, ensuring higher-impact contracts receive proportionate attention and progressed to achieve proposed outcomes.</p> <p>Standardised Resource Tools: Develop standardised tools (e.g., digital performance dashboards, automated alerts for key dates) that maximise the efficiency of contract managers.</p>	
Performance Monitoring & Reporting System Development:	Data as a Resource: Design the data infrastructure to treat performance data as a valuable resource for decision-making, identifying trends, and proactively addressing issues, thereby optimising contract opportunities and delivering on the proposed financial and non-financial outcomes.	
SRM Framework - Initiation of Supplier Engagement:	Priority Supplier Engagement: Prioritise and commence engagement with suppliers. Focus on strengthening collaborative relationships, identifying opportunities for cost savings and/or leveraging supplier innovation, and proactively addressing issues. Identify opportunities for negotiation.	
		<p>Success Metrics:</p> <ul style="list-style-type: none"> Reduction in contract leakage (unrealised savings or missed benefits). Improved utilisation rate of contract management staff. Proportion of high-risk/high-value contracts with dedicated contract managers.

	Continuous Improvement: Use performance data to identify where supplier resources (e.g., innovation, service improvements) can be leveraged, or where internal resources are needed to enhance delivery.	
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Note: A significant portion of the above activities are already completed in relation to CCIAF assessment – plans developed to take recommendations forward having resource (and system functionality) in place to support.

WP5: TPS Systems Innovation & Automation

Objective: To leverage digital technologies to automate, streamline, and improve efficiency, directly leading to maximisation of human and financial resources.

Key activities:	Description:	Inputs / Outputs
Current IT Landscape Assessment:	<p>Review Contract Management system: Review contract management system and replace if required. Options paper in development.</p> <p>Investment vs. Return Analysis: Evaluate the return on investment (ROI) of other existing systems in use and identify areas where technology resources are underutilised or siloed. Review potential for integrating or consolidating data systems for improved reporting and operational efficiency. <i>[Note: Working Group Reviewing ERP contract database already in place].</i></p> <p>Resource Constraint Identification: Pinpoint where current technology limits staff effectiveness (e.g., fragmented systems & manual data entry).</p>	<p>Inputs:</p> <ul style="list-style-type: none"> Detailed business process maps (identifying manual touchpoints). ROI assessments for current and proposed IT investments. <p>Outputs:</p> <ul style="list-style-type: none"> Options Paper for Contract Management System Business Case for digital investment explicitly detailing human resource savings and re-deployment opportunities. Integrated system architecture designed for maximum automation and data flow. Review on latest status of Cabinet Office consultation on further reforms to public procurement and any potential impact on council.
Requirements Gathering & System Selection:	<p>Resource Optimisation Focus: Prioritise features that directly lead to automation, reduced manual effort, and improved data-driven decision-making, thus maximising human resource capacity.</p> <p>Total Cost of Ownership (TCO) & Resource Implications: Evaluate potential systems not just on purchase price but on full TCO, including ongoing maintenance, training, and what internal IT/staff resource support is needed.</p>	
System Implementation & Integration:	<p>Data Management, Reporting, and Performance Tracking: Developing dashboards, savings trackers, and workplans; consolidating and integrating data for reporting; utilising analytics tools; and ensuring regular reporting on spend, supplier performance, and KPIs to support informed decision-making.</p> <p>Phased Resource Rollout: Plan rollout in phases that align with available resources, allowing for smoother transitions and preventing burnout.</p> <p>Leveraging Vendor Resources: Maximise support and training from software vendors as a valuable external resource during implementation.</p>	<p>Success Metrics:</p> <ul style="list-style-type: none"> Compliance with Procurement Act 2023, preparedness for future requirements pending ongoing Cabinet Office consultation. Reduction in time spent on manual administrative tasks (quantifying human resource savings). Increased data accuracy and accessibility, leading to better resource allocation decisions.

**User Training &
Change Management:**

Resource for Training: Ensure adequate human resources (trainers, support staff) and financial resources are dedicated to training to maximise user adoption and competence with the new tools. This ensures the digital investment translates into human efficiency.

- Cost savings from rationalising redundant software licenses.

Benefits

Overall Financial Benefits

The implementation of these workflow packages can yield significant financial benefits. These benefits extend beyond simple cost savings to encompass value creation, risk reduction, and improved financial efficiency across the organisation.

Overall financial benefits include:

- **Direct Cost Savings:** Achieved through strategic sourcing, supplier engagement, potential negotiation, and process efficiencies.
- **Cost Avoidance:** Mitigating risks, preventing non-compliance fines, and avoiding unplanned expenditures.
- **Value Enhancement:** Extracting more value from contracts, improved service outcomes, and leveraging supplier innovation for long-term benefits.
- **Long Term: Operational Efficiency Gains:** Reducing manual effort, cycle times, and administrative overheads, freeing up staff for strategic work.
- **Risk Reduction:** Mitigating financial exposure to legal issues, supply chain disruptions, and poor supplier performance.
- **Long-term Financial Sustainability:** By making smarter purchasing decisions, investing in local communities, and leveraging technology, the Local Authority builds a more resilient and financially robust operational model.

Financial Benefits by Workflow Package:

The following provides a breakdown of the potential financial benefits for each workflow package, and some overarching benefits:

WP1: Oversee Third Party Spend Savings Initiatives

- **Improved visibility** of all savings initiatives enables better prioritisation and resource allocation.
- **Avoidance of duplication** across departments reduces wasted effort and overlapping initiatives.
- **Faster issue resolution** through structured escalation routes minimises delays in savings delivery.
- **Early risk identification** helps protect forecasted savings from slippage or failure.

WP2: Strategic oversight: Procurement, Contract Management and Commercial commissioning

- **Improved Compliance, Reduced Fines/Penalties:** Consistent adherence to regulations (e.g., Procurement Act 2023) significantly reduces the risk of legal challenges, fines, or costly re-tendering due to non-compliance.
- **Better Data for Decision-Making:** Standardised data collection (e.g., spend categories, contract terms) leads to higher quality data, which is a prerequisite for identifying larger savings opportunities later.

WP3: Strategic Sourcing & Category Management Implementation

- **Optimised Spend & Reduced Waste:** Detailed spend analysis identifies wasteful spending, duplicate purchases, and opportunities to rationalise the supplier base. This leads to a more efficient use of budget.
- **Improved Value for Money (VFM):** Considering "most advantageous tender" (rather than "lowest price") enables contracts to deliver better quality, innovation, and long-term value, which can reduce whole-life costs or lead to more effective service delivery that saves money elsewhere. Engaging strategically with suppliers can lead to innovative solutions that reduce costs.
- **Reduced Risk in Supply Chain:** Better understanding and management of supplier markets can mitigate risks of supply disruption, price volatility, or poor performance, all of which can have significant financial consequences.
- **Direct Cost Savings:** By aggregating demand, leveraging higher volumes, negotiating better terms, and increasing competition, Local Authorities can achieve price reductions on goods, services, and works. *However, this opportunity may be limited as there is a greater requirement to consider Lotting, making tenders more accessible to SMEs meaning there may in fact be disaggregation in order to support local suppliers e.g. Multiple "best in class" contracts.*

WP4: Contract Management & Performance Monitoring Enhancement

- **Realisation of Contracted Savings:** Robust contract management ensures that the savings or value negotiated at the tender stage are actually delivered throughout the life of the contract. Without it, value can leak away.
- **Avoidance of "Creep" Costs:** Proactive management of contract variations and scope change prevents uncontrolled increases or services provided outside of agreed terms.

- **Improved Supplier Performance, Reduced Rework/Failures:** Effective monitoring drives suppliers to meet SLAs and KPIs. Poor performance can lead to service failures, rework, or the need for expensive workarounds, all of which incur financial costs. Proactive identification and resolution of issues reduce the likelihood and cost of formal disputes or legal action with suppliers.
- **Optimised Contract Extensions/Renewals:** Better data on supplier performance allows for informed decisions on whether to extend/renew contracts or go back to market, ensuring continued value. Avoids costly auto-renewals on unfavourable terms.

WP5: TPS Systems Innovation & Automation

- **Administrative Cost Reductions:** Automation of transactional processes (e-tendering, e-invoicing, purchase order processing) reduces manual effort, paper, printing, and postage costs. Frees up human resources for more strategic work.
- **Faster Processing Times:** Digital workflows accelerate approval processes, tender cycles, and invoice payments, reducing administrative bottlenecks.
- **Improved Data Quality & Visibility:** Centralised digital systems provide real-time, accurate data on spend, contracts, and supplier performance, enabling faster and better financial decisions.
- **Supplier Onboarding & Catalogue Efficiency:** Greater automation reduces administrative burden for both the Authority and suppliers,

Non-Financial Benefits:

Implementing the identified workflows can deliver several non-financial benefits, including:

- **Standardisation and optimisation of policies** processes across commissioning, procurement, and contract management. Reducing fragmentation and improving organisational coherence.
- **Reduced Administrative Burden:** Streamlined, standardised processes mean less time spent on redundant tasks and fewer errors
- **Increasing Organisational Maturity & Capability** through skill gap analysis and training plans, supporting workforce upskilling and professional development.
- **Improved Governance:** reintroducing structured oversight and escalation mechanisms, enhancing transparency and accountability.

- **Reduced Operational Risk:** Standardised processes, better contract oversight, and digital audit trails reduce exposure to compliance, legal, and reputational risks
- **Improved Data Quality and Visibility** by standardising and digitising data, enabling better analysis, forecasting, and strategic planning.