

City of London Corporation Committee Report

Committee(s): Projects & Procurement Sub-Committee – For decision Finance Committee – For decision (Delegated Authority)	Dated: 14 October 2025
Subject: Procurement improvement and transformation programme reset	Public report: For Decision
This proposal: <ul style="list-style-type: none"> • delivers Corporate Plan 2024-29 outcomes • provides statutory duties • provides business enabling functions 	All
Does this proposal require extra revenue and/or capital spending?	Yes
If so, how much?	£270,000
What is the source of Funding?	Project Contingency (Finance)
Has this Funding Source been agreed with the Chamberlain's Department?	Yes
Report of: Caroline Al-Beyerty	The Chamberlain
Report author: Genine Whitehorne	Director, Commercial, Change and Portfolio Delivery

Summary

This report provides an update on progress to date to deliver the procurement improvement programme. It sets out several challenges that have hindered progress and identifies options to reset the programme and ensure the intended outcomes and benefits are achieved.

The report identifies four priority areas of focus for the remainder of this municipal year (to end of April 2026). These include:

- Development of a new procurement policy (to replace the existing Procurement Code) underpinned by a robust assurance framework that will enable more streamline and proportionate governance and allow greater commercial freedoms for non-public procurement activity.
- Approval of a new contract management model that will support the development of commercial maturity across the City Corporation

- Improved tactical procurement process to reduce delays and ensure services are able to secure services/products needed to deliver
- Introduction of a new commercial scorecard providing visibility of procurement priorities and spend behaviours and provide assessment of Commercial team performance and value for money

The report recommends the engagement of additional resources to ensure delivery of the priority actions from the improvement programme by the end of this municipal year. The recommended option has an estimated associated cost of £270k. It is proposed that this is funded via the Finance Committee's project contingency. The Finance Committee agreed delegated authority to the Town Clerk in association with the Chair and Deputy Chair to approve the funding request provided the Projects and Procurement sub-Committee is satisfied with the plan to reset the programme.

Recommendation(s)

Members of the Projects and Procurement sub-Committee are asked to:

- Approve the revised project plan and associated timeline
- Endorse the allocation of £270,000 from the Finance Committee Project Contingency, under delegated authority, to resource the improvement programme as set out in paragraph 25.
- Approve the extension of the increased threshold (£20m) at which contract award approvals are presented to Court of Common Council to May 2026 when the new policy is due to be in effect

The Town Clerk, in consultation with the Chairman and Deputy Chairman of the Finance Committee, is asked to:

- Approve the allocation of £270,000 from the Finance Committee Project Contingency to resource the improvement programme as set out in paragraph 25.

Main Report

Background

1. The Commercial, Change and Portfolio Delivery division was established in July 2024 and formally launched in October of that year following a wide recruitment campaign. The new division had four priority areas of focus:
 - a. Establish a robust portfolio management approach to provide assurance of the organisation's ability to deliver its ambitious portfolio of projects and programmes
 - b. Drive improvement across the City Corporation's procurement activity including embedding the new Procurement Act 2023 and taking full advantage of the opportunities it provides
 - c. Develop a more commercial culture across the City Corporation through innovative use of resources and increased income generation

- d. Drive corporate transformation to ensure the City Corporation is fit for the future
2. Almost a year on from launch, the Division has made significant progress against a large and complex agenda. The P3 Policy Framework has been approved by the Court of Common Council; a new portfolio management system has been rolled out with first stage reporting now live and the wider framework is due to be launched at the end of November 2025. Income generation pilot projects are underway and effective Member oversight has been established through the Income Generation Working Party. The City's corporate transformation approach is still in development; however several continuous improvement initiatives have been delivered with tangible benefits and targeted support is being provided for two of the City's largest programmes of change; Ambition 25 and Programme SAPphire.
 3. The Procurement Improvement Programme has also made progress though the development of a new procurement governance framework has proven to be more challenging for several reasons:
 - a. Lack of capacity in the Commercial Service – currently there is no dedicated policy/improvement role and therefore the improvement programme has been reliant on team members taking forward actions in addition to their substantive roles. Additionally, this approach has suffered from continual reprioritisation as team resources have been reallocated to deal with risks and issues that have emerged elsewhere. This approach is proving to be untenable, and this report proposes the introduction of dedicated roles as set out in paragraphs 22 – 26.
 - b. Complexity of the Corporation's delivery and funding models has required significant work with the Rembrancer and Comptroller to understand the freedoms offered by the new Procurement Act (2023) and to assess any potential risks.
 - c. Data integrity – significant time has been required to develop the Jaggaer e-tendering portal and cleanse the data held. This has required bespoke reports to be developed using Power BI. We now have greater confidence in the quality of our data and our ability to monitor spend.
 4. Additionally, the aim has been to develop the new proposals in a collaborative way, working with services and Institutions to understand current experience. For that purpose, a Procurement Improvement Working Group has been established which draws together key stakeholders. This Group acts as a key reference point to understand current challenges and to identify and test potential solutions.

Current Position

5. The improvement programme was approved by this sub-Committee in December 2024. It established five workstreams:
 - a. Procurement Act readiness
 - b. Shifting the Commercial culture and operating environment
 - c. Developing a City Corporation contract management delivery model
 - d. Redesigning procurement processes and governance
 - e. Commercial Service capability development

The table below provides a summary of progress against each of the workstreams:

Workstream	Progress update
Procurement Act readiness	<p>The City Corporation successfully achieved compliance with the requirements of the Act when it went live in February 2025.</p> <p>Key achievements included:</p> <ul style="list-style-type: none"> • The Procurement Code has been updated • All City templates and guidance materials have been updated • The City Corporation is registered on the Central Digital Platform • Jaggaer, the Corporation's e-tendering platform, has been updated and the new requirements have been fully integrated into the system • The Corporation's pipeline has been published in accordance with the requirements of the Act • All members of the Commercial Service have completed the Government's transforming public procurement training • CIPFA delivered training session to the organisation's Senior Leadership Team (SLT) • Requirements of the new Act have been included in the new Member induction process
Shifting the Commercial Service culture and operating environment	<p>Internal reorganisation has taken place to better align resources to manage the demand peaks across the Corporation. These changes are now bedding in but have required additional support to ensure line managers are confident in carrying out their roles. Key steps taken include:</p> <ul style="list-style-type: none"> • A realignment of reporting lines has taken place within the Commercial Service to support the reinforcement of a category management model • Category Boards have been refreshed with updated Terms of Reference and a review of membership to ensure they are an effective part of the procurement governance framework • A Corporation wide procurement pipeline has been established to support increased transparency and to facilitate more effective planning
Developing a City Corporation contract management delivery model	<ul style="list-style-type: none"> • As part of the improvement programme, a Strategic Contract Management Lead role has been established, making use of technical knowledge and expertise from within the team. • This role has led the development of options for a future contract management model working closely with contract managers from across the Corporation.

	<ul style="list-style-type: none"> • The financial implications of each model are now being assessed and will inform an options paper and business case as part of the budget setting process.
Redesigning procurement processes and governance	<ul style="list-style-type: none"> • A cycle of business process reviews has been established to streamline the end-to-end sourcing process • Improvements have been made to procurement systems to improve useability supported by updated guidance materials on COLNET • Work is underway to replace the Procurement Code with a new Procurement and Contract Management Policy Framework (further detail regarding this activity is set out in paragraphs 8-10)
Commercial Service capability development	<ul style="list-style-type: none"> • A development plan has been produced for the Commercial Service to ensure a consistent base level of knowledge across the team • Learning opportunities have been created though peer-led learning sessions, formal training opportunities delivered by CIPFA and the mapping of clear development pathways through personal development plans which has led to an increase in the number of team members pursuing professional qualifications

Proposed priorities for end of the current year

6. It is proposed to take stock and review the overall ambitions for the development of commercial acumen as part of the corporate transformation approach. This will include revisiting the overall objectives and ensuring the established workstreams meet the future needs and ambitions of the organisation through the development of a clear Commercial Strategy.
7. Whilst this review is underway, the team will focus on driving improvement in four key areas where there is clear agreement regarding the urgent need for change for the rest of the current municipal year. These areas of focus are important as they will contribute to the development of a consistent level of commercial maturity and improve process efficiencies thereby releasing capacity to drive future change. This will provide the foundations for the more ambitious transformation over subsequent years. The proposed areas of focus are listed below.

Resetting the Procurement Code

8. Our primary policy document is the [Procurement Code \(Part One\)](#). This underpins all procurement and purchasing activity. The last major review of the Procurement Code was undertaken to reflect the introduction of the Public Contracts Regulations in 2015. Minor revisions and updates have taken place on a six-monthly basis since then to ensure the Code remains in alignment with organisational structural changes and updates to other related policies (such as the Financial Regulations). An addendum was published in February 2025 to comply with the new Procurement Act 2023.

9. The reset of the Procurement Code is intended to simplify and streamline governance, ensuring that decision making is proportionate to value and risk. It also aims to enable more commercial practice in the non-public parts of the City Corporation.
10. While progress has been made on the proposed changes to the Code, additional time is needed to thoroughly test the proposals through detailed scenario mapping and to develop a Procurement and Contract Management Policy framework. This framework will help ensure that decisions are sound and that officers are fulfilling their responsibilities appropriately. As part of this effort, a new Commercial Academy will be established to provide accessible guidance and training for stakeholders.

Contract management model

11. The Corporation currently has no dedicated corporate contract management function. Contract management is the responsibility of services/departments with the Commercial Service providing limited targeted intervention in the event of any issues. This approach has led to patchy and inconsistent contract management with significant supplier performance issues experienced in key areas.
12. The maturing of the Corporation's contract management capability is a priority for the improvement programme. The contract management model will be underpinned by digital by default design principles which represent first steps towards a technology-based service offering that harnesses the potential of digital technology and Artificial Intelligence.

Transactional procurement (namely requisitioning and purchase orders)

13. The Corporation has adopted a 'No PO; No Pay' policy which means this area of the service affects all parts of the Corporation. Whilst measures have been taken to improve stakeholder understanding of this process through improved communications and bitesize training as part of the Commercial Academy, there continues to be significant frustration across the organisation.
14. Therefore, there will be a focus on reducing the time taken to approve requisitions and convert to purchase orders underpinned by an enhanced customer centric approach that ensures the Commercial team provides an excellent and responsive service.

Reporting

15. The final priority for the next 6 months is on establishing credible reporting to a range of stakeholders including the Projects and Procurement sub-Committee. The work completed to date on developing our systems has now set us up to provide intelligence and insight to derive the continued improvement and provide greater assurance regarding progress.

Revised delivery plan: Oct 25 to May 26

16. Below is the high-level plan to deliver the priority areas identified. The plan will be supported by a comprehensive stakeholder communications and engagement plan.

Activity	Target date
Procurement Policy Framework	
• Mapping governance model	Nov 25
• Member briefing/engagement	Dec 25
• Detailed framework design	Feb 26
• Approval of framework	Mar 26
• Training/communications	May 26
• Framework launch	May 26
Contract management model	
• Engagement (Member and officer)	Oct 25
• Business case finalised	Oct 25
• Budget setting process	Nov 25 – Feb 26
• Framework approval	Mr 26
• Roll-out (establishment control/recruitment)	Mar 26+
• Anticipated go-live	May/Jun 26
Transactional procurement	
• User focus groups	Oct/Nov 25
• Process mapping (as-is)	Nov 25
• Process mapping (to-be)	Nov/Dec 25
• System design and update	Jan 26
• Guidance and training	Feb 26
• Launch	Mar 26
Reporting	
• Draft KPIs presented to PPsC	Nov 25
• Quarterly performance reporting begins	Jan 26
• *monthly reporting on improvement programme progress	To commence Nov 25

Beyond 25/26

17. The plan set out above represents formative steps to establish 'Brilliant Basics' and to enable the shift of resources from inefficient, transactional and non-value-added activity to strategic and commercial activity that delivers corporate priorities.

18. The strategy for beyond 25/26 will be set out in a new commercial strategy. The vision for which is to deliver a commercially astute, digitally enabled, and innovation-driven commercial function that maximizes value for money, fosters strategic partnerships, and continuously matures in capability to support sustainable and impactful outcomes.

19. Options

20. The improvement programme will be reviewed, and a multi-year Commercial Strategy will be developed which will align with the organisation's ambitions. The intention to develop this strategy whilst continuing to deliver the priority improvement areas as well as business as usual activities requires additional fixed-term capacity in the team.

21. Three options have been identified:

- a. Continue with current resource (not recommended) – this option provides no additional capacity and as such does not provide assurance that the programme will be delivered within the new timeframe. This option remains susceptible to delays as the team are required to reprioritise in response to urgent and emerging issues.
- b. Bolster capacity within the team (**recommended**) – this approach makes use of technical capability within the team whilst providing additional capacity to manage the improvement activity. Ownership and responsibility for delivery remains within the Commercial Service. It takes a mixed economy model making use of secondment/fixed-term contracts and harnessing external support/expertise only where needed due to a lack of internal capability or the desire for some external challenge.
- c. Engage an external consultancy to review approach, develop and deliver solutions (not recommended) – this option proposes commissioning consultancy support to lead the improvement programme. This option is not recommended as it does not represent value for money and risks a lack of corporate ownership of change.

22. A more detailed options appraisal is set out below.

Option	Advantages	Disadvantages
Continue with existing resource capacity	<ul style="list-style-type: none">• No additional cost to the organisation• Led by Commercial Service	<ul style="list-style-type: none">• No additional capacity• Progress likely to remain slow• Risk of further delays due to resource demands elsewhere
Bolster team capacity (recommended)	<ul style="list-style-type: none">• Led by Commercial Service• Makes use of existing knowledge and technical expertise within the team• Supports internal buy-in and ownership of change• Represents value for money	<ul style="list-style-type: none">• Delivery may be impacted by time required to recruit to roles• Model may still be susceptible to other corporate resource demands

Commission consultancy led review	<ul style="list-style-type: none"> • Focussed resource that will not be impacted by other organisational priorities/resource demands • External and objective challenge of the status quo 	<ul style="list-style-type: none"> • This option is not considered to present value for money. Using benchmarking from government frameworks and bids received for similar projects, it is estimated that this option would involve consultancy day rates of between £750 - £1,400 per day with overall delivery likely to be in the region of £325k. This does not include the ERP specialist role set out in para, 21. • Risks lack of internal buy-in and ownership • External consultancy may not be best placed to understand and navigate the complexities of the City Corporation when developing policy proposals
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Proposals

23. It is proposed to refocus the improvement plan for the remainder of the 25/26 municipal year on the four priorities set out in paragraphs 8-15.

24. It is proposed to bolster internal capacity whilst maintaining internal ownership and responsibility for the improvement programme. This need for this additional resource is anticipated to continue until key products are delivered in May 20206. Ongoing resource requirements will be assessed to understand future needs. This will take into account capacity gains achieved through the improvement programme, organisational capacity and capabilities engaged as part of the corporate transformation programme and a potential reorganisation of the existing team.

25. The resource requirements for this year are set out in the table below and an organogram and outline of key responsibilities are provided in Appendix A.

Proposed additional resource	Responsibilities	Resourcing strategy
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Interim Head of Commercial Transformation	<ul style="list-style-type: none"> • Programme manage the delivery of the improvement programme • Review and analyse existing policy and process and identify solutions • Work with stakeholders to develop commercial ambitions to form the basis of a new Commercial Strategy 	Secondment/fixed-term contract or temporary worker
Interim Head of Procurement Business Partnering	<ul style="list-style-type: none"> • Lead the category management function • Develop category management approach developing category plans that maximise benefits from the market • Develop and improve stakeholder relations particularly with the Institutions 	Secondment/fixed-term contract or temporary worker
Procurement Policy Development lead	<ul style="list-style-type: none"> • Lead the development of the new policy framework including guidance materials, training and reporting formats • Develop stakeholder engagement and communications plan 	Fixed-term contract
Corporate Contract Manager	<ul style="list-style-type: none"> • Support for development of contract management model • Management of corporate contracts that lack clear ownership 	Secondment/fixed-term contract or temporary worker
ERP Procurement Specialist (funded by Programme SAPphire)	<ul style="list-style-type: none"> • Lead on Procurement implications for the transition to SAP and ensure integration with existing Commercial systems. 	Fixed-term contract
External consultancy support (on demand)	<ul style="list-style-type: none"> • Provide technical input where required including systems development • Provide assurance of delivery plans 	Procurement

26. This approach involves making use of the salary for the vacant Deputy Director, Commercial Strategy and Partnerships post to fund some of the additional resource required. Therefore, overall leadership of the improvement programme will sit with the Director, Commercial, Change and Portfolio Delivery.

27. The total funding requested from the Projects Contingency is £270,000 for 25/26. The breakdown of this is provided below:

Roles	Forecast cost (£000)
2x head of service	110
Policy and governance	50
Contract management	40
ERP specialist	40
Consultancy support	80
Sub-total	320
Programme SAPphire funding	(40)
Commercial vacancy	(20)
Contingency	10
Total required funding	270

Key Data

28. As part of this improvement programme, the Commercial Service will develop a range of reporting formats. It is proposed that that this Committee receive programme highlight reports on a monthly basis starting in November 2025.

29. The table below includes a summary of feedback from officer stakeholders regarding the types of intelligence required. The intention is to engage Members to further understand their requirements.

Function	Key Questions	Examples of metrics
Procurement	Are we demonstrating financial efficiency? Are we compliant and cost efficient in our procurement operations? Are we effectively managing contracts and suppliers? Is Responsible Procurement managed as BAU across Commercial team?	<ul style="list-style-type: none"> • Spend Under Contract • Savings delivered (Budget and cost avoidance) • Number of Waivers for sub-threshold spend • Supplier Diversity spend • % of contracts with carbon metric integrated

[Sub-headings]

Strategic implications – strategic procurement and contract management play an important role in enabling the delivery of the Corporation's strategic priorities and outcomes.

Proposals set out in the improvement plan are designed to facilitate service delivery and respond to feedback from stakeholders.

Financial implications – the report requests the allocation of £270k from the Finance Committee's Project Contingency. The improvements set out in this report will result in efficiency gains through improved process efficiency and effectiveness. The contract management model has the potential to achieve cashable savings, and this will be set out in the business case that is currently in development.

Resource implications – the proposals set out include the establishment of five additional temporary posts based in the Commercial Service. Existing members of the team will be invited to express an interest in the new posts in the first instance.

Legal implications – any legal implications of proposals for a change of approach from the existing Procurement Code will be fully assessed and any potential risks identified. The Comptroller's department are fully engaged in the development process.

Risk implications – there is a risk that we are unable to resource the additional roles at pace. This risk is being mitigated by pursuing multiple approaches including internal advert, temporary workers and retaining consultancy support that can be drawn on when needed.

Equalities implications – there are no direct implications from this report. Any new proposals and policy changes will be subject to Equality Impact Assessment.

Climate implications – no implications as a result of this report.

Security implications – no implications as a result of this report.

Conclusion

30. This report proposes the focussing of the Procurement Improvement Programme on four key areas for the remainder of this municipal year. These areas have been identified as they will drive significant change and meet the priority areas of concern for stakeholders.

31. The proposals set out require additional resource to deliver at pace and ensure improvement is achieved this year. The estimated recourse cost is £270,000.

32. The report requests the extension of the increased threshold (£20m) at which contract award approvals are presented to Court of Common Council to May 2026 when the new policy is due to be in effect.

33. Monthly progress reports will be provided to this sub-Committee on a monthly basis from November 2025.

Appendices

- Appendix A – interim organogram and role profiles

Background Papers

- Strategic Review of Procurement and Contract Management (09 December 2024)

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