

**Future  
Surrey**

# Surrey Procurement LGR Journey

22nd April 2026



# D&LGR – Procurement and Contracts - Context



Over **35,000** Registered Suppliers

**Contracts**  
+500 Expiring before Vesting

**Contracts**  
+20k Total Contracts & Agreements

Over **120,000** Data Fields Reviewed

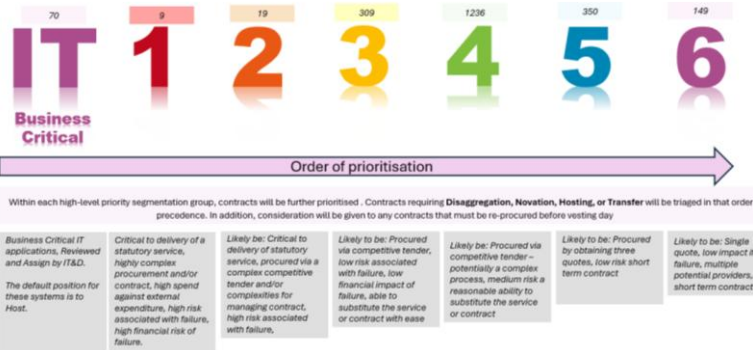
**12** E-tendering Systems  
**4** different Suppliers

## Programme - Themes and Workstreams (as at 9th March 2026)

Adults	Children's	Housing and Communities	Place	Finance and Property
<ul style="list-style-type: none"> <li>Legislative compliance</li> <li>Health and Care, Marking Shaping and Management</li> <li>Adults, Wellbeing and Partnerships Enabling Services</li> </ul>	<ul style="list-style-type: none"> <li>Service Delivery</li> <li>Information Management</li> <li>Commissioning &amp; Partnership Working</li> <li>Education</li> </ul>	<ul style="list-style-type: none"> <li>Housing And Homelessness (HRA and Non-HRA)</li> <li>Leisure, Cultural Services and Libraries (inc. Registrations and Coroners)</li> <li>Communities, Wellbeing and Engagement</li> <li>Community Safety</li> </ul>	<ul style="list-style-type: none"> <li>Highways &amp; Transport</li> <li>Waste, StreetScene and Environment</li> <li>Planning and Building control</li> <li>Regulatory Services</li> <li>Economy, Growth and Regeneration</li> </ul>	<ul style="list-style-type: none"> <li>Finance</li> <li>Land, Property and Assets</li> <li>Companies</li> <li>Revenues and Benefits</li> <li>Housing Revenue Accounts (Incl. Pensions)</li> </ul>
Procurement and Contracts	People & Governance	Customer & Corporate Services	IT & Data	Devolution/ Strategic Authority
<ul style="list-style-type: none"> <li>Vesting</li> <li>Governance</li> <li>People &amp; Structure</li> </ul>	<ul style="list-style-type: none"> <li>People, Workforce and Culture</li> <li>Governance Services (inc. Information Governance)</li> <li>Constitutional and Shadow Authority</li> </ul>	<ul style="list-style-type: none"> <li>Customer Services including Websites and Digital Services</li> <li>Corporate Support Services (including strategy and policy, transformation, performance management, leadership support, EDI etc)</li> <li>Emergency Management and Resilience</li> <li>Communications, Branding and Engagement</li> </ul>	<ul style="list-style-type: none"> <li>System Mapping and Day One Requirements</li> <li>Tech Fundamentals</li> <li>Architecture</li> <li>Systems</li> <li>Data</li> <li>IT &amp; D as a service</li> </ul>	<ul style="list-style-type: none"> <li>Preparations in anticipation of devolution and the creation of a (Mayoral) Strategic Authority</li> <li>Fire and Rescue</li> <li>Preparations in anticipation of creating a Combined Fire and Rescue Authority (currently an SCC function)</li> </ul>
<p><i>N.B. There are several dependencies that have been identified that Theme sponsors will work through together</i></p>				<p>*A timebound workstream has been set-up to prepare for the establishment of the <b>Shadow Authorities</b></p>

## Contract Prioritisation Matrix

All Contracts procured have been segmented according to their **Value, Risk, Complexity and Opportunity**.



# D&LGR – Procurement and Contracts - Contractual Options

Contracts can be transitioned to successor councils in one of two ways (Transfer or Novate).

Surrey order of precedent (left to right) for contracts will be:-

Transfer	Tri Party-Transfer	Host	Novation	Disaggregation
Simple transfer of the contract to a single successor via a Section 16 agreement	Transfer to multi councils via a Section 16 agreement Internally governed by a Inter Authority Agreements (IAA)	Transfer to a single Council via S16 . A single Council delivers services on behalf of another, governed by IAA .	A contract is novated to multiple councils with the Agreement of the supplier. Only basis Changes are required e.g. New legal Change	A contract is novated to multiple councils where services are complex, and it requires significant consultation and supplier negotiations.
Statutory right on Vesting Day			Contractual right*	

The Acts: - Local Government and Public Involvement in Health Act 2007 ("the 2007 Act"), and Local Government (Structural Changes) (Transfer of Functions, Property, Rights and Liabilities) Regulations 2008 ("the 2008 Transfer Regulations").

\* Where provisions are in the contract

# D&LGR – Procurement and Contracts - Safe and Legal Example

Safe and Legal in the context of the Procurement Service means: -

- Adherence to all applicable Procurement Laws and transparency laws
- Ensure all procurement activities comply with relevant Procurement and Contract Standing Orders (PCSO)
- Having a record of all contractual terms and conditions including a central repository of all contracts
- Ensuring a legally compliant set of terms and conditions covering the goods and services that are being procured
- Ensure the unitary authorities have the contractual right to access all relevant contracts
- Have clearly articulated hosting and/or Transfer arrangements via an Inter Authority Agreement covering the services that are being delivered between the entities

# D&LGR – Procurement and Contracts - SCC Core Principles

## Examples

- All procurement and contract decisions must prioritise uninterrupted service delivery to residents and service users and every contractual arrangement must be legally compliant and avoid gaps in authority or accountability
- Theme Leads and Executive Directors will **OWN** their contracts and provide a recommendation for extensions or vesting day actions
- Procurement will be responsible for **EXECUTING** all procurement and contracting changes, including vesting actions, in consultation with Directorates
- All procurement activity to be managed and approved through the Procurement Board in the first instance
- No new Procurements unless business critical and approved by Procurement Board / CLT
- All contract information should be managed through the Contract Management Hub (ConTrack360)
- Existing contracts that expire pre-vesting to be extended where possible using either approved extensions or those permitted under PCR2015 / PA23
- Contracts that expire within the first 12 months post-vesting to be extended where appropriate to do so, using either approved extensions or those permitted under PCR2015 / PA23
- There must be a balance of risk and liabilities within each authority for the Hosting of contracts

# D&LGR – Procurement and Contracts - Example Extension principles

## Scope of Contract Extensions

- Where possible prevent contract expiring within 12 months prior to Vesting Day, on Vesting Day, or within 12 months post-Vesting Day may be extended where appropriate using either:
  - Existing contractual extension options within the contract ; or
  - Permissible modification routes under PCR (Procurement Contracts Regulations) 2015 and Procurement Act 2023 (PA23).

## Avoidance of a Procurement “Cliff-Edge”

- Where possible, the new contract extensions end dates should be staggered to prevent concentrated procurement activity for the new unitary authorities during the immediate post-vesting period (Year 1 2027/28).

## Flexibility in Extension Terms

- All extensions should include appropriate flexibilities such as break clauses, volume variations, and other mechanisms that allow service adjustment during and post LGR transition.

## Proportionate Extension Durations

- Extension periods must balance continuity of service with limiting long-term commitments for the new unitaries. As a guideline, extensions up to the end of 2028 are generally considered reasonable unless risk, market conditions, category specific consideration (e.g. Place), or specific contract characteristics suggest otherwise.
- Extension periods must also account for the time required to carry out a compliant tendering process

## Continuity of Service

- Extension decisions must ensure uninterrupted service delivery, particularly for statutory or business-critical services.

# Some Do's

## Start Early

- Undertake preparatory work around contractual data (Grants, MOUs, SLA's etc)

## Build Reporting tools based on your contractual data

- Have a single repository of data and build where necessary links into CMS and E-procurement Systems

## BAU Procurement

- Ring fence the delivery of BAU procurement activity from the Programme and build conduits between the two

## Everything will need to have an LGA Lense

- Ensure clear communications across Procurement teams and Directorates so decisions are made with a LGA focus

## Think about how you are going to source post vesting day.

- Understand how the notices work and what system you will use. You will need an archive of your previous tenders and award data.

## Think about People & Culture how will the new team or teams work together

- Think about the future team structures, Category Mapping, Skills Maps, induction material, ways of working etc.

## What policies are you going to need on day one

- PSO/CSO, Social Value, Constitution, Modern Slavery statements, Procurement Strategy, Contract Management ?

## Contractual or Statutory rights

- Understand the Statutory regime (section 16 Transfer rights, section 24) and when you are relying on the contractual rights

## Seek advise

- A number of Councils have already gone through this, people are willing to share the good and Bad.

# Some Myths

## **BAU Procurement activity will decrease “We will stop buying things”**

- Our current pipeline activity is broadly inline with previous years, LGR will generate additional work, and procurements have been fast tracked pre section 24.

## **You will have enough capacity and capability**

- LGR generates a huge volume of work, try to separate BAU work from LGR work, have a dedicated team to delivery LGR, you will need additional resource pre and post vesting day. Specialist resources may be required for complex negotiations e.g IT, PFI etc

## **Don't make decisions until the shadow authorities are in place**

- BAU activity still needs to be delivered, but extension or re-procurement do need to be mindful of long-term consequences on new authorities (see extension principles)

## **It's a prefect time for service redesign and innovation**

- LGR should be seen as a transition not Transformation to a new authority, you may not have the time for Transformation, and any changes may not be the right model for the new authority.

## **The Project Ends on vesting day**

- The post vesting aggregation programme is likely to take between 3-5 years, Vesting day is the start for the new authority.

## **Supplier will have the capacity to deal with the change**

- Suppliers are already stating that they will not have the time to make the necessary changes to systems for vesting day

## **Compliance and Performance won't be affected**

It will, you will find numerous areas of non-compliance through the process (you will need to manage the risks)