

To: City Executive Board

Date: 12 November 2015

Report of: Head of Financial Services

Title of Report: Corporate Procurement Strategy 2016 to 2019

Summary and Recommendations

Purpose of report: To seek approval from the City Executive Board to adopt the Council's new Corporate Procurement Strategy 2016 to 2019.

Key decision No

Executive lead member: Councillor Susan Brown

Policy Framework: Corporate Plan objective for delivering an efficient and effective Council

Recommendation(s): That the City Executive Board resolves to approve the adoption of the Corporate Procurement Strategy for 2016 to 2019.

Appendices:

Appendix 1 – Corporate Procurement Strategy 2016 to 2019

Appendix 2 – Risk register

Appendix 3 – Equalities Impact Assessment

Appendix 4 – Action plan

Background

1. The Corporate Procurement Strategy sets out the vision and framework for procurement activities throughout the Council. This strategy replaces the current Procurement Strategy which was written to cover the period 2013 to 2016.
2. During this time the profile of procurement within the Council as well as within the sector has continued to rise and the demands placed upon the Procurement & Payments Team have significantly increased.

- 3 The proposed new strategy sets out the future direction of procurement within the Council and creates a framework for procurement which is aligned to the Council's Corporate Plan, as well as reflecting best practice and recommendations set out in the National Procurement Strategy for Local Government 2014.
- 4 The Corporate Procurement Strategy inter-relates with the Council's Constitution, specifically Contract Rules, which operationalise procurement. The proposed new strategy reflects new legislative requirements such set out in the UK Public Contract Regulations 2015.
- 5 A summary of the key changes included in the proposed strategy include:
 - Updates to reflect best practice – the strategy seeks to reduce bureaucracy through the simplification of processes such as increasing the threshold for using the procurement portal, introducing approved lists to help speed up contracts being let, making it easier for suppliers to do business with the Council, enabling officers to self-commission to expedite procurement which will create capacity within the corporate team.
 - The introduction of a category management approach – a strategic approach which organises procurement resources to focus on specific areas of spend in order to deliver greater efficiencies.
 - Updates to the contract management section to reflect proposed revisions to the Contract Management Framework.
 - The introduction of an Ethical and Sustainable Procurement Statement.
 - The addition of a procurement action plan covering the life of the strategy.
- 6 Consultation on the proposed strategy has been undertaken with a number of Heads of Service and senior managers.

Legal Issues

- 7 Public procurement operates in a highly regulated environment that is governed by legislation and policies set by the European Union, nationally through statute and case law. The following national legislation applies to procurement:
 - UK Public Contract Regulations 2015 (transposed from the EU Procurement Directives);
 - Remedies Directive 2009;
 - Public Services (Social Value) Act 2012;
 - Community Right to Challenge Regulations 2012;
 - Local Government Act 2000; and
 - Small Business, Enterprise and Employment Act 2015.
- 8 There is no legal requirement for the Council to have a Corporate Procurement Strategy. However, it is recommended as best practice by the Local Government Association.

- 9 Recommendations to amend the Council's Contract Rules, which support the operational delivery of the Council's procurement strategy, will be presented to Council in December, following approval of the proposed strategy.
- 10 To support the implementation and delivery of the strategy an action plan has been developed. The action plan is a working document and is therefore not appended to the strategy.

Financial Issues

- 11 There are financial implications directly related to this report.
- 12 Savings targets of at least 1% for particular categories of spend, and 1-3% from improving suppliers performance and the delivery of goods, services and works under contract. The achievement of the savings will be influenced by the annual work programme for procurement and overall demands on the corporate team.

Environmental Impact

- 13 There are no environment implications directly related to this report.
- 14 The strategy reflects the Council's continuing ethos to support local suppliers and the local economy.

Level of Risk

- 15 The risks associated with the implementation of this strategy are minimal. A risk register is attached as Appendix 2.

Equalities Impact

- 16 An equalities impact assessment has been completed. No impacts or risks have been identified from the assessment. Where relevant, equalities is a consideration for individual procurements.

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