

To: Cabinet
Date: 9 September 2020
Report of: Head of Financial Services
Title of Report: Procurement Strategy 2020-22

| Summary and recommendations | |
|--|---|
| Purpose of report: | To seek approval to a two year Procurement Strategy for the Council. |
| Key decision: | No |
| Cabinet Member: | Councillor Ed Turner, Cabinet Member for Finance and Asset Management |
| Corporate Priority: | All |
| Policy Framework: | Council Strategy 2020-24 |
| Recommendation: That Cabinet resolves to: | |
| 1. Approve the procurement strategy 2020-2022 | |

| Appendices | |
|-------------------|----------------------------|
| Appendix 1 | Draft Procurement Strategy |

Introduction and background

1. The current procurement strategy is out of date and a new 4 year strategy was due for implementation in April this year 2020.
2. Due to staffing issues, further complications of COVID19, Brexit and the future of the management of the procurement team the strategy was not finalised. It is proposed that it would be more prudent to adopt a two year strategy for continuous review through the Action Plan at Appendix 4 of the Draft Procurement Strategy and through internal stakeholder engagement.

3. It is proposed that the Draft Procurement Strategy (the Strategy) should be in place until 31st August 2022 with on-going reviews during the remainder of this financial year (2020-21) as the impact of COVID19, Brexit and other factors materialise.
4. Internal stakeholders have been engaged with and have provided input to the Strategy and the action plan which sets out how the Procurement Team will implement the strategy.
5. The Strategy has been circulated by email to the Operational Delivery Group and constructive feedback has been received, reviewed and included in this version of the document at Appendix 1.

6. Salient Points of the Strategy

The Strategy includes a number of areas, some new, which the Council and its Group of Companies is keen to incorporate into their procurement strategies going forward, the more significant areas of which are as follows:

- Ethical and sustainable procurement encompassing steps towards sustainable procurement for the team to build on.
 - Equality and Diversity in procurement incorporating a flow chart for Council Officers to consider in the application of equalities.
 - Equalities in Social Value encompassing some outcomes from the last year and a Social Value procurement statement and flow chart.
 - Procurement overall aims including electronic procurement, contract management, value for money, The contract Register and Procurement forward plan, transparency and the General Data Protection Regulation (GDPR).
 - Procurement action plan encompassing internal and external training, resource, potential constitution review, further work on Social Value and Equality and Diversity and Contract Management.
7. The Strategy sets out what has been achieved to date. Illustrating that the Council has achieved over and above what it required in certain areas such as Social Value, but that there is scope for improvement which is picked up in the action plan.
 8. The Strategy identifies that there is far more internal stakeholder engagement required to ensure that procurement becomes both proactive and supportive, but that the team also require further training internally on the requirements of the service areas.

Financial implications

9. Whilst there are no direct financial implications arising from agreement of the Strategy, clearly the absence of an agreed strategy could lead to increased costs being incurred by the Council or missed opportunities.
10. It is vital that the wholly owned companies (ODSL and OCHL) work with the Council in relation to procurement to ensure that there is not a duplication of tendering and contracts, potentially disaggregating spend and diluting the financial savings arising from Group buying power. It is also important that all the Council's companies are considered in all procurements and named to co-use the contracts

where it is deemed practical to do so reducing on costs and hopefully driving more value for money for all the Council owned companies. This is currently achieved by the sharing of a Procurement Manger providing oversight, maximising the value it gets from contract spend across the Council. If this situation were to alter, consideration would need to be given as to how the Council and its wholly owned Companies would work together to ensure that full engagement across procurement is maintained and improved.

Legal issues

11. There are no known legal implications of adopting the strategy. However adopting an up to date procurement strategy will assist the Council to be mindful of and comply with the relevant legislative framework. Procurement operates in a highly regulated environment governed by the Council’s internal procedures and rules such as the Contract Rules in the Constitution and legislation such as the UK Public Contract Regulations 2015, The Concession Contracts Regulations 2016 and the Utilities Contracts Regulations 2016. The Public Services (Social Value) Act 2012 will be applicable to pre-procurement procedures and the Council must consider how any services it is considering procuring might improve social priorities and the wellbeing of the service area. Policies relating to procurement currently set by the European Union may, through Brexit, be subject to change although it should be noted that the UK will still be treated as an EU member state during the Brexit transition period .

Level of Risk

12. There are no known risks

Equalities impact

13. There is no known Equalities impact however Equalities in procurement has been added to this Draft Procurement Strategy at Appendix 1.

| | |
|----------------------------|--|
| Report author | Annette Osborne |
| Job title | Procurement Manager |
| Service area or department | Financial Services |
| Telephone | 01865 335498 |
| e-mail | annette.osborne@odsgroup.co.uk |

This page is intentionally left blank