

Report of the Strategic Director Corporate Resources to the meeting of the Executive to be held on Tuesday 1st December 2020

CP

Subject:

Procurement Strategy 2021-2025

Summary statement:

The Procurement Strategy is a key document that outlines the Council's procurement vision and aims over the next four years.

The Procurement Strategy is an enabling strategy for the Council Plan within the priority area of an 'Enabling Council'.

The report provides a summary of the Council's Procurement Strategy 2021-2025 for Members to consider. The strategy is attached at Appendix 1.

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Portfolio:

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Overview & Scrutiny Area:

Corporate

1. SUMMARY

1.1. This report summarises the Council's Procurement Strategy 2021-2025 and seeks approval of the Executive and recommendation to Council for adoption.

1.2. The Procurement Strategy 2021-2025 is attached at Appendix 1

2. BACKGROUND

2.1 The Procurement Strategy is a key document that outlines the Council's procurement vision over the next four years. The Procurement Strategy is an enabling strategy for the Council Plan within the priority area of an 'Enabling Council'.

2.2 The strategy is not intended to be a service improvement plan for Procurement Services but an outward facing document which signals the Council's intentions with regards to the procurement function over the next four years. It will also help align procurement activity across the Council behind the deliverables striving for key common goals, consistency in approach and a higher profile across the Council. Procurement is a key enabler to almost everything the Council does.

2.3 The Procurement Strategy 2021-2025 represents the Council's procurement aims and objectives for the next four years. This strategy will develop as the transformation and modernisation of the procurement function takes place, and it will incorporate a change in methods and techniques designed to meet the varying requirements of the Council and future procurement reforms post Brexit transition period and in the recovery from COVID19.

2.4 There are two key policy documents that underpin the delivery of the Procurement Strategy; the Contracts Standing Orders and the Social Value and Inclusive Growth Policy.

2.5 The transformation and modernisation programme must include discussions about the Council's attitude to risk throughout the procurement process and in its procurement decision making to achieve its goals.

2.6 The vision for this strategy is to provide a procurement function that is *respected and trusted by stakeholders both internally and externally* and a service that will:

2.6.1 Support local businesses and work to enable the third sector in its activities and enable the local market, both large and small organisations, to feel able and willing to work with the Council.

2.6.2 Deliver tangible social value and inclusive growth to the benefit of the residents of the District specifically addressing climate and environmental issues.

2.6.3 Be an influencer in shaping procurement with public sector organisations within the District.

2.6.4 Achieve value for money through procurement and contract management

practice for the Council and the residents of the District.

3 KEY DELIVERABLES

3.1 The Procurement Strategy focuses on five key deliverables:

3.2 Enhanced and Embedded Social Value and Inclusive Growth

3.2.1 This deliverable will ensure that all our procurement activity develops the District's economy in a way that includes and benefits everyone. This includes increasing our forward planning, publishing detailed procurement pipeline plans to allow the market to be aware of our intentions to be able to plan and engage with us.

3.2.2 This deliverable is key to implementing a revised social value and inclusive growth policy that will enable tangible social value outcomes from all our procurements addressing Council priorities such as the climate emergency, modern slavery, Fairtrade and equality and diversity within our supply chain.

3.3 Good Governance

3.3.1 This will ensure that our processes, whilst meeting regulatory requirements, are fit for purpose and support streamlined and flexible procurement activity, both with our first tier suppliers and throughout our supply chain, our aim is to be easy and efficient to deal with and 'open for business'.

3.3.2 The Council must aim to have procurement professionals involved in projects as early as possible to shape procurement strategy and to propose and deliver solutions.

3.3.3 Good governance will be reflected by the high standards of probity that our procurement processes will be subject to with appropriate gateway approvals to mitigate any risks.

3.4 Behaving Commercially

3.4.1 The Council's procurement professionals will think in terms of outcomes rather than process which will challenge disproportionate and bureaucratic procedures. We will engage with suppliers to ensure that we understand our markets and our economy and through our forward planning encourage suppliers to engage with us.

3.5 Developing the Procurement Community

3.5.1 The strategy strives to deliver consistency of practice by procurement professionals across the Council and the District.

3.5.1 Key stakeholders in this deliverable are the Council's partners in other public sector bodies such as the university, the NHS and CCG, the regional local authority procurement forum YORprocure, the Chamber of Commerce, Federation of Small

Businesses, YPO, the VCSE etc. The Council must maintain relationships, presence, collaboration and influence on procurement in these forums.

3.6 Digitally Transforming our Procurement Processes

- 3.6.1 Transactional processes must be as effective and efficient as possible so that payment can be made promptly to the benefit of suppliers and Council accordingly.
- 3.6.2 Work is already underway to improve transactional processes through the procurement of a content management solution to process invoices and payment in a more effective manner leading to a more sophisticated process for prompt payment.
- 3.7 Over the term of the strategy the procurement function will be measured by the following headline indicators;
 - 3.7.1 Increases in third party spend with local providers with an aspiration to achieve 60%, in line with the Council's Economic Strategy and Council Plan.
 - 3.7.2 Year on year increase in spend with the local Voluntary Community Social Enterprise sector.
 - 3.7.3 Prompt payment made to our suppliers.
 - 3.7.4 Further indicators will be established as part of the procurement KPI's relating to social value, governance, commerciality and digitalisation.

4. FINANCIAL & RESOURCE APPRAISAL

- 4.1 There are no financial implications associated with the Procurement Strategy 2020-2025

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

None

6. LEGAL APPRAISAL

The Public Contracts Regulations 2015 encourage market engagement and early consultation with suppliers, along with the transparency of publishing concise, clear documentation in advance. The procurement strategy aims for this will assist in legal compliance.

The move to publish procurement pipelines and upcoming requirements will allow for fuller consultation times within the Council to allow for departments to collate requirements and seek the relevant assistance from procurement support and legal officers, which will in turn ensure robust procurement processes that protect the Council. Corporate governance considerations will be met when time is allowed for the decision-making process through increased visibility of intention.

The improvements to be made to the documentation used in procurement processes will increase compliance and reduce the need for clarifications and dialogue with suppliers during procurement processes, which will ensure the Council's strong position as a procurer in the commercial sector. The procurement documentation will assist the Council in fulfilling its regulatory requirements under legislation including the Social Value Act 2012 and the Modern Slavery Act 2015 by incorporating these requirements.

The Council's Contract Standing Orders and the Public Contracts Regulations will govern all procurement activity.

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

The implementation of the Procurement Strategy 2021- 2025 will promote equality and diversity in the supply chain. Whilst ensuring that our money is not only delivering high goods works and services but also promoting equality of opportunity. Equality and diversity objectives will be incorporated in to our strategies, policies and delivery and we will expect our suppliers to promote equality within their businesses.

The promotion of equality in procurement will help us deliver more responsive, accessible and appropriate services that meet the needs of the districts residents.

7.2 SUSTAINABILITY IMPLICATIONS

Sustainability will be delivered through the Council's social value and inclusive growth in procurement policy which will be relaunched during the lifetime of this strategy. Organisations that interact with the Council will be required as part of their bids to identify where they can support the following;

- Carbon emissions are reduced
- Air pollution is reduced
- Safeguarding the natural environment
- Resource efficiency and circular economy solutions are promoted
- Sustainable Procurement is promoted

The Procurement Service are also key stakeholders in the Council's general approach to Sustainability.

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

Greenhouse gas emissions impacts will be delivered through the Council's social value and inclusive growth in procurement policy which will be relaunched during the lifetime of this strategy. Organisations that interact with the Council will be required as part of their bids to identify where they can support the following;

- Carbon savings from energy efficiency measures on site (e.g. increased use of renewables)
- Embodied Carbon reductions in CO₂e emissions
- Offset embodied carbon emissions from construction material
- Carbon offset fund payments against new developments

- Percentage of fleet or construction vehicles on the contract that is at Least Euro 6 or LEV
- Fleet emissions monitoring programme on the contract, including data collection (miles, type of vehicle, engine type, emission standard)
- Offsets or mitigation initiatives on biodiversity delivered whenever restoration is not available, and when implemented beyond legislative or regulatory requirements: Natural Capital Approach carbon sequestration and air quality benefits
- Volunteering with environmental conservation initiatives or engagement in multi-stakeholder and advocacy initiatives around environmental conservation and sustainable ecosystem management - resources invested including time, funds and in-kind contributions

7.4 COMMUNITY SAFETY IMPLICATIONS

None

7.5 HUMAN RIGHTS ACT

None

7.6 TRADE UNION

None

7.7 WARD IMPLICATIONS

None

7.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS (for reports to Area Committees only)

None

7.9 IMPLICATIONS FOR CORPORATE PARENTING

None

7.10 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

None

8. NOT FOR PUBLICATION DOCUMENTS

8.1 None

9. OPTIONS

9.1 The **recommended option** is that the Procurement Strategy 2021-2025 is approved by the Executive and recommended to the Council for adoption.

9.2 Members may wish to support some parts of the Procurement Strategy 2021-2025 and make their own recommendations.

9.3 The 'do nothing' option is not recommended. The Council currently does not have a document which sets the direction and vision for the procurement function.

10. RECOMMENDATIONS

Recommended –

That the Procurement Strategy 2021-2025 be approved and recommended to Council for adoption.

11. APPENDICES

11.1 Appendix 1 – Procurement Strategy 2021-2025

12. BACKGROUND DOCUMENTS

12.1 [Contracts Standing Orders](#)

12.2 [Social Value and Inclusive Growth Policy](#)