

Bath & North East Somerset Council

MEETING:	Cabinet	
MEETING DATE:	10 th April 2013	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2539
TITLE:	Procurement Strategy 2013 - 2017	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1: Procurement Strategy 2013 – 2017		

1 THE ISSUE

The Council spends around £190M each year commissioning goods, works and services. Significant changes to the regulated environment and the continued likelihood of increased financial pressures means now is the time for the Council to focus on how its procurement activities can make a positive improvement in supporting the local economy. A new procurement strategy is therefore being proposed in order to achieve value for money and take into account the Social, Economic and Environmental wellbeing of the area.

2 RECOMMENDATION

The Cabinet agrees that:

- 2.1 The Procurement Strategy attached at appendix 1 should be adopted for the period 2013 – 2017 and that the five key principles laid out in the strategy should guide all procurement activities over this timeframe.
- 2.2 The actions outlined in the strategy are to be implemented with effect from April 2013 and updates on progress will form part of the corporate performance management arrangements and also be subject to Cabinet review.

3 FINANCIAL IMPLICATIONS

3.1 The Council spends around £190m each year on commissioning goods, works and services. Achieving value for money is clearly critical and this will mean supporting services in their drive to balance future budget targets by focussing on our local economy. Creating a vibrant business sector which continues to invest in our community will bring with it wider financial rewards for the whole area.

3.2 Failure to adopt a robust procurement strategy which clearly sets out a consistent approach to procurement and commissioning will not only mean that potentially best value is not achieved but will also expose the Council to the risk of challenge for adopting non-compliant processes. Such challenges can cost both time and money to resolve and poor or inconsistent practice will inevitably lead to increased costs and an inefficient use of resources.

4 CORPORATE OBJECTIVES

- *Creating neighbourhoods where people are proud to live*

The commissioning and procurement framework (the new process through which all commissioning and procurement projects will pass) requires staff to ‘listen and engage’ with stakeholders and all other interested parties. Involving communities in helping to shape the way in which services are commissioned and delivered is an important part of the strategy. Citizens with ideas on how services can be improved or better focussed on their needs are encouraged to talk to the Council. It is anticipated that this increased engagement with local neighbourhoods will improve the connection of people to their communities. New processes are in place to track ‘Right to Challenge’ proposals and ensure all good ideas are followed up.

- *Building a stronger economy*

The strategy lays great emphasis on how through focussing on the needs of local citizens and engaging with local businesses the local economy can be strengthened. All those engaged in the procurement process are urged to ‘Think Local’ and this theme runs throughout the strategy.

5 THE REPORT

5.1 Procurement Strategy 2013 -17: Delivering Social Value for our Community.

5.2 The strategy covers the period 2013 – 2017 and is based around five key principles which will guide all procurement activity –

- a) Economic, Environmental and Social Wellbeing;
- b) Collaboration and Consolidation;
- c) Cost Reduction and Control;
- d) Knowledge and Skills;
- e) Transparency and Accountability.

- 5.3 These principles will be underpinned by Leadership and commitment to make it happen through the application of a new Commissioning and Procurement framework.
- 5.4 The strategy is based on the premise that by helping to support and develop the local economy through our procurement activity we will make significant improvements to the economic, environmental and social wellbeing of our communities.
- 5.5 The business transformation plans already in place have resulted in significant successes in terms of controlling costs, making better use of resources and the adoption of smarter ways of working. The procurement strategy is designed to support these improvements and form an integral part of overall business transformation activities
- 5.6 Economic environmental and social well-being will be addressed through a variety of measures. Local businesses will be encouraged to apply for Council business. Social value considerations will be included in contract specifications such as quantifying local job opportunities, creating apprenticeships and addressing other identified social environmental or economic needs across the geographic area of the Authority.
- 5.7 Teams will be integrated for the purposes of running cross service contract opportunities so that working as one Council, contracts may be consolidated, costs reduced and services run more efficiently
- 5.8 Consistency in the way contracts are evaluated will be achieved through the adoption of standard templates, common price/quality evaluation models and simplified processes that are proportionate to risk and value. Target savings will be built in to initiatives, monitored and reported against plan
- 5.9 A sound understanding of the markets in which procurement and commissioning activities take place will be encouraged through the adoption of an on-going capacity development programme. Team structures will be enhanced through the adoption of a 'matrix management' arrangement which will bring together the experiences and knowledge of service specific staff and procurement and commissioning professionals. Training programmes will also be provided for suppliers and partner organisations to ensure there is mutual understanding of needs and opportunities
- 5.10 The new Commissioning and Procurement framework will improve governance, consistency and accountability of decision making. It will guide process and provide transparency and help ensure all commissioning and procurement activities are conducted fairly and proportionately according to the levels of risk and expenditure.

6 RISK MANAGEMENT

- 6.1 The report author and Lead Cabinet member have fully reviewed the risk assessment related to the issue and recommendations, in compliance with the Council's decision making risk management guidance.

7 EQUALITIES

- 7.1 An Equalities Impact Assessment has been completed. No adverse or other significant issues were found.

8 RATIONALE

- 8.1 The strategy is an essential guide to how officers need to conduct their commissioning and procurement activities over the coming years. Following extensive consultation it represents the identified actions this Council will need to adopt in order to comply with its own financial and organisational objectives and to comply with new national regulatory requirements that have either just been introduced or which are about to be introduced during the period covered by this strategy.

9 OTHER OPTIONS CONSIDERED

- 9.1 Failure to publish a strategy is not an option. This strategy has been developed following an extensive series of consultations and takes account of the Council's statutory obligations with regard to its procurement and commissioning activities.

10 CONSULTATION

- 10.1 Full consultation has taken place with the Cabinet Member with executive responsibility for Resources; Procurement and Commissioning Staff; Strategic and Divisional Directors of other B&NES Services; Service Users; Section 151 Finance Officer; the Chief Executive and Monitoring Officer.
- 10.2 A series of workshops and meetings have been held over the autumn and winter period (2012/2013) to establish common themes that all services feel will address their procurement and commissioning needs. Various iterations of the strategy have been drafted and circulated and the attached version represents the consensus of all comments received.
- 10.3 A separate working group has developed and agreed the procurement and commissioning framework as this represents the core of the proposed new way of working.

11 ISSUES TO CONSIDER IN REACHING THE DECISION

11.1 In developing this strategy, care has been taken to ensure issues of Social Inclusion; compliance with other corporate policies; Health & Safety, Economic Development and other Legal Considerations have been comprehensively addressed. The cabinet is asked to confirm their agreement that this strategy has given due consideration to these issues.

12 ADVICE SOUGHT

12.1 The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

Contact person	Jeff Wring, 01225 477323
Sponsoring Cabinet Member	Councillor David Bellotti, Cabinet Member for Community Resources
Background papers	<p>The Public Contracts Regulations 2006 (as amended by the Public Contracts and Utilities Contracts (Amendment) Regulations 2007 and the Public Procurement (Miscellaneous Amendments) Regulations (2011) implement the EU rules relating to services, supplies or works procurements entered into by public bodies (the Public Contracts Regulations);</p> <p>The Remedies Directive was brought into force by the Public Contracts (Amendment) Regulations 2009</p> <p>The Public Services (Social Value) Act 2012 introduced a statutory requirement for public authorities to have regard to economic, social and environmental well-being in connection with public services contracts.</p>
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