

## Bath & North East Somerset Council

MEETING/  
DECISION  
MAKER:

**Resources Policy Development & Scrutiny Panel**

MEETING/  
DECISION  
DATE:

**27th July 2016**

EXECUTIVE FORWARD  
PLAN REFERENCE:

TITLE:

**“Think Local” Procurement Strategy 2013-2017**

WARD:

All

### AN OPEN PUBLIC ITEM

#### List of attachments to this report:

Appendix 1 : “Think Local” Procurement Strategy 2013-2017

Appendix 2 : Review of Progress against Action Plan

Appendix 3 : “Think Local” Dashboard 2015/16

## **1 THE ISSUE**

- 1.1 The Strategic Procurement Team is supporting the Cabinet Member for Finance & Efficiency to review and update the Council's "Think Local" Procurement Strategy. The Council will launch a revised 3 year strategy in 2017/2018 and is seeking the views of the Resources Policy Development & Scrutiny Panel.

## **2 RECOMMENDATION**

- 2.1 The Panel is asked to note the report and feedback comments to allow the Cabinet Member for Finance & Efficiency to develop a revised strategy for 2017-2020.

## **3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

- 3.1 The Procurement Strategy is delivered within existing budgets.

## **4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL**

- 4.1 The Council has to comply with the Public Contract Regulations 2015 and a wide variety of other legislation which is highlighted within the Council's Contract Standing Orders.

## **5 THE REPORT**

- 5.1 In 2013 the Council launched a new Procurement Strategy (See **Appendix 1**) with the following objectives

- (1) To prioritise Social Value for our community. This means targeting opportunities for the local economy, providing for a sustainable future and supporting the vulnerable.
- (2) To always aim to think innovatively and work across organisational and service boundaries. This means identifying opportunities with partners and a one-council approach to our sourcing needs.
- (3) To always aim to deliver value for money to the taxpayer. We will provide clarity on expectations, be commercial in our approach and drive efficiency and benefits out of our systems.
- (4) To use intelligent information and analysis to understand our market place and create a workforce with the right capacity and skills to exploit this knowledge for our community.

- (5) To provide a fair, consistent and proportionate framework of governance, rules and guidance to enable us to be transparent and accountable for our decisions.

5.2 All strategy documents are aspirational and the 'Think Local' Procurement Strategy set some very high aims for the Council which it has in general achieved. **Appendix 2** identifies progress against the action.

5.3 The key achievements are:-

- (1) Increasing the use of local supplier from 28% in 2013 to 40% in 2015. This helps re-circulate money in the local economy
- (2) Increasing the use of SME's from 52% in 2013 to 61% in 2015

5.4 These achievements have been built on:-

- (1) Implementing a Social Value Policy & Toolkit
- (2) Developing new Contract Standing Orders that reflect the Council's "Think Local" Policy as well as the Public Contract Regulations 2015 and the Lord Young reforms
- (3) Professionalising the Procurement team and providing a comprehensive training programme to upskill staff across the Council
- (4) Regular "meet the buyer" events to support the local business community in bidding for Council work

5.5 There are things that can still be improved in particular:

- (1) We need to provide further support around Social Value. Suppliers of all sizes are still struggling with the concept and the Council is still not maximising the non-financial benefits that can be obtained.
- (2) We need to develop a consistent contract management framework across the Council that reflects both supplier relationship management (the soft skill) and contract administration. We are developing a proportionate framework that reflects best practice.
- (3) We still need to improve the process for developing the Council's Commissioning Intentions. We have undertaken a number of workshops with Directorates that will allow us to develop the process.

5.6 In 2014 the LGA launched the National Procurement Strategy. In many ways B&NES was ahead of the game with its "Think Local" Strategy and has influenced the shaping of national strategy as a member of the South West Procurement Board. There would be benefits in aligning with the National Procurement Strategy, whilst ensuring local priorities are still met.

5.7 There are a number of issues on the horizon that we need to consider:

- (1) Regional devolution
- (2) The impact of Brexit
- (3) The impact of schools converting to Academies
- (4) Changes in technology (P2P processes)

Contact person	<i>Richard Howroyd</i>
Background papers	<a href="#"><u>National Procurement Strategy</u></a>
<b>Please contact the report author if you need to access this report in an alternative format</b>	

Appendix 2

<b>“Think Local” Procurement Strategy – Action Plan</b>			
		<b>Implementation</b>	<b>Comments</b>
<b>Economic, Environmental and Social Wellbeing</b>			
Stronger communities will be built through the development of sustainable solutions.	<p>Economic, Environmental and Social considerations will be included in Service contract evaluation criteria and in other contracts wherever appropriate.</p> <p>Guidance and training will be provided to Commissioners and Service Providers on how this can be achieved including examples of the range of added value options that might be included in bids.</p>	Fully	The Council has established a Social Value Policy and Toolkit which is now integrated into the Council’s revised Contract Standing Orders which were adopted in December 2015
Economic, Environmental and Social wellbeing needs will be established and prioritised.	Research will be undertaken so that appropriate guidance can be given to staff when constructing tender documentation and evaluating bids	Fully	As above.
Improvement needs are understood well defined and communicated	A continuous programme of engagement with service users, stakeholders, potential providers and all other parties involved will be undertaken. This will help ensure that all aspects of social value are appropriately addressed.	Partial	Whilst there has been strong engagement with all stakeholders; many bidders are still struggling to articulate social value in their bids.
<b>Collaboration and Consolidation</b>			
Ensure the purchasing power of	All Commissioners and Procurers are	Fully	Some good examples across

<b>“Think Local” Procurement Strategy – Action Plan</b>			
		<b>Implementation</b>	<b>Comments</b>
the Council is maximised	required to consider options for collaboration in the local B&NES area. Where the local market place is unable or cannot deliver a product or service then we should consider collaborating with other external buying organisations, especially in the South West.		the Council, including leading on a number of social care DPS arrangements
Sharing workloads, ideas and best practice	<p>Responsibility for undertaking projects will mostly be delivered by a „virtual team“ of commissioning and procurement staff working across services.</p> <p>This virtual team will periodically come together as part of a corporate group and review opportunities for internal collaboration and the sharing of resources.</p>	Fully	<p>The Procurement Team has been restructured to facilitate new ways of working.</p> <p>This is supported by two key IT systems, ProContract (e-procurement) and Atamis (spend analysis)</p>
Similar requirements across services to be consolidated where appropriate	Category management principles will be applied to methods of working. This will avoid duplication of resources, maximise improvement opportunities and service value.	Fully	Category management is used where appropriate.
Collaboration with other Sectors	Efforts to be focussed cross sectors, i.e. Universities and Utilities, where combined working will deliver improved opportunities in the local economy. The Bath and North East Somerset appointed Partnership Manager will	Fully	Close working with Partners in Procurement and the West of England LEP to promote opportunities.

<b>“Think Local” Procurement Strategy – Action Plan</b>			
		<b>Implementation</b>	<b>Comments</b>
	ensure governance arrangements are effective and mutual benefit is obtained by any participating agencies.		
<b>Cost Reduction and Control</b>			
Improve operational efficiency and make collaborative working easier.	<p>Ways of exchanging data between buying organisations and with suppliers will be explored.</p> <p>Processes will be reviewed to ensure the time and effort required by suppliers to bid for work for more than one organisation is reduced.</p>	Fully	<p>All processes are compliant with PCR 2015</p> <p>Innovations established such as NEPRO to reduce burden on some categories of suppliers.</p>
The wide variation in price/quality evaluation criteria will be reduced and the right emphasis made on Social Value.	<p>Standard price and quality weightings will be introduced as a starting point, however in all cases these can be varied up or down depending on the sector and need;</p> <p>As a guideline the weighting proportion should be 50% price and 50% quality for contracts in the care sector and 60% price and 40% quality for all other contracts;</p> <p>Quality criteria include a range of technical characteristics, customer service, innovation, product and service standards and Social Value.</p>	Fully	All reflected in revised CSO's and other guidance provided to staff.

<b>“Think Local” Procurement Strategy – Action Plan</b>			
		<b>Implementation</b>	<b>Comments</b>
	<p>It will be expected that Social Value, i.e. recognising the local economic, environmental and social improvements that can come from each procurement, such as new jobs, apprenticeships and reducing carbon footprint, should as a guide be a minimum of 20% of all marks within any price/quality model;</p> <p>The new gateway processes will allow the right challenges to be made to ensure the appropriate weighting is agreed and approved.</p>		
Best value to be obtained consistently throughout the life of the contract.	Although the relative weighting of price versus quality will be lower in the case of some contracts, it will continue to be a requirement for staff to take a “commercial” approach to commissioning.	Fully	All reflected in revised CSO’s and other guidance provided to staff.
Adherence to contract terms	Contract management skills will be enhanced across the Council through increased training and the sharing of best practice. This will help to ensure contractors work jointly with the Council to continuously improve services.	Partial	In process of developing a contract management toolkit which will be supported by a training programme.
<b>Knowledge and Skills</b>			
Business relationship management	The Corporate Commissioning and Procurement Service will work with	Fully	New structure in place with clear reporting lines.



<b>“Think Local” Procurement Strategy – Action Plan</b>			
		<b>Implementation</b>	<b>Comments</b>
	service areas to agree respective responsibilities to ensure there is mutual understanding of requirements.		
Using the commissioning and procurement framework	Usage will be kept under continuous review to ensure best practice is followed and the benefits of improved technology are harnessed	Fully	The framework is built into CSO's and ProContract
Usage of other available support systems and technology	The use of improved procurement technology and other commissioning tools and templates will be monitored through a rigorous compliance process. This will draw attention to any lapses and indicate any necessary corrective action	Partial	Currently reviewing this area in terms of end to end Purchase to Pay process.
Need for an on-going procurement training programme to support officers undertaking commissioning and procurement.	<p>Training will be accessible as a corporate training event delivered periodically according to need, be backed up with on-line learning.</p> <p>Individual support covering operational procedures will be delivered face to face by the Corporate Commissioning and Procurement Service and will be backed up with on-line learning resources. All staff will be required to achieve a level of commissioning and procurement competence before using the Councils</p>	Fully	<p>The Procurement Team have delivered a number of training programmes including EU Procurement and an ongoing training programme “How to keep procurement of your back”</p> <p>Staff are now only allowed access to procurement systems following specific training.</p>

<b>“Think Local” Procurement Strategy – Action Plan</b>			
		<b>Implementation</b>	<b>Comments</b>
	<p>e-procurement systems. Full access to systems will only be given once training is successfully completed.</p> <p>A regular analysis of Staff Training needs will inform the nature and content of the training programmes and these will be periodically refined, amended or otherwise adjusted to suit training needs.</p>		Specific training needs are also being identified, in particular around lesser used procurement routes (for example competitive dialogue and DPS)
Support for local service providers	A mixed economy of service providers will be actively sought, in order to help build capacity locally and contribute to the development and capability of third sector and small and medium enterprises	Fully	Regular supplier engagement events across the B&NES area as well as service specific events.
Engagement with the Council’s citizen and business communities to provide training, support and market development.	Misplaced perceptions about barriers to trading with the Council will be overcome through a programme of listening and engagement to ensure any concerns are addressed.	Fully	Regular supplier engagement events across the B&NES area as well as service specific events.
<b>Transparency and Accountability</b>			
Approach to procurement and commissioning to be consistently applied	The adoption of a standard commissioning and procurement framework model will ensure processes follow a consistent standard	Fully	The framework is built into CSO’s and ProContract
Commissioning intentions to be freely available	All service areas will provide a forward looking annual update on their future programme of commissioning and	Partial	This has proved to be very difficult. We are just about to publish an updated

<b>“Think Local” Procurement Strategy – Action Plan</b>			
		<b>Implementation</b>	<b>Comments</b>
	<p>procurement activity and this will be published on the Council’s website.</p> <p>The gathering of this information centrally will help ensure an appropriate level of professional input is given to support the implementation of these plans and provide transparent information to service providers and other Relevant Bodies who may wish to exercise their right to challenge the way in which the Council delivers its contracts.</p>		Commissioning Intentions.
Encouraging service improvement ideas	<p>All service areas will be encouraged to listen and engage with their potential providers and be prepared to receive ideas on how services may be improved. In this way good ideas can be implemented quickly and thus save organisations the time and effort of following the full regime of the right to challenge process.</p>	Fully	Regular supplier engagement events across the B&NES area as well as service specific events.
Transparent processes to be followed	<p>Training programmes and guidance provided on the Framework will emphasize the importance of following procedures. This will ensure that the Council complies with its obligations to be transparent in all of its commissioning and procurement processes.</p>	Fully	This has formed a key element of the training provided to staff.

[« Go to Dashboard List](#)

## Procurement Team - 'Think Local' - All

Find a dashboard...

Edit

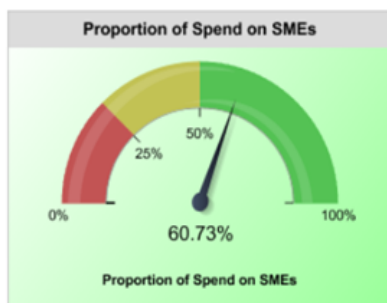
Clone

Refresh

As of Today at 11:23

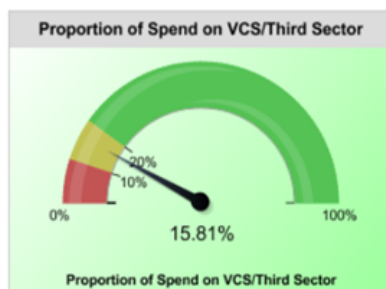
All reports are based on expenditure in the Previous FY unless otherwise stated.

### Size



Proportion of spend on SMEs, based on suppliers where company size is known

### Sector



Proportion of spend on VCS/Third Sector, based on suppliers where company sector is known

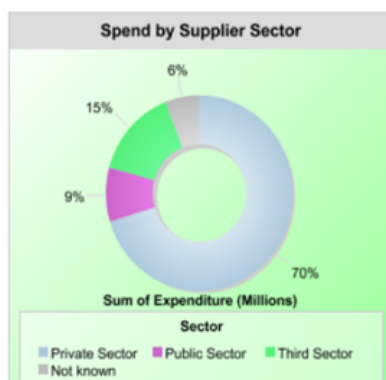
### Location



Proportion of spend on Local Suppliers, based on suppliers where location is known



"Other/Not known" includes public sector and organisations not matched to DUNS. Click for breakdown by Category



Click for breakdown by Supplier Sector and Size

