

## Bath & North East Somerset Council

MEETING/ DECISION MAKER:	<b>Cabinet</b>	
MEETING/ DECISION DATE:	<b>9<sup>th</sup> September 2021</b>	EXECUTIVE FORWARD PLAN REFERENCE:
		<b>E 3268</b>
TITLE:	<b>Procurement &amp; Commissioning Strategy</b>	
WARD:	All	
<b>AN OPEN PUBLIC ITEM</b>		
<b>List of attachments to this report:</b> Appendix One – B&NES Procurement & Commissioning Strategy		

### 1 THE ISSUE

- 1.1 The Council's previous Procurement "Think Local" Strategy was very successful in terms of modernising the procurement approach within B&NES and delivery innovation as well as implementing the Public Contract Regulations 2015.
- 1.2 The Council needs to update its strategy to consider legislative changes following the United Kingdom's departure from the European Union (The Public Procurement (Amendment etc.) (EU Exit) Regulations 2019)
- 1.3 The Government has published the Green Paper "Transforming Public Procurement" and will implement new regulations in early 2022. Tackling the climate emergency will form an important part of the new regulations and our proposed Strategy takes account of these requirements and will also align with the Council's Corporate Strategy

### 2 RECOMMENDATION

**The Cabinet is asked to;**

- 2.1 **Adopt the B&NES Procurement & Commissioning Strategy** – "Think Climate, Think Local, Think Innovation"
- 2.2 **Delegate authority** to the Director of Finance in consultation with the Cabinet Member for Resources to update the Strategy to reflect future changes to the national statutory framework

### 3 THE REPORT

3.1 The Procurement & Commissioning Strategy is attached at **Appendix One**.

3.2 The strategy has four key objectives which aim to maximise value for money and together with their associated actions, will support positive change across the Council. They are:

- 1 *Consider the carbon footprint and environmental impact of all products and services bought by the Council over their lifetime.*
- 2 *Consider suppliers' capability to address these environmental impacts throughout the supply chain when awarding contracts.*
- 3 *Encourage use of local suppliers to further reduce the Council's Carbon Footprint.*
- 4 *Encourage innovation by emphasising our needs and desired outcomes to allow suppliers to come up with the most cost effective and sustainable solutions*

3.3 We must not lose sight of the overarching objectives within the Procurement Framework/Operating Model:

- To ensure procurement best practice delivers value for money and underpins the delivery of all the Council's Strategic ambitions and statutory obligations.
- To deliver the ambitions in a compliant manner within relevant legislation and best practice as well as providing evidence that goods and services demonstrate value for money

3.4 The Council spends approximately £200m each year on goods and services (including Capital projects and social care commissioned packages of care) therefore the impacts will be far-reaching across the council. There will be impacts on how goods and services are procured as the issues covered in the strategy are not currently embedded in procurement practice. However, with the new UK procurement regulations due to be in place by early 2022 as well as changes to how health and social care services are commissioned, this is an opportunity to align the new public procurement regime, Government guidance and the council's procurement strategy and actions to provide a consistent and proactive approach across the council. We will continue to update and refresh the Strategy as these changes develop and emerge over the next 12 months.

3.5 The current Procurement Strategy 'Think Local' has been successful in improving procurement across the Council and included many innovations around local buying and social value that have been adopted and built on by other public sector organisations. The proposed B&NES P & CS will build on it and consider the lessons that the Strategic Procurement Team (SPT) have learned.

3.6 The combination of BREXIT, COVID-19, Climate Emergency declarations and a change in public sector procurement regulations (due to BREXIT) provides the opportunity to focus procurement attention on using public money for the public good, not just contracting at the cheapest price, such as (but not limited to):

- reducing carbon emissions through contracting arrangements
  - think local and think sustainable when it comes to suppliers
  - Modern Slavery
  - Social Value
  - Local Economic Development (including COVID-19 recovery)
  - Living Wage
  - Piloting innovative approaches to procurement
- 3.7 The working title of the strategy was the Climate Emergency Procurement & Commissioning Strategy. However, due to feedback via the consultations, the strategy is now titled “B&NES Procurement & Commissioning Strategy” with the strapline “Think Climate, Think Local, Think Innovation”.
- 3.8 The Council will take a phased and flexible approach to implementation. It will have to consider the legislative timetable and the need to rewrite the Council’s Contract Standing Orders (which will require Full Council approval) to reflect the changes. Further policies (for example a revised Social Value policy), guidance and training material supported by an appropriate training programme will also need to be put in place. A Procurement & Commissioning Manager has been appointed to support the implementation.
- 3.9 The SPT has undertaken considerable consultation with stakeholders. The feedback has been positive and stressed the importance of training and professional procurement support. The team will take all the comments on board during implementation. The SPT will continue to engage with the business community to ensure they are ready for the changes. It is appreciated it is currently a difficult time to engage with them as the country comes out of the pandemic.
- 3.10 The implementation of the policy will be monitored by the Council’s Contract Panel which has been established to ensure procurement and contract management best practice is embedded across the Council.

## **4 STATUTORY CONSIDERATIONS**

- 4.1 The UK will adopt new public procurement regulations in 2022. However, some aspects are being accelerated by Procurement Policy Notes (PPN’s) which are being made mandatory for local government.
- 4.2 PPN 05/21 (released 3 June 2021) – “National Procurement Policy Statement” (NPPS) which makes it mandatory for all public sector to include:
- Creating new businesses, new jobs and new skills in the UK
  - Improving supplier diversity, innovation and resilience
  - Tackling climate change and reducing waste

within their procurement practices. The NPPS also requires authorities to have the relevant policies in place to ensure this happens, together with sufficient procurement resources, a requirement for skills benchmarking (annually from April 2022) and a pipeline of contracts. It is a major statement of intent for the new procurement regulations. Unusually for PPNs, the requirements are mandatory for all contracting authorities, not just central government.

4.3 PPN 06/21 (released 5 June 2021) – “*Taking account of Carbon Reduction Plans in the procurement of major government contracts*” requires carbon reduction considerations in procurements over £5m per annum. Whilst this is mandatory for central government, it is recommended for other public bodies to follow. This supports our Climate Emergency objectives and underpins the importance of encouraging our local suppliers to make similar commitments as it will also provide them with commercial advantages in the future when bidding for public sector work.

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

5.1 The Strategy has no direct financial implications. Ultimately it should save the Council money through better procurement governance which includes ensuring the Council:

- Undertakes adequate assessment of need including appropriate engagement with stakeholders (internal and external)
- Uses the most appropriate route to market (both in terms of value for money and minimise risk of legal challenge)
- Specifies goods and services correctly
- Has appropriate contract management arrangements in place
- Whole life costs are properly considered

5.2 However, there may be some (unavoidable) costs associated with implementing new legislation, in particular

- Public Contract Regulations - especially around Contract Management arrangements
- Modern Slavery Act Requirements – Statement being published
- Social Value Act requirements – as identified in PPN guidance

5.3 In addition, there will be unavoidable costs associated with updating: -

- Contract Standing Orders
- Social Value Policy
- Pro Contract and e-procurement systems
- Training material & guidance

## **6 RISK MANAGEMENT**

6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance

## **7 EQUALITIES**

7.1 There are no direct equality issues from the strategy. Individual procurements will be subject to relevant equality impact assessments.

## **8 CLIMATE CHANGE**

8.1 The Climate (and Ecological) Emergency and reducing carbon emissions are a central element to this strategy and as such will play an important part in delivering overall Council priorities around net zero.

8.2 A key element of the strategy is not just to reduce the Council's direct impact but to influence Scope 3 emissions (indirect emissions within the supply chain)

## 9 OTHER OPTIONS CONSIDERED

9.1 None

## 10 CONSULTATION

10.1 The Strategic Procurement Team has undertaken an internal consultation process with all Council service areas which has informed the content of the strategy. The draft strategy was discussed at the Climate Emergency Policy Development and Scrutiny Panel. A consultation exercise is currently being carried out with the business community including three online events.

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<b>Background papers</b>	(i) Links to Procurement Policy Notes 05/21 and 06/21 (ii) CES PDS presentation
<b>Please contact the report author if you need to access this report in an alternative format</b>	