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| <b>Report To:</b>             | <b>CABINET</b>                                                                           |
| <b>Date:</b>                  | <b>21<sup>ST</sup> JUNE 2022</b>                                                         |
| <b>Heading:</b>               | <b>REVISED PROCUREMENT STRATEGY</b>                                                      |
| <b>Executive Lead Member:</b> | <b>COUNCILLOR DAVID MARTIN, EXECUTIVE LEAD MEMBER FOR FINANCE, REVENUES AND BENEFITS</b> |
| <b>Ward/s:</b>                | <b>ALL</b>                                                                               |
| <b>Key Decision:</b>          | <b>NO</b>                                                                                |
| <b>Subject to Call-In:</b>    | <b>NO</b>                                                                                |

## **Purpose of Report**

For Cabinet to review and approve the revised Procurement Strategy.

## **Recommendation(s)**

It is recommended that Cabinet:

- a) Adopts the revised Procurement Strategy
- b) Approves that any further changes to the Strategy until 2023/24 are delegated to the Director – Resources and Business Transformation, in consultation with both the Council’s Monitoring Officer and Portfolio Holder for Finance, Revenues and Benefits.

## **Reasons for Recommendation(s)**

Approval of the revised Procurement Strategy will deliver a more proactive approach to procurement and a clear focus on social and environmental values, and procurement with local businesses. The Procurement Strategy also demonstrates the Council’s commitment to continue to deliver value for money and ensure it retains its commercial focus.

## **Alternative Options Considered**

There is an option to maintain the current strategy however this will be outdated and incomplete. There is also a need to ensure that organisations are aware of the focus on social value in our procurement activity as well as the ambition to include more SMEs in the Council’s supply chain. By

not including this information and publishing it we are not delivering the current messages in terms of our ambitions and what has changed since the strategy was last published.

## **Detailed Information**

The Procurement Strategy was last updated in 2018 to cover the period of 2019 to 2023. During this time, we have made significant progress in certain areas such as the delivery of social value in procurement as well as the release of the local supplier portal. In addition to this, we have encountered some challenges such as Brexit, the pandemic, and the rise in inflation worldwide. The Procurement Strategy updates consider achievements as well as the challenges faced and those that we will continue to face in the immediate future.

It is considered that the existing strategy is outdated and needs to be refreshed a year ahead of its expiry period. The revised strategy will not have a timeframe for expiry attached to enable consideration of expected updated government requirements in the next 24 months following the associated Green Paper released in 2021. It is thought that legislated changes may be approved and legislated in late 2023.

## **Updated information**

Changes or additional elements added to the strategy are: -

- A new forward has been written to consider our current procurement position and describing the challenges that we have faced.
- A reference describing how we intend to work with Small and Medium Enterprises (SMEs) in order to enhance further integration into our supply chain as well as use of the new local supplier directory. This enhancement came about following the procurement review which was undertaken in 2021.
- The introduction of social value in all procurement over £25K, the linking of environmental management in procurement to social value and reference to our Social Value Policy.
- Ownership of the strategy is identified to the Director of Resources and Business Transformation with the Procurement and Project Officer identified as the person responsible for the review of the Strategy.
- Inclusion of the reference to the Transparency Code 2015
- Where relevant, existing measures that were in the previous Strategy have been maintained. New reporting and coverage have been added such as social value and the reference to the transparency code as two examples.

A new design of the Strategy has been made to improve the look and feel as well as ensuring compliance with accessibility legislation.

## **Implications**

### **Corporate Plan:**

An effective Procurement Strategy will enable the delivery of corporate and service level priorities, particularly ensuring that procurement requirements are managed in accordance with legislation and government policy and deliver value for money. Effective procurement affects all areas of the Council and all of the Council's corporate priorities.

**Legal:**

Procurements must comply with legislation. Legal Services support procurement, the drafting of contracts used and with the interpretation of Contract Procedure Rules as required. [RLD 27/05/2022]

**Finance [PH 27/05/22]:**

| Budget Area                                 | Implication                                                                                                                                                                                                                 |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General Fund – Revenue Budget               | There are no direct financial implications from this report. Indirectly effective procurement decisions will secure value for money from Council expenditure as well as the delivery of wider economic and social benefits. |
| General Fund – Capital Programme            |                                                                                                                                                                                                                             |
| Housing Revenue Account – Revenue Budget    |                                                                                                                                                                                                                             |
| Housing Revenue Account – Capital Programme |                                                                                                                                                                                                                             |

**Risk:**

| Risk                                                            | Mitigation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The risk that outdated and incomplete information is published. | The national procurement environment is one that is fast changing and as a Council we must be prepared to ensure our policies and procedures meet both our local needs and national procurement priorities. Mitigation in this area is employed by having the service level agreement with Nottingham City Council who deliver us expert advice in relation to procurement as well as interpretation of government policy changes. Ashfield also has representation on local government procurement forums delivered by the UK Cabinet Office where information flow is regularly shared. |

**Human Resources:**

*No direct implications*

**Environmental/Sustainability**

*(to be completed by the author)*

*No direct implications*

**Equalities:**

*(to be completed by the author)*

*No direct implications*

**Other Implications:**

*(if applicable)*

*None*

**Reason(s) for Urgency**

*(if applicable)*

**Reason(s) for Exemption**

*(if applicable)*

**Background Papers**

*(if applicable)*

Procurement Strategy – updated March 2022

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