

REVIEW OF PROCUREMENT STRATEGY

Head of Service:	Gillian McTaggart; Head of Corporate Assurance
Wards affected:	(All Wards);
Urgent Decision? (yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	Appendix 1 – Updated Procurement Strategy Appendix 2 – Current Procurement Strategy Appendix 3 – Contract Standing Orders (CSO's)

Summary

The Procurement Strategy sets out the Councils overall aim and objectives in relation to its procurement function in order to deliver value for money and our Future 40 vision and Four-Year Plan 2020-2024.

Recommendation (s)

The Committee is asked to:

- (1) That the Committee approves the amendments to the Procurement Strategy

1 Reason for Recommendation

- 1.1 By adopting the updated Procurement Strategy, the Council will bring it in line with the newly updated Contract Standing Orders (CSO's) with a commitment to delivering efficient and cost-effective procurements.

2 Background

2.1 What is a Procurement Strategy?

- 2.1.1 The Councils procurement Strategy works to enable the delivery of a cost effective, quality and innovative service that meets Council's priorities.
- 2.1.2 The Strategy has not been updated since 2017. The new strategy has been redrafted to reflect the Councils Future 40 vision.
- 2.1.3 Procurement is a key function that is embedded across Council Services. This Strategy details the principles that will be adopted for future procurements and provisions of services.

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2.2 Procurement

2.2.1 Procurement is defined as the process of acquiring goods, works and services. The procurement function sits within the Corporate Assurance team and consists of one Procurement and Contracts Manager leading on procurements (as defined in the Contract Standing Orders) and advising all other officers on Procurement related matters.

2.2.2 The Council spends approximately £14m per year on goods, works and services.

2.3 Contract Standing Orders (CSO's)

2.3.1 The Contract Standing Orders (CSO's) were updated and approved at Full Council in December 2021. They form part of the Constitution and set out how the Council manages its spending and relate to the purchasing of all goods, works & services. They ensure that prior to any expenditure Officers give proper consideration as to whether the purchase is required, and that Contracts are entered into in a fair, open and transparent way.

2.3.2 It is essential that the CSO's and Procurement Strategy align and help ensure that the importance of procurement continues to be embedded across all Council Services.

2.4 Proposal

2.4.1 The updated strategy demonstrates how the Council can use its spending power to deliver its vision and ensure that proper procedures are followed and expenditure is governed by suitable contractual arrangements.

2.4.2 The updated Strategy was refreshed with the aim of developing a procurement model across all services that offers;

- Value for Money
- Quality and Social Value
- Innovative services.

2.4.3 **Value for Money** - Price will be an important criterion in the procurement process and therefore to achieve cost effectiveness the Council will be committed to competitive tendering. The use of the e-tendering system will assist this. Framework agreements and collaborating with other public bodies can also be used to reduce the cost of procurement.

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- 2.4.4 **Quality** – The Council has high expectations of its contractors and suppliers to deliver quality goods and services effectively, efficiently, economically, on time and to the satisfaction of residents and officers. To ensure these expectations are met, strong contract management skills and procedures are necessary.
- 2.4.5 **Innovative Services** - The use of outcome-based specifications. This will enable the market to use their commercial expertise to bring forward innovative and efficient ways to deliver better services at better cost.
- 2.4.7 **Governance** - To monitor spend and compliance a Board to review corporate procurements will be established and Procurement will be reported to the Strategic Management Team (SMT) to provide visibility of spend. A report detailing the performance will be presented to SMT regularly.

3 Risk Assessment

Legal or other duties

3.1 Impact Assessment

- 3.1.1 As the procurement strategy forms part of the overall procurement governance, it is essential that it is kept up to date.
- 3.1.2 If the Council does not endorse the Procurement Strategy, there is a risk that they will not be fully compliant with the relevant legislation and fails to achieve value for money.
- 3.1.3 The Procurement Strategy will be published on the Councils intranet and external web pages.
- 3.1.4 The Procurement and Contracts Manager is responsible for updating the strategy. Following this refresh the Strategy will be reviewed again and updated if required in 2024 in line with the expiration of the four-year plan.

3.2 Crime & Disorder

- 3.2.1 No specific issues

3.3 Safeguarding

- 3.3.1 No specific issues

3.4 Equality Impact Assessment

- 3.4.1 No specific issues

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- 3.5 Dependencies
 - 3.5.1 No specific issues
- 3.6 Other
 - 3.6.1 No specific issues

4 Financial Implications

- 4.1 There are no direct financial implications by adopting the new Procurement Strategy.
- 4.2 **Section 151 Officer's comments:** The procurement strategy provides an important framework to ensure the Council achieves value for money in its use of resources.

5 Legal Implications

- 5.1 There are no direct legal implications arising out of the report. Public procurement is highly regulated and governed by EU legislation and internally by the Contract Standing Orders and Financial Regulations.
- 5.2 **Monitoring Officer's comments:** An up-to-date procurement strategy is key in helping officers ensure that they are procuring effectively, and in accordance with the law and good practice.

6 Policies, Plans & Partnerships

- 6.1 **Council's Key Priorities:** The following key priorities are engaged:
 - 6.1.1 Effective Council
- 6.2 **Service Plans:** The updating of the Procurement Strategy is included within the Service Delivery Plan 2021-22.
- 6.3 **Climate & Environmental Impact of recommendations:** There is specific reference to Social Value, Modern Slavery, and delivering Sustainable Procurement within the Procurement Strategy (section 8, page 6) ensuring that they are considered when procuring.
- 6.4 **Sustainability Policy & Community Safety Implications:** There are no specific concerns.
- 6.5 **Partnerships:** The Councils Procurement and Contracts Manager continues to work closely with its counterparts within the Surrey Procurement Group and have a commitment to work collaboratively where appropriate.

7 Background papers

- 7.1 The documents referred to in compiling this report are as follows:

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Previous reports:

1. Procurement Strategy [2017]

<http://th-modgov-01/ieListDocuments.aspx?CId=132&MID=417>

2. Contract Standing Orders [2021]

<http://th-modgov-01/documents/s9879/Update%20to%20Contract%20Standing%20Orders.pdf>