### PROCUREMENT STRATEGY UPDATE

**Head of Service:** Andrew Bircher, Assistant Director of

**Corporate Services** 

Report Author Corporate Governance & Strategy Manager

Wards affected: (All Wards);

Urgent Decision?(yes/no) No
If yes, reason urgent decision N/A

required:

Appendix 1 – Procurement Strategy

## Summary

The Procurement Strategy sets out the council's vision, values and objectives for its procurement function. Therefore, it contributes to the governance of the council's procurement activities and sets out how it aims to achieve best value and comply with legislation.

## Recommendation (s)

Appendices (attached):

## The Committee is asked to:

(1) Approve the updated Procurement Strategy (Appendix 1).

#### 1 Reason for Recommendation

1.1 The Strategy sets the strategic direction for the council's procurement function and supports its governance. Therefore, it is important to have an up-to-date Strategy, which now also reflects the Procurement Act 2023 and the proposed re-organisation of local government.

### 2 Background

- 2.1 Procurement refers to the purchase of goods, services and Works. As public procurement accounts for a significant percentage of taxpayers' money, Local Authorities are expected to procure effectively and with adherence to procurement law, to ensure high quality service delivery.
- 2.2 The aim of the procurement function is to provide procurement consultancy, transactional procurement services, and contract management support to all service areas within the council.

- 2.3 All public sector procurement is based on Value for Money. This can be defined as the best mix of quality and price to achieve the desired specification. This should be achieved through competitive procedures.
- 2.4 The current version of the Strategy expired in 2024. The work was programmed so that an updated version would be brought to the Committee last year as planned, however the delayed implementation of the <a href="Procurement Act 2023">Procurement Act 2023</a>, to February 2025, and updated <a href="National Procurement Policy Statement">National Procurement Policy Statement</a>, has meant that this Strategy has not been able to be brought to this committee until now.
- 2.5 The updated Strategy provides introductory information regarding procurement and the context of procuring goods, services and Works in the public sector; operational and policy procurement objectives, and the national legislation and our local policies that it intersects with.
- 2.6 It should be noted that the council's specific procurement rules are not set out in the Strategy, as these are contained in our <a href="Contract Standing Orders">Contract Standing Orders</a> and the Procurement Act 2023.

## 3 Updated Procurement Strategy

- 3.1 The updated Procurement Strategy is attached at Appendix 1.
- 3.2 The updated Strategy outlines four policy objectives for the procurement function:
  - 3.2.1 Obtain social value, sustainability and help address the climate emergency.
  - 3.2.2 Prioritise local, regional and small medium-sized enterprise (SME) spend.
  - 3.2.3 Be commercial, innovative and add value.
  - 3.2.4 Consider the implications of local government reorganisation.

#### 4 Risk Assessment

Legal or other duties

- 4.1 Equality Impact Assessment
  - 4.1.1 As this strategy is not focussed on specific service delivery that will impact individuals, it will therefore not impact on the protected characteristics. While the strategy aligns and supports the council's equality objectives, it will be individual procurements that need to analyse their potential impact on the protected characteristics, and ensure the council is contracting with organisations that share its equality ambitions.

- 4.2 Crime & Disorder
  - 4.2.1 The Strategy will support our <u>Anti-fraud and Anti-corruption</u> <u>Strategy</u>.
- 4.3 Safeguarding
  - 4.3.1 No direct implications.
- 4.4 Dependencies
  - 4.4.1 The council is currently partnered with the Shared Procurement Service who will support the delivery of the Strategy.
- 4.5 Other
  - 4.5.1 None.

## 5 Financial Implications

- 5.1 The Strategy supports achieving value for money contracts for the council, and while it sets operational and policy objectives, these are to be pursued within existing budgets.
- 5.2 **Section 151 Officer's comments**: The updated procurement strategy, aims to enhance our procurement processes and deliver value for money.

### 6 Legal Implications

- 6.1 No direct implications, as pursing the strategic aims of Procurement at the council will occur within national and local legal frameworks, namely the Procurement Act 2023 and our Contract Standing Orders.
- 6.2 **Legal Officer's comments**: None arising from the content of this report.

## 7 Policies, Plans & Partnerships

- 7.1 **Council's Key Priorities**: The following Key Priorities are engaged: N/A
- 7.2 **Service Plans**: The matter is included within the current Service Delivery Plan.
- 7.3 Climate & Environmental Impact of recommendations: The Environment and Sustainability Officer has been consulted on the Strategy and fed into the section titled "Obtain social value, sustainability and help address the climate emergency".
- 7.4 **Sustainability Policy & Community Safety Implications**: Sustainability is addressed in the section named in 6.3. There are no direct community safety implications.

- 7.5 **Partnerships**: We are partnered with the Shared Procurement Service who will directly contribute to the implementation of this Strategy.
- 7.6 Local Government Reorganisation Implications: LGR has been addressed in the Strategy as a policy principle. This means that all procurement activity will consider its implications, such as letting shorter contracts and including more options regarding contract extensions. However, we still need to ensure that any decisions made in this regard are compliant with national legislation and our Contract Standing Orders. There may be financial impacts on contracts which the council could typically receive better value for, if they were to be let over a longer term. However, this risk will be managed within any applicable procurement exercise, and all options considered.

## 8 Background papers

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

### **Previous reports:**

 Procurement Strategy Update, Strategy and Resources Committee, Tuesday 29<sup>th</sup> March 2022. Online available: <u>Epsom and Ewell</u> <u>Democracy</u> [last accessed 13/06/2025]

## Other papers:

Please see in-text hyperlinks to access other referenced documents.