

**Meeting:** EXECUTIVE

**Agenda Item:**

Portfolio Area: Resources

**8**

**Date:** 22 FEBRUARY 2017

## **CORPORATE PROCUREMENT STRATEGY 2016 – 2020**

### KEY DECISION

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### **1. PURPOSE**

1.1. To consider the Corporate Procurement Strategy 2016 – 2020.

### **2. RECOMMENDATIONS**

2.1. It is recommended that the Executive approve the adoption of the updated Procurement Strategy for 2016 – 2020.

### **3. BACKGROUND**

3.1. The Council first established a Corporate Procurement Strategy in 2001; it has been reviewed on four occasions during this period, the last revision was in 2014. This revision has been updated to align with the nine key focussed programmes in the Future Town, Future Council Programme that aim to deliver improved outcomes and real change for Stevenage residents despite continued austerity.

3.2. The procurement function plays an important role in achieving value for money, helping to support the economy, driving sustainability and mitigating the risk of legal challenge.

### **4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS**

4.1. The Corporate Procurement Strategy has been updated as at August 2016 with further minor amendments made in January 2017 following a consultation exercise. The changes are detailed in Appendix B, the key updates are as follows:

- References to 'Corporate Plan 2013 – 2016 'Sharing the Dividends' removed and replaced with references to the Corporate Plan 'Future Town, Future Council'

- A section showing how Corporate Procurement has responded to the previous consultation feedback
- Updates to the financial expenditure charts to include new charts showing Business Spend Category areas and a table to show which goods/works or services relate to these category spend areas.
- Updates to the Summary Action Plan showing what we said we would do last year, what we have done and what we would like to achieve this year.

4.2. The Corporate Procurement Strategy forms part of the Council's policy framework.

4.3. The Corporate Procurement Strategy 2016-2020 is set around the principles of responsible procurement covering ways that achieve value for money generating benefits to both the organisation, society and the economy whilst reducing the impact on the environment. The strategy develops the areas of economic, environmental and social considerations setting objectives and goals for procurement at Stevenage Borough Council.

4.4. The Strategy acts as an enabler to encourage a variety of suppliers to participate in contract opportunities including small medium sized enterprises, social enterprises, black and ethnic minority enterprises, women's and disabled owned businesses, the voluntary and community sector, charities, parish councils and employee mutual's which will benefit the community. All procuring officers will remain committed to how Stevenage Borough Council will encourage and do business with a diverse and competitive supply market. Procurement will be based on a partnering approach in which the Council and its partners will seek to gain mutual advantage through continually improving relationships. The Council can demonstrate its strength in building sound relationships through a variety of models, whilst recognising the value that SME's, local businesses and third sector organisations can bring.

4.5. The Council spends approximately £38.5 million on the procurement of goods, works and services, including three large housing contracts which comprise of Decent Homes, Roofing and External Works and account for 34% of the overall spend. Although these contracts are national in expenditure terms they have local clauses such as: employing and training local apprentices, working with local schools to provide career advice and experience, enhancing DIY and other skills for our residents and staff, contractor led initiative for the promotion of business opportunity and employment within the local community and support initiatives for the voluntary sector and initiatives for employment of trade improvers to enhance their skills.

4.6. The strategy was sent out to consultation to local businesses in Stevenage including Biz4Biz, Herts Chamber of Commerce and the Federation of Small Businesses in addition to Council Members and procuring Council Officers. The consultation was first issued in August 2016 with a reissue in October 2016 to encourage further responses. A total of 96 responses were received, this was a significant increase on the last consultation issued in 2014 where only 15 responses were recorded. A summary consultation report acknowledging the feedback received is detailed under Appendix D. Where comments made as part of the consultation have required an action these have been carried out by Corporate Procurement; minor changes have been made to the strategy as a result of some of the feedback received and some respondents have received emails to offer them advice, for example on how they can register for opportunities through the Supply Hertfordshire webpages.

- 4.7. A summary action plan is contained within the strategy which shows how progress has already been made towards targets and outcomes in the previous strategy and identifies new targets and outcomes for the direction of Corporate Procurement. The effectiveness of the strategy will be monitored by the Contracts and Procurement Group on a quarterly basis in line with the action plan. The strategy will be reviewed on an annual basis to ensure that it continues to reflect the Council's vision, corporate goals and key objectives.

## **5. IMPLICATIONS**

### **5.1. Financial Implications**

- 5.1.1. There are no financial implications arising directly from the approval of the Corporate Procurement Strategy 2016-2020. It is anticipated that following best practice through the revised Procurement Strategy will improve the Council's financial standing by adopting value for money procurement, efficiency gains and the mitigation of risk.

### **5.2. Legal Implications**

- 5.2.1. There are no legal implications to the report recommendations.

### **5.3. Risk Implications**

- 5.3.1. There are no significant risks to the Council in agreeing the recommendations.
- 5.3.2. The Corporate Procurement Strategy 2016 – 2020 will be reviewed in light of any changes that may arise as a result of the UK's decision to exit the European Union.

### **5.4. Environmental Implications**

- 5.4.1. There are no environmental implications arising directly as a result of the Corporate Procurement Strategy 2016 – 2020. The strategy covers the area of sustainable procurement which encourages the use of recycled or re-used products where possible.

### **5.5. Human Resources Implications**

- 5.5.1. There are no human resource implications that arise from the Corporate Procurement Strategy 2016-2020. As procurement can involve the outsourcing of services, workforce matters involving the transfer of staff in line with the Transfer of Undertakings (Protection of Employment) Regulations 2006 is covered as an objective under the social considerations for procurement.

### **5.6. Equalities and Diversity Implications**

- 5.6.1. The Council has committed itself to providing high quality services that are relevant to the needs and responsive to the views of all sections of the local community, irrespective of their race, gender, disability, culture, religion, age, sexual orientation or marital status. The General Equality Duty (Section 149 of the Equality Act 2010) requires the Council to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations in the exercise of its functions. These considerations are the duty of decision makers. An Equalities Impact Assessment has been carried out as part of this strategy review to aid decision makers in their consideration of the Equality Duty (see Appendix C).

## **5.7. Information Technology Implications**

5.7.1. The Corporate Procurement Strategy Summary Action Plan has an action to encourage the use of the E-tendering system for Band 2 level procurements. This process will be led by Corporate Procurement so there are no resource implications for IT.

## **5.8. Safeguarding Children Implications**

5.8.1. There are no safeguarding children implications that arise from the Corporate Procurement Strategy 2016-2020.

## **5.9. Other Corporate Implications**

5.9.1. The Corporate Procurement Strategy 2016-2020 impacts on all Council services and will be reflected in individual procurement exercises undertaken across the Council.

## **BACKGROUND DOCUMENTS**

- BD1 - Future Town, Future Council Programme  
<http://www.stevenage.gov.uk/content/committees/139616/139705/139725/Executive-13-October-2015-Item-4.pdf>
- BD2 - Corporate Procurement Strategy 2013-2016  
<http://www.stevenage.gov.uk/content/15953/23455/21694/Corporate-Procurement-Strategy-2013-16.pdf>

## **APPENDICES**

- Appendix A – Corporate Procurement Strategy 2016-2020
- Appendix B – Table of Changes with detailed descriptions
- Appendix C – Equality Impact Assessment of Corporate Procurement Strategy 2016-2020
- Appendix D – Publication of Summary Consultation Results for Corporate Procurement Strategy 2016-2020