

Meeting Cabinet
Portfolio Area Resources and Transformation
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REVIEW OF THE CO-OPERATIVE PROCUREMENT STRATEGY 2025-2028

KEY DECISION

Author Lisa Baldock
Lead Officer Clare Fletcher | 2933
Brian Moldon
Contact Officer Lisa Baldock | 2083

1 PURPOSE

1.1 To consider the Co-operative Procurement Strategy 2025-2028.

2 RECOMMENDATIONS

2.1 To gain approval from Cabinet to delegate authority to the Strategic Director (S151) after consultation with the Portfolio Holder for Resources and Transformation to sign off the Co-operative Procurement Strategy 2025-2028 following further consultation with the community and stakeholders.

3 BACKGROUND

3.1 The Council first approved a Corporate Procurement Strategy in 2001; it has been reviewed on a regular basis during this period, the last revision was in 2021. The strategy has now been revised to align with the Council's Making Stevenage Better Corporate Plan for 2024-2027 and the new Procurement Act 2023. There has been a delay in bringing the Draft Co-operative Procurement

Strategy to Cabinet due to the delay by the Government in the implementation date of the Procurement Act 2023. The Act was pushed back from October 2024 to February 2025.

- 3.2 The procurement function plays an important role in achieving value for money, helping to support the economy, driving sustainability, social value and community wealth building and mitigating the risk of legal challenge and fraud.
- 3.3 The Co-operative Procurement Strategy 2025-2028 forms part of the Council's policy framework

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 The Council could adopt the National Procurement Strategy 2022; it would offer procurement direction but not direct alignment with the Council's Making Stevenage Even Better 2024-2027 Corporate Plan and would not focus specifically on the themes that are important to Stevenage Borough Council. For this reason, it is therefore recommended that the Council adopts its own Co-operative Procurement Strategy to support the strategic direction of the Council.
- 4.2 The Co-operative Procurement Strategy 2025-2028 has been written around the principle of five 'Foundations'. Each 'Foundation' is a building block of the considerations that need to underpin the procurement process and will be embedded into the way the Council procures goods, works and service contracts to support the Council's strategic priorities.
 - Community Wealth Building – This focuses on keeping money reinvested in Stevenage to promote opportunities for SME's, Employee Owned Businesses, Social Enterprises and other Community based or Owned Businesses within the Borough which will support the aim of locally recirculating wealth in the area.
 - Sustainability – Tackling climate change and improving sustainability must be a key foundation for all procurement activity. By harnessing purchasing power the Council will help combat climate change and reduce greenhouse gas emissions; reduce waste; save resources; improve air quality; and enhance green space and promote biodiversity.
 - Social Value and Ethical Procurement – Social Value involves looking beyond prices of each individual contract and looking at what the collective benefit to a community is, when a public body chooses to award a contract. Social Value asks the question 'If £1 is spent on the delivery of services, can that same £1 be used to also produce a wider benefit to the community?'
 - Commercial and Insourcing – The Council will continue with its commitment to use in-house services to deliver council operations, and insourcing will be the council's default position, other than when there is sufficient evidence that this is not an option. All services

provided to, or on behalf of the council by external suppliers or third parties will be reviewed to establish if an opportunity exists to enhance service delivery or achieve better value by delivering services directly.

- Pro-active Procurement – The Council’s Corporate Procurement team provide support that delivers better procurements to develop knowledge and intelligence, supporting the delivery of the Council’s strategic priorities. The procurement process spans from the pre-market engagement, preparation, the tender and award and through to the final stage of contract management. The Council expects to form a pro-active approach at all stages in the procurement cycle taking stock and considering options to best meet the needs of the town.

- 4.3 The Council spent approximately £70 million on the procurement of goods, works and services in 2023/2024. Procurement is a key part to managing costs across the Council; with decreasing resources it has a greater importance to play. Doing more for less is essential for driving efficiencies across the Council.
- 4.4 The Council acknowledges through the strategy that procurement has a major role to play in delivering efficient, effective and high-quality front-line services. It also endorses the potential of partnership working with other public bodies and voluntary organisations to deliver services, as such will actively seek to work in partnership and promote partnership where it is feasible; it offers the Council value for money and aligns with the strategic priorities.
- 4.5 There are delivery outcomes with dates for each of the five foundations set within the Strategy. The foundations were present in the previous Co-operative Procurement Strategy 2020-2023 and have been updated to reflect the strategic direction and outcomes for the period 2025-2028. The strategy will be reviewed on an annual basis by the Contracts and Procurement Group to update on the progress of the delivery outcomes and to ensure that the strategy continues to reflect the Council’s strategic priorities.
- 4.6 In the development of the Co-operative Procurement Strategy 2025-2028 there has been consultation internally across the Council through the Contracts and Procurement Group and in addition feedback has been requested from the Head of Climate Action, Head of Commercial and the Business Relationship Manager. There still needs to be wider consultation with the community and other stakeholders which would take place in March 2025.
- 4.7 Following the consultation period any recommendations would be taken on board to update the Strategy delivering procurement delivery outcomes for the benefit of our town. Following consultation officers recommend any changes to the Co-operative Procurement Strategy 2025-2028 are delegated to the Strategic Director (S151) after consultation with the Portfolio Holder for Resources and Transformation.

5 IMPLICATIONS

Financial Implications

- 5.1 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. The Commercial and Insourcing Principle Foundation of the Strategy encourages commercialism including maximising value for money from contractual relationships, including the consideration of insourcing services.

Legal Implications

- 5.2 The Council must follow the relevant procurement legislation or risk being subject to a legal procurement challenge. The implications of a procurement challenge before a contract has been entered into might include prevention of the contract award, rectifying the alleged breaches in the procurement process, requiring an award to the claimant, damages to be paid for arising from the breaches such as wasted tendering costs. If a contract has been awarded there are two main types of claim, those being damages or a claim for a declaration of ineffectiveness. If a contract is declared ineffective by the courts, it must be terminated.
- 5.3 The Procurement Act 2023 has established a new Procurement Review Unit (PRU) to enhance public sector procurement practice by ensuring adherence to the Procurement Act and safeguarding public procurement from suppliers deemed to pose risk. The PRU will maintain and build upon the existing Public Procurement Review Service where you can address concerns regarding public procurement practices relating to a specific procurement procedure and late payment matters. The PRU will comprise of three services: the existing Public Procurement Review Service, a new Procurement Compliance Service and a new Debarment Review Service.
- 5.4 The Co-operative Procurement Strategy 2025-2028 will be reviewed in light of changes that may arise as a result of updated procurement legislation passed during the term of this Strategy.

Risk Implications

- 5.5 Without a Co-operative Procurement Strategy, the Council could be at risk of failure in terms of delivering the strategic priorities in the Making Stevenage Better Corporate Plan 2024-2027. The Council recognises the importance of improving the standards of corporate governance and compliance with rules and regulations, and as such, strengthening the Council's procurement arrangements through an up-to-date strategy mitigates the risk of poor practice and legal challenge.

Climate Change Implications

- 5.6 Tackling climate change and improving sustainability is a key foundation for all procurement activity and is embedded in the Sustainability foundation of the Strategy, which will help combat climate change, reduce greenhouse gas

emissions, reduce waste, save resources, improve air quality, enhance green space and promote biodiversity in the supply chain.

Human Resources Implications

- 5.7 It is anticipated that the outcomes and deliverables of this Strategy will be absorbed in the current workload of both the Corporate Procurement team and Procuring Officers across the Council. As procurement occasionally involves outsourcing of services, workforce matters involving the transfer of staff in line with the Transfer of Undertakings (Protection of Employment) Regulations 2006 is an area that procuring officers may need to consider.

Equalities and Diversity Implications

- 5.8 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 B).

BACKGROUND DOCUMENTS

- BD1 Co-operative Corporate Procurement Strategy 2020-2023 – Building Wealth in Our Community
- BD2 Making Stevenage Even Better 2024-2027 Corporate Plan

APPENDICES

- A Co-operative Procurement Strategy 2025-2028 – Buying to Transform Our Town
- B Equality Impact Assessment of Co-operative Procurement Strategy 2025-2028