











Procurement Strategy 2016-2019 – Embedded Activity

Key Areas:		'RAG' August 2017	LGA recommendation and/or HBC approach:	Position statement – August 2017:
Making Savings:	Category Management:		<ul style="list-style-type: none"> • Maximising the value of spend • Using standard specifications • Spend and supplier analysis • Holistic approach across the organisation • Regional approach across LCR 	<ul style="list-style-type: none"> • A full category management approach is employed by the Procurement team. This provides quality expenditure and supplier data, which helps to amalgamate spend and rationalise suppliers, thereby providing greater opportunity to deliver savings from procurement activity • The category management approach adopted by Halton has been shared with LCR partners and is recognised as best practice
	Performance monitoring and Transparency:		<ul style="list-style-type: none"> • Effective by sharing commercial and performance data • Compliance with the Transparency code • Built in risk and evaluation assessment • Open up markets for local, SMEs and VCSE's to run services or manage public assets 	<ul style="list-style-type: none"> • Commercial and performance data on common goods and services is routinely shared with partner organisations across the City Region and across the North West • The Council is fully compliant with the requirements of the Transparency Code • Ongoing commitment to spend above £1K being advertised via The Chest to open up markets to a wider range of potential suppliers, such as local companies, SME's and VCSE's
	Risk and Fraud Management:		<ul style="list-style-type: none"> • Identify and reduce fraudulent procurement practices (pre and post procurement and through supply chain) • Pre procurement controls • Post procurement (contract management) • Supplier relationships 	<ul style="list-style-type: none"> • All procurement activity over £1K goes through the Procurement team and is advertised via The Chest • 'Funnel' in place – captures Purchase Orders without a contract to allow Procurement team intervention • Segregation of procurement role from commissioners/buyers • Robust controls in place regarding new supplier setup • Whistleblowing arrangements included as part of standard

Key Areas:		'RAG' August 2017	LGA recommendation and/or HBC approach:	Position statement – August 2017:
			<ul style="list-style-type: none"> Supply chain 	<p>contract conditions.</p> <ul style="list-style-type: none"> Regular internal audit coverage of procurement activity and contract management arrangements
	<p>Demand Management:</p>		<ul style="list-style-type: none"> Reduce overall costs Reduce oversupply Supply and demand – relevant and proportionate 	<ul style="list-style-type: none"> Effective category management and engagement with commissioners assists demand management by allowing review and scrutiny of spend across the organisation. Alternative ways of meeting customer or client department needs are routinely considered and explored as part of the Council's commissioning and procurement processes Procurement team involvement in all spend >£1K providing greater opportunity for greater scrutiny and challenge. Controls in place to prevent 'maverick' spend: <ul style="list-style-type: none"> Subjective codes lockdown to contracted supplier/budget code. Contract register linked to Agresso
<p>Supporting Local Economies:</p>	<p>Economic, Environmental and social value criteria in all contracts:</p>		<ul style="list-style-type: none"> Drive into all procurement where appropriate and proportionate. Ensure social value features as part of the selection and award criteria. Contract Management function to capture outcomes. 	<ul style="list-style-type: none"> An officer from the Procurement team is designated as the Council's social value champion and provides leadership on issues relating to social value Social value routinely applied to all procurement activity, where appropriate, in a proportionate manner Robust contract management procedures in place to track social value gains The Council's performance in regard to social value was formally acknowledged in the February 2017 Social Value Awards when Halton was declared the winner in the 'Driving Value for Money' category

Key Areas:		'RAG' August 2017	LGA recommendation and/or HBC approach:	Position statement – August 2017:
	Improving access for SME's and VCSE's:		<ul style="list-style-type: none"> • Chest registration • Transparency of opportunity • Standardised documentation 	<ul style="list-style-type: none"> • Regular ongoing engagement with the local business community to ensure awareness of how to do business with the Council and how to be informed of tender opportunities, i.e. via registration with The Chest • Procurement processes reviewed and streamlined to assist SME's in competing for tender opportunities • KPIs in place to measure local spend and engagement with SME's • A new Standard Selection Questionnaire (SQ) introduced to replace the traditional Pre-Qualification Questionnaire (PQQ). This is a mandatory requirement of the Public Contracts Regulations 2015 for all contracting authorities in England and Wales. The SQ has been developed to simplify the supplier selection process for businesses, in particular smaller firms
Leadership:	Commitment from the top:		<ul style="list-style-type: none"> • Councillor Champion • Driver to implement Policy 	<ul style="list-style-type: none"> • Councillor Wharton (Resources Portfolio Holder) nominated as Procurement Champion • Regular system of reporting to the BEB in place • Strategic Director – Enterprise, Community & Resources chairs the Liverpool City Region Procurement Efficiency Workstream
	Commissioning:		Procurement and Commissioners working adopting aligned practices	<ul style="list-style-type: none"> • Consistent procurement processes embedded and understood across the Council • Procurement team works closely with client departments and are involved at an early stage in the commissioning process
Modernising Procurement:	e-Procurement:		<ul style="list-style-type: none"> • Chest use – open competition & transparency of process • E-invoicing 	<ul style="list-style-type: none"> • E-tendering portal (The Chest) in place • E-invoicing arrangements in place for contracts with a high volume of transactions • Early payment options have been available since 2013 through

APPENDIX 1

Key Areas:		'RAG' August 2017	LGA recommendation and/or HBC approach:	Position statement – August 2017:
				the Supplier Incentive Scheme. This provides an ongoing income stream for the Council and improved cash flow for participating suppliers
	New EU Directives (2015):		Ensure the application of PCRs 2015 make processes quicker, simpler and less costly to run.	<ul style="list-style-type: none"> • Full compliance in place and training delivered • The Council’s processes were streamlined ahead of the PCR 2015. This resulted in two ways of working: <ul style="list-style-type: none"> - Above EU threshold, and - Below EU threshold (using risk based sourcing) • Significant process efficiencies have been achieved that has allowed a reduction in head-count in the Procurement team