

REPORT TO: Business Efficiency Board

DATE: 20 November 2019

REPORTING OFFICER: Strategic Director – Enterprise, Community & Resources

SUBJECT: Draft Procurement Strategy 2020-2023

PORTFOLIO: Resources

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

The Business Efficiency Board is responsible for overseeing the Council's procurement arrangements. This report seeks the Board's approval of the Draft Procurement Strategy 2020-2023 to replace the Council's current Procurement Strategy, which covered the period 2016-2019.

2.0 RECOMMENDATIONS:

That the Business Efficiency Board approves the Draft Procurement Strategy 2020-2023, as attached.

3.0 SUPPORTING INFORMATION

3.1 The Council's current Procurement Strategy covered the period 2016-2019 and the actions contained within it have been fully implemented. Consequently, an updated strategy has been developed and is attached as an appendix to this report.

3.2 The updated strategy has been developed taking account of the Local Government Association's 'National Procurement Strategy for Local Government in England 2018'. This is based around three key themes:

- Showing Leadership
- Behaving Commercially
- Achieving Community Benefits

3.3 The strategy is broadly structured around these three themes and consolidates the significant progress made in developing the Council's procurement arrangements following the implementation of the previous strategies.

3.4 The theme of 'Showing Leadership' relates to the engagement of councillors and management in the leadership and governance of Council procurement activity. Councillors set the Council's vision and strategic priorities and must therefore be satisfied that the procurement arrangements for their delivery are robust. Engagement of management is also important to ensure that they benefit from sound procurement advice, particularly at early stages of projects.

- 3.5 The theme of 'Behaving Commercially' relates to the way in which the Council can seek to extract value from its procurement activity, engaging with markets and potential suppliers by encouraging innovation and improving the management of contracts and suppliers. This is obviously important at a time of continuing financial pressures and the need to extract maximum value from the Council's spend with third parties.
- 3.6 The theme of 'Achieving Community Benefits' includes the wider value that can be achieved through attention to social value in designing and carrying out procurement activity. It provides an opportunity, at no extra cost, to improve economic, social and environmental outcomes that may not be directly related to the services being procured. This theme also addresses how the Council will help to provide opportunities to Small Medium Enterprises (SMEs), micro businesses and voluntary, community and social enterprises (VCSEs). This will build upon the previous work completed with the Chamber of Commerce assisting local businesses to register on The Chest and providing guidance on how to submit tenders.
- 3.7 A further fourth theme relating to 'Ensuring Governance' has also been included within the strategy. This relates to the need to maintain robust systems and procedures to ensure that procurement activity is undertaken with appropriate levels of control, probity and transparency and is compliant with the Council's own procurement rules and wider legislation.
- 3.8 In developing the strategy, account has been taken of the environment within which the Council operates; in particular:
- The continuing financial challenges faced by the Council and the important role that procurement can help play in helping deliver best value from the Council's spend with third parties;
 - Recognition of the increasing way in which the Council works with partners to deliver services, particularly across the Liverpool City Region, presenting further opportunities for collaboration in procurement and in helping to influence and shape local markets;
 - There has been a reduction in capacity across the organisation and within the Procurement team since the last strategy was approved. There is therefore an increased importance on developing the skills and knowledge of the procurement resource and ensuring that it is supported by appropriate systems and technologies so that it can continue to support the organisation effectively;
 - It is also recognised that the environment within which local government operates is fast-changing and that developments, such as Brexit, may require certain changes to the Council's procurement arrangements.
- 3.9 The draft strategy addresses each of the four key themes and sets out a range of practical planned actions that will further develop the Council's procurement arrangements. Progress in regard to those planned actions will be reported back to the Business Efficiency Board throughout the lifecycle of the strategy.

4.0 POLICY, FINANCIAL AND OTHER IMPLICATIONS

4.1 The updated strategy provides the Council with a clear and comprehensive approach to its procurement activity, which has been developed through an appraisal of best practice approaches, national guidance and local issues.

4.2 There are no financial implications arising directly from this report. However, adoption of the Draft Procurement Strategy will enable the Council to continue to work efficiently and effectively in securing value for money, maximising the benefits from third party spend and delivering cost effective services. The approach to procurement set out in the strategy is therefore a key element of the Council's Medium Term Financial Strategy.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

5.1 Children and Young People in Halton

Effective procurement practice helps to realise cashable savings from the Council's influenceable spend. This contributes to a better use of resources and thereby contributes to the delivery of all the Council's priorities.

5.2 Employment, Learning and Skills in Halton

See 5.1 above

5.3 A Healthy Halton

See 5.1 above

5.4 A Safer Halton

See 5.1 above

5.5 Halton's Urban Renewal

See 5.1 above

6.0 RISK ANALYSIS

6.1 There are no risks resulting directly from this report. However, the adoption of the planned actions contained in the strategy will protect the Council from challenges to its procurement activities and help to secure value for money and better outcomes for the community of Halton.

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 None

8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

There are no background papers under the meaning of the Act.