

Allerdale Borough Council

Overview and Scrutiny Committee – 21 February 2020

Executive – 18 March 2020

**Strategic Commissioning and Procurement Strategy**

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**The Reason for the Decision**

A revised Strategic Commissioning and Procurement Strategy 2020-2030 reflects changes in best practice and ensures that the Council pursues sustainable outcomes, value for money and continuous improvement in its commissioning and procurement of goods, services and works.

**Summary of options considered**

Allerdale Borough Council first published a Strategic Commissioning and Procurement Strategy in March 2016. This is an updated strategy that takes account of the 10 year ambition and priorities in the Council Strategy.

**Recommendations**

That the Overview and Scrutiny Committee comments on the draft strategy and makes any recommendations to Executive.

That Executive considers any comments from the Overview and Scrutiny Committee and adopts the draft Strategic Commissioning and Procurement Strategy 2020–2030.

**Financial / Resource Implications**

There are no direct financial implications of the Strategic Commissioning and Procurement Strategy although cashable and non-cashable savings are anticipated through more strategic sourcing.

**Legal / Governance Implications**

European Regulations were transposed into UK Law on 26 February 2015. The EU Procurement Directives and the UK Public Procurement Regulations will continue to apply during the transition period of 31 January 2020 to 31 December 2020.

<b>Community Safety Implications</b>	None
<b>Health and Safety and Risk Management Implications</b>	None
<b>Equality Duty considered / Impact Assessment completed</b>	Completed
<b>Wards Affected</b>	All
<b>The contribution this decision would make to the Council's priorities</b>	A strategic commissioning approach will enable the Council to procure goods, services and works that will help to deliver the priority outcomes set out in the Council Strategy.
<b>Is this a Key Decision</b>	Yes
<b>Portfolio Holder</b>	Councillor Mike Johnson, Deputy Leader: Economic Growth, Community Development and Placemaking portfolio
<b>Lead Officer</b>	Brendan Carlin, Head of Programmes and Projects

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## Report Implications

Community Safety	N	Financial	Y
Legal	Y	Partnership	Y
Social Inclusion	Y	Asset Management	Y
Equality Duty	Y	Health and Safety	N
Employment (internal)	N	Employment	Y
		(external to the Council)	

## Background Papers

### 1.0 Introduction

- 1.1 The purpose of Allerdale Borough Council's 2020-2030 Strategic Commissioning and Procurement Strategy is to communicate clearly to employees, partners, suppliers and stakeholders the Council's vision for commissioning and procurement of goods, works and services. Covering how commissioning decisions will be made and to articulate the procedural framework within which all procurement will take place.

- 1.2 In the strategy document, the term procurement has the widest possible meaning, covering all aspects of securing services, goods and works. It is the overarching plan of action.

## **2.0 Content**

- 2.1 It is important that the Council maintains an up to date, forward thinking and long term strategic approach to commissioning and procurement activity that supports the delivery of the Council Strategy priorities.
- 2.2 The strategy will be implemented through a well-managed annual action plan and will deliver a sound structure and framework to support ongoing commissioning and procurement activity. This will enable the Council to maximise opportunities, minimise risks and support to achieve Council priorities.

## **3.0 Customer Satisfaction and Service**

- 3.1 In all procurement activity the Council will seek to make savings and deliver value for money to Allerdale taxpayers by maximising best value on every pound spent. This will be achieved by being more commercially aware and by providing clarity on our expectations to our suppliers.
- 3.2 In addition to the Overview and Scrutiny Committee, the portfolio holder has been consulted and is supportive of this strategy.

## **4.0 Services Delivered as Locally as Possible**

- 4.1 Events throughout the year with local suppliers will provide the necessary training and support to prospective local suppliers to develop their knowledge and understanding of our practice, procedures and systems. Where possible the Council will encourage small and medium sized enterprise (SME) bidders to work together to improve their chances of winning tenders/quotation exercises.

## **5.0 Finance/Resource Implications**

- 5.1 In all procurement activity the Council will seek to make savings and deliver value for money to Allerdale taxpayers by maximising best value on every pound spent. This will be achieved by being more commercially aware and by providing clarity on our expectations to our suppliers.
- 5.2 There will be a process for continuous review to ensure our procedures are efficient, and achieve maximum benefit from all procurement. Procurement activity will be monitored as a key activity of the Transformation and Commercialisation Board. There will also be twice yearly presentation to Overview and Scrutiny Committee.

## 6.0 Legal Implications and Risks

6.1 European Regulations were transposed into UK Law on 26 February 2015. The EU Procurement Directives and the UK Public Procurement Regulations will continue to apply during the transition period of 31 January 2020 to 31 December 2020.

## 6.2 Risks

<b>Risk</b>	<b>Consequence</b>	<b>Controls Required</b>
Procurement activity does not comply with legal framework	The Council is subject to legal challenge which carries both financial and reputational risk.	All procurement activity is run through the procurement team with input from legal
Results of the procurement fail to achieve intended outcomes	The Council's reputation is damaged by failing to deliver and not achieving value for money for ratepayers' money.	Bimonthly workshops on all aspects of the commissioning cycle including contract management to ensure the full value of any procurement is delivered.
The Strategic Commissioning and Procurement Strategy is not delivered in full	The Council delivers a procurement function that does not fully support the Council in delivering priorities	Continued liaison with internal officers and external agencies to support the procurement team to deliver the strategy.

## 7.0 Recommendations

7.1 The Overview and Scrutiny Committee considered the draft Strategic Commissioning and Procurement Strategy at its meeting on 21 February 2020 and provided the following comments, all of which have been incorporated into the proposed draft strategy:

- Reference the use of principles within the Public Value Framework to measure the effectiveness of Council spend (see para 3.9)
- Include public value as something Allerdale will consider working together with other Cumbria authorities (see Action Plan ref 1.0)
- Include peer review as part of post-evaluation and contract management process (see Action Plan ref 1.1)
- Identify and review lessons learned from other previous procurements (see Action Plan ref 2.2).
- Add a supplier feedback form to the tender documents to gain feedback from suppliers on the process (see Action Plan ref 3.3).

- 7.2 It is recommended that the Executive considers comments from the Overview and Scrutiny Committee and adopts the draft Strategic Commissioning and Procurement Strategy 2020–2030.

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