



Committee report

Committee	AUDIT COMMITTEE
Date	26 SEPTEMBER 2016
Title	PROCUREMENT STRATEGY 2016-2019
Report of	HEAD OF LEGAL SERVICES AND MONITORING OFFICER

EXECUTIVE SUMMARY

1. The purpose of this report is to provide the committee with a high level view of the council's Procurement Strategy and to request that the committee support the adoption of the Strategy which will be considered by Executive at its meeting on 10 November 2016.

BACKGROUND

2. The council's current Procurement Strategy has been in place since 2013 and is due to be updated this year.
3. The council historically spends approximately £120m a year with suppliers and third parties and £15.3m on capital infrastructure. The next few years will see further national and local budget reductions and it is increasingly important that we consider how taxpayers' money is spent and to support this, we must ensure that our approach to procurement is efficient, cost-effective and we achieve the best possible value from all of our procurements.

STRATEGIC CONTEXT

4. The principle purpose of the Procurement Strategy is to set the overall context for procurement and contract management in the council and, by building on existing elements of good practice, to map the future developments and likely improvements in the way the council approaches its procurement and contract management activities as a whole.

NATIONAL CONTEXT

5. The Local Government Association has published a new National Procurement Strategy for Local Government in England 2014 which sets out a vision for local government procurement and encourages all councils in England to engage with the delivery of outcomes in four key areas; making savings, supporting local economies,

leadership and modernising procurement. The council's Strategy is consistent with these themes.

LOCAL CONTEXT

6. In July 2016, the council revised its Contract Standing Orders ("CSOs"), taking into account the changing nature of the council and to ensure the rules governing the purchase of goods, services and the commissioning of works are appropriate and fit for purpose. This Strategy supports the new CSOs.

THE NEW PROCUREMENT STRATEGY 2016-19

7. It is increasingly important that the council ensures value for money and identifies the full potential of procurement as a tool for delivering the councils long-term goals set out in the Corporate Plan. The Procurement Strategy sets out how it is proposed procurement will support the achievement of our objectives over the next three years.
8. The new Procurement Strategy has been simplified, removing unnecessary complexities from processes and procedures. The Strategy is based around four key themes – ***"Strategic, Supporting Local Economies, Leadership and Modernising Procurement"*** - and sets out how the council will:
 - Make procurement easier for suppliers and the council alike;
 - Increase the professionalism and commercial skills of those carrying out procurements and managing contracts for the council;
 - Give opportunity to local and small and medium-sized enterprise ("SME") suppliers to participate by increasing visibility of our procurement plans and opportunities;
 - Maximise innovation, sustainability and collaboration in our procurement activities;
 - Promote sustainability, encourage social and economic benefits whilst minimising the environmental impact.
9. The Procurement Strategy is supported by an Action Plan which sets out the steps the council will take to deliver the four key themes over the three year term of the Procurement Strategy.

CONSULTATION

10. A draft of the proposed Procurement Strategy has been provided to members of the council's Senior Management Team for review and comment. The draft has also been shared with the Isle of Wight Chamber of Commerce and the Isle of Wight branch of the Federation of Small Business ("FSB").
11. Comments received so far in response to the Consultation have been positive and we are pleased to have had feedback from the FSB supporting the proposed Strategy.
12. Some very important points were raised by the IW Chamber of Commerce and some additions have been made to the Procurement Strategy based on their feedback.

FINANCIAL / BUDGET IMPLICATIONS

13. There are no direct financial implications arising from this report; however in adopting the new Procurement Strategy, it will help support the drive to secure best value for the council in all its procurement activity, which will lead to financial savings.

CARBON EMISSIONS

14. There are no direct implications relating to carbon emissions arising from this report, however, officers will be required when carrying out procurements and awarding contracts to have due regard to the Procurement Strategy in relation to sustainability which covers carbon emissions.

LEGAL IMPLICATIONS

15. There are no direct legal implications arising out of this report. Public procurement operates in a highly regulated environment governed by legislation and policies set by the EU, nationally through statute and case law and locally by the council's Constitution. The Procurement Strategy has been developed in line with this legal framework.

EQUALITY AND DIVERSITY

16. The council, as a public body is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
17. There are no direct equality and diversity implications arising from this report. However, officers will be required when carrying out procurements and awarding contracts to have due regard to the Procurement Strategy in relation to Equality and Diversity considerations.

PROPERTY IMPLICATIONS

18. There are no direct property implications arising from this report. Any property implications will be considered for each procurement at the appropriate time.

OPTIONS

19. The following will be presented to Executive as its options in relation to the adoption and implementation of the Procurement Strategy 2016-2019:
 - Option A – to adopt the Procurement Strategy set out in the appendix to this report without any amendments; or
 - Option B – to adopt an amended Procurement Strategy; or

- Option C – not to adopt either the Procurement Strategy or any amended Procurement Strategy.

RISK MANAGEMENT

20. The adoption and implementation of the Procurement Strategy will ensure that the council contracts in an open, fair and transparent way and will therefore mitigate against any challenge on any of these grounds.

RECOMMENDATION

21. The committee is asked to note the report and support the following recommendation to Executive:

Option A - To adopt the Procurement Strategy set out in the appendix to this report without any amendments.

APPENDICES ATTACHED

22. [APPENDIX](#) – Isle of Wight Council Procurement Strategy 2016-2019 DRAFT.

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