



PAPER B

Purpose: For Decision

Committee report

Committee	CABINET
Date	14 NOVEMBER 2019
Title	PROCUREMENT STRATEGY 2019-2022
Report of	CABINET MEMBER FOR PROCUREMENT, WASTE MANAGEMENT, SPECIAL PROJECTS AND FORWARD PLANNING

EXECUTIVE SUMMARY

1. This report sets out details of the proposed Procurement Strategy 2019-2022 (the Strategy).
2. The current Procurement Strategy has been in place since 2016 and is due for renewal this year.
3. The Strategy sets out the council's procurement vision, aims and objectives over the next three years in relation to procurement and contract management activity.
4. The Strategy is focused around four key themes - *"Leadership, Behaving Commercially, Local Community and Economy and Environmental Considerations"*.

BACKGROUND

5. The many challenges the council faces in delivering public services are set out within the Corporate Plan but its financial position remains the most serious challenge it must address. 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. To support this we must make sure that our approach to procurement and contract management is efficient, cost-effective and we achieve the best possible value from all of our procurements and contracts.

STRATEGIC CONTEXT

6. The principle purpose of the Strategy is to set the overall context for procurement and contract management in the council. The Strategy builds on existing good practice and maps the future developments and likely improvements in the way the council approaches its procurement and contract management activities.
7. The Strategy supports the achievement of the council's commitments and values as identified within the Corporate Plan 2019 – 2022, particularly in relation to delivering the savings plans necessary to achieve an annual balanced budget.

NATIONAL CONTEXT

8. The Local Government Association ("LGA") published a new National Procurement Strategy for Local Government in England in 2018. The National Strategy sets out a vision for local government procurement and contract management and encourages all councils in England to engage with the delivery of outcomes in three key areas; *leadership, behaving commercially, local community and economy*. Our Strategy is consistent with these themes.

THE NEW PROCUREMENT STRATEGY 2019-2022

9. The council spent £150.1m on goods and services and £24.3m on capital infrastructure in the financial year 2018/19.
10. It is increasingly important that the council achieves value for money and identifies the full potential of procurement and contract management as a tool for delivering the council's long-term goals set out in the Corporate Plan.
11. The Strategy is based around four key themes – ***"Leadership, Behaving Commercially, Local Community and Economy and Environmental Considerations"*** - 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 in procurement processes by increasing tendering skills in the marketplace and 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.
12. The 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 Strategy.

CONSULTATION

13. The draft Strategy was presented to the Local Business Network at a workshop held in September 2019. 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").
14. Comments received in response to the consultation have been encouraging, particularly in relation to the commitments the council has made over the three-year period.

FINANCIAL / BUDGET IMPLICATIONS

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

CARBON EMISSIONS

16. 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 Strategy in relation to environmental considerations, which covers carbon emissions.

LEGAL IMPLICATIONS

17. 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 Strategy has been developed in line with this legal framework.

EQUALITY AND DIVERSITY

18. 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.
19. 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 Strategy in relation to Equality and Diversity considerations.

OPTIONS

20. The options in relation to the adoption and implementation of the Procurement Strategy 2019-2022 are set out as follows:
- Option 1 – to adopt the Procurement Strategy set out in ‘Appendix 1’; or
 - Option 2 – to adopt an amended Procurement Strategy; or
 - Option 3 – not to adopt either the Procurement Strategy or any amended Procurement Strategy.

RISK MANAGEMENT

21. The adoption and implementation of the Procurement Strategy will ensure that the council’s procurement and contract management activity is conducted in an open, fair and transparent way and will therefore mitigate against any challenge on any of these grounds.
22. Option 2 would result in significant delays to implementing an updated Strategy as further consultation internally and with local business networks would need to be undertaken on any proposed amendments. The council would be working to an out of date Procurement Strategy while this work was undertaken.
23. Option 3 is not recommended. The current Procurement Strategy has come to the end of its three-year term its aims and ambitions have been delivered. An updated Procurement Strategy is required to demonstrate the council’s commitment to continuous improvement in its procurement and contract management processes and to deliver the planned actions over the next three-year term.

EVALUATION

24. It is important for the council to adopt an updated Strategy in order to set out its procurement vision, aims and objectives for the next three years.
25. The Strategy maps out the initiatives to be addressed in the forthcoming three years through the Action Plan which contains objectives against which progress can be measured and reported.
26. The Strategy provides a public commitment to maintain and improve the day-to-day procurement work within the council and emphasises a determination to make continual improvements within our processes and practices.
27. The Strategy picks up the key themes covered by the LGA National Procurement Strategy as well as local considerations.

RECOMMENDATION

28. Option 1 - to adopt the Procurement Strategy set out in 'Appendix 1'.

APPENDICES ATTACHED

29. [Appendix 1](#) – Isle of Wight Council Procurement Strategy 2019-2022 DRAFT.

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