



# **Procurement Strategy Refresh 2023**

## **Report for the Resource and Transformation Overview and Scrutiny Panel**

**21 Sep 2023**

# Procurement Governance - Overview

Public  
Contracts  
Regulations  
(PCR2015)

UK Government national regulations to ensure fairness, openness and transparency in the process to procure works, goods and services

[LINK: The Public Contracts Regulations 2015 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

*NOTE: The Procurement Bill (2022) is nearing completion of its passage through Parliament. When it achieves Royal Assent, the new guidance will be reviewed against the Procurement Strategy and Contract Standing Orders*



Procurement  
Strategy



Contract  
Standing  
Orders  
(CSOs)

NFDC Strategy sets out our procurement approach with objectives and goals. It is publicly available.

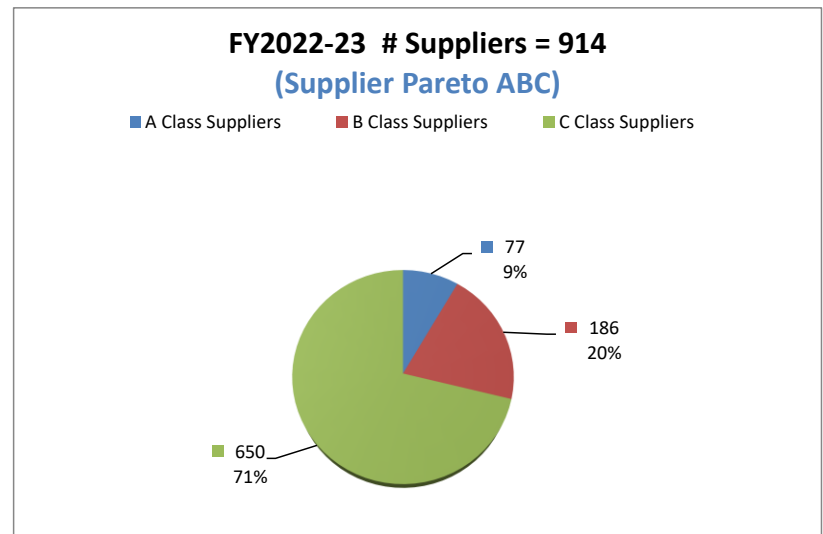
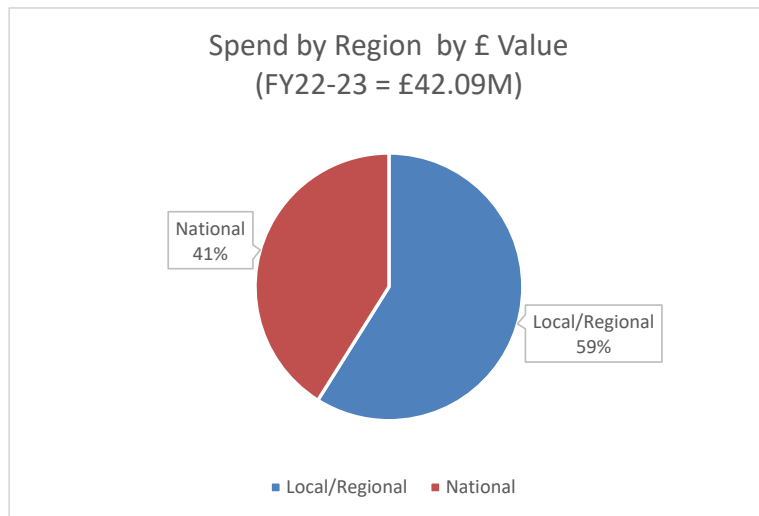
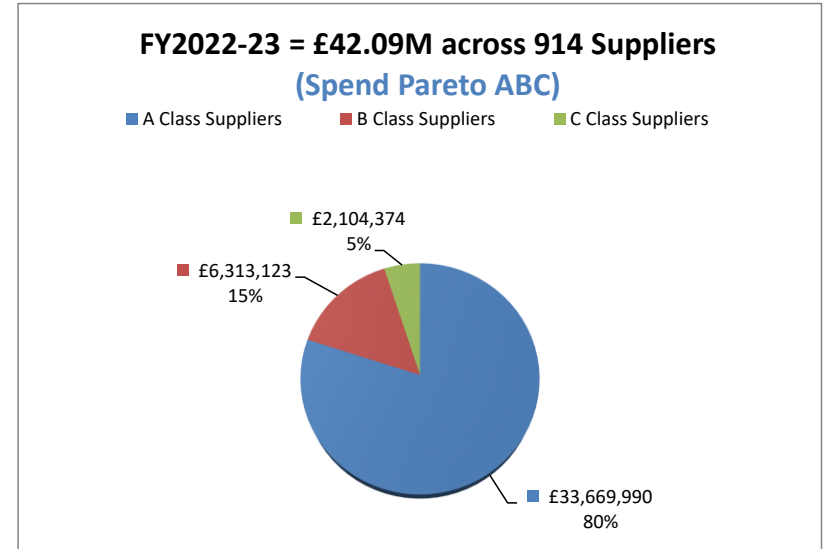
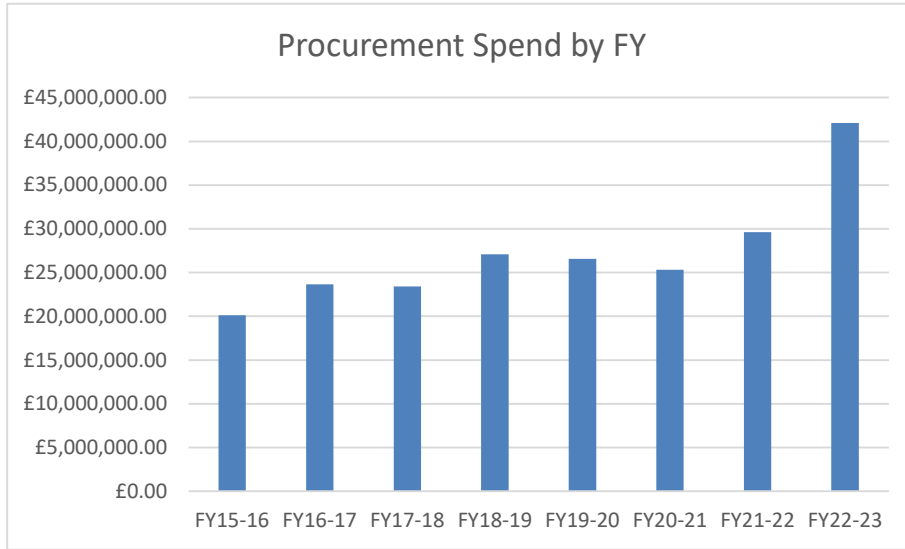
CSOs are the internal rules of the road for staff and members involved in the procurement of works, goods and services covering the end-to-end business process



User  
Guides

Guidance issued by Procurement for staff involved in procurement and contract management covering specific elements of the business process

# Spend Analysis Dashboard – Supplier Payments FY22/23



# Comments FY2022/23 Spend

## **FY22/23 Spend £42.09M**

Spend UP after 2 years flat profile (Covid 19 impact)

914 suppliers paid

## Pareto Analysis

77 (9%) suppliers account for 80% of spend

650 (71%) suppliers account for just 5% of spend

45% spent with Local/Regional Suppliers

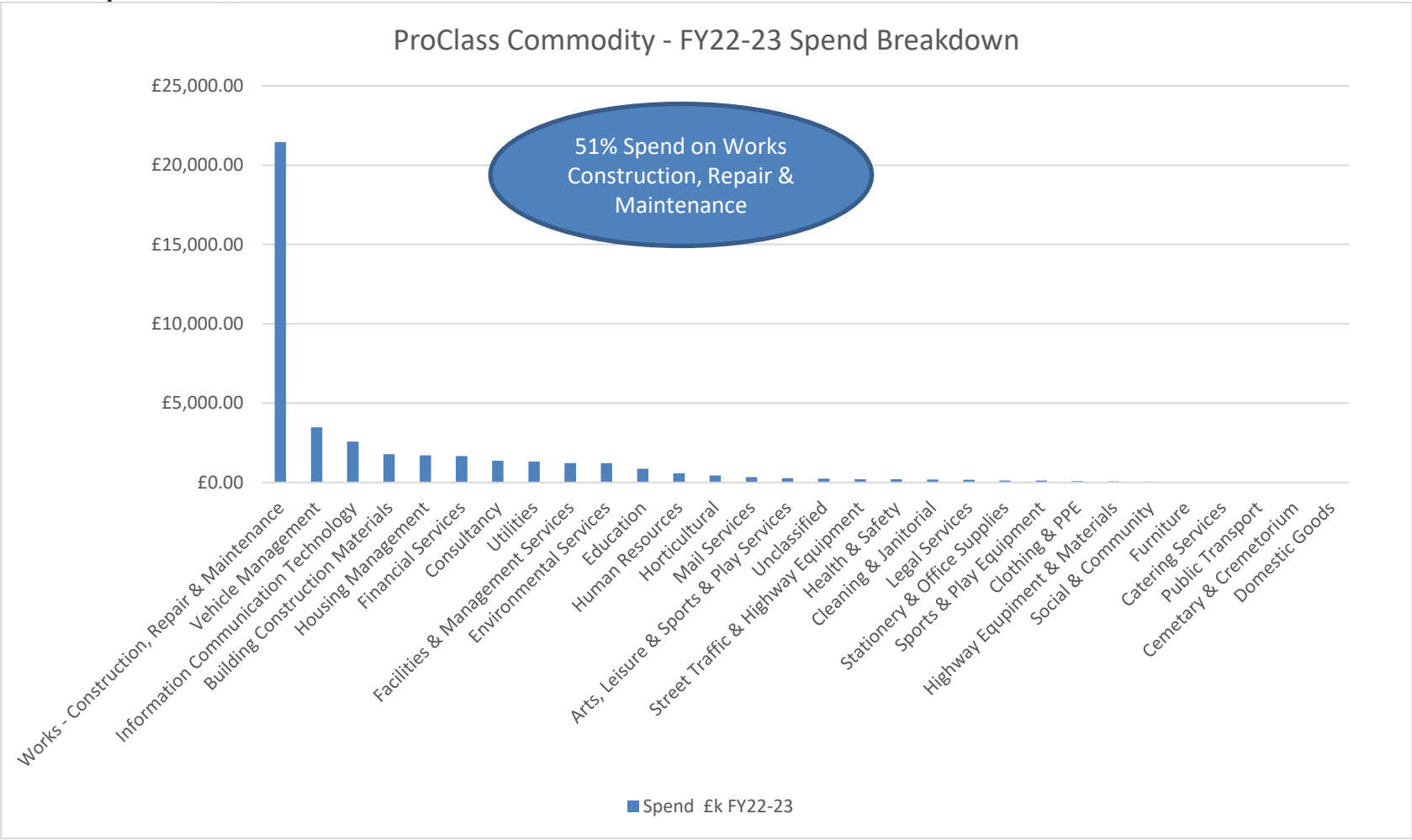
51% of Spend is for Works Contraction, Repairs & Maintenance

## Spend up in 2022/23

Several large works contracts (Estates & Housing Strategy) – e.g. Crow Lane Business Park, Housing new builds, fire protection works to Housing schemes plus vehicle purchases waste & transport.

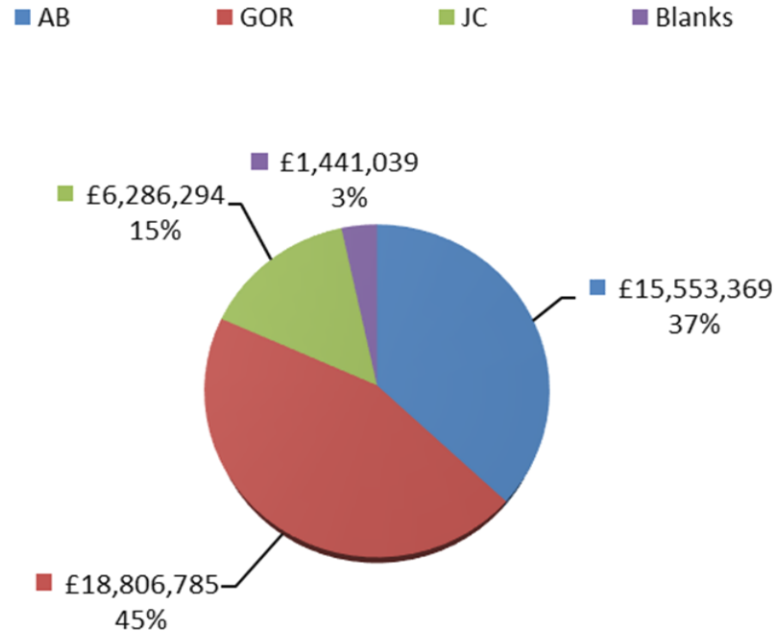
Post Covid 19 cost impacts especially in Works and Building Materials

# Spend Analysis Dashboard – Supplier Payments FY22/23



# Spend by Strategic Director FY22/23

## FY2022-23 = £42.09M across 914 Suppliers



**Note:** £1.44M (3% of spend FY22/23) currently not classified by SD grouping. This is mostly C class spend over 382 suppliers covering ALL service areas. Spend ranges from £20k p.a. down to £1. Procurement working with Finance Unit4 reporting to allocate most appropriate service.

# Procurement Strategy – 2023 Refresh

Our Procurement Strategy aims to explore and realise the Quality, Service and Value for Money offering from our suppliers to support and improve the Councils service provision to our residents and businesses

The Strategy has 4 guiding principles namely,

- Value
- Compliance
- Environment
- Fairness

Each guiding principle has a set of improvement goals and action plans.

This format was originally introduced in 2018. The majority of content is still relevant today, hence the decision to refresh.

The Procurement Strategy is publicly available via the NFDC website

<https://www.newforest.gov.uk/article/942/Supplying-the-council>

# 2023 Refresh Changes

The 2023 refresh updates the following elements of the Strategy;

1. Improvement Goals for Value, Compliance, Environment and Fairness have been updated to reflect progress made and latest target dates
2. Value section (5.1) objectives inserted setting out goals regarding efficiency savings and cost reduction
3. Environment section (5.3) has been reviewed to align with the 2021 climate changes and nature emergency statement from NFDC full Council. Objectives added under heading of Net Zero.
4. Governance table set out in section 6.1 and narrative in 6.2 reflects the introduction of Contract Relationship Officer (CRO) role to overview contract management by Strategic Directorship
5. The Strategy now has no end date. Going forward the plan being to make changes as further refreshes, so that the strategy does not appear to be out of date when the content is still relevant

The proposed Procurement Strategy refresh @v5 is attached to agenda items

The Procurement Strategy is publicly available via the NFDC website. Current version <https://www.newforest.gov.uk/article/942/Supplying-the-council>



# Procurement - Contract Standing Orders

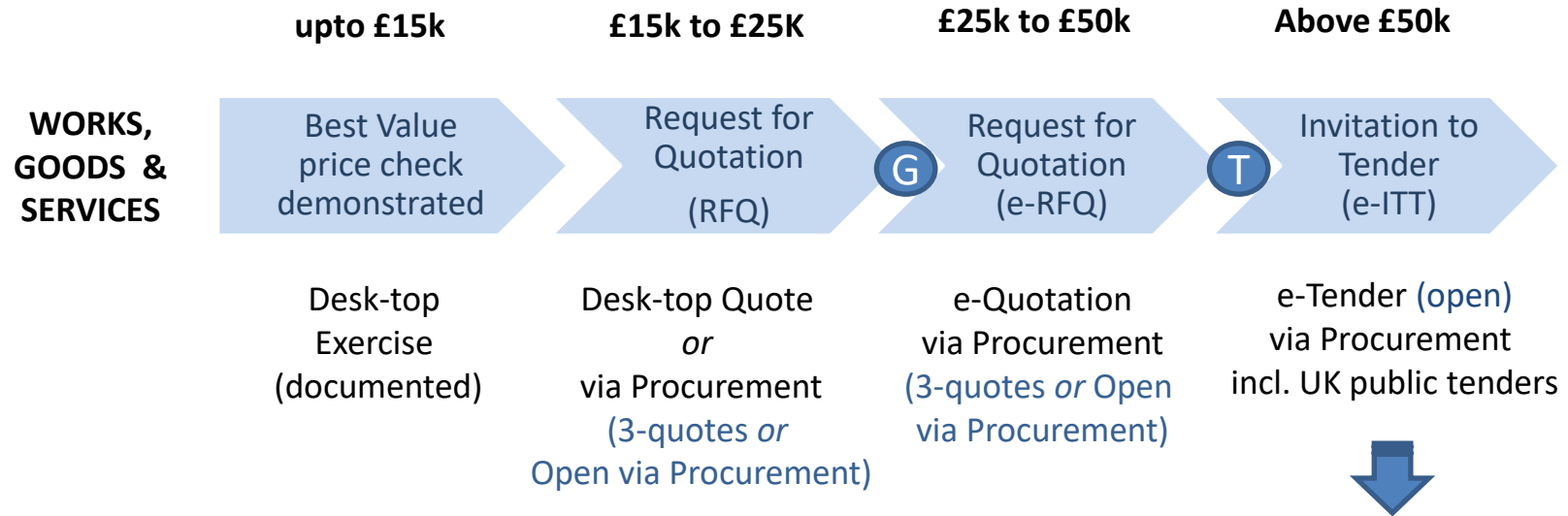
Procurement operates in a complex legal framework set by the UK Government and the European Union. All local authorities are required by law to draw up a set of Contract Standing Orders (CSO's) for the procurement of works, goods and services to achieve competition and to regulate procedures for procurement

By following these Contracts Standing Orders in dealing with the Councils procurement, officers can be sure that they have acted in an appropriate manner and are protected from any accusation of corruption, fraud, illegality or misuse of public funds

Contract Standing Orders provide the framework for the procurement of all goods, services and works and must be complied with by all Members, Officers, Consultants and other external Agents appointed to act on behalf of the Council in procurement matters

You can find NFDCs CSO's [HERE](#)

# NFDC Procurement CSO £ Thresholds



**CONTRACT STANDING ORDERS**



<b>2022 UK PCR Thresholds</b>	
UK Advertising thresholds for Public Sector Contracting Authorities using Find a Tender Service (FTS) ref PPN10/21	
GOODS & SERVICES	£213,477
WORKS	£5,336,937

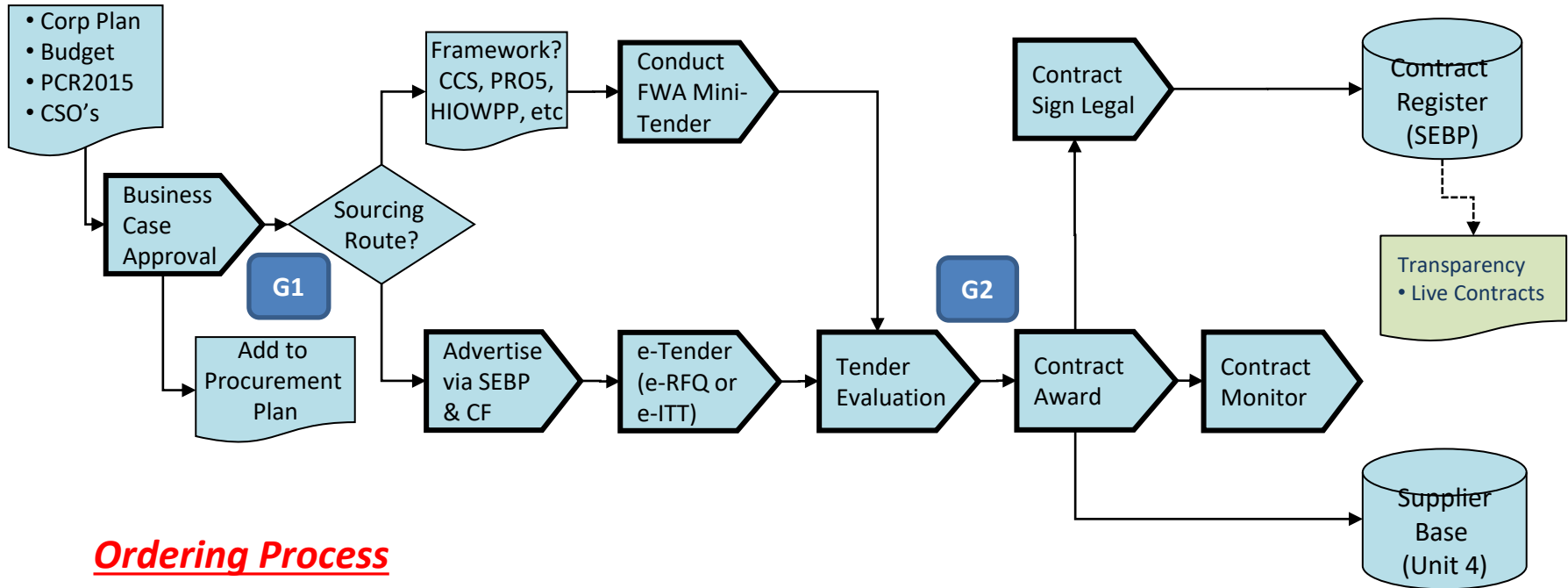
**Key:**

**G** = Gateway Review required for any Contract exceeding £25,000 >> See CSO's SO3

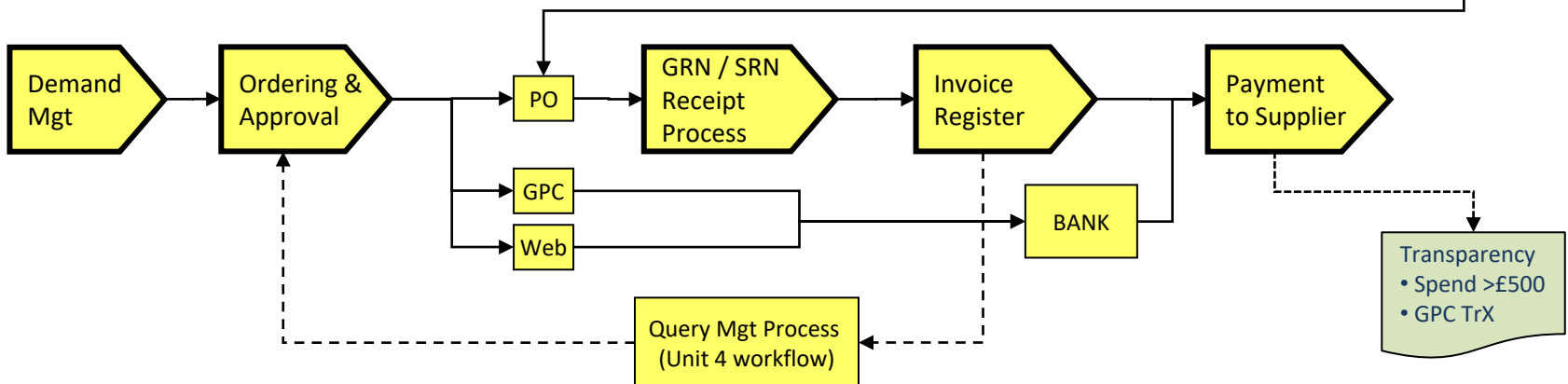
**T** = Transparency – All contracts £50k+ must be openly advertised via Procurement >> See CSO's SO8

# The Procurement Process

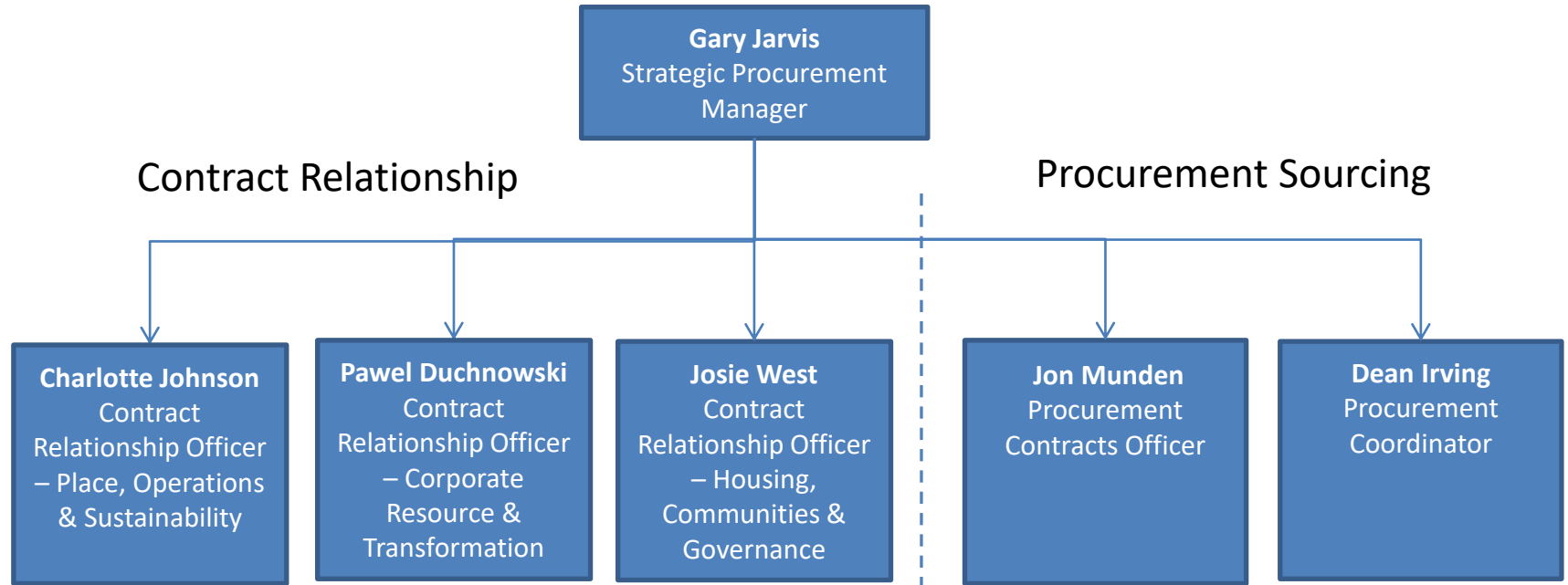
## Sourcing Process



## Ordering Process



# The Procurement Team 2023



## Focus

- Contract Mgt focus
- CRO's supporting Services with Essential Contracts (not one-offs or ad-hoc)
- Deployed to work closely with service teams (Budgets retained by Service Managers)
- Pareto approach to £Value / Risk

## Focus

- eRFQ >£25k
- eTendering >£50k (end-to-end process)
- E-Tendering above threshold contracts
- New Supplier process
- Contracts register

# R&T O&S Panel Action

Please would the R&T O&S panel review and provide comments on the Procurement Strategy 2023 Refresh following this report presentation to enable its adoption.

For further information please contact;

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