

## PROCUREMENT STRATEGY (2023 REFRESH)

### 1. RECOMMENDATIONS

- 1.1 That Cabinet recommend to Council that the Procurement Strategy (2023 Refresh) set out in attachment **Appendix 1**, be adopted.

### 2. INTRODUCTION

- 2.1 This report presents the Council's draft Procurement Strategy. This is a refresh of the current live Procurement Strategy that was approved by Cabinet and Council in 2018 for publication on the Councils website. The Procurement Strategy 2023 Refresh retains the same format and majority of content of the 2018 version. The 2023 refresh version updates performance against improvement goals, inserts objectives regarding efficiency savings, cost reduction and environment. The proposed Procurement Strategy 2023 Refresh is attached at **Appendix 1**.
- 2.2 The current draft Procurement Strategy 2023 Refresh has been reviewed by the Resources and Transformation Overview and Scrutiny Panel (21Sep23) and the Executive Management Team (EMT).

### 3. BACKGROUND

- 3.1 Procurement operates in a complex legal framework set by the UK Government to ensure fairness, openness and transparency in the process to procure works, goods and services. This regulation takes the form of the Public Contracts Regulations 2015. <https://www.legislation.gov.uk/ukxi/2015/102/contents>

Please 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 the Councils internal Procurement Contract Standing Orders.

The Procurement Strategy sets out our procurement approach along with objectives and goals. It is publicly available. The Strategy is complimented by the Procurement Contract Standing Orders (CSO's) that set out the rules of the road for staff and members involved in the procurement of works, goods and services covering the end-to-end business procurement process. No Changes to CSOs are included here.

The 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 for 2023 and beyond.

#### **4. ITEMS AMENDED IN THE PROCUREMENT STRATEGY REFRESH 2023**

- 4.1.1 The Procurement Strategy refresh includes the following changes or additions:
- 4.1.2 Improvement Goals for Value, Compliance, Environment and Fairness have been updated to reflect progress made and latest target dates.
- 4.1.3 Value section (5.1) objectives inserted setting out goals regarding efficiency savings and cost reduction. Content added to reflect the importance and objectives under Outcome Based Specification and Contract Management. Content was amended here to reflect the additional contract relationship resource added to the centre-led Procurement Team in the form of Contract Relationship Officer roles (3 FTE's) who are assigned to support each Strategic Directorship.
- 4.1.4 Environment section (5.3) has been reviewed to align with the 2021 climate change and nature emergency statement from NFDC full Council. Objectives also added under heading of Net Zero. The Sustainable Procurement section adds content regarding the consideration of the "whole life basis" of the supply chain.
- 4.1.5 The Governance table section (6.1) and narrative (6.2) reflects the introduction of Contract Relationship Officer (CRO) role to overview contract management by Strategic Directorship.
- 4.1.6 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.

#### **5. CONSULTATION PROCESS**

- 5.1 The current draft Procurement Strategy 2023 Refresh has been developed by the Councils procurement team and scrutinized by the Executive Management Team in September 2023. The draft Strategy was then circulated and reviewed by the Resources and Transformation Overview and Scrutiny Panel on 21Sep23.

#### **6. CONCLUSIONS**

- 6.1 The proposed Procurement Strategy supports the Council in compliance to the UK Government regulations (PCR2015) to deliver successful "business as usual" procurement as well as drive improvements emanating from the forthcoming Transformation projects across NFDC Services.
- 6.2 It is proposed that following approval of Cabinet the Procurement Strategy refresh 2023 be submitted for approval of Council on 11<sup>th</sup> December 2023 for full adoption and publication via the website and normal internal communication routes.

#### **7. FINANCIAL IMPLICATIONS**

- 7.1 The budgeting process for the procurement of works, goods and services will remain as is with each project being subject to a business case and financial sign-off, however

the goals of the Procurement Strategy Refresh should be considered regarding value for money, cost reduction and environmental considerations. Officers are required to explore opportunities for, and realisation of, cost improvements for all procurement projects. Cost savings and contributions to the Medium-Term Financial Plan (MTFP) will also be recorded for each project by the responsible service.

## **8. GOVERNANCE OF THE PROCUREMENT PROCESS**

- 8.1 The Council's Cabinet is responsible for setting the overall Procurement Strategy. The Executive Management Team (EMT) is responsible for implementing the Council's Procurement Strategy. The Procurement Team provide policy and process direction to Service Managers (and their nominated Contract Administrators) for procurement projects.

## **9. ENVIRONMENTAL IMPLICATIONS**

- 9.1 The Council recognises it has a vital role in sustainable development, through its procurement of goods, works and services. Procurement decisions have a major socio-economic and environmental impact, both locally and globally, now and for future generations. On 6 October 2021 NFDC declared a climate change and nature emergency for the district at our meeting of full Council. The announcement builds on our environmental and sustainability actions to further focus on outcomes that will provide positive benefits to the world-wide climate change agenda.
- 9.2 A targeted approach will be used to determine and focus upon the categories of works, goods and services that have an impact upon the environment. This will help ensure positive outcomes can be delivered through the procurement process (e.g. score impact based upon the following: energy conservation, emissions to air, discharges to water, waste and social environment).
- 9.3 Suppliers tendering for Council contracts are required to set out how their proposals contribute to the goals of the Councils Climate Change and Nature Emergency and specifically what innovations and improvements will be delivered from the start of contract and step changes to be delivered throughout the contract life cycle under the impact headings of nature, health, economy and social.

## **10. EQUALITY & DIVERSITY IMPLICATIONS**

- 10.1 Section 5.4 of the Procurement Strategy covers the approach to Fairness and includes Equality and Diversity outcomes we would require for relevant procurement projects.
- 10.2 The Council recognises the opportunity procurement provides to influence the Equality and Diversity agenda. We are committed to ensuring that our major suppliers and contractors share our equality and diversity vision and values, and work to implement these. It is the responsibility of staff involved in procurement activities to ensure that equality is embedded in contracts and service provision (specification).

## **11. DATA PROTECTION IMPLICATIONS**

- 11.1 Data protection considerations (DPA and GDPR) are constituent elements of each procurement project. If applicable any requirements and implications would be set out in the contract terms and conditions by our Legal Services team.

## **12. RESOURCES & TRANSFORMATION OVERVIEW AND SCRUTINY PANEL COMMENTS**

- 12.1 The R&T O&S Panel provided feedback on the draft strategy refresh regarding the importance of specification and environmental whole life consideration which have been incorporated in the draft strategy as set out in points 4.1.2 and 4.1.3 herein.

## **13 PORTFOLIO HOLDER COMMENTS**

- 13.1 I am pleased to see the refresh of the Procurement Strategy coming forward. Whilst in essence a technical document it is invaluable in ensuring the delivery of projects, the securing of good working relationships with suppliers and the delivery of both quality and value for money to our residence.

### **For further information contact:**

#### **Gary Jarvis**

Strategic Procurement Manager  
Legal  
New Forest District Council  
Tel: **02380 285307**  
[gary.jarvis@nfdc.gov.uk](mailto:gary.jarvis@nfdc.gov.uk)

### **Attached Papers:**

Appendix 1  
Procurement Strategy 2023 Refresh

#### **Alan Bethune FCCA**

Strategic Director Corporate Resources &  
Transformation  
Section 151 Officer  
New Forest District Council  
Tel: **02380 285001**  
[alan.bethune@nfdc.gov.uk](mailto:alan.bethune@nfdc.gov.uk)