

Name of meeting: Corporate Scrutiny
Date: 19/09/2022
Title of report: Procurement Strategy

Purpose of report

This report presents the draft Procurement Strategy for comment by the panel.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	N/A
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	N/A
The Decision - Is it eligible for call in by Scrutiny?	N/A
Date signed off by <u>Director</u> & name	Julie Muscroft, Service Director Legal, Governance and Commissioning
Is it also signed off by the Assistant Director for Financial Management, IT, Risk and Performance?	No
Is it also signed off by the Assistant Director (Legal Governance and Monitoring)?	Yes
Cabinet member portfolio	Cllr Davies, Corporate Portfolio Holder

Electoral wards affected: All

Ward councillors consulted: None

Public or private: Public

Has GDPR been considered? N/A

1. Summary

- 1.1 Kirklees Council last Procurement Strategy covered the period 2013-2017. The new strategy builds on the successes of the previous strategy and work that has continued since its end to further embed a category-led approach and social value approaches to procurement. It also recognises the change in national policy context now the UK is outside of the EU and acknowledges the direction set for upcoming legislation by the Transforming Public Procurement Green Paper.
- 1.2 Much has been accomplished since moving from a devolved procurement model to a centralised category led approach in 2018, providing more assurance to the Council's commercial activity and demonstrating a stronger corporate grip on potential procurement

risks, and whilst challenges still remain, progress is evidenced in part by the procurement team's successes in recent years at the National Public Procurement GoAwards:

- 2019 Winner - Procurement Team of the Year
- 2019 Highly commended - Procurement Innovation of the Year
- 2020 Winner - Project of the Year;
- 2021 Winner - Best Procurement Delivery (Local Government), and
- 2022 Finalists - Individual Achievement & Social Value Award.

- 1.3 The Procurement Strategy and Social Value Policy are closely related pieces of work. Together they support a key Corporate Portfolio objective to drive holistic benefits for our residents and communities through the Council's work.
- 1.4 The Procurement Strategy outlines the ambition and direction of travel for procurement.
- 1.5 The Contract Procedure Rules are the regulatory framework for all staff to follow in respect of purchasing goods, services and works regardless of value.

2. Content of the Procurement Strategy

- 2.1 The Procurement Strategy has been developed to support Kirklees Council strategic aims and priorities.
- 2.2 The strategy recognises the opportunity that procurement activity has in maximising added value and efficiencies with a focus on achieving value for money, alongside collaborating with internal and external partners.
- 2.3 The Procurement vision is to offer an outstanding procurement experience for stakeholders and suppliers that is transparent, provides opportunities for local businesses, delivers fantastic goods and services, delivers the best value for our residents, and supports achievement of Kirklees' Shared Outcomes
- 2.4 The strategy is framed around the key themes of:
 - Delivering Social Value: securing the best economic, social and environmental benefits for our people and places.
 - Promoting Inclusive Procurement: promoting a vibrant and mixed local economy, recognising the importance, innovation and value offered by our SMEs and VCSEs.
 - Continuing to develop our category-led approach: sourcing more strategically, more innovatively, stimulating and encouraging competition.
 - Striving for innovation and improvement in all that we do: delivering an effective commercial function that works in proactive, flexible and innovative ways.
 - Good governance: using proportionate controls, systems and standards, and management of procurement risk.
- 2.5 It is important to highlight that the theme of social value is dependent on the direction of the Social Value Policy, in particular the early consideration of SV within service design and commissioning processes.
- 2.6 Demonstrating value for money and partnership working remain at the heart of our approach to deliver effective procurement services.

- 2.7 The strategy is supported by an action plan. A project plan will be developed alongside highlighting key dates and milestones. The action plan will be a working document that will be used to monitor the delivery of the strategy.

3. Performance Reporting and Measuring Impact

- 3.1 A suite of indicators has been developed to monitor the impact of this procurement strategy. Further work will be required from other enabling functions to ensure effective reporting mechanisms are established.
- 3.2 While local spend analysis is being routinely carried out on an annual basis and adoption of the Social Value Portal allows some routine reporting on social value, more work is required to ensure these are reliable and robust measures.
- 3.3 Executive Team and Leadership Management Team support prioritisation of work on these measures to increase their reliability, allowing their incorporation into the Corporate Reporting Framework and demonstrating the impact of this work.

4. Implications for the Council

- 4.1 Procurement strategy and activity covers all aspects of the councils operations and provides a key enabling role in contributing to the organisations strategic priorities and outcomes which in turn supports delivery of the Council Plan;
- i. Working with People
 - ii. Working with Partners
 - iii. Place Based Working
 - iv. Climate Change and Air Quality
 - v. Improving Outcomes for Children

- 4.2 Other (e.g. Legal/Financial or Human Resources)

Public sector procurement is subject to a legal framework which encourages free and open competition and value for money, in line with internationally and nationally agreed obligations and regulations. This procurement strategy will deliver further improvements and assurances in relation to demonstrating value for money.

5. Consultees and their opinions

- 5.1 The draft strategy has been informed by:
- Discussions with the Corporate Portfolio Holder;
 - Discussions within the procurement team;
 - Early discussions at Legal, Governance & Commissioning and Corporate SLTs;
 - Feedback from commissioners and suppliers on individual procurement exercises as well as market engagement with suppliers;

- Discussions with Helen Orlic, author of the VCSE Investment Strategy and Val Johnson from Third Sector Leaders;
- Discussions with a range of commissioners across Council services; and,
- Discussion at ET on 14 June.

5.2 The draft strategy has been discussed at all SLTs to ensure support across the board given its broad ranging impacts. These conversations were positive, and issues identified have been reflected in the attached version of the document. Regarding procurement these relate to:

- Production of an action plan to support delivery;
- Social value capacity within the organisation and each directorate;
- The need for improved reporting to provide visibility of the impacts;
- Opportunities provided by the new NHS Provider Selection Regime; and,
- The role procurement can play in supporting equality, diversity and inclusion in Kirklees.

6. Next steps and timelines

The next steps for this strategy are:

- Agreement at Cabinet on 11 October;
- Identify leads for key procurement themes (October);
- Agree key milestones for progressing delivery of the strategy (October)
- Identify corporate resource for progressing performance measures (October/November)

7. Officer recommendations and reasons

7.1 For Corporate Scrutiny Panel to note and discuss the contents of this report.

8. Cabinet portfolio holder's recommendations

8.1 As above.

9. Contact officer

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10. Background Papers and History of Decisions

Not applicable.

11. Service Director responsible

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