

Kirklees Council

Procurement Strategy

October 2022

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PROCUREMENT VISION

Kirklees Council aims to offer an outstanding procurement experience for stakeholders and suppliers that is transparent, provides opportunities for local businesses, delivers fantastic goods, works and services, delivers the best value for our residents, and supports achievement of Kirklees' Shared Outcomes.

INTRODUCTION

Our vision for Kirklees is to be a district which combines a strong, sustainable economy with a great quality of life – leading to thriving communities, growing businesses, high prosperity and low inequality where people enjoy better health **throughout** their lives

Procurement plays a key enabling role in delivering the Council's vision and supporting delivery of other key strategies. This strategy sets out how we will use the Council's purchasing power to secure the best possible value and outcomes for the district and its residents, seeking to maximise the value of every pound we spend in terms of jobs, skills and supply chain opportunities in the local community.

The Council's net zero target of 2038 requires the reduction of all services' carbon footprint including through the supply chain. This can be achieved both through the technical specifications for procurements as well as through social value commitments.

Economic considerations should be balanced with the need for environmental and social outcomes, and this must be done within the bounds of procurement legislation. We can build in measurement of broader social outcomes **and** carbon reduction targets alongside more traditional measures of cost and quality. In practice this means a focus on council priority outcomes, such as creating local jobs, providing equality of opportunity to all and reducing carbon emissions.

The Coronavirus Pandemic (COVID-19) continues to have a significant impact on our people and places. The Council understands that as one of the largest procurers of goods, services and works in Kirklees it can play a significant role helping the local economy recover.

Our new Procurement Strategy builds on the progress made over recent years recognising the need to have robust contracts and reflect Kirklees' commitment to promoting an inclusive and sustainable economy by working in partnership with communities and partners.

There is still much more work that we need to do. Central to this strategy will be the changing **national** procurement agenda and the financial climate. We await the overhauled public procurement regime as set out in the Green Paper on Transforming Public Procurement. This wide-ranging programme of reform will ensure our regulations improve public services, maximise innovation and deliver wider economic benefits for our citizens. Alongside this the new NHS Provider Selection Regime will provide opportunities to make the most of stronger, flexible, simpler and integrated connections for the provision of healthcare services.

WHAT IS PROCUREMENT?

Procurement is the process of acquiring goods, works and services from third parties.

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.

Delivering value for money is at the heart of what we do.

The Duty of Best Value placed upon the Council under the Local Government Act 1999 requires the Council to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy and efficiency and effectiveness. The Public Services (Social Value) Act 2012 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits.

This means effectively balancing quality, financial and social value considerations in a manner that can be clearly communicated and understood by all stakeholders and ultimately results in the best value and outcomes for residents.

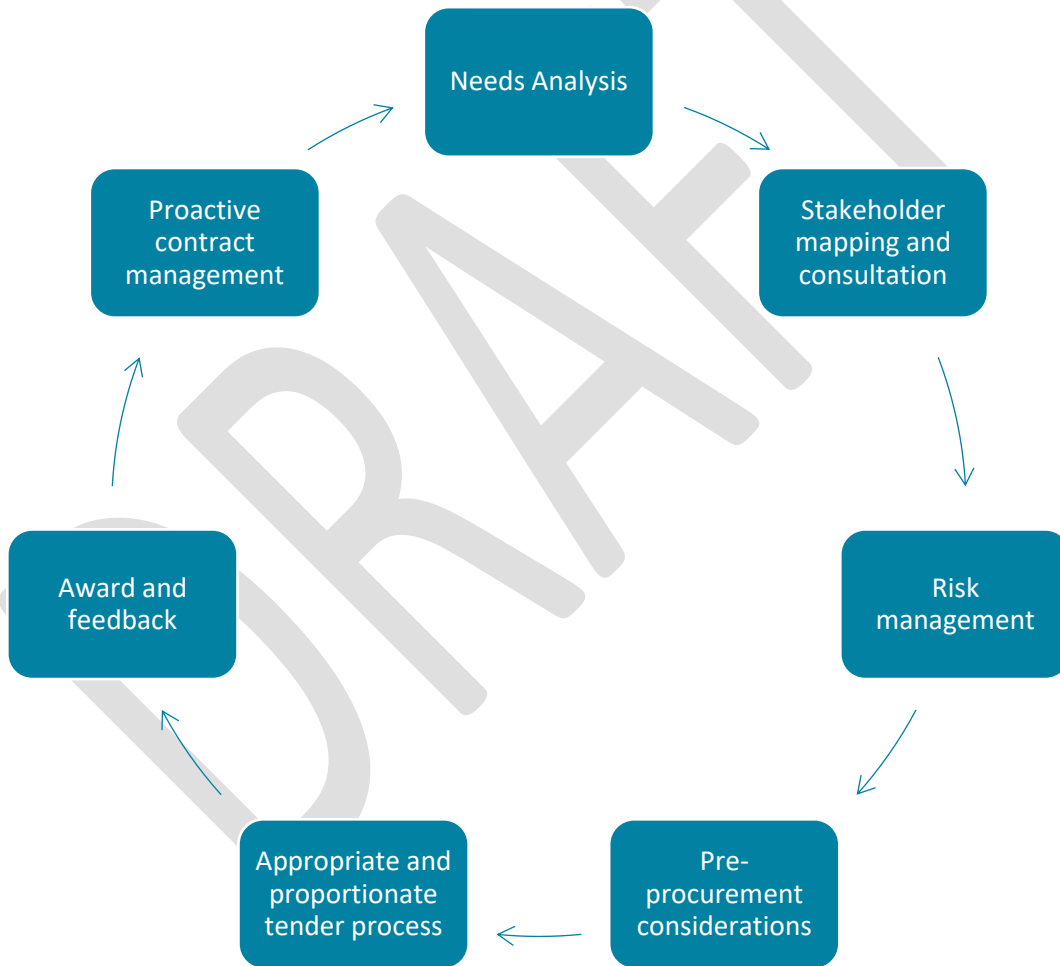
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THE PROCUREMENT SERVICE

The Procurement Service’s purpose is to ensure that commercial arrangements and contracts awarded by Kirklees Council provide great value for money. The service is configured into market-facing teams, using a category management approach which aligns to the Council’s service areas and their priorities, ensuring the principles of public procurement; transparency, integrity, openness, fairness, non-discrimination, equal treatment, competition and accountability underpin our procurement activity.

The team aim to provide an excellent service to all our stakeholders working closely with other council corporate enabling services such as Legal, Audit, Risk, Insurance and Finance colleagues to ensure the best possible commercial arrangements are secured. The team engage with stakeholders throughout the procurement lifecycle to ensure value for money is demonstrated and achieved.

The Procurement Cycle



ACHIEVEMENTS & CHALLENGES

The Council is facing a growing demand for services, falling and unpredictable funding levels and rising inflation rates. The impact of Brexit and the pandemic whilst creating new potential opportunities has also created new challenges and risks for us, such as the potential for sudden contractor failure, challenging market dynamics and disruption to our supply chains.

With pressures on supply chains, volatility in the market and inflationary pressure alongside everyday challenges that exist in commercial activity such as the need for better risk mitigation, better control and visibility of spend, contract compliance, potential for corruption and fraud, the need for having effective, sustainable procurement practices has never been more important.

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

STRATEGIC THEMES

We look forward to working with all our key stakeholders to deliver this strategy focussing on the following key themes:

- **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.

DELIVERING SOCIAL VALUE

OUR AMBITION

To secure the best economic, social and environmental benefits for our people and places through our approach to social value in our commissioning and procurement activities.

WHAT WE HAVE ACHIEVED

- Learning, sharing and experimenting in our approach to social value generation
- Piloting the use of the National Themes Outcomes and Measure via the Social Value Portal (SVP) to leverage social value commitments from successful suppliers
- Increased the level of local spend and social value weighting in procurement activity

HOW THIS AMBITION WILL BE DELIVERED

- Applying a minimum social value weighting of 10% in evaluation criteria in contracts above £100k where appropriate
- Promoting early consideration of social value in commissioning and inclusion of social value into specifications
- Adopting different approaches and tools for different markets and contracts
- Developing ambitious social value visions for our major schemes
- Using procurement to maximise contributions to achieving our aim to reach net zero by 2038 and promote sustainable practices
- Stimulating pre-market activity and encouraging local participation in procurement activity
- Monitoring social value commitments secured and realised

HOW THIS WILL BE MEASURED

- % of procurements with SV applied and secured
- £ of social value secured
- £ of social value delivered
- % of contracts that include SV commitments on the environmental theme
- Case study examples that demonstrate different approaches to delivering social value

INCLUSIVE PROCUREMENT

OUR AMBITION

To promote a vibrant and mixed local economy, recognising the importance, innovation and value offered by our SMEs and VCSEs, reducing barriers to their participation in procurements, supporting their importance in the local market and wider economy and driving an inclusive economy in the borough.

WHAT WE HAVE ACHIEVED

- Increased local spend in Kirklees and West Yorkshire
- Spend with SMEs 2021/22; 57%
- Experimented with different approaches to pre-market engagement
- Introduced opportunities for feedback from internal and external stakeholders

HOW THIS AMBITION WILL BE DELIVERED

- Embedding our council culture of working with so we are recognised as a trusted partner, giving confidence in our approach to supplier markets and our communities.
- Maximising opportunities in upcoming procurement legislation to speed up and simplify processes increasing accessibility for small businesses, charities and social enterprises
- Use transparency to attract a diverse range of providers, improving supplier diversity, innovation and resilience in our supply chain.
- Working with VCSE to develop our relationship and to deliver against priority outcomes in relation to procurement in the VCSE investment strategy plan
- Promote a mixed economy of delivery, commissioning services from those who are best placed to deliver them effectively
- Promoting the use of local goods and services within the parameters of procurement legislation
- Ensuring procurement and equality, diversity and inclusion are appropriately integrated to ensure compliance with statutory obligations and to promote the Council's vision for equality, diversity and inclusion

HOW THIS WILL BE MEASURED

- % of procurement spend within Kirklees, West Yorkshire and Yorkshire & Humber
- % of procurement spend with SMEs
- % of procurement spend with VCSE
- Feedback from stakeholders and potential suppliers on individual procurements
- Individual case studies that demonstrate progress

CATEGORY LED

OUR AMBITION

To source more strategically, be more innovative, stimulate and encourage competition, and enable service managers and commissioners to get the most out of their markets and supply chains.

WHAT WE HAVE ACHIEVED

- Embedded a central category-led approach with clear ownership, more transparency and with visible benefits recorded at project levels and from stakeholders
- Developed category plans and procurement strategies that support delivery of council outcomes

HOW THIS AMBITION WILL BE DELIVERED

- Establishing effective collaborative relationships with key stakeholders, partners and potential suppliers
- Working with existing and potential suppliers to ensure there is market capacity to deliver our requirements
- Being involved early in projects so we can shape procurement strategy and maximise impact
- Maximizing value from common areas of spend internally and across partner areas
- Developing strategic relationship management with key suppliers
- Improving the quality of data and the associated reporting mechanisms

HOW THIS WILL BE MEASURED

- Feedback from stakeholders and potential suppliers on individual procurements
- Measuring impact and added value of procurement activities
- Monitoring of impact of corporate and collaborative contracts
- % of contracts compliant with transparency requirements

INNOVATION AND IMPROVEMENT

OUR AMBITION

To deliver an effective commercial function that works in proactive, flexible and innovative ways to support achievement of the Kirklees Shared Outcomes.

WHAT WE HAVE ACHIEVED

- Successful recruitment of excellent calibre of procurement professionals
- Recognised nationally for the progress demonstrated as a team and on individual procurement activity
- Reviewed and improved our processes and practices

HOW THIS AMBITION WILL BE DELIVERED

- Leadership; leading the way demonstrating initiative, resourcefulness and commerciality in our procurement approaches
- Maintaining a team with diverse and complimentary skills
- Equipping commissioners and contract managers across the organisation to achieve best outcomes through procurement
- Continuous improvement; reviewing and simplifying our practices and processes to ensure they are best practice, proportionate, stimulate innovation and are flexible
- Using technology for greatest advantage to simplify and improve processes and the experience for council staff and our suppliers in tender opportunities
- Establishing periodic reviews of procurement exercises and outcomes

HOW THIS WILL BE MEASURED

- Feedback from stakeholders and potential suppliers on individual procurements
- Achievement of national awards
- % of procurement team members qualified
- % of procurement team members working towards qualifications
- % of team members with appraisals completed in last 12 months with development opportunities

GOOD GOVERNANCE

OUR AMBITION

To deliver a procurement service recognised for good governance, fairness and transparency that uses proportionate controls, systems and standards, and manages procurement risk.

WHAT WE HAVE ACHIEVED;

- Increased visibility of council contracts and opportunities
- Improved compliance with Contract Procedure Rules
- Delivered training to raise awareness and support improved procurement practices

HOW THIS WILL BE ACHIEVED

- Strengthen transparency of procurement opportunities, processes and outcomes
- Strengthen existing governance processes and practices
- Strengthening the foundations for effective procurement
- Strengthening risk management
- Strengthen contract management to ensure realisation of the full benefits of procurement
- Strengthening data and reporting

HOW THIS WILL BE MEASURED

- Annual benchmark via National Procurement Strategy diagnostic
- Regional benchmarking at Yorkshire and Humber
- No of procurement legal challenges
- No of internal audits that identify procurement as an area of concern
- No of contract variations
- % of procurement spend off-contract