

**REPORT OF CHAIRMAN OF FINANCE AND MAJOR CONTRACTS
MANAGEMENT COMMITTEE****PROCUREMENT STRATEGY 2019-2023****Purpose of the Report**

1. The purpose of this report is to seek approval of the proposed Procurement Strategy 2019-2023. The strategy was presented at Finance and Major Contracts Management committee in October which was endorsed by Members and recommended to Policy Committee for approval.

Information

2. The Procurement Strategy 2019-23 sets out the framework for the procurement of all goods, works and services and outlines how procurement will use the Council's spending power to pursue our key objectives.
3. The Procurement Strategy 2019-23 builds on the work already undertaken in the first strategy that was implemented in 2015, which focused on strategic procurement development, integration between Procurement and Commissioning and implementation of category management.
4. The earlier strategy has driven strong achievements in procurement with successful delivery of procurement practice across Council departments. In Public Health, the competitive dialogue process has been used with great success to demonstrate collaborative working with commissioners to engage in a competitive dialogue with potential bidders. The process enabled the department to develop a comprehensive service specification with a successful contract award. Both commissioner and providers have been complimentary on the procurement process undertaken. With the introduction of Dynamic Purchasing Systems (DPS) this has had the effect of reducing the number of Adult Social Care spot contracts that were in place. The biggest advantage of a DPS is that the application process is always open and therefore increasing capacity and competition by adding more suppliers. This has significantly reduced off-contract spend and was recognised as best practice in a recent Local Government Association (LGA) report.
5. In Children and Young People's department, the Council has been successful in engaging procurement activity across the Derbyshire, Derby City, Nottinghamshire and Nottingham City (D2N2) Partnership for the development of a framework for Children's Residential Placements. Our procurement team has led the successful procurement on behalf of all four

authorities, with over 50 providers applying to join the framework with a total spend of £500m over the life of the contract.

6. Across the Place and Chief Executive's Departments, the procurement team have been very successful in opening our frameworks to generate income for the Council. Recent examples include the managed print framework solution which is being used by partners and stakeholders.
7. The review and refresh of the Strategy has provided an opportunity to take stock of the current strategic landscape. The 2019-2023 Strategy has been developed with reference to current and emerging policies and strategic drivers.
8. The key drivers for the new strategy are:
 - Commercially focused procurement and sourcing aligned with strategic, business and operational plans, and operating a competitive approach in line with internal and external regulations
 - Compliance with procurement legislation and the key principles of equal treatment, transparency and proportionality
 - To place Nottinghamshire residents at the centre of all commissioning and procurement decisions
 - To drive best value for public money
 - Innovation in Performance Management to ensure we are getting the most from all our commissioning and contracting arrangements
 - To enhance Sustainability – environmental, economic and social for the ongoing well-being of the people of Nottinghamshire
9. The Strategy will support compliance with the legal and procedural requirements of EU and UK Procurement Regulations and the Council's Financial Regulations, through ensuring a fair, open and transparent procurement process to ensure a level playing field for all suppliers.
10. The strategy has been developed through widespread consultation across the Council, including representatives from all service directorates, legal services and equalities team. Consultation has been undertaken with stakeholders including the voluntary and community sector and the local Chamber of Commerce. Feedback received through the consultation was considered in finalising the proposed strategy.
11. Progress across all our key strategic drivers and outcomes of procurement activity will be monitored and reported through the Finance and Major Contracts Management Committee on an annual basis.

Public Services Act (Social Value) 2012

12. The Strategy has a focus on social value throughout the procurement and commissioning process. The Public Services Act (Social Value) 2012 requires any public body buying or commissioning public services to consider how their local area and the lives of residents may be improved by including economic, social or environmental benefits as part of their procurement processes.

13. The Strategy aims to achieve added value from Council spend by delivering the best outcomes for local people and delivering place-based ambitions. Performance will be measured against supporting targets and indicators and we will seek to ensure that social value is:

- Demonstrated as the default position in all contracts where it relevant and proportionate to do so
- Considered as a key factor in service redesign
- Included as part of the award evaluation criteria in tendering exercises wherever possible
- Central to the promotion of the local economy, so that micro, small and medium sized enterprises and the voluntary and community sector in Nottinghamshire can thrive.

14. A supporting toolkit will be developed to embed our approach. The overarching intent of this toolkit will be to set out our methodology for doing more than sourcing the Council's supplies at a price that is competitive and good value for money. This document will support officers, commissioners and bidders/suppliers in Nottinghamshire in embedding social value into commissioning and procurement activity.

Other Options Considered

15. Do nothing, this option was rejected as the current Procurement Strategy 2015-18 had expired and refreshed strategy is needed to set out the strategic direction and approach for all procurement and commissioning activity.

Reason/s for Recommendation/s

16. To ensure the effective delivery of procurement services; to develop strategic Procurement solutions that deliver quality outcomes, value for money goods and services for the people of Nottinghamshire, as well as delivering broader economic, social and environmental outcomes.

Statutory and Policy Implications

17. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

- 1) The proposed Procurement Strategy 2019-2023, attached as an Appendix, is approved.

Councillor Richard Jackson

CHAIRMAN OF FINANCE AND MAJOR CONTRACTS MANAGEMENT COMMITTEE

For any enquiries about this report please contact:

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Constitutional Comments (KM – 21/10/19)

The proposal in this report is within the remit of the Policy Committee.

Financial Comments (KP – 17/10/19)

This report concerns the overall Procurement Strategy and as such there are no direct financial implications. Information on procurement performance is provided to Finance & Major Contracts Management Committee on a quarterly basis.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All