

Committee: **Corporate Overview and Performance Scrutiny Committee**

Date of meeting: **2nd February 2023**

Report Subject: **Draft Commissioning and Procurement Strategy 2023/28**

Portfolio Holder: **Cllr Steve Thomas - Leader / Cabinet Member Corporate Overview and Performance**

Report Submitted by: **Bernadette Elias – Chief Officer Commercial and Customer**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance and Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
18/01/2023	19/01/2023	23.01.23			02/02/23	01/03/2023		SCCB 19/12/2022

1. Purpose of the Report

- 1.1 For Members of the Corporate Overview and Performance Scrutiny Committee to consider the Council's draft Commissioning and Procurement Strategy 2023/28 prior to approval at Cabinet.

2. Scope and Background

- 2.1 The ways in which local government organisations procure is changing in line with imminent legislative reforms to include a stronger focus on economic, social, environmental and cultural well-being outcomes being considered for each procurement process. The Council as a public sector organisation must continue to be prudent, look to deliver value for money, whilst also seeking to ensure that we are delivering sustainable outcomes that benefit the communities it serves.
- 2.2 This draft Commissioning and Procurement Strategy 2023/28 ("the Strategy") promotes and supports effective commissioning and procurement across the whole organisation. It will assist all internal officers to better understand their roles and responsibilities and provides the basis for interaction with key stakeholder groups including suppliers, elected members and the wider public.
- 2.3 In particular, the Strategy places an increased emphasis on the delivery of economic, social, environmental and cultural well-being objectives relating to progressive procurement, such as Social Partnership working, Foundational and Circular Economy, Decarbonisation and is a key driver in delivery of the Council's Commercial Strategy and business minded approach.
- 2.4 The Strategy at Appendix 1 to this report, builds upon the Council's previous procurement strategy and sets out the Council's commissioning and procurement priorities through to 2028 and the changes that it will make to improve the management of its external spend on goods, services and works.

2.5 The Strategy, is focused on the delivery of four broad over-arching organisational procurement objectives:

- Ensuring legal compliance and robust and transparent governance;
- Promoting socially responsible procurement activities and processes:
 - Increasing community and social value benefits delivered by suppliers;
 - Contributing to the Council's aim to be a Net Zero Council by 2030;
 - Improving Fair Work & Safeguarding practices within our supply chain;
- Securing value for money and managing demand through effective and robust contract management arrangements;
 - Making procurement spend more accessible to local small and medium sized businesses and third sector organisations;
- Promoting innovative & best practice solutions.

3. **Options for Recommendation**

3.1 Option 1 - That the Committee considers the draft Commissioning and Procurement Strategy 2023/2028, provides comments and endorses it prior to approval by Cabinet.

3.2 Option 2 – That the Committee considers the draft Commissioning and Procurement Strategy 2023/2028 and provides specific comments / recommendations for consideration by Cabinet prior to approval.

4. **Evidence of how this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

4.1 The Strategy 2028 supports the priorities and well-being objectives within the Corporate Plan and Commercial Strategy as well as the requirements of the draft Social Partnership and Public Procurement Bill.

5. **Implications Against Each Option**

5.1 ***Impact on Budget (short and long term impact)***

5.1.1 Whilst there are no direct costs associated with the adoption of the Strategy, the Council currently spends approximately £130m per annum with other public, private and third sector organisations on the goods, services and works required to deliver its services.

5.1.2 The Strategy, therefore. provides a clear direction and framework for the Council's commissioning and procurement arrangements, in terms of securing value for money and continuing to achieve savings from the Council's external spend supporting the Bridging the Gap Programme and Medium-Term Financial Strategy.

5.2 ***Risk including Mitigating Actions***

5.2.1 There is a risk that without a clear and published set of Commissioning and Procurement priorities, governance arrangements; budgetary allocations; service planning and decision making could be adversely affected.

5.3 ***Legal***

5.3.1 The Strategy, has been drafted to take account of anticipated legislative changes:

- Draft Procurement Reform Bill (2022);
- Draft Social Partnership and Public Procurement Bill (2021);
- Well-being of Future Generations (Wales) Act 2015;
- Wales Procurement Policy Statement (2021)

5.3.2 It is proposed to review the draft Strategy during 2024/25, to ensure that it remains fit for purpose and adequately reflects the final Bills following their adoption into UK law.

5.4 ***Human Resources***

5.4.1 There are no specific staffing or workforce implications as a result of the Strategy. However, 3rd party spend is relevant to all service areas and the commercial and procurement team will continue to provide appropriate advice and guidance.

6. **Supporting Evidence**

6.1 ***Performance Information and Data***

6.1.1 The Strategy, contains a number of qualitative and quantitative performance measures that will be monitored and reported on a regular basis as part of the business planning arrangements.

6.1.2 On-going performance will also be scrutinised by the Strategic Commercial and Commissioning Board, which approves the annual commissioning & procurement plans and provides robust 'check & challenge' on all procurements above £75k.

6.2 ***Expected outcome for the public***

6.2.1 The Council recognises that an effective commissioning and procurement strategy is fundamental to achieving organisational success as it will:

- have a direct impact on overall spend, savings, value for money and the cost of service provision to the people of Blaenau Gwent;
- help shape the delivery of services to meet the needs of citizens, communities and customers;
- contribute to the achievement of corporate and service objectives; and
- be part of the process of delivering key policy objectives.

6.3 ***Involvement (consultation, engagement, participation)***

- 6.3.1 The Strategy, has been shared with Trade Union colleagues, who have provided comment, with Wales Government Social Partnership Unit for comment and has been presented to the Strategic Commercial Commissioning Board.

6.4 ***Thinking for the Long term (forward planning)***

- 6.4.1 The Strategy, has been produced in anticipation of legislative change and to support Council's commitments in key policy areas including Decarbonisation, Social partnership and Commercialisation.

6.5 ***Preventative focus***

The Strategy, supports all service areas and therefore impacts on a number of preventative workstreams.

6.6 ***Collaboration / partnership working***

- 6.6.1 The Strategy, supports collaborative and partnership working. The Council's Commissioning and Procurement teams are active members of several regional and national networks, designed to develop and share best practice and ensure that our sourcing activities focus on economic, social, environmental and cultural well-being outcomes.

6.7 ***Integration (across service areas)***

- 6.7.1 The Strategy, is applicable to all of the Council's third party expenditure and supports all service areas in terms of their commissioning and procurement activities.

6.8 ***Decarbonisation and Reducing Carbon Emissions***

- 6.8.1 The Strategy, acknowledges the Council's decarbonisation priorities, with the aim to embed procurement processes that supports the Council's Net Zero ambitions to address climate change.

6.9 ***Integrated Impact Assessment***

- 6.9.1 An Integrated Impact Assessment has been undertaken and no negative impact on the protected characteristics has been identified.

7. ***Monitoring Arrangements***

- 7.1 The Strategy, contains a number of qualitative and quantitative performance measures that will be monitored and reported on a regular basis as part of the business planning arrangements.
- 7.2 On-going performance will also be scrutinised by the Strategic Commercial and Commissioning Board, who approves the annual commissioning & procurement plans and provides robust 'check & challenge' on all procurements above £75k.

7.3 In accordance with the Social Value Public Procurement Bill, the Council will publish an annual procurement report at the end of each financial year. The report will include:

- A progress report on the implementation of the Socially Responsible Procurement Strategy Delivery Plan.
- A summary of the contracts awarded above PCR's 2015 Thresholds.
- A summary of the extent to which Council contracts contributed to improving well-being in Blaenau Gwent.
- A statement of the how the Council intends to further improve the delivery of economic, social, environmental and cultural well-being.
- A summary of the procurement the Council expects to carry out in the next two financial years.

Background Documents /Electronic Links

- *Appendix 1 Draft Commissioning & Procurement Strategy 2023/28*