

Cabinet (Resources) Panel

9 February 2016

Report title	Procurement Strategy 2015 to 2018	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
Key decision	No	
In forward plan	No	
Wards affected	All	
Accountable director	Mark Taylor, Finance	
Originating service	Procurement	
Accountable employee(s)	Andy Moran	Head of Procurement
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Report to be/has been considered by	Strategic Executive Board	26 January 2016
	Equality Advisory Group	23 June 2015
	Executive Team	1 June 2015
	Confident Capable Council Scrutiny Panel	22 April 2015

Recommendation(s) for action or decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the Procurement Strategy for 2015 to 2018.

1.0 Purpose

- 1.1 The Procurement Strategy sets out the strategic view and aims for procurement. It highlights the priority areas we will focus on over the next three years and how we will measure progress and success.

2.0 Background

- 2.1 This strategy gives the Council a framework to work within to ensure that we deliver the best possible outcomes for residents from every pound we spend with third parties. The procurement of goods, works and services has a fundamental impact on the success of any organisation and in particular the public sector with the current financial challenges.

3.0 Key Principles

- 3.1 The strategy is based on the key principles that;

- We are clear on how what we spend with third parties is allocated and how this offers value for money.
- We will ensure that our spend with third parties maximises the impact of each pound in contributing to delivering our City Strategy of;
 - Encouraging Enterprise and Business
 - Empowering People and Communities
 - Re-invigorating our City
- We will listen to what customers and communities tell us about services delivered by third parties and act upon what they tell us.
- We will ensure that performance of third parties is actively managed and that the realisation of benefits is monitored.
- We will ensure equal treatment and transparency so that services are as inclusive as our resources will allow and will comply with the Equality Act 2010.

- 3.2 We will include Social Value as a key principle of procurement by implementing the following;

- For contracts over £164,176 which is the threshold for advertising in Official Journal of European Union (known as OJEU), there will be a minimum of 10% of the evaluation criteria linked to the City Strategy priorities;

- For contracts between £50,000 and £164,176 we will consider whether it is appropriate and practical to include social value criteria based on the type of product or service and the local priorities;
- For contracts below £50,000 we will have a preference to buy these locally if a suitable supplier exists and can provide value for money.

3.3 Our Corporate Plan aim is to increase the value of spend with local organisations by £10 million during 2015/16. In 2014/15 the Council spent £95 million directly with organisations based in Wolverhampton. We will also work with our major suppliers to engage with and build local supply chains.

3.4 Consultation

A public consultation was undertaken during October to December 2015 and there were two responses. The very limited response means that no conclusions can be made from the outcome of the consultation.

3.5 The consultation was promoted to stakeholders in the local public, business and voluntary, community and social enterprise sectors.

3.6 The local public sector bodies were contacted as follows;

- University of Wolverhampton
- City of Wolverhampton College
- Royal Wolverhampton NHS Hospitals Trust
- Black Country Partnership NHS Foundation Trust
- West Midlands Police

3.7 Local businesses were contacted via the Black Country Chamber and representatives on the Growth Board.

3.8 Voluntary and social enterprise sectors were contacted as follows;

- Wolverhampton Voluntary Sector Council
- Refugee and Migrant Centre
- Citizens Advice Bureau
- Access to Business
- Workers' Educational Association
- Heantun Housing
- Aspiring Futures

3.9 As a result of the lack of response to the consultation the period was extended and stakeholders reminded that this was still open for response, for example at the Budget consultation meeting with voluntary, community and social enterprise organisations.

4.0 Financial implications

4.1 The Procurement Strategy is part of the Future Practice work stream. The C3 programme is intended to deliver transformation, improve efficiency and the increase the quality of

services and will, therefore, directly contribute towards the delivery of the Medium Term Financial Strategy, including challenging savings requirements.

- 4.2 Achieving and demonstrating value for money through spend with third parties is essential, as Council resources must be used in the most effective manner to provide high quality services. The Procurement Strategy has been developed to maximise the value of spend with third parties in pursuit of the objectives outlined in the City Strategy.

[MH/01022016/A]

5.0 Legal implications

- 5.1 The relevant legislation that applies to public sector procurement and has been taken into account when developing the Procurement Strategy including;

- EU Procurement Directive (Public Sector) 2014/24/EU
- EU Procurement Directive (Concessions) 2014/23/EU
- Public Contracts Regulations 2015
- Social Value Act 2012
- Local Government Acts in relation to non-commercial considerations
- Cabinet Office Guidance
- Equality Act 2010

- 5.2 Further details are included within the Procurement Strategy.

[TS/28012016/A]

6.0 Equalities implications

- 6.1 An initial equality analysis has been undertaken and this did not identify any discriminatory, differential or adverse impacts as a result of implementing this strategy.
- 6.2 A public consultation was undertaken and there were no responses that raised any equalities related issues.

7.0 Environmental implications

- 7.1 Procurement activity will include whole life costing and broader equalities, economic, social and environmental factors in assessment criteria for tenders to ensure that the Council achieves best value for the City and its residents in procurement. The Council will work with suppliers to promote equality and corporate social responsibility in their own operations and throughout the supply chain through their recruitment policies; their dealings with employees and suppliers; and by their environmental policies.
- 7.2 Further details are included within the Procurement Strategy.

8.0 Human resources implications

8.1 We will maintain a procurement team that contains the necessary skills and expertise to effectively manage the Council's third party spend and continue to develop expert procurement and contract management capabilities.

8.2 Further details are included within the Procurement Strategy.

9.0 Corporate landlord implications

9.1 Corporate Landlord will as part of its processes in respect of all contract and land and property transactions work in conjunction with the Procurement Team to ensure the key corporate requirements are incorporated into each of the tender processes.

10.0 Schedule of background papers

10.1 Future Practice – Procurement Strategy Principles, Confident Capable Council Scrutiny Panel 22 April 2015.
Procurement Strategy 2015 to 2018, Strategic Executive Board 19 May 2015.
Procurement Strategy 2015 to 2018, Executive Team 1 June 2015.