
Report to:	Cabinet	Date of Meeting:	17 th July 2014
Subject:	Procurement Strategy	Wards Affected:	All Wards
Report of:	Director of Corporate Services		
Is this a Key Decision?	Yes	Is it included in the Forward Plan?	Yes
Exempt/Confidential	No		

Purpose/Summary

To seek approval for a new procurement strategy for the Council.

Recommendation(s)

That the Procurement Strategy be approved.

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		x	
2	Jobs and Prosperity	x		
3	Environmental Sustainability	x		
4	Health and Well-Being		x	
5	Children and Young People		x	
6	Creating Safe Communities		x	
7	Creating Inclusive Communities		x	
8	Improving the Quality of Council Services and Strengthening Local Democracy	x		

Reasons for the Recommendation:

To seek approval for a new Procurement Strategy for the Council.

Alternative Options Considered and Rejected:

The Procurement Strategy could be rejected.

What will it cost and how will it be financed?

(A) Revenue Costs Nil

(B) Capital Costs Nil

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Financial	There are no financial implications of approving the strategy	
Legal	There are no legal implications of approving the strategy	
Human Resources	There are no HR implications of approving the strategy	
Equality		
1.	No Equality Implication	<input checked="" type="checkbox"/>
2.	Equality Implications identified and mitigated	<input type="checkbox"/>
3.	Equality Implication identified and risk remains	<input type="checkbox"/>

Impact of the Proposals on Service Delivery:

The processes set out within the strategy have been implemented through the changes to the contract procedure rules previously approved by the Council. The strategy sets out the Council’s intentions for measuring the impact of the changes.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT (FD.3053/14) and Head of Corporate Legal Services (LD2358/14) have been consulted and any comments have been incorporated into the report.

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting.

Contact Officer: Andrea Watts, Head of Governance and Neighbourhoods

Tel: 0151 934 2030

Email: andrea.watts@sefton.gov.uk

Background Papers:

There are no background papers available for inspection

1. Introduction/Background

- 1.1 In May 2013, the Council began working in partnership with Halton Council to review the existing procurement processes and to look at making the systems more streamlined, reduce the administrative burden on those suppliers that wish to do business with the Council and increase transparency of the procurement process. Halton Council has been recognised by the Government as one of the top 10 Councils for firms to do business with, and the Council was keen to learn from Halton how its processes could be improved.
- 1.2 Over the last several months, changes to the procurement processes have been identified, and where it was possible within the existing rules, these changes have been tested to ensure they meet Sefton’s needs.
- 1.3 This report now seeks approval of a new Procurement Strategy which underpins those process changes that have been implemented and sets out measures of success for those changes.

2. Aims of the new procurement approach

- 2.1 A Commercial Procurement approach will support the delivery of Council priorities by implementing the following key objectives:
 - Avoid spending on things we want rather than on what we need
 - Achieve excellent value for money whilst maintaining quality
 - Support the local economy, business and voluntary sector through transparency of opportunity, support and education
 - Collaborate with other public sector organisations to ensure maximum benefit for Sefton and the wider region from joint procurement.
- 2.2 This marks a new approach for Sefton and responds to the growing challenges faced by the Council. It represents a significant departure from the more traditional public sector procurement approaches, to a more commercial approach, embracing the Social Value agenda, and aims to make Sefton a good Council to do business with.
- 2.3 As part of a review of our processes, we have challenged our rules, processes, practices and compliance in order to improve efficiencies through a more efficient approach and removing all unnecessary activities. Subject to the approval of this Procurement Strategy, this will result in:

- publishing all procurement opportunities via The Chest (The Councils e-tendering system) from £1000 upwards;
- Removing Pre-Qualification Questionnaire (PQQ) for all procurement below EU value thresholds
- Implementing a risk based sourcing approach for all procurement below EU value thresholds which significantly simplifies the process, thus leading to time and cost efficiencies throughout the whole organisation and for businesses
- Delivering a strong range of engagement with SME's to show we are 'Open for Business' in order to encourage and support businesses leading to successful contract awards
- Social Value consideration being placed at the heart of our procurement planning as we aim to gain added value from procurement through securing employment, learning and skills outcomes as well as local supply chain engagement by our larger contractors
- Commencing a journey to develop aligned procurement processes with public sector partners in order to secure joint planning with the aim of delivering further significant savings by using the economies of scale this brings.

3.0 Results of the pilot and changes the process so far

- 3.1 In the last financial year, the savings achieved by the procurement team amount to £834k in procurement exercises involving formal tendering processes and it is estimated that £115k can be achieved through the changes to sourcing as set out in the proposed Strategy.

4.0 Monitoring of the strategy

- 4.1 It is proposed that regular monitoring reports be provided to the Cabinet Member for Performance and Corporate Services and Overview and Scrutiny (Performance and Corporate Services) be provided with bi-annual reports as set out in the targets and measurements section appended to the Strategy.