

North Somerset Council
Procurement Strategy – 2021 To 2025
Final



Procurement Strategy – 2021 To 2025

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Introduction

The Council spends around £170m per year on goods, works and services with suppliers. In a time of increasing funding pressures, and increasing expectations of residents, it is more important than ever that we have the best commercial arrangements in place in order to:

- ◆ procure innovative and flexible works, services and quality goods that are responsive to the needs of our community and deliver optimum value for money.
- ◆ ensure that the Council gets maximum value from every pound that is spent through best value and innovative procurement practice
- ◆ drive Social Value from our procurements, including making a positive commitment to addressing climate change and supporting the local economy.
- ◆ respond to the nature and climate emergencies in a way that improves environmental performance and awareness of our suppliers and users.
- ◆ ensure a consistent approach to procurement.
- ◆ maintain, strengthen, and develop strong relationships with suppliers who are proactively managed in full transparency and understanding of the risks involved.

The Procurement Strategy sets out how these aims will be achieved over the next four years.

Scope

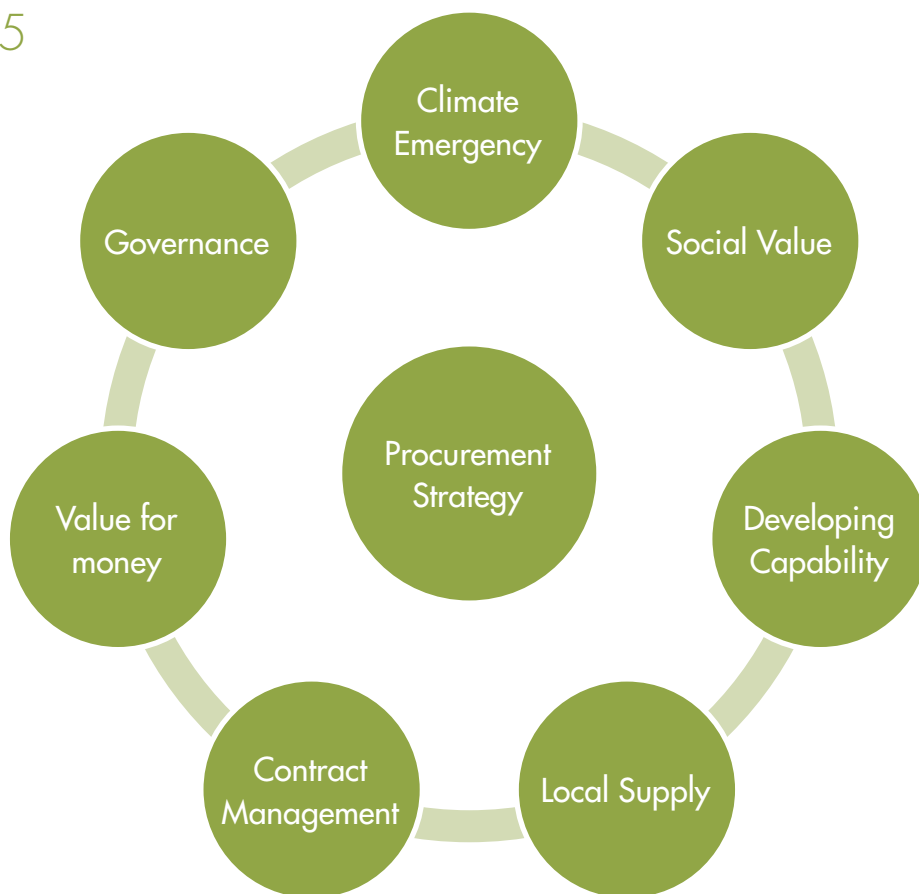
This strategy covers all areas of Council third party expenditure, including capital expenditure and major projects. However, it should be noted that the nature of competition, profitability/sustainability are contextually very different in Social Care, which is acknowledged as operating in the perfect storm of underfunding, staffing shortages and ever increasing demand. The markets can operate very differently from other markets, and require a level of intervention and support to existing providers that does not always fit with traditional procurement approaches, which is reflected in the direction of travel of the NHS 2021 reforms. The NHS reforms are likely to place a strong emphasis on partnerships, collaboration and integration, care providers are expected to play their part in these developments as are commissioners and it is important that Commissioning Plans reflect this policy change.

Adult Social Care commissioning/procurement presents a unique challenge because good procurement of care services has more of a focus on the individuals that services are provided for, therefore, a personalised approach to procurement is also needed. The market for Social Care is relatively 'horizontal' – commissioning and procurement approaches must demonstrate the importance of creating and maintaining a diverse and appropriate market through which commissioners and individuals who have a personal budget have a choice of quality services to buy. This is an important requirement of commissioners under the Care Act.

The need to consider Social Care requirements differently in establishing corporate requirements is recognised in the LGA's National Procurement Strategy for Health and Social Care Services, accompanied by a range of tools for use by LAs which are intended to reflect the intent of the Care Act 2014, the Children and Families Act 2014 and Integrated Commissioning for Better Outcomes.

Themes of the Strategy

The strategy is based around seven key themes, as shown below:



The remainder of this document sets out the ambition for each of these themes, together with the key actions that will be taken to make sure that these ambitions are achieved.

Theme 1 – Climate Emergency

Ambition

In February 2019 North Somerset Council declared a Climate Emergency and an Ecological Emergency in November 2020 and pledged to provide the leadership to enable North Somerset to become carbon neutral by 2030.

The Council has an ambition to drive greener change and slow global heating, to keep North Somerset a beautiful place to live for generations to come.

Some of our objectives include:

- ◆ an overarching goal to become carbon neutral as an organisation and an area by 2030
- ◆ working with our contractors, partners and services providers to support them to reduce their carbon footprint, take advantage of renewable energy sources, consider an electric fleet and reduce their use of single-use plastic
- ◆ encouraging greener choices in local infrastructure, building and planning
- ◆ an increase in green and wild spaces, to encourage local wildlife and absorb carbon emissions

The Council spends around £170m per year with suppliers and many of the services that we provide are delivered through these suppliers. There is therefore a huge opportunity for Procurement and Contract Managers to support the Council's resolution and Strategy.

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Target outcomes

- ◆ Spending decisions that consider and minimise whole life cycle CO₂e emissions associated with the delivery of goods, works and services, recognising that in some cases this will need to be reflected in budgets.
- ◆ Spending decisions that consider and improve the resilience of Council services and infrastructure, to the impacts of a changing climate.
- ◆ Suppliers who embrace the aims of the Council's Environmental Policy, Climate Change Strategy and Climate Emergency declaration and by doing so promote higher environmental standards between businesses and other customers.

Actions

S1.1 To work jointly with South Gloucestershire Council to develop Climate Emergency Category Plans for all of our major spend categories. These Plans will include:

- ◆ Minimum standards for being a supplier to the Council
- ◆ Risks and factors to consider in procurement
- ◆ Opportunities for working with existing suppliers to improve environmental performance
- ◆ Guidelines on evaluation

S1.2 Work with major suppliers to measure and improve their environmental performance and to implement adaptation measures.

S1.3 To ensure that the approach taken to the development, adoption and review of assessment tools or methodologies for the measurement and comparison of CO₂e emissions associated with the procurement of goods works and services is appropriate and considers wider financial implications.

Theme 2 – Social Value

Ambition

The Social Value Act 2012 requires the Council to “consider, prior to undertaking the procurement/ commissioning process, how any services procured might improve economic, social and environmental well-being”. The Council will have a consistent, measurable and best practice approach to using procurement spend to deliver broader value to our residents, the local economy and the environment.

The Council will use Social Value through the procurement process to support the overall priorities of the Council as set out in the Council Plan.

Target outcomes

- ◆ A maintained, developed and ongoing clear statement of what good Social Value looks like to the Council.
- ◆ Social Value is used to support local suppliers and SMEs.
- ◆ Social Value is used to support the council’s ambitions to tackle inequalities, to promote diversity and inclusion, and to create opportunities for local people by providing access to education, training and employment.
- ◆ Social Value is used to support the Council’s environmental commitments, mitigating the negative impact and maximising the value achieved for the environment through working with suppliers.

- ◆ Social Value is embedded in the procurement process
- ◆ Social Value commitments made by suppliers are monitored to ensure that they are delivered.
- ◆ A Social Value Board that sets policy, agrees target areas, and measures performance.

Actions

- S2.1 Develop Themes, Outcomes and Measures (TOMs) to set out the Council’s Social Value aspirations and how they will be measured.
- S2.2 Implement a revised Social Value Model across the Council, including updates to templates, processes and training of all relevant staff.
- S2.3 Review and update the current model for Social Value Contract Management to ensure that commitments made by suppliers are delivered.

Theme 3 – Local Supply

Ambition

The Federation of Small Businesses has highlighted in the past how doing business locally is better value for money for the community due to a higher proportion of the contract value typically being re-spent in the local area than for larger businesses.

We will maximise the benefit offered by our local supply base to drive broader value from the £170m that we spend each year on commissioned goods, works and services. Through optimising our utilisation of local suppliers we will also support our Corporate Plan and Economic Plan objectives to drive growth in the local economy.

The Council will develop its relationship with the VCSE sector so that it is better placed to maximise benefits from local suppliers.

Target outcomes

- ◆ Procurement processes and documentation that support smaller suppliers to meet the requirements to do business with North Somerset Council.
- ◆ Drive the Social Value process to optimise the level of spend with local suppliers, both directly and sub-contracted.
- ◆ Engage the VCSE sector so that they are routinely involved with the Council in developing commissioning strategies for each relevant opportunity so that the value of local suppliers and VCSE organisations is recognised.
- ◆ A clear and proportionate approach for application and administration of grants.

Actions

- S3.1 Ensure that Procurement Plans consider local suppliers and how we will maximise their opportunity to compete for our contracts.
- S3.2 Be open and transparent regarding contract opportunities, including using the “Supplying the South West” Portal for all contracts over £10k, and publishing the Council’s Contracts Register, together with Commissioning Plans for future contracting opportunities, on the council’s website.
- S3.3 Use pre-market engagement to inform the market of upcoming procurements, identify local supply opportunities, gather local supplier input and to facilitate the development of consortia/sub-contracting arrangements.

Theme 4 – Value for money

Ambition

Delivering value for money is at the heart of what procurement does. Residents' overall satisfaction with their Council usually has a direct correlation with their perception of value for money that their Council delivers. In times of reducing resources and challenging budget positions, we must embed a strategic approach to procurement that focuses on whole life cost, balancing quality and cost to drive maximum value from every pound that we spend with our suppliers.

The Council must also ensure that the outcomes we want from a procurement process are central to the way we plan procurements, evaluate bids and review and assess risk. In addition, we need to ensure that we maximise the benefits from collaborating with neighbouring authorities where this makes sense to do so and is supported by commissioners on both sides. Collaboration can take many forms and is not just about joint contracting, it can also include sharing policies, market data, specifications and lessons learned. We should also regularly assess the benefits of outsourced services and be prepared to internalise them where this would offer better value for money.

Target outcomes

- ◆ Procurement team working with staff across the Council to tender and manage major contracts with suppliers and supporting the achievement of savings targets.
- ◆ Pro-active use of pre-market engagement to inform procurements, better understand current and potential suppliers, and to encourage innovation that drives best value.

- ◆ Procurement Plans produced for all contracts over £100,000, considering all relevant market and commercial factors at the beginning of the process, and agreed between procurement and service leads.
- ◆ Risk management and strategic evaluation is central to the way procurements are approached.
- ◆ Spend data is meaningful and utilised to inform commissioning and procurement decisions.
- ◆ Opportunities for collaboration, including strategic collaboration at a commissioning level, are explored on an ongoing basis and benefits maximised through strong governance.
- ◆ Evaluation based on outcomes that consider wider value for money and whole life benefits

Actions

- S4.1 Develop and implement risk management tools to ensure that risk is effectively managed throughout the procurement cycle
- S4.2 Ongoing analysis of spend data to map to our Contracts Register to identify noncontract spend and savings opportunities through aggregation and/or different contract strategies.
- S4.3 Implement a consistent approach to the production of Procurement Plans for contracts over £100,000 and use them to drive pre-market engagement in procurement processes.
- S4.4 Update strategic procurement guidance and train all relevant staff in strategic approaches to sourcing.
- S4.5 Work with neighbouring authorities to identify and implement collaboration opportunities.

Theme 5 – Contract Management

Ambition

Many of our key services are delivered by our suppliers, and managing these commercial relationships therefore becomes an increasingly vital competence to enable us to work in collaboration with our supply chain to ensure that quality, service and cost outcomes are met or exceeded. It is also important in many areas that residents are clearly aware that these are Council services being delivered by Contractors.

Effective Contract Management can mitigate against financial risks within contracts, as well as delivering a range of non-commercial benefits such as better quality services and outcomes for service users, lower service risk and additional social value during the life of the contract.

We will manage the Council's exposure to commercial, contractual and reputational risk through better Contract Management during the lifecycle of the contract and embed this as part of routine activity.

Target outcomes

- ◆ A developed, consistent, risk-based approach to Contract Management across the Council that can be applied to all external third-party relationships.
- ◆ Distinct commercial skills and capabilities that good Contract Management requires are recognised and embedded as business as usual and factored into new business activity.
- ◆ Support, knowledge sharing, training and systems are provided to Council staff involved in Contract Management

- ◆ Learning from Contract Management to inform future Procurement Plans

Actions

- S5.1 Deliver ongoing comprehensive training to all Contract Managers and other relevant staff.
- S5.2 Produce Contract Management Plans, for all new contracts over £100,000, to drive better up-front planning as to how activities such as performance monitoring, management of change, review meetings, spend management etc will be undertaken during the post contract award phase.
- S5.3 Measure and report on contract management performance for key contracts across the council.
- S5.4 Introduce systems to improve document management, contract archive and renewal management, quality, risk and performance monitoring.
- S5.5 Develop and implement a Strategic Supplier Relationship Management strategy.

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Theme 6 – Developing Capability

Ambition

This Procurement Strategy cannot be achieved unless the Council has the right people in place with the right skills to deliver it. Effective procurement is about much more than just understanding the relevant legislation, and we need people who are skilled in areas such as negotiation, strategic evaluation, cost analysis, market analysis etc. Procurement staff also need the skills to work with colleagues across the Council to understand their services and requirements and translate these into meaningful procurement plans.

Target outcomes

- ◆ Ongoing Capability Assessment that allows us to identify the skills required across the function
- ◆ Training and Development Plans in place to identify and meet individual development needs

Actions

- S6.1 Agree Maturity/Capability Model that captures the agreed skills required for all procurement roles
- S6.2 Agree target capability level for each role on the Procurement structure
- S6.3 Review current v target capability levels and produce organisational Development Plan designed to bridge the gap
- S6.4 Annual review of individual capabilities

Theme 7 – Governance

Ambition

The right governance structure will ensure appropriate oversight of the Council's procurement operations, to ensure that procurement decisions are consistent with the Council's Corporate Plan and will drive best value from our suppliers. In addition, the Council must ensure that all procurements comply with relevant legislation and the Council's own Contract Standing Orders, which means that we must be fair and transparent in our business dealings, mitigating the risk of challenge from stakeholders and suppliers.

Target outcomes

- ◆ A procurement governance structure with clear roles and responsibilities for major procurement decisions, including appropriate engagement with, and involvement of members.
- ◆ Team based approach to the procurement process (development of specifications, tender evaluation, contract management etc) involving Procurement, Commissioning and Service/Operational Leads.
- ◆ Contract Standing Orders are fit for purpose and clearly set out the responsibilities, delegations and approval levels for spending money with suppliers.
- ◆ Those involved in procurement processes have access to clear guidance and templates (supported by training opportunities and resources) and the adoption of a business partnering approach.
- ◆ Procedures are in place to monitor and measure compliance against all legislation including but

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not limited to the Contract Standing Orders and purchase ordering procedures.

Actions

- S7.1 Review the effectiveness of the Contract Standing Orders and update accordingly.
- S7.2 Develop, publish and maintain best practice guidance, template documents and training tools to support those involved in procurement processes and management of contracts.
- S7.3 Promote and embed a Business Partnering approach to ensure that procurement staff work collaboratively with stakeholders to drive value from our procurements and contracts.
- S7.4 Ensure that all contracts awarded with a value greater than £5,000 are added to the Contracts Register, which will be reviewed, monitored and published quarterly.
- S7.5 To understand and implement any required changes stemming from the updated Public Contract Regulations post Brexit, including and changes to internal regulations, guidance and best practice.

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Performance Measures

The measures set out in the table below will be used to evaluate the success of this strategy. The Strategic Procurement Group will be responsible for the strategy and reviewing progress against these measures:

Theme	Measure	Method	Target
Governance	Percentage of Council spend covered by contracts	Total value of Contracts (Contracts Register) v Annual Spend stats	80%
Local Supply	Percentage of Council spend with local suppliers	Total value of spend v Local Supply Spend	50%
Social Value	Percentage of contracts awarded over £100,000 that have considered Social Value in the tender process.	Report based on data collected for Social Value Board	100%
VCSE Sector	VCSE sector involvement in the development of Commissioning strategies	Identify commissions for VCSE engagement at the start of each year – measure achievement of these engagements	100%
Value for money	Total Savings recorded against agreed Savings Methodology.	Measure savings achieved against total value of contracts tendered and awarded	5%
Contract Management	Percentage of contracts over £100,000 that have Contract Management Plans	Measured through DLT reporting	100%
Capability	Progress against Plan	Status of actual vs planned progress on the Procurement Team Plan (Agreed RAG status)	Green
Climate Emergency	Percentage of Procurement Plans that contain positive supplier environmental actions	Procurement Plans reviewed by Head of Strategic Procurement	100%

APPENDIX A – Summary of actions and target dates

Ref	Action	Target date
Climate Emergency		
S1.1	To work jointly with South Gloucestershire Council to develop Climate Emergency Category Plans for all of our major spend categories. These Plans will include: • Minimum standards for being a supplier to the Council • Risks and factors to consider in procurement • Opportunities for working with existing suppliers to improve environmental performance • Guidelines on evaluation	Q4 21/22
S1.2	Work with major suppliers to measure and improve their environmental performance and to implement adaptation measures.	Q4 22/23
S1.3	To ensure that the approach taken to the development, adoption and review of assessment tools or methodologies for the measurement and comparison of Co2e emissions associated with the procurement of goods works and services is appropriate.	Q4 22/23

Ref	Action	Target date
Social Value		
S2.1	Provide an ongoing training programme for all relevant staff to ensure that they have the knowledge and tools to optimise Social Value in the procurement process.	Q3 21/22
S2.2	Review the current Social Value “Top 10” to align to the new Council Plan and implement processes to capture and measure the Social Value committed by suppliers.	Q2 21/22
S2.3	Review the current model for Social Value Contract Management, to ensure that commitments made by suppliers are delivered.	Q3 21/22

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Ref	Action	Target date
Local Supply		
S3.1	Ensure that Procurement Plans consider local suppliers and how we will maximise their opportunity to compete for our contracts.	Q4 21/22
S3.2	Be open and transparent regarding contract opportunities, including using the "Supplying the South West" Portal for all contracts over £10k, and publishing the Council's Contracts Register, together with Commissioning Plans for future contracting opportunities, on the council's website.	Q4 22/23
S3.3	Use pre-market engagement to inform the market of upcoming procurements, identify local supply opportunities, gather local supplier input and to facilitate the development of consortia/sub-contracting arrangements	Ongoing

Ref	Action	Target date
Value for money		
S4.1	Develop and implement risk management tools to ensure that risk is effectively managed throughout the procurement cycle	Q3 22/23
S4.2	Ongoing analysis of spend data to map to our Contracts Register to identify non-contract spend and savings opportunities.	Ongoing
S4.3	Implement a consistent approach to the production of Procurement Plans for contracts over £100,000 and use them to drive pre-market engagement in procurement processes.	Q4 22/23
S4.4	Update strategic procurement guidance and train all relevant staff in strategic approaches to sourcing.	Q1 22/23
S4.5	Work with neighbouring authorities to identify and implement collaboration opportunities.	Ongoing

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Ref	Action	Target date
Contract Management		
S5.1	Deliver ongoing comprehensive training to all Contract Managers and other relevant staff.	Q4 22/23
S5.2	Produce Contract Management Plans, for all new contracts over £100,000 to drive better up-front planning as to how activities such as performance monitoring, management of change, review meetings, spend management etc will be undertaken during the post contract award phase.	Q4 21/22
S5.3	Measure and report on contract management performance for key contracts across the council.	Q4 23/24
S5.4	Introduce systems to improve document management, contract archive and renewal management, quality, risk and performance monitoring.	Q4 22/23
S5.5	Develop and implement a Strategic Supplier Relationship Management strategy.	Q4 22/23

Ref	Action	Target date
Developing Capability		
S6.1	Agree Maturity/Capability Model that captures the agreed skills required for all procurement roles	Q3 21/22
S6.2	Agree target capability level for each role on the Procurement structure	Q4 21/22
S6.3	Review current v target capability levels and produce organisational Development Plan designed to bridge the gap	Q1 22/23
S6.4	Annual review of individual capabilities	Ongoing

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Ref	Action	Target date
Governance		
S7.1	Review the effectiveness of the Contract Standing Orders and update accordingly.	Q2 22/23
S7.2	Develop, publish and maintain best practice guidance, template documents and training tools to support those involved in procurement processes and management of contracts.	Q4 22/23
S7.3	Promote and embed a Business Partnering approach to ensure that procurement staff work collaboratively with stakeholders to drive value from our procurements and contracts.	Ongoing
S7.4	Ensure that all contracts awarded with a value greater than £5,000 are added to the Contracts Register.	Ongoing
S7.5	To understand and implement any required changes stemming from the updated Public Contract Regulations post Brexit, including and changes to internal regulations, guidance and best practice.	Q4 21/22



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