

**Report to:** Cabinet

**Date of meeting:** 16 January 2023

**Report author:** Corporate Procurement Manager

**Title:** Procurement Strategy 2022-2026

## 1.0 Summary

- 1.1 This report details the new Procurement Strategy to support the Council Plan 2022-2026. The Strategy has been written to ensure that Procurement supports the Council’s key themes, as stated in the Council Plan.
- 1.2 The Procurement Strategy is centred on key Procurement Strategic aims and sets out how the Council can deliver Social Value through its procurement either through economic, community or environmental considerations.
- 1.3 The full Procurement Strategy is appended as Appendix 1. The Strategy sets out its commitments to Social Value and how it will measure itself.
- 1.4 It should be noted that the Government is currently undertaking a review of Public Sector Procurement and the intention is for changes to be undertaken in 2024. The National Procurement Policy has been published and this procurement strategy reflects the aims of that policy.
- 1.5 The Consultation for this Strategy has been conducted across all services within the council.

## 2.0 Risk

- 2.1 The following table provides a summary of the perceived risks.

Nature of risk	Consequence	Suggested Control Measures	Response	Risk Rating
Legislative Risk	Procurement Law changes in 2024 or there is an amendment to the National Procurement Policy	The revised strategy complies with the National Procurement Policy requirements and meets the needs of the Council Plan. The council will retain a watching brief and amend if required. The principal of the Strategy will remain.	Treat	1

Adoption	Procurements are made without the Officers considering the Strategy and the Council's Commitments as shown in the Strategy	<ul style="list-style-type: none"> <li>- the revised Contract Procedure Rules released in January 2022 addresses Social Value in detail with the risks of an unsuccessful procurement largely mitigated.</li> <li>- For large procurements, a strategy should be written that reflects and identifies the Social Value measures in place.</li> <li>- Revised evaluation models around the National TOMs framework (as stated in the Strategy)</li> <li>- Further training is fully detailed within the Procurement Toolkit. Measures in contracts are reported and managed.</li> <li>- Annual Review of Procurement activity to highlight the Strategy success and future opportunities.</li> </ul>	Treat	6
Transparency	Thresholds do not encourage Officers to advertise or Frameworks are used.	<ul style="list-style-type: none"> <li>- Place adverts and engage with Suppliers in the Communities. Encourage transparency for opportunities in the Council. Hold Event days. Publish Pipeline and Contract Register</li> </ul>	Treat	3
Evaluation Models	Procurements are not specific in identifying Social Value measures and Evaluation model is Generic	Build Specific Evaluation models for Social Value and ensure these are linked to Measures and deliverables in Contracts. Provide Training and explain the National TOMS Framework.	Treat	4

### 3.0 Recommendations

3.1 To approve the Procurement Strategy attached at Appendix 1.

**Further information:**

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**Report approved by:** Carol Chen – Group Head of Democracy and Governance.

## 4.0 Detailed Report

- 4.1 The council spends a large proportion of its annual budget on externally purchased goods, services and works. The importance of effective procurement has never been greater for local government. The demand for public services is increasing, while resources are drastically reducing. The pressure to find greater efficiencies and improve productivity is driving councils to look for ways to deliver better outcomes for local people.
- 4.2 This strategy sets out the council's vision for procurement and our priorities for the next 4 years to 2026 supporting the Council Plan. This incorporates the latest government procurement legislation and initiatives with the council undertaking a watching brief in the event of any further change. The council's strategy also sets out the council's commitment to Sustainable Procurement from an environmental and social perspective.
- 4.3 The Procurement Strategy supports the council's themes of:
- A council working for our community and serving our residents
  - A greener, brighter future
  - An inspiring, thriving and creative town.
  - A diverse, healthy and happy town.
- 4.4 The council aims to provide quality services that are responsive to the needs of our community and delivers optimum best value. It is also important that the strategy reflects both the council's compliance obligations and procurement aspirations.
- 4.5 This strategy, by itself, will not lead to effective procurement; it is the commitment of everyone within the council carrying out procurement activity which is key to successful procurement.

The council is committed to

- Achieving best value through all of its procurement activities;
- ensuring that paying above the National Living Wage remains an integral part of that commitment and the council will continue to ensure that contracted staff are treated fairly;
- ensuring that the council has regard to and takes steps to mitigate any negative environmental impacts of any goods, services and works contracts procured and supports the principles to achieve a Net Carbon Zero Council by 2030;
- ensuring that local businesses particularly Small and Medium Enterprises and third sector organisations have visibility and can participate in the council's contracting processes;
- ensuring that the council operates a transparent procurement process with contract opportunities visible to businesses ensuring that businesses are encouraged to participate to supply the council;
- ensure that procurements deliver added social value benefits at little or no additional cost to the council;

## **5.0 Implications**

### **5.1 Financial**

5.1.1 The Shared Director of Finance comments that there are no Financial Implications as a consequence of this Strategy.

### **5.2 Legal Issues (Monitoring Officer)**

5.2.1 The Group Head of Democracy and Governance comments that the legal implications are contained within the Strategy.

### **5.3 Equalities, Human Rights and Data Protection**

5.3.1 There is no impact to Equalities, Human Rights or Data Protection implications from this report.

### **5.4 Data Processing Impact Assessment**

Having had regard to the council's obligations under the General Data Protection Regulation (GDPR) 2018, it is considered that officers are not required to undertake a Data Processing Impact Assessment (DPIA) for this report.

### **5.5 Staffing**

5.5.1 There is no impact on staffing arising from this report.

### **5.6 Accommodation**

5.6.1 There is no impact on accommodation arising from this report.

### **5.7 Community Safety/Crime and Disorder**

5.7.1 Section 17 of the Crime and Disorder Act 1998 requires the council to give due regard to the likely effect of the exercise of its functions on crime and disorder in its area and to do all it reasonably can to prevent these. Consequently, the implications of these proposals on crime and disorder have been considered and no impact either positive or negative has been identified.

### **5.8 Sustainability**

5.8.1 The rules around sustainability and social value have been enhanced as a consequence of this strategy.

## **Appendices**

- Appendix 1 – Watford Borough Council Procurement Strategy

## **Background papers**

- None