



Title of Report:	Procurement Strategy
Committee Report Submitted To:	Finance Committee
Date of Meeting:	12 October 2023
For Decision or For Information	For decision
To be discussed In Committee YES/NO	No

Linkage to Council Strategy (2021-25)	
Strategic Theme	Cohesive Leadership
Outcome	Council has agreed policies and procedures and decision making is consistent with them.
Lead Officer	Chief Finance Officer

Budgetary Considerations	
Cost of Proposal	
Included in Current Year Estimates	YES/NO
Capital/Revenue	Revenue
Code	
Staffing Costs	

Legal Considerations	
Input of Legal Services Required	YES/NO
Legal Opinion Obtained	YES/NO

Screening Requirements	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals.		
Section 75 Screening	Screening Completed:	Yes/No	Date:
	EQIA Required and Completed:	Yes/No	Date:
Rural Needs Assessment (RNA)	Screening Completed	Yes/No	Date:
	RNA Required and Completed:	Yes/No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	Yes/No	Date:
	DPIA Required and Completed:	Yes/No	Date:

1.0 Purpose

The purpose of this report is to present to Council for approval the newly drafted Procurement Strategy, which is attached as an appendix to this report.

2.0 Background

2.1 This Strategy is intended to ensure that procurement decisions in Causeway Coast and Glens deliver for the Borough in terms of quality and sustainability whilst maintaining value for money.

2.2 The Strategy provides a framework for a strategic approach to procurement throughout the Council. It emphasises the importance of procurement decisions and will be communicated widely to Members, officers, partners, suppliers, stakeholders, and the community.

2.3 It is designed to ensure compliance with existing procurement legislation, predominantly the Public Contracting Regulations 2015, and reflects all related legislation and national policy drivers including the Social Value Act.

2.4 The importance of sustainable procurement is emphasised; using procurement to support wider social, economic, and environmental objectives in a way that offers real long-term benefits. The Strategy is constructed to highlight our commitment to a more sustainable Borough, and to enable us to demonstrate improvement in delivering sustainable outcomes through effective procurement practices.

2.5 Ultimately the Strategy paves the way for the Council's contribution to the broader public procurement landscape – one which promotes the needs of the Causeway Coast and Glens community, fosters innovation and efficiency, and uses procurement to develop and shape the local economy.

2.6 Intelligent procurement is vital not only in improving the quality and cost effectiveness of services across the Borough, but in demonstrating the type of authority the Council wants to be and shaping how we are perceived by our stakeholders.

3.0 Recommendation

It is recommended that Council approves the Procurement Strategy.

Procurement Strategy 2023 -2026

Policy Number	
Version Number	2023-1.0
Author	Procurement Officer
Date of Screening of Policy	August 2023
EQIA Recommended?	No
Date Adopted by Council	
Date Policy Revised	

Procurement Strategy 2023-2026

Introduction

Causeway Coast and Glens Borough Council has a vision of making Causeway Coast and Glens the Best Place to live, work and explore. This underpins its service delivery, its projects, and initiatives and the way in which it influences and provides civic and community leadership.

All of these functions require the purchase of goods and services. Last year the Council purchased goods and services in Financial Year 2022/23 with a total value of £38,415,668.34 revenue and £ 8,530,930.31 capital.

Securing value for money is vital. But value is more than financial value.

The Council uses its procurement processes to derive the greatest benefit to the Borough economy and its residents and to ensure that the goods and services which it procures reflect the Council's, values and priorities on climate change, fairness, tackling deprivation, and sustainable economic growth.

This strategy, The Causeway Coast and Glens Procurement Strategy 2023-2026 ('the Strategy') sets the framework for Causeway Coast and Glens Borough Council ('the Council') to purchase goods and services, in a way which delivers value for money and addresses the needs and priorities of the community and the Council. It incorporates the most appropriate elements of best practice in structure, policy, and procedure, and will remain sufficiently flexible to respond to both internal and external change.

Procurement

Commissioning can be defined as securing services that essentially address the needs and wishes of the service user as determined through research and planning. Commissioning is the process by which the Council decides whether or not to proceed with a programme or project.

Procurement is defined as the process of acquiring goods, works and services and covers the full lifecycle from the initial concept to the end of useful life of an asset or service. It has a wider scope than 'purchasing' or 'buying'; as a public authority it concerns securing products and services that best meet the needs of the community whilst considering the fundamental principles of efficiency, economy, and effectiveness.

Put simply, Commissioning is about the 'what' and procurement is about the 'how'. Procurement and commissioning are interrelated functions. Many of the underlying principles are common to both. Both combine the identification of a need through stakeholder and customer engagement with the ultimate goal of sourcing the most appropriate delivery option based on the intended outcome.

Causeway Coast and Glens Borough Council' is committed to 'making the borough the best place to live, work and explore'. The Council's four priorities are.

- o Delivering sustainable regional growth across the borough
- o Delivering a balanced community – a Causeway Coast and Glens for all ages.
- o Delivering a fairer Causeway Coast and Glens – a Causeway Coast and Glens for everyone.
- o Addressing the Climate Emergency – a Carbon Neutral Causeway Coast and Glens.

Responsible and innovative procurement can support this vision by embedding the Council's values of empowering people, excellence, and openness and transparency whilst delivering value for money and meeting citizens' needs.

There is a substantial challenge ahead with the current economic climate placing public sector finance under increasing pressure and scrutiny. The Council is developing a Commercial Strategy which is looking at opportunities to increase economic growth. In line with this strategy, obtaining value for money and creating opportunities for economic growth will be a strong influence on procurement activity. As an enabling authority this is fundamental to our business processes.

Purpose of the Strategy

This Strategy is intended to ensure that procurement decisions in Causeway Coast and Glens deliver for the Borough in terms of quality and sustainability whilst maintaining value for money.

The Strategy provides a framework for a strategic approach to procurement throughout the Council. It emphasises the importance of procurement decisions and will be communicated widely to Members, officers, partners, suppliers, stakeholders, and the community.

It is designed to ensure compliance with existing procurement legislation, predominantly the Public Contracting Regulations 2015, and reflects all related legislation and national policy drivers including the Social Value Act.

The importance of sustainable procurement is emphasised; using procurement to support wider social, economic, and environmental objectives in a way that offers real long term benefits. The Strategy is constructed to highlight our commitment to a more sustainable Borough, and to enable us to demonstrate improvement in delivering sustainable outcomes through effective procurement practices.

Ultimately the Strategy paves the way for the Council's contribution to the broader public procurement landscape – one which promotes the needs of the Causeway Coast and Glens community, fosters innovation and efficiency, and uses procurement to develop and shape the local economy.

Intelligent procurement is vital not only in improving the quality and cost effectiveness of services across the Borough, but in demonstrating the type of authority the Council wants to be and shaping how we are perceived by our stakeholders.

Value for Money

Throughout the public sector, there is a growing demand for services and falling funding levels. This has meant that authorities must find ways better ways of using resources such as increased collaboration, creation of Shared Services, moves to standardisation of 4 requirements, purchases, processes and documentation, and increased levels of challenge and requirement for competition in procurement.

Authorities are required to evidence continuous performance improvement through inspections, audits, spending reviews and procurement targets. This has led to authorities needing to prioritise and adequately resource contract management as a mechanism for ensuring value for money is consistently delivered and that demonstrable continuous performance improvement becomes a core requirement of all contracts.

Competitive markets and variety of service provision options are very important in supporting value for money and choice for customers. This has driven an increased focus on market stimulation and supply chain management to ensure a sustainable mix of suppliers from all sectors in the long and short term.

Robust business cases and options appraisals should be used to stimulate innovation and improvement when selecting in-house or outsourcing of service provision and ensure long term consequences of decisions are considered and addressed.

Developments in Technology and extension of its use in service delivery is leading to mobile working and automation of transactions. This reduces the effect of geographical limitations, aiding process efficiency and supporting the extension of collaboration opportunities from a sub-regional to an (inter)national level.

Mounting emphasis on the importance of sustainability of communities and reducing environmental impact in all activities with environmentally positive options being taken wherever viable and a similar approach encouraged throughout the supply chain, and work with organisations such as Business Link and Chambers of Commerce, to support local companies, Small to Medium Enterprises (SME's) and Voluntary, Charity and Social Enterprises (VCS) organisations to develop transferable skills and ability to win business.

There is a growing need for access to experienced, trained, and adaptable procurement professionals with strong business skills and 'intelligent purchasers' within service delivery units to support the increase in procurement, contract management, and supply chain and market development activities. This requires formalised approaches to skills & capacity building and management in order to ensure development of professionals for the future and make provision of training and skill development tailored to the differing roles of purchasers across local government.

CCGBC have already set up steering groups, which although set up with the Climate Emergency in mind, has brought up how we procure sustainably in this Borough.

Public procurement in the UK is governed by legislation set out in the Public Contracting Regulations 2015. These provide a legal framework based on principles of non-discrimination, equal treatment, transparency, mutual recognition, and proportionality and has taken over from EU legislation regarding Procurement post Brexit.

This is accompanied by other relevant legislation including the Utilities Contracts Regulations 2016, Concession Contracts Regulations 2016, the Freedom of Information Act 2000, Data Protection Act 2018 and the General Data Protection Regulation, Equalities Act 2010, Localism Act 2011, Social Value Act 2012, the Bribery Act 2010. Local Government Act 1988.

This Authority welcomes the development of the post Brexit Procurement regulations being consulted upon, which may make it easier to support Business Development in our locality.

Local Context

Procurement is in a good position to help by making sure that we engage with our suppliers to produce goods, services and works in a way that helps us achieve those goals.

The Council understands that in addition to national drivers, local factors are of primary importance in ensuring positive results for the Causeway Coast and Glens community.

Partnership Working

A key aim of Causeway Coast and Glens Borough Council's Council plan is working across boundaries. Going forward it is intended that the Council will work closer with partners and other organisations to optimise service delivery, stimulate economic growth and work towards carbon neutrality.

This will leave Causeway Coast and Glens well placed to adapt to any changes arising out of Local Government reorganisation.

Our Commitment

The needs of the community will be fundamental to the decisions we make with innovative and agile procurement practices adopted to support the local economy and deliver more sustainable outcomes.

In order to maintain the Council's reputation and reflect the expectations we have of our suppliers all procurement activity will be undertaken to the highest standards of probity and professionalism. Members and officers will not only be fair and ethical but, will avoid conduct that is capable of being placed under adverse interpretation.

Procurement will therefore be undertaken in compliance with the following principles:

- All procurement activity will comply with the Public Contracting Regulations 2015, UK Legislation, the Council Constitution and all other relevant policies and procedures.
- Procurement will be fair, open, and transparent and undertaken to the highest standards of probity, integrity, honesty, and professionalism.
- The Council will undertake procurement activity using the most efficient and effective methods and will select the most appropriate delivery mechanisms to ensure value for money.
- All procurement activity will include due consideration of social, economic, and environmental factors and will be assessed on whole life costing.
- Robust contract management will support improved service delivery through continuous improvement in the quality of goods, works and services.

The Council's Priorities

Procurement activity will be coordinated and focussed to support the delivery of corporate priorities by:

- Working across boundaries – delivering sustainable regional growth across the borough.
- Working to procure goods, services and works for social benefit.
- Encouraging local suppliers to bid for Council contracts.
- Writing contract specifications for goods, services and works that will have a positive impact on the local economy and community.

- Delivering a balanced community – a Causeway Coast and Glens for all ages.
- Supporting service areas in key procurement activity
- Working in partnership with other organisations to maximise service outcomes.
- Using Social Value within Procurement to encourage local employment opportunities for young people.
- Delivering a fairer Causeway Coast and Glens – a Causeway Coast and Glens for everyone.
- Commissioning services which are environmentally and socially responsible, looking to drive opportunities for deprived communities, minorities, and people with disabilities; having family friendly policies.
- Delivering real value for money for the residents of Causeway Coast and Glens through our procurement decisions
- Addressing the Climate Emergency – a Carbon Neutral borough

Driving Value for Money

Causeway Coast and Glens Borough Council is dealing with significant financial pressures resulting from reductions in government funding, rising demand and the effects of COVID-19. This means using spending power wisely and strategically by the effective use of:

Category Management of key areas of spend – like energy, ICT, and construction,

This can help to reduce the cost of buying goods and services, reduce risk in the supply chain, increase overall value from the supply base and gain more innovation from suppliers. When applied effectively, this seeks to reduce demand, simplify the way we buy, and aggregate spend across the entire council or multiple organisations.

The results can be significantly greater than traditional transactional based purchasing.

Partnering and collaboration – identify further opportunities to aggregate spend through effective collaboration with other public bodies and Public Buying Organisations (PBO's). Explore options relating to sharing services or posts with appropriate partners.

Strategic Contract Management and Supplier Engagement Implement a corporate approach to strategic contract and supplier management to obtain best value from supply chains through:

- Ensuring that Tenders are evaluated in terms of total life costs. Although the upfront cost may be higher, this could be offset by lower costs in subsequent years e.g., electric vehicles, reduction of waste through packaging, reusability, and disposal.
- Measuring contract outputs and key performance indicators to ensure competitiveness over the contract
- Expecting main contractors to act fairly with supply chains and mandate timely payment to subcontractors through contract clauses.
- Developing and sustaining a capacity for good contract management
- Scrutinising strategic contracts post award to develop strategic relationships and ensuring performance improvement, cost reduction, mitigate risk and harness innovation. Ensuring improved outcomes for the public, adding social value whenever possible.
- Monitoring and enforcing compliance to 'on contract' spend
- Developing and agreeing exit strategies within all major contracts
- This will help to identify and manage the council's and the suppliers' risks and achieve savings and continuous improvement throughout the life of the contract.

- Performance and Transparency through effective monitoring of targets
- Integrate and manage risk in the Procurement and delivery processes.
- Proactively auditing contracts to check for fraud Including whistleblowing policies as part of contract conditions.
- Demand Management Costs and oversupply are reduced through the implementation of demand management techniques within the procurement cycle.
- Engaging with citizen's, customers, and users and building in a demand management approach before procurement begins.
- Seeking alternative mechanisms to procure citizen's needs.
- Engaging with suppliers to ensure a greater understanding of the marketplace.

Supporting Local Economies

The Council will focus on providing the maximum benefit to its citizens from every taxpayer pound that is spent and will take responsibility for generating economic, environmental, and social growth in local communities through:

- Considering how to obtain social value in all tenders.
- Considering sustainability at the 'identify need' stage of the procurement cycle.
- Consider and ensure that social value is utilised where appropriate in the tender process.
- Local employment, supply chains and retaining spend within the local economy are elements of social value that may weigh in a supplier's favour but will still be seen in terms of a transparent competitive process and being local is not a criteria in its own right.
- Improving access for SME's and VCSE's through:
 - Pre-market engagement
 - Ensuring that strategies for developing procurements into lots does not create unwanted barriers for smaller businesses.
 - Use of electronic portals to advertise tender opportunities.
 - Promoting skills development to provide local organisations with the tools to compete effectively.

Leadership

Commitment from the top, through:

- Chief Executive, members, and senior officers within the Council.
- Designation of a member champion for commissioning and procurement.
- The Chief Finance Officer and Commercial Procurement Manager take overall strategic responsibility for procurement and ensures full value is extracted from all procurement decisions.
- The procurement strategy is linked to the commissioning and corporate strategies.

Seeing procurement as part of a strategic commissioning cycle requiring stronger engagement and alignment of procurement with commissioners. Identify strategic outcomes in relation to assessed user needs, and design and secure appropriate services to deliver these outcomes.

Provision of Procurement Training to develop a more commercially focussed procurement culture through building procurement competencies. Ensuring staff are equipped with knowledge, training, and practical skills and empower them to deliver intelligent procurement.

Modernising our Procurement

To rise to the challenge, local government procurement needs to modernise in terms of scope, use of technology and practices and procedures by:

- Procurement activities helping the Council to respond to financial pressures through creation of commercial opportunities and income generation.
- Using outcome specifications and other methods to encourage supplier innovation.
- Ensuring terms and conditions are flexible enough to allow for changes in technology and enable innovation during the life of the procurement.
- Further developing appropriate e-procurement and other solutions in procurement practices, e.g., e-invoicing to make best use of technology and to make it easier for partners and suppliers to work with the Council.
- Taking advantages of the opportunities presented in the Public Contracting Regulations which allow council procurement processes to be quicker, simpler, and less costly to run.

Develop strategic relationships with the professional buying consortia and other Public sector organisations which can deliver leading-edge practice in category management, and reduce duplication of effort through the utilisation of appropriate framework agreements.

Procurement and Contract Management Group

To re-enforce our commitment to continual improvement through robust contract management a Procurement and Contract Management Group will meet regularly. The group will rely on the participation of all officers who monitor key contracts and arrangements across the Council, and will look at developing current contract monitoring procedures, share best practice and ensure a more pragmatic approach to contract management.

Social Value

The theme running through this Strategy is that there needs to be a more holistic view of Procurement and that the process and outcome cannot be seen in isolation, but in what it can further achieve for the Council in terms of its priorities.

A concern within Procurement is not only how do we encourage our suppliers to demonstrate social value and alignment with our goals for Zero net Carbon, but how that is Contract Managed.

- At the Invitation to Tender stage method statements will be written to encourage potential suppliers to declare how they envisage embedding Social Value and Zero Net Carbon goals within their submission, and formally evaluate to advantage those that share our goals to win bids.
- That we have the evidence through Contract Management that the pledges made within the tenders are being realised.

To that end we have signed up to the Social Value Portal, which will evaluate our tenders in terms of Social Value and Environmental benefits and will continue to contract manage this part of the contract, allowing us to report our progress.

Monitoring and Review

The Council's Procurement Specialist will take ownership of the Strategy with overall responsibility for maintaining, monitoring progress, and developing it.

Review

The Strategy will be reviewed annually to ensure it meets the needs of all stakeholders including elected members, officers, public and private sector partners, local and third sector organisations, and the Causeway Coast and Glens community.

In addressing the fast pace of change in local government the Council will adopt a more innovative approach to procurement built on an ethos of continuous improvement.

Seeking Improvement

In order to support this Strategy, it is vital that good practice is shared across all service areas and common standards are adopted. Continual improvement and innovation across the Council is essential if we are going to exceed customer expectation and deliver improved quality within budget.

The Procurement Team will:

- Constantly monitor procurement performance against leading authorities and organisations and create a culture of continuous improvement.
- Provide professional business partnering support, advice and informed knowledge to members and staff on procurement matters in order to contribute to the wider Corporate Plan
- Raise procurement standards across the Council and our partners throughout the contract lifecycle, with specific emphasis on contract management to ensure the full benefits of procurement are realised.

Glossary

Commissioning – Commissioning is the whole cycle of how services are planned, designed, developed, delivered, and managed.

Climate Emergency - serious and urgent problems that are being caused or likely to be caused by changes in the world's weather, in particular as a result of human activity increasing the level of carbon dioxide in the atmosphere.

Contract Management- Contract management encompasses everything from establishing the business case and confirmation of need through to relationship management, reviewing performance and follow on strategy.

PIN – Prior Information Notice. Requirement under Public Contracting Regulations 2015 to publicise forthcoming procurement activity.

Procurement - Procurement refers to a business management process which is concerned with identification, sourcing, acquiring and management of the external resources, i.e., goods, works and services, required by a firm on a large scale to meet out its strategic objectives.

SME –Small and medium-sized enterprises are companies defined by certain low levels of revenues, assets, or number of employees. The industry where a company operates might also be a factor.

Social Value- A company or individuals' actions which contribute to the long-term wellbeing and resilience of individuals, communities, and society in general, through better environments, job creation and social outreach.

Social Value Portal – Tool to measure and evaluate the Social Value benefits a company can bring through their contract with SLDC.

VCSE - Voluntary, Community and Social Enterprise organisations. These include small local community and voluntary groups, registered charities both large and small, foundations, trusts and the growing number of social enterprises and cooperatives. These may also be referred to as third sector organisations or civil society organisations.