



**PROCUREMENT STRATEGY UPDATE**


**Theme 1: Showing Leadership**


**Objectives:**

- Engaging Councillors and Senior Managers
- Working with Partners
- Engaging Strategic Suppliers

Area of Focus	Planned Actions	Position statement – February 2021:	RAG Rating
Using the skills and expertise of the Procurement team in contributing to reports to be presented to the Executive Board on procurement related decisions	<ul style="list-style-type: none"> <li>• Continuing to engage with elected members and senior managers, championing the impact of good procurement practice</li> </ul>	<p>The Procurement Team is routinely consulted regarding reports to Executive Board that have procurement implications.</p> <p>Regular engagement takes place with senior officers, and elected members as appropriate, in regard to procurement activity and practice.</p>	

Area of Focus	Planned Actions	Position statement – February 2021:	RAG Rating
<p>Procurement planning and provision of support to client departments through early engagement</p>	<ul style="list-style-type: none"> <li>• Aligning procurement work plans with the business needs of client departments</li> <li>• Maintaining and improving engagement between the Procurement team and client departments</li> </ul>	<p>The Procurement team have provided support and guidance to client departments to ensure continuation of key services that may otherwise have been affected due to Covid-19 Lockdown.</p> <p>Examples of services / tenders supported during the pandemic:</p> <ul style="list-style-type: none"> <li>• Domestic Abuse - New Joint Commissioned Service between Adults and Children's services</li> <li>• Single Homelessness Service - Adult Commissioned Service</li> <li>• Property Term Contracts - Mechanical, Electrical and Building Maintenance</li> </ul>	


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Working with procurement partners across the Liverpool City Region	<ul style="list-style-type: none"> <li>• Continuing to develop and share knowledge to influence procurement activity across the Liverpool City Region</li> <li>• Continuing to support programme management of, and participate in, the Liverpool City Region Procurement Workstream</li> </ul>	<p>During the pandemic LCR Authorities communicated and worked together to ensure supplies of PPE were available across the region. A collaborative joint purchase for 11R masks was awarded, which allowed vital supplies to be obtained at a competitive price to meet demand.</p> <p>Halton is the lead for the LCR Agency Contract which will expire Feb 2023. The pre-procurement scoping and options appraisal stage has commenced with LCR colleagues to identify and agree the best route to market and service changes to optimise value for money and efficiency savings.</p> <p>The Chest procurement portal contract will expire in July 2023; the portal is accessed by 42 North West Regional Authorities. Halton is a member of the NW Regional Strategic Group for The Chest and will play a key part in the pre-procurement scoping and options appraisal stage for the future plans and route to market for this contract.</p> <p>Meetings of the LCR Procurement Workstream were suspended during 2020 following the pandemic outbreak. Meetings are due to re-start during 2021.</p>	



Area of Focus	Planned Actions	Position statement – February 2021:	RAG Rating
<p>Identifying and engaging the Council's strategic suppliers at local, regional and national level</p>	<ul style="list-style-type: none"> <li>• Engaging client departments and supporting supplier review meetings</li> <li>• Identifying and engaging with common strategic suppliers within the Liverpool City Region and wider partners</li> </ul>	<p>Ongoing activity - Recent examples include:</p> <ul style="list-style-type: none"> <li>• Procurement supported the Council's Children In Need (CIN) with a bespoke requirement for agency workers as a result of an Ofsted recommendation. This resulted in successful appointments being made through Procurement liaison with Matrix. This was achieved in an extremely tight timescale and provided a solution that delivered value for money.</li> <li>• Procurement also liaised with Wray Bros, the contracted supplier for the LCR authorities of PPE to agree priority availability and delivery to the Care Homes and Emergency Hub during the pandemic.</li> </ul>	


## Theme 2: Behaving Commercially


### Objectives:

- Creating Commercial Opportunities
- Managing Contracts and Relationships
- Managing Strategic Risk


Area of Focus	Planned Actions	Position statement – February 2021:	RAG Rating
<p>Collaborating with partner organisations to identify new commercial opportunities through market shaping and shared working</p>	<p>Further developing partner relationships with:</p> <ul style="list-style-type: none"> <li>• Liverpool City Region – Heads of Procurement</li> <li>• LCR Combined Authority (CA)</li> <li>• CA Commissioning Lead – Adults Services</li> <li>• Other wider partner organisations</li> </ul>	<p>The Council continues to work with partner organisations to shape markets and deliver better outcomes. A current ongoing example is the LCR Partner Provider Arrangement (PPA) for the provision of Children's Residential &amp; Foster Care Placements 2020.</p> <p>Halton is the procurement lead for this tender. A new route to market has been developed with the LCR Commissioners using a Dynamic Purchasing System that will allow unsuccessful providers at round one to have the opportunity to resubmit a bid to gain access onto the PPA when future rounds re-open (Round 2 is planned for April 2021).</p> <p>The aim is to keep this arrangement small in terms of numbers, giving our Partner Providers a greater sense of exclusivity, commitment and access through the PPA than is normally possible on much larger national frameworks.</p>	

Area of Focus	Planned Actions	Position statement – February 2021:	RAG Rating
Identifying and exploring revenue generating opportunities from procurement related activity	<ul style="list-style-type: none"> <li>• Increasing spend via the Council’s card programme to generate rebate income</li> <li>• Exploring opportunities to increase participation in the Early Payment Scheme</li> </ul>	<p>The strategy to increase spend across the Council’s card programme has been successful with over £5m expenditure being channelled through it in 2019/20. This has resulted in the Council receiving rebate income in excess of £39k.</p> <p>Details of the Council’s Early Payment Scheme were embedded into the procurement tender documents in December 2019 and this has proved successful in helping increase the number of suppliers signing up to the voluntary scheme.</p> <p>The Council also generates an income from rebates obtained through contracts let through YPO Frameworks and from rebates negotiated on certain contracts that are determined by the level of spend.</p>	
Identifying best route to market and most effective and efficient procurement procedure to optimise commercial opportunities	<ul style="list-style-type: none"> <li>• Identifying compliant frameworks open to the Council</li> <li>• Identifying the most appropriate procurement route and procedure in line with legislation</li> </ul>	<p>Ongoing activity - A recent example is the support provided to the Children In Need (CIN) with a recent bespoke requirement for agency workers.</p> <p>Procurement liaised with the Matrix Business Manager and were able to successfully appoint all staff required within an extremely tight timescale. This avoided potentially expensive “off contract” spend.</p>	

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<p>Visibility and forward planning of future pipeline opportunities</p>	<ul style="list-style-type: none"> <li>• Identifying and communicating pipeline opportunities to client departments</li> <li>• Supporting client departments with pre-procurement planning</li> <li>• Facilitating early market engagement with the supply market</li> </ul>	<p>The Procurement team has created and implemented a bespoke online work plan system that provides visibility of current and future sourcing and tendering opportunities, waivers and extensions.</p> <p>This intelligence and process allows the team to plan and prioritise projects in consultation with commissioners and client depts. to ensure the most suitable and compliant route to market is followed to optimise efficiency savings for the Council.</p>	

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Supporting client departments in developing the approach to contract management	<ul style="list-style-type: none"> <li>• Including review meetings with suppliers within the terms and conditions of the contract</li> <li>• Analysing and identifying spend data to reduce 'off contract' spend</li> <li>• Utilising management information from suppliers to improve understanding of contract activity</li> </ul>	<p>The Procurement team supports client departments with contract management and attends review meetings with suppliers as required. Recent examples include:</p> <ul style="list-style-type: none"> <li>• Frozen Food Contract – Schools and Non-School locations including Care Homes</li> <li>• Grocery Food Contract – Schools and Non-School locations including Care Homes.</li> </ul> <p>The team also shares intelligence with client departments to help manage contracts, e.g. regular support is provided to HR to assist with monitoring the profile and spend of current active agency placements.</p> <p>Management information is also either created or obtained from suppliers to understand and improve contract activity; e.g. recent support was provided to rationalise the product baskets in the Frozen Food contract from 970 to 374, which will deliver an annual cost avoidance saving of £126,000.</p>	







Area of Focus	Planned Actions	Position statement – February 2021:	RAG Rating
<p>Managing risk effectively through robust procurement contract documentation and procedures when awarding a contract</p>	<ul style="list-style-type: none"> <li>• Reviewing contract documentation and procedures in line with changes to relevant legislation</li> <li>• Ensuring contract documentation includes robust clauses that include mobilisation and exit plans</li> <li>• Ensuring that all procurement documentation and guidelines are kept up to date</li> <li>• Applying risk-based sourcing to all opportunities published over £1,000</li> </ul>	<p>Contract documents regularly updated to reflect changes in legislation – current example is VAT domestic reverse charges</p> <p>Modern Slavery Act 2015 to be included within contract Terms and Conditions.</p> <p>In compliance with Cabinet Office guidance, terms and conditions specifically relating to COVID-19 has been inserted in contract documentation where appropriate.</p> <p>Procurement Standing Orders in the process of being reviewed to reflect changes from end of Brexit transition.</p>	

### Theme 3: Achieving Community Benefits

#### Objectives:

- Obtaining Social Value
- Engaging Local SME's, micro-businesses and VCSE's


Area of Focus	Planned Actions	Position statement – February 2021:	RAG Rating
Continuing to explore opportunities for additional social and community benefits that can be delivered through procurement without increasing costs	<ul style="list-style-type: none"> <li>• Developing skills and knowledge within the Procurement team and client departments to improve and build Social Value outcomes into the procurement process</li> <li>• Strengthening relationships with suppliers to improve understanding of Social Value</li> </ul>	<p>The Procurement team has gained knowledge and a wider understanding of the service provided by the Community Shop in Runcorn. This relationship has led to the delivery of 1,536 of surplus tinned soup being donated by the Council's grocery food provider to the community shop and local foodbanks.</p> <p>Covid-19 has however impacted on the delivery of social and wider community benefits from procurement. This has been due to supplier priorities being focused on delivery of core service needs.</p>	
Reviewing and developing the Council's existing Social Value Framework and monitoring system	<ul style="list-style-type: none"> <li>• Further developing the Council's approach to Social Value in line with regional and national best practice</li> <li>• Monitoring delivery of both financial and non-financial outcomes offered by suppliers</li> </ul>	Procurement have started to review existing contracts to identify any Social Value offers and opportunities that can then be linked up with relevant Council departments or community projects that may benefit from these offers.	
Adopting a robust approach to ethical and sustainability issues in the Council's supply chain	<ul style="list-style-type: none"> <li>• Engaging locally, regionally and nationally to develop learning and awareness of emerging best practice</li> <li>• Ensuring contract documentation is updated appropriately to reflect the Council's requirements in terms of ethical and sustainability issues</li> </ul>	<p>The Procurement team maintains an awareness of best practice and any legislative requirements in respect of ethical and sustainability issues.</p> <p>Provisions incorporated into standard contract documentation where appropriate, i.e. modern slavery.</p>	



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<p>Operating procurement processes that encourage local SMEs, micro-businesses and VCSE's to compete for work and to benefit from the Council's spending</p>	<ul style="list-style-type: none"> <li>• Including lots within contracts to make them more commercially attractive for local SME's, micro businesses and VCSE's</li> <li>• Publishing opportunities over £1,000 on The Chest and Contract Finder</li> <li>• Ensuring that the Council's procurement documentation and procedures are clear and simple making it easier for suppliers to bid for work</li> <li>• Updating the Council's webpages to assist businesses on registering on The Chest and to provide practical advice on bidding for work with the Council</li> </ul>	<ul style="list-style-type: none"> <li>• Contracts are routinely divided into separate lots where appropriate to do so.</li> <li>• Standard practice for opportunities over £1,000 to be published on The Chest. There have however been an increased number of direct awards in 2020/21 due to the impact of Covid.</li> <li>• Procurement documentation is subject to regular review and updating to ensure that is as clear and understandable as possible.</li> <li>• Council's webpages in relation to procurement to be reviewed and updated during 2021.</li> </ul>	

## Theme 4: Ensuring Governance

### Objectives:

- Responding to changes in the external environment
- Being accountable
- Maintaining capacity

Area of Focus	Planned Actions	Position statement – February 2021:	RAG Rating
<p>Keeping abreast of changes in the external environment and responding appropriately to changes in legislation and other external influences</p>	<ul style="list-style-type: none"> <li>• Updating procurement processes and documentation updated in line with relevant legislative changes</li> <li>• Ongoing review of the online procurement system to ensure that it reflects up to date procurement practice</li> </ul>	<p>Throughout the pandemic, the Procurement team has supported officers through emergency routes to market to ensure the continuation of key services by making use of Public Contract Regulations - Reg. 32 and ensured that the Council's procurement practice has been in accordance with the Public Procurement Notices issued by Government.</p> <p>Contract documents are routinely updated to reflect changes in legislation, e.g. recent inclusion of a provision relating to VAT domestic reverse charges for construction contracts.</p> <p>The Council has submitted feedback on the Government Green Paper relating to proposed changes to the public procurement regime.</p> <p>The Council's internal online procurement system has been developed further to strengthen procurement practice within the Council.</p>	

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Reviewing and maintaining Procurement Standing Orders, recommending updates to the Council’s Constitution as required	<ul style="list-style-type: none"> <li>• Reviewing and updating Procurement Standing Orders at least annually, including wider consideration of the Council’s financial regulations and budgetary control mechanisms</li> </ul>	Procurement Standing Orders reviewed and updated on an annual basis. The latest update to reflect any changes necessary as a result of the end of the Brexit transition period.	
Updating key stakeholders on developments and issues relating to procurement activity	<ul style="list-style-type: none"> <li>• Sharing intelligence to demonstrate progress on procurement activity</li> <li>• Providing regular updates to the Business Efficiency Board to share regarding progress against the Procurement Strategy</li> </ul>	<p>Procurement share intelligence, such as spend data, with client departments on a regular basis.</p> <p>Regular communication with client departments regarding any changes to procurement policies and processes.</p> <p>Regular updates provided to the Business Efficiency Board regarding progress against the Procurement Strategy</p>	
Ensuring that the Procurement team maintains the necessary skills, capacity and capability to provide robust advice on procurement and commercial decisions	<ul style="list-style-type: none"> <li>• Providing opportunities to staff to maintain continuous professional development (CPD)</li> <li>• Developing commercial acumen for the team</li> <li>• Reviewing and maintaining the expertise and capacity required to deliver effective procurement activity</li> </ul>	<p>There is a continued commitment to CPD and all members of the team are provided with opportunities to maintain and develop their knowledge and awareness of developments relating to procurement. Over the past year this has mainly been through attendance on webinars.</p> <p>There has been a temporary reduction in the capacity of the team due to staff turnover and long term sickness absence. However, this has provided an opportunity to review the structure and roles within the team. Job descriptions are being updated and a mini-restructure of the team is planned.</p>	