

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 – September 2022:	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"> • Continuing to engage with elected members and senior managers, championing the impact of good procurement practice 	<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> <p>The Procurement Team has representation on the Council’s Climate Change Group, which is led by the Executive Board member with responsibility for the Climate Change portfolio.</p> <p>Procurement is now a key module included within the Council’s training programme for managers.</p>	
Procurement planning and provision of support to client departments through early engagement	<ul style="list-style-type: none"> • Aligning procurement work plans with the business needs of client departments • Maintaining and improving engagement between the Procurement team and client departments 	<p>The Procurement team routinely provides support and guidance to client departments to ensure a compliant route to market is undertaken for new contract awards or extensions.</p> <p>See Appendices A and B for details of support provided during 2021 – 22.</p>	

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<p>Working with procurement partners across the Liverpool City Region</p>	<ul style="list-style-type: none"> • Continuing to develop and share knowledge to influence procurement activity across the Liverpool City Region • Continuing to support programme management of, and participate in, the Liverpool City Region Procurement Workstream 	<p>Halton is the lead authority for the LCR Agency Contract. A new contract has been awarded to Matrix SCM for all six LCR local authorities via the MSTAR3 Framework Agreement. The contract commenced 1 May 2022 with an option to extend to 30 April 2024.</p> <p>Halton’s Procurement team is also working with the LCR Director of Childrens Services Workforce workstream to agree and implement a capped collaborative rate for Children’s Social Workers across LCR. This has been communicated to Matrix and incorporated into the Matrix System for future Children’s agency worker requirements.</p> <p>The Chest e-Procurement portal contract will expire in July 2023; the portal is accessed by 39 North West Regional Authorities. Halton is a member of the NW Regional Strategic Group for The Chest and is playing 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 have recently recommenced with St Helens Council taking over the role of Chair for 2022/23.</p>	

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<p>Identifying and engaging the Council's strategic suppliers at local, regional and national level</p>	<ul style="list-style-type: none"> • Engaging client departments and supporting supplier review meetings • Identifying and engaging with common strategic suppliers within the Liverpool City Region and wider partners 	<p>Ongoing activity - Recent examples include:</p> <ul style="list-style-type: none"> • Procurement supported the Council's Children In Need team 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. • 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. 	

Theme 2: Behaving Commercially

Objectives:

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

Area of Focus	Planned Actions	Position statement – September 2022:	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"> • Liverpool City Region – Heads of Procurement • LCR Combined Authority (CA) • CA Commissioning Lead – Adults Services • Other wider partner organisations 	<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 & Foster Care Placements.</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>	

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Identifying and exploring revenue generating opportunities from procurement related activity	<ul style="list-style-type: none"> • Increasing spend via the Council's card programme to generate rebate income • Exploring opportunities to increase participation in the Early Payment Scheme 	<p>The strategy to increase spend across the Council's card programme has been very successful with over £10m expenditure being channelled through it in the 12 months to November 2021. This resulted in the Council receiving rebate income in excess of £76k. A similar income figure is forecast for 2022/23.</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. The Council's contract with Oxygen to deliver the Early Payment Scheme expired in August 2022. The scheme is now being managed entirely in house with 100% of the rebate achieved being retained by the Council. Forecast income for 22/23 is £60k.</p> <p>The Council also generates an income from rebates obtained through contracts let through YPO Frameworks and from rebates negotiated on certain catering 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"> • Identifying compliant frameworks open to the Council • Identifying the most appropriate procurement route and procedure in line with legislation 	Ongoing activity - A recent example is the support provided to Property Services for the new Complete Design Service via the Matrix Market Place framework for professional services. This involved liaising with the Matrix Business Manager to successfully identify an efficient route to market to support future service needs.	

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<p>Visibility and forward planning of future pipeline opportunities</p>	<ul style="list-style-type: none"> • Identifying and communicating pipeline opportunities to client departments • Supporting client departments with pre-procurement planning • Facilitating early market engagement with the supply market 	<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 departments to ensure the most suitable and compliant route to market is followed to optimise efficiency savings for the Council.</p> <p>Procurement work closely with the commissioners in adult social care and have established a bespoke contract register for commissioned services. This provides visibility and support for future planning of new contracts and extensions.</p>	
<p>Supporting client departments in developing the approach to contract management</p>	<ul style="list-style-type: none"> • Including review meetings with suppliers within the terms and conditions of the contract • Analysing and identifying spend data to reduce 'off contract' spend • Utilising management information from suppliers to improve understanding of contract activity 	<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"> • Stairlifts and Hoists – Adult Social Care • Fruit, Veg & Dairy Products – Schools and Non-School locations, including Care Homes • Agency Contract – MSTAR3 <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 to support hard to fill roles, e.g. social care.</p>	

Area of Focus	Planned Actions	Position statement – September 2022:	RAG Rating
<p>Managing risk effectively through robust procurement contract documentation and procedures when awarding a contract</p>	<ul style="list-style-type: none"> • Reviewing contract documentation and procedures in line with changes to relevant legislation • Ensuring contract documentation includes robust clauses that include mobilisation and exit plans • Ensuring that all procurement documentation and guidelines are kept up to date • Applying risk-based sourcing to all published opportunities 	<p>Contract documents regularly updated to reflect changes in legislation and best practice. Documents have recently been updated to reflect changes to the Council’s Early Payment Scheme.</p> <p>Modern Slavery Act 2015 requirements have been included within contract Terms and Conditions.</p> <p>In May 2022, the value threshold within Procurement Standing Orders for low value purchases was increased to £25k. This will provide the following benefits:</p> <ul style="list-style-type: none"> • More flexibility in terms of procurement route by removing the requirement for low value spend to be advertised on The Chest. • Greater opportunity for local businesses to bid for Council contracts, as registration on The Chest is not necessary. • Procurement resource will be freed up to have increased focus on higher valued contracts, where more value can be added. 	

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 – September 2022:	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"> • Developing skills and knowledge within the Procurement team and client departments to improve and build Social Value outcomes into the procurement process • Strengthening relationships with suppliers to improve understanding of Social Value 	<p>Work is taking place comparing the approach to Social Value taken across LCR and to develop the skills and knowledge in regard to Social Value within the Procurement team.</p> <p>Work is also planned to review and update the Social Value requirements within the procurement contract documents to make it clearer for suppliers to understand.</p>	
Reviewing and developing the Council's existing Social Value Framework and monitoring system	<ul style="list-style-type: none"> • Further developing the Council's approach to Social Value in line with regional and national best practice • Monitoring delivery of both financial and non-financial outcomes offered by suppliers 	<p>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. Improvements are also being made to the way in which Social Value benefits are captured and monitored.</p> <p>A recent example is the Social Value benefits provided by PSL the supplier of the Hybrid Mail Contract. The provider has worked closely with the both Riverside and Cronton Colleges and delivered three mental health support events to students since March 2022.</p>	

Area of Focus	Planned Actions	Position statement – September 2022:	RAG Rating
Adopting a robust approach to ethical and sustainability issues in the Council's supply chain	<ul style="list-style-type: none"> • Engaging locally, regionally and nationally to develop learning and awareness of emerging best practice • Ensuring contract documentation is updated appropriately to reflect the Council's requirements in terms of ethical and sustainability issues 	<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, e.g. modern slavery 2015.</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	<ul style="list-style-type: none"> • Including lots within contracts to make them more commercially attractive for local SME's, micro businesses and VCSE's • Publishing opportunities on The Chest and Contract Finder • Ensuring that the Council's procurement documentation and procedures are clear and simple making it easier for suppliers to bid for work • 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 	<ul style="list-style-type: none"> • Contracts are routinely divided into separate lots where appropriate to do so. • Standard practice for opportunities over £25,000 to be published on The Chest. • The requirements for opportunities under £25k to be advertised on The Chest has been removed. This opens up lower value opportunities to local suppliers that are not registered on The Chest. • Procurement documentation is subject to regular review and updating to ensure that is as clear and understandable as possible. • Council's webpages in relation to Procurement are in the process of being reviewed and updated. 	

Theme 4: Ensuring Governance

Objectives:

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

Area of Focus	Planned Actions	Position statement – September 2022:	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"> • Updating procurement processes and documentation updated in line with relevant legislative changes • Ongoing review of the online procurement system to ensure that it reflects up to date procurement practice 	<p>Contract documents are routinely updated to reflect changes in legislation.</p> <p>It is anticipated that the new Public Procurement Regime will be implemented in the next 12-18 months. As such, the Council’s procurement processes and documentation will be reviewed and updated to comply with any changed requirements.</p> <p>The Council’s internal online procurement system has been developed further to strengthen procurement practice within the Council. Further development is also planned to enhance the system’s functionality to capture frameworks and low value purchases. It is anticipated that this will be implemented in 2023.</p>	
<p>Reviewing and maintaining Procurement Standing Orders, recommending updates to the Council’s Constitution as required</p>	<ul style="list-style-type: none"> • Reviewing and updating Procurement Standing Orders at least annually, including wider consideration of the Council’s financial regulations and budgetary control mechanisms 	<p>Procurement Standing Orders reviewed and updated on an annual basis.</p>	

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Updating key stakeholders on developments and issues relating to procurement activity	<ul style="list-style-type: none"> • Sharing intelligence to demonstrate progress on procurement activity • Providing regular updates to the Business Efficiency Board to share regarding progress against the Procurement Strategy 	<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 Audit and Governance 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"> • Providing opportunities to staff to maintain continuous professional development (CPD) • Developing commercial acumen for the team • Reviewing and maintaining the expertise and capacity required to deliver effective procurement activity 	<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. However, this has provided an opportunity to review the structure and roles within the team. A restructure is now in its final stages and is due to be implemented on 1 October 2022. Vacant posts within the team will then be advertised.</p>	