

## CABINET

<b>Date of Meeting</b>	Tuesday, 26 <sup>th</sup> September 2017
<b>Report Subject</b>	Procurement Strategy Action Plan
<b>Cabinet Member</b>	Cabinet Member for Corporate Management and Assets
<b>Report Author</b>	Chief Officer (Governance)
<b>Type of Report</b>	Strategic

### EXECUTIVE SUMMARY

In November 2016 Cabinet approved a joint procurement strategy with Denbighshire County Council. It contained the following high level outcomes

1. Flintshire County Council achieves value for money from the goods, services and works it procures
2. Flintshire County Council improves the contribution its procurement activity has on the local economy especially social enterprise

An action plan has been prepared to show how those outcomes will be delivered. The action plan also includes the measures that will be used to track progress.

### RECOMMENDATIONS

1	To approve the action plan and the measures that will be publicly reported.
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## REPORT DETAILS

1.00	<b>EXPLAINING THE ACTION PLAN</b>
1.01	<p>The Council spends £150m per year on buying goods and services. The Procurement Strategy, which was approved in November 2016, sets out how the Council intends to use that purchasing power to support its wider policy aims. The strategy includes the following 2 high level outcomes</p> <ol style="list-style-type: none"><li>1. Flintshire County Council achieves value for money from the goods, services and works it procures</li><li>2. Flintshire County Council improves the contribution its procurement activity has on the local economy especially social enterprise</li></ol> <p>These outcomes underpin and support the following key aims in the Council Plan:</p> <p><b>Priority: Connected Council</b> <b>Sub-Priority: Developing and Inspiring Resilient Communities</b> <b>Impact: 1) Supporting local communities to be resilient and self-supporting.</b></p> <p>4. Ensuring and delivering community benefits. <b><i>Achievement will be measured through:</i></b></p> <ul style="list-style-type: none"><li>• Establishing a Community Benefits Board with an action plan</li><li>• Commissioning of two Council contracts with specific community benefits that provides the third sector with a competitive edge</li><li>• Monitoring the percentage of community benefit clauses included in new procurement contracts; and</li></ul> <p><b>Priority: Serving Council</b> <b>Sub-Priority: Improving Resource Management</b> <b>Impacts: 1) Continuing to be a high performing and innovative public sector organisation with social values.</b> <b>2) Providing high quality, accessible, responsive and cost effective public services.</b></p> <p><b>What we will do in 2017/18:</b></p> <p>3. Maximise benefits from spending power through optimised purchasing efficiencies by exploiting technology and making efficient use of local, regional and national procurement arrangements. <b><i>Achievement will be measured through:</i></b></p> <ul style="list-style-type: none"><li>• % of goods, services and works procured through purchasing arrangements established by the National Procurement Service (NPS)</li><li>• % of Council spend with Welsh businesses</li><li>• % of Council spend with Flintshire businesses.</li></ul> <p>4. Develop and deliver a programme of activity to support local businesses, increasing their capacity and competency to respond to Council contracts.</p> <p><b><i>Achievement will be measured through:</i></b></p> <ul style="list-style-type: none"><li>• Development of a programme to support local businesses</li><li>• Developing and delivering training and support to improve the inclusion of community benefits in Council contracts</li><li>• Developing a system to record and monitor Community Benefits</li></ul>

	centrally.
1.02	<p>The Strategy does not expand on how these outcomes are to be achieved, and that further level of detail is provided by the action plan. The Business Plan (attached at Appendix A) lists not only the steps that will be taken to deliver the outcomes but also sets out the measures that will be used to track progress.</p> <p>The planned actions fall into a number of broad categories</p> <ol style="list-style-type: none"> <li>1) work to promote the use community benefits in contracts such as work to make it easier to decide what benefits to seek.</li> <li>2) actions to improve the ability of local businesses and social enterprise to bid for council contracts; and</li> <li>3) process improvements to ensure that the end to end electronic procurement system functions in the optimal way thereby making it easier for both officers and suppliers to use.</li> </ol> <p>Members will be pleased to note that a policy and procedure on the use of community benefit clauses will be brought forward for approval well in advance of the target date of December 2017.</p>
1.03	<p>The action plan is very detailed and includes activities and measures that will be used for performance management. Consequently not all measures are appropriate for public reporting. It is proposed that the following measures are publicly reported:</p> <p><u>Measures</u></p> <ol style="list-style-type: none"> <li>1) Total potential savings through procurement</li> <li>2) % of orders completed wholly electronically</li> <li>3) % of spend with businesses in Mersey Dee Alliance area</li> <li>4) % of contracts below £1m value with community benefit clauses</li> </ol> <p><u>Actions</u></p> <ol style="list-style-type: none"> <li>5) Programme of activity increasing capacity of local businesses and the third sector/social enterprise to bid for council contracts</li> <li>6) Structuring contracts to provide opportunities for local businesses and the third sector/social enterprise</li> <li>7) Improve inclusion of community benefit clauses in contracts</li> <li>8) Increase the number of contracts are jointly procured with DCC</li> </ol>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	The Procurement Service has the necessary level of resource to carry out the actions in the Action Plan.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	The Action Plan was reported to Corporate Resources Overview and Scrutiny Committee on 21 <sup>st</sup> September. Its views will be verbally reported to Cabinet.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	<p>The purpose of the Action Plan is to help define how the Council will achieve its wider policy aims through directing its purchasing power. By carefully structuring contract specifications and invitations to quote/tender it will be possible for the Council to spend its money in a way that supports its community and social enterprise. The use of community benefits in particular will help to reduce social inequality and improve community resilience.</p> <p>Every individual procurement exercise will still need to be compliant with the relevant contract procedure rules and legislation, and all of the aims of the strategy nor proposed actions are compatible with both.</p>

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A – Procurement Business Plan

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p><a href="http://committeemeetings.flintshire.gov.uk/documents/s40341/Enc.%201%20for%20PROCUREMENT%20STRATEGY.pdf?LLL=0">http://committeemeetings.flintshire.gov.uk/documents/s40341/Enc.%201%20for%20PROCUREMENT%20STRATEGY.pdf?LLL=0</a></p> <p><b>Contact Officer:</b> Gareth Owens, Chief Officer Governance  <b>Telephone:</b> 01352 702344  <b>E-mail:</b> <a href="mailto:Gareth.legal@flintshire.gov.uk">Gareth.legal@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Community Benefit Clauses</b> - Benefits to local communities from major procurements e.g. training and employment opportunities, community facilities. This incorporates social value by taking wider impacts and benefits into account other than price.</p> <p><b>Mersey Dee Alliance</b> - The partnership between the public sector in North East Wales and North West England to “work together on common strategic interests to ensure a sustainable future for the area and facilitate a coherent approach to social, economic and environmental issues.” (MDA)</p>