

North Devon Council Parks, Leisure & Culture

Devon Districts Procurement Strategy 2019 – 2022



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Introduction

This is the third iteration of the Devon District Procurement Strategy. The strategy sets out our vision and our priorities for the next four years to 2022 incorporating the latest government procurement legislation and initiatives. We aim to provide quality services that are responsive to the needs of our communities and deliver optimum value for money.

The strategy sets out how we aim to achieve this over the longer term and includes an action plan for the forthcoming year which will be regularly reviewed and a new action plan produced each year.

By taking a collaborative approach we can improve the quality of the goods, services and works which we purchase whilst still seeking to achieve value for money and make the savings necessary to support the austerity measures.

The Devon Districts who will be adopting this strategy are:

- Exeter City Council
- Mid Devon District Council
- North Devon District Council
- South Hams District Council
- Teignbridge District Council
- Torrington District Council
- West Devon Borough Council.

It is the intention of the majority of Districts that this will be the sole procurement strategy for their council.

What is procurement?

Procurement is concerned with securing goods, works and services. The process spans the whole cycle, from identification of needs through to the end of a service or the end of the useful life of an asset and its disposal. It is concerned with securing goods and services that best meet the needs of users and the local community in order to help achieve our key priorities. It supports the commissioning of services and supports work on developing markets where appropriate.

Benefits of Procurement

The status and importance of procurement in the public sector continues to grow and there is increasing pressure to improve procurement performance for a number of reasons.

Most importantly:

- procurement has a critical role to play in delivering strategic objectives and improving the quality of services delivered to the public
- savings realised through improved procurement can be channelled into priority services or reducing each partners net capital and/or revenue expenditure
- local authorities are open to legal challenge under public procurement regulations (based on EU directives) and are accountable for achieving value for money.

- Local government is under increasing pressure to deliver services in the face of reduced funding from central government. Effective procurement is one of the key ways to achieve “more with less”

Background

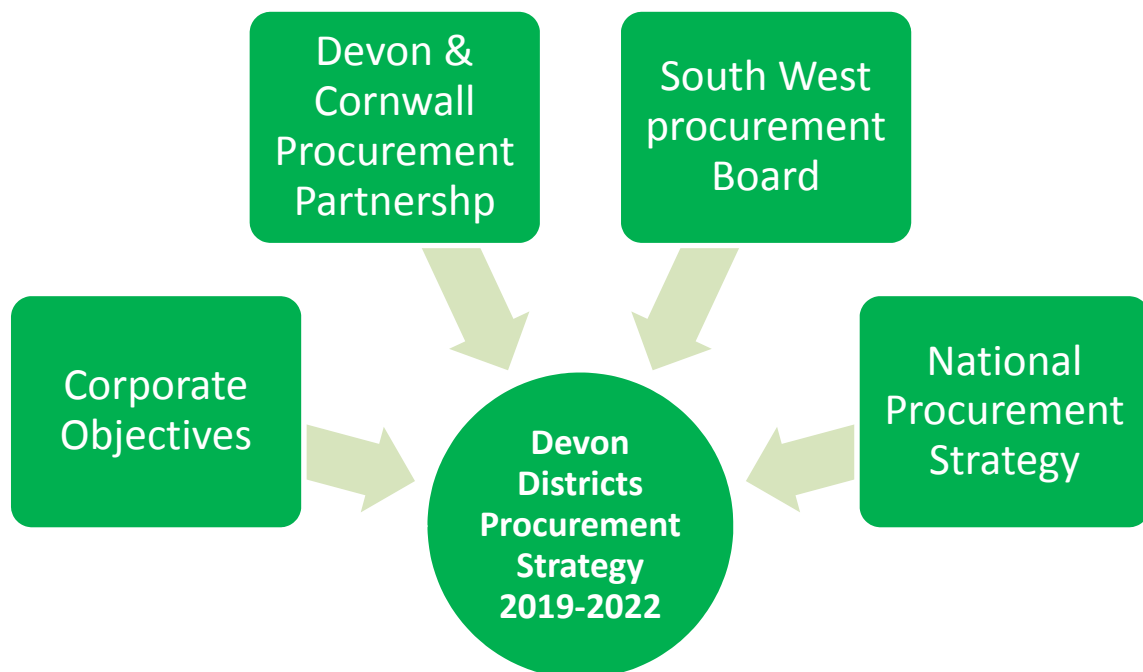
The Local Government Association (LGA) published the National Procurement Strategy (NPS) in 2018. The NPS builds on councils’ achievements under the National Procurement Strategy for Local Government in England 2014 – the first strategy developed by and for English councils.

In 2018 councils assessed their own progress under that strategy. This District strategy seeks to align with those themes which have been set out within the NPS 2018 and which have been identified as a priority by the Districts.

In addition, the economic environment, both nationally and locally, continues to require us to focus on obtaining value for money and ‘doing more for less’. Therefore, it is the intention that this strategy supports the achievement of the Corporate Objectives of each District authority.

Although this strategy is specific to the District authorities, they will continue to work collaboratively with other members of the Devon & Cornwall Procurement Partnership to maximise the benefits of all partners spend with external suppliers.

The Districts will also continue to support the work of the South West Procurement Board which provides a representative group of Partner Organisations (local authorities and public bodies) to support delivery and provide a forum for supporting collaboration at a regional and sub-regional level.



Spend Analysis

In the financial year 2018-19 the District authorities (named above) spend over £131 million a year buying goods, works and services.

Analysis of each District's spend reflects the percentage which is spent locally within that District's geographic boundary.

Authority	Total Spend per annum	Local Spend per annum	Percentage of local spend
Exeter City Council	£45m	£12m	26%
Mid Devon District Council	£21.6m	£2.9m	14%
North Devon Council	£11.1m	£4.1m	37%
South Hams District Council	£14.4m	£3.8m	26%
Teignbridge District Council	£21.4m	£2.4m	11%
Torridge District Council	£10.77m	£4.25m	39%
West Devon Borough Council	£7.2m	£240k	2%

Outcomes

From the 2018 assessment the District authorities have identified three key areas for improvement and in addition to these themes the District Authorities have identified a number of authority specific objectives. As a result the following topics will be the focus of this strategy:

Contract Management

This will cover the following key areas identified in the NPS 2018:

- **Engaging Strategic Suppliers** - refers to the process of identifying strategic suppliers and engaging with them to improve performance, reduce cost, mitigate risk and harness innovation.
- **Managing contracts and relationships** - refers to the effective management and control of all contracts from their planned inception until their completion by the appointed contractor(s)

Sustainable Procurement

This will cover the following key area identified in the NPS 2018:

- **Obtaining social value** - refers to wider financial and non-financial impacts of programmes, organisations and interventions, including the wellbeing of individuals and communities, social capital and the environment.

Engagement with SMEs/VCSE

This will cover the following key areas identified in the NPS 2018:

- **Engaging local small medium enterprises (SMEs) and micro-businesses** - SMEs play a major role in creating jobs and generating income for those on low incomes; they help foster economic growth, social stability, are a source of innovation and contribute to the development of a dynamic private sector.
- **Enabling voluntary, community and social enterprise (VCSE) engagement** - VCSE organisations can play a critical and integral role in health and social care, including as providers of services; advocates; and representing the voice of service users, patients and carers.

Central government has a target of 33% of all contracts to be delivered or sub-contracted to SMEs by 2020.

DDPS 2019-2022 Action Plan

The action plan is divided into four priorities and will be updated annually to reflect progress and emerging priorities and new objectives:

- **high** –these tasks, some of which require immediate action, should all be achieved within six to nine months of the launch of the strategy.
- **medium** – to be achieved within two years
- **low** –to be completed within the four year period of the plan, and
- **annual / ongoing** – reviewed annually or ongoing continuous process

Progress by the Districts against the Action Plan will be reviewed quarterly by the Devon District Procurement Group (DDPG).

Contract Management		
<p>Contract management is concerned with the continuous review and management of the contractual terms and / or service level agreement secured through the procurement process to ensure the outcomes agreed are actually delivered by suppliers or partners.</p> <p>Managing the contracts and relationships is imperative to ensure that:</p> <ul style="list-style-type: none"> • the strategic priorities agreed at the outset are delivered in a cost effective and timely manner • non-compliance or variation is identified early for escalation and resolution • risks and costs are managed • reviews are undertaken and lessons learnt inform the commissioning and procurement process to ensure continuous improvement 		
Outcome	Actions	Priority
CM guidance & toolkit	Guidance and toolkit in place, however South West Procurement Board (SWPB) working on regional guidance and toolkit	Med
	Senior leadership adoption of CM guidance and toolkit	Med
	Roll out of CM guidance and toolkit across the organisation	Med
Contract management training for all key staff responsible for CM	Consider requirement of each organisation and where applicable provide/arrange contract management training for key stakeholders	Med
Performance indicators and measures included in all tenders.	Provide guidance and examples in procurement guidance and/or specification template	Low

Establish methodology for reporting on strategic/ key contracts where appropriate and include in toolkit	Incorporated in toolkit	Low
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Sustainable Procurement

In line with our commitment to delivering The Public Services (Social Value) Act 2012 and our own sustainable procurement policies we will make consideration of social value and sustainability in all tender processes, which will be defined by the corporate priorities of each District authority. The DDPA will use this definition to promote the positive social, economic and environmental benefits from the goods, works and services we purchase whilst also minimising any adverse impacts.

Outcome	Actions	Priority
Adopt National TOMs (Themes, Outcomes and Measures) Framework 2019 for social value measurement	Include guidance and examples in standard procurement guidance and/or tender templates	Med
Adopt Sustainability Assessment matrix	Include guidance and examples in standard procurement guidance and/or tender templates	High
All tenders include minimum 5% weighting on social value	Include social value criteria in all tenders.	Med
All tenders include minimum 5% weighting on sustainability	Include social value criteria in all tenders.	Med

Engaging with SMEs and Local Businesses

The District authorities will maximise opportunities for local Small, Medium Enterprises (SME's), voluntary and community sector organisations and social enterprises to become our suppliers.

Outcome	Actions	Priority
Improve engagement with SMEs and local business	Widen the advertising of contract opportunities through such means as the Councils communication networks and social media	Low
	Increase/ maintain percentage of local suppliers delivering our contracts	Annual
	Continue to support and attend annual Meet the Buyer event	Annual

Behaving Commercially

Procurement will support the realisation of income generation through the creation of commercial activities, exploitation of co-operative and collaborative working and encourage innovation through its tendering practices.

Outcome	Actions	Priority
Commercial Endorsement for all new tender activity	Include criteria in business case for commercial elements/activity to be considered	Medium
Pre procurement engagement guidance	Provide guidance and examples of soft market testing / pre-procurement engagement to inform procurement activity and supply chain engagement	Low
Innovation in provision of goods, works and services	Encourage innovation in all tender activity and provide guidance to stakeholders.	Low

Approved in 2019 by:



Contacts

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