

Corporate Procurement Strategy 2023-2027

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Introduction

What do we mean by Procurement?

Procurement is the process of acquiring goods, works and services, and spans the whole cycle from identification of needs, through to the end of a service contract or the end of the useful life of an asset. It involves option appraisal and critical 'make or buy' decisions which may result in the provision of services in-house in appropriate circumstances.

Our strategy aims to provide officers, elected members, suppliers and the public with an understanding of the context of the council's procurement activity, and to set the direction this will take over a 4-year period.

Within this strategy we will set out how we will provide our procurement activities collaboratively and in an economically, environmentally and socially responsible manner, achieving value for money on behalf of the council and its key stakeholders whilst supporting the Dartford Borough Council Corporate Plan and promoting the long-term interests of the communities, residents and businesses in Dartford.

Context

The Council is formulating this strategy at a time when there are many opportunities and challenges facing council procurement. Inflationary pressures are affecting not only the Council but its residents and local business too. Future funding streams are unclear and demand for services are increasing. The Council is also being affected by climate change, supply chain shortages and the ongoing war in Ukraine.

The new procurement legislation and the [National Procurement Policy Statement](#) provides an opportunity for the Council to help drive forward national priority outcomes; creating new businesses, new jobs and new skills; tackling climate change and reducing waste, and improving supplier diversity, innovation and resilience, alongside its own priorities as set out in the corporate plan.

Strategic aims and objectives of Procurement at Dartford Borough Council

The Council's procurement strategy is aligned to achieving the priorities of the Council's Corporate Plan, Net Zero Strategy and the National Procurement Strategy for local government.

This strategy builds on the very strong foundation already in place in procurement at Dartford, where the key focus is on achieving value for money. Value for money will continue to be the main priority of the Council's procurement activity through the life of this new strategy.

Corporate Plan

Dartford Borough Council's Corporate Plan sets out the long-term vision for the Borough. The Council is in the process of drafting its strategy for 2024-2028. The procurement strategy is set to support and help drive forward the vision and aims of this new Corporate Plan.

Dartford Borough Council Net Zero Strategy

The Council understands its part to play in securing a sustainable future and wants to not only be a force for change in itself, but must inspire and encourage change in others. Procurement plays an important part in driving some of this change.

The Council's actions and priorities within the procurement strategy are therefore aligned to help meet the aims of the Council's Net Zero Strategy.





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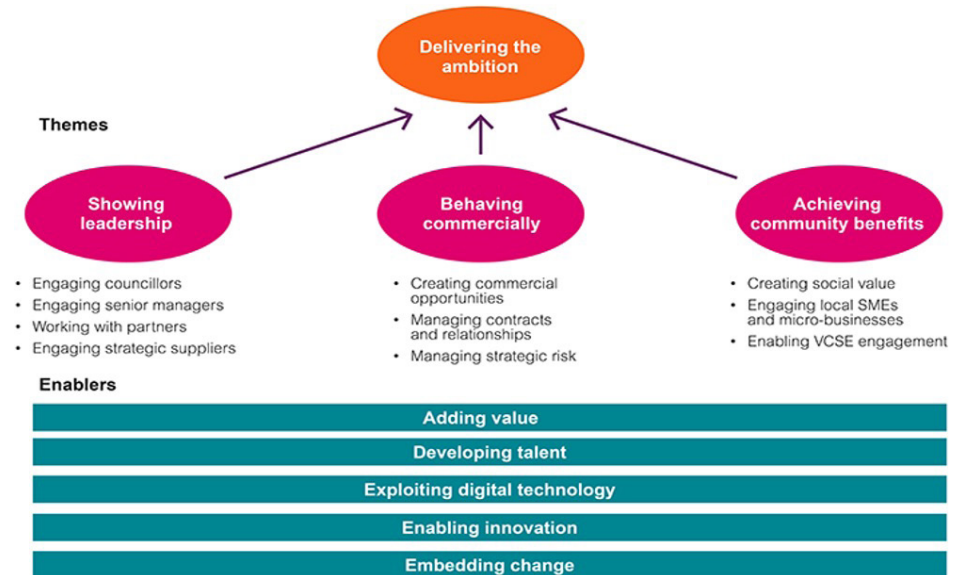
National Procurement Strategy

The National Procurement Strategy (NPS) for Local Government in England has been developed by the Local Government Association (LGA) and is owned and lived by officers and councillors. It sets out the ambition of the sector and includes guidance and a roadmap to improvement and innovation.

The strategy promotes:

- Adding value
- Fulfilling our social value priorities through procurement
- Building even greater connections and partnerships locally, across the public sector, with suppliers and the voluntary sector
- Attracting, developing and retaining talent
- Exploiting data and technology
- Effective contract, supplier relationship and supply chain management
- Embracing public procurement transformation and innovation including making procurement easier for bidders

The themes and enablers behind the strategy are:



Dartford Borough Council has used the National Procurement Toolkit to assess its maturity level against each of the key areas within the themes identified above.

The maturity levels are:

Minimum → Developing → Mature → Leader → Innovator

The Council has then set its desired maturity level for each theme and will use this throughout the life of this strategy to monitor progress.

The Council has identified 6 key focus areas for improvement over the life of this strategy;

1. Contract Management

Contract management is the process of systematically and efficiently managing contract creation, execution and analysis for maximising operational and financial performance and minimising risk.

Public sector organisations are facing increasing pressure to reduce costs and improve financial and operational performance.

New regulatory requirements, adherence to corporate objectives, globalisation, increases in contract volumes and complexity have resulted in an increasing recognition of the importance and benefits of effective contract management.

The Council wants to strengthen contract management across the organisation has recently published a guidance document for officers to use.

Actions:

- 1.1 The recently created contract management group's roles and responsibilities to be finalised and formalised. Major contracts to be monitored via the groups.
- 1.2 Formal training needs to be identified through the contract management group and a programme of training to then be offered to all project officers and senior managers.

- 1.3 Contract management software to be investigated and implemented if appropriate.
- 1.4 Training to be provided to increase awareness of the Subsidy Control Act 2022 and the implications on council staff to undertake the necessary checks and due diligence as prescribed by the Act, where financial assistance is offered.
- 1.5 Training to be provided to increase awareness of the need to complete Data Protection Impact Assessments by council officers involved with procurement where personal data is shared.





2. Procurement Act 2023

Procurement rules regulate public authority purchases of supplies, services and works. About a third of public sector spending goes towards procurement.

The Government has proposed a reform of the UK's EU law-based procurement rules in the form of the Procurement Bill. Government see this as an opportunity to better tailor the procurement framework to the country's needs and believes reform will make procurement simpler, quicker, more transparent and less bureaucratic.

At the time of writing this strategy the Procurement Act 2023 has just received Royal Assent to become law and is expected to be implemented and come into full force through secondary legislation in Autumn 2024.

Actions:

- 2.1 Procurement team to understand changes to procurement law as a result of the Procurement Act 2023.
- 2.2 Processes to be updated to reflect new rules.
- 2.3 Procurement guide to be re-written to incorporate new rules and make more user friendly.
- 2.4 Training to be provided to officers on changes.

3. Social value

Social value is defined through the Public Services (Social Value) Act (2012) which requires all public sector organisations and their suppliers to look beyond the financial cost of a contract to consider how the services they commission and procure can improve the

economic, social and environmental wellbeing of an area.

The Public Services (Social Value) Act 2012 applies to contracts for services where the Public Contracts Regulations 2015 apply.

The Council has gone further than this and officers consider social value opportunities in all procurement valued over £25,000, however there are no clear objectives for what the Council would like to achieve from social value within procurement.

The National Themes, Measures and Outcomes (TOMS) framework is widely recognised as the best standard for measuring and reporting on social value supported by the Local Government Association.

Actions:

- 3.1 Using the National TOMS framework, engage with residents of the borough, Councillors, local businesses and community groups to understand needs and priorities.
- 3.2 Using the results of the stakeholder engagement, create a social value policy to set out clear objectives to be achieved from future procurements.
- 3.3 Procurement team to create a central log of social value obligations agreed in tenders and gather achievements from Project officers and report annually to Cabinet.
- 3.4 Project officers to ensure social value obligations are monitored through contract management and report to procurement team on achievements.

4. Climate Change

Building sustainability into procurement is crucial in order to meet the Council's target of net zero. Sustainable procurement considers social, economic and environmental factors alongside the usual price and quality considerations when buying goods, works or services.

Actions:

- 4.1 Sustainability to be embedded into all commissioning, procurement and contract management processes.
- 4.2 Sustainability criteria to be built-in to all contracts, where it is proportionate and appropriate to do so, to include consideration of climate change mitigation and adaptation, zero emission vehicles, clean technology, waste reduction and integration of circular economy principles, the protection and enhancement of the natural environment.
- 4.3 Sustainability evaluation questions to be included in all tenders with a value above the Public Contract Regulations 2015 threshold. Sustainability evaluation questions to be considered in all lower value procurements and included where proportionate and appropriate to do so.
- 4.4 Procurement to work with the Council's climate change team to identify any other opportunities for driving climate change initiatives through procurement.

5. Localism/SME Engagement

SME's make up an essential component of the private sector

business landscape. According to the [2022 Business Population Estimates](#) there were almost 5.5 million businesses in the UK at the start of 2022. SMEs account for 99.9% of the total number. SMEs employed 61% of the private sector workforce, which equates to 16.4 million employees. There are a number of benefits of working with SMEs such as they are often more adaptable and agile, able to respond quickly and flexibly to change but they can also support greater localisation, which can reduce carbon footprints associated with delivery. They can create local jobs and they are often more committed to the community they live and work in. The Procurement Act 2023 includes an obligation on contracting authorities to have regard to the fact that SMEs may face particular barriers to participation and to consider whether those barriers can be removed or reduced. Developing relationships between the Council, the business community and the broader voluntary sector will create mutually advantageous, flexible and long-term relationships.

Actions:

- 5.1 The Council's website to be reviewed and updated to ensure procurement guidance is clear. We will also give consideration to other communication channels.
- 5.2 We will look for opportunities to hold meet the buyer events or pre-engagement events on some procurements.
- 5.3 Procurement to work with the Council's economic development team to identify other opportunities for SME and local business engagement.





6. Leadership

Engaging councillors and senior managers in the leadership and governance of Council procurement leads to better project delivery and better outcomes.

Approval of this strategy, aligned to corporate and service strategies, is key to setting the direction and mission of procurement and engages both senior managers and councillors.

Senior managers are already engaged with procurement and routinely seek advice at key decision points.

Within the national procurement strategy, effective management of strategic supplier relationships falls under leadership and can deliver a range of benefits including improved outcomes for the public, added social value, reduced cost, reduced risk and innovation

Actions:

- 6.1 All procurements to be clearly linked to the new corporate plan.
- 6.2 Procurement module to be added to the new councillor training pack
- 6.3 Strategic supplier list to be defined.
- 6.4 Contract management group to discuss and share interactions with strategic suppliers and improvements that can be made to these relationships.
- 6.5 Annual financial assessment to be undertaken on all strategic suppliers.

6.6 Review of the Council's contract standing orders to be undertaken between procurement, finance, legal and contracting council officers with amendments put forward to comply with the new legislation, which shall be approved by Cabinet and the GAC.

6.7 Training to be provided to all contracting officers on the updated contract standing orders.

Summary

In summary, the next four years will be challenging for procurement. We are looking to build upon foundations that we have put in place already, as well as embrace forthcoming changes as a result of the Procurement Act 2023 and its implementing regulations.

We will need to make the most of every opportunity to gain more value from our contracts, as well as adopt a more sustainable approach.

Procurement will continue to offer advice, guidance and support to our colleagues and stakeholders in order to meet challenging targets, whilst at all times ensuring compliance with legislation and contract standing orders.

