

**CABINET  
26 JANUARY 2021**

**\*PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: THE COUNCIL'S PROCUREMENT STRATEGY**

REPORT OF THE SERVICE DIRECTOR – LEGAL AND COMMUNITY

EXECUTIVE MEMBER: FINANCE AND IT

COUNCIL PRIORITY: BE A MORE WELCOMING AND INCLUSIVE COUNCIL / BUILD THRIVING AND RESILIENT COMMUNITIES

**1. EXECUTIVE SUMMARY**

- 1.1 To present an updated Procurement Strategy for adoption. A summary of the main changes to the Procurement Strategy is set out in the report.

**2. RECOMMENDATIONS**

- 2.1. That Cabinet adopts the new Procurement Strategy 2021-22 at Appendix A with implementation from 1 April 2021.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1 To ensure the Council's has an up to date Procurement Strategy. To formally support the ongoing development and modernisation of procurement and contract management within the Council with the aim of making further savings and supporting the local economy.

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1. Retain the current Procurement Strategy in its present form (from 2013). This is not, however, a recommended option as the current Procurement Strategy is not aligned with the Council Priorities or issues recently arising.

**5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**

- 5.1 No external consultation has been undertaken in the preparation of this report. However, this follows a liaison meeting with the Executive and Deputy Member for Finance & IT, and Executive Member for Enterprise and Co-Operative Development to discuss the proposed Strategy/ approach (and prior officer review by the Contracts and Procurement Group). A copy of the Draft Strategy was also forwarded to the Chair of Finance, Audit and Risk and Deputy Executive Member for Enterprise and Co-Operative Development for any comments prior to finalising the draft.

## **6. FORWARD PLAN**

- 6.1 This report covers the Procurement Strategy which could be significant in terms of its effects on communities living or working in two or more wards. It has therefore been referred to on the Forward Plan from 12 November 2020.

## **7. BACKGROUND**

- 7.1 To conduct its business efficiently a local authority needs to ensure that it has sound Procurement procedures in place and that they are strictly adhered to. Part of this process is the establishment and maintenance of a Procurement Strategy for the authority.
- 7.2 The Procurement Strategy, alongside the Contract Procurement Rules and Government guidance, provide clarity about the procurement accountabilities of individuals - Cabinet Members, the Section 151 Officer (the Service Director: Resources), the Monitoring Officer, the Service Directors, the Contract Managers and officers.
- 7.3 The Procurement Strategy has been written to support the Council's priorities, the community it serves and contract managers in fulfilling their duties regarding procurement
- 7.4 The Procurement Strategy and Contract Procurement Rules form an integral part of the Council's framework. They help to ensure that we make procurement decisions in a consistent way across the Council. This supports us in our duties to ensure that we are transparent in all our actions and are clearly accountable for all the decisions we make. By ensuring that appropriate Regulations, Strategies and Rules are applied, the Council can be confident that economic, efficient and effective financial management supports the achievement of its priorities.

## **8. RELEVANT CONSIDERATIONS**

- 8.1 The main provisions of the Procurement Strategy are summarised below. As indicated in the foreword to the Strategy – this is being put forward at a time of uncertainty, continuing national pandemic and post EU transition adaptations and developments; it is therefore short-term to enable the Council to reflect current priorities, whilst acknowledging that this will have to be reviewed fairly shortly once implemented.
- 8.2 The key focus during this Strategy period will be

### **Leadership**

- Overview mechanism – strengthened review and linking this to current priorities and budget requirements.
- Management and Control of Procurement Activity – a proportionate approach to contract management with senior officers and contract management.

## **Commercialism, Community and Social benefit**

Seeking to put a stronger focus on the following during procurement activities:

- Commercialism – seeking supplier innovation and the best value during whole life contract cycles.
- Community wealth building – encouragement of local SMEs, social enterprises and minority businesses to tender – by simplifying processes and (where legally possible) increasing the Go Local limit up to £100,000.
- Ethical procurement (such as seeking social value rewards to the community, real living wage payments to employees by suppliers, an ethical supply chain).
- Safeguarding to be promoted and monitored during the procurement process and life cycle.
- Carbon reduction/sustainability promotion.
- Equalities and Diversity – ensuring that these are appropriately integrated in the procurement process.

## **Reacting to change**

- Recognising the impact of covid-19 pandemic & economic recovery – particularly around SME/ Local Businesses – and keeping it local where possible.
- Brexit/ post EU Transition – dealing with any changes that result from the UK-EU Trade and Cooperation Agreement and Green Paper/ White Paper and or legislation that arise.

8.3 Having considered this with relevant senior Members, the implementation period for the Strategy is as recommended from April 2021 as a lead in period for administrative and monitoring purposes. The Legal Commercial Team Manager and Procurement Officer shall however keep developments under review and aim to tie in national changes with the current review period. To the extent that it does not (namely following any delay in national legislation or implementation) then consideration will be given between senior Members and relevant officers to extend this Strategy for an appropriate period.

## **9. LEGAL IMPLICATIONS**

9.1 The Procurement Strategy takes account of, and is compliant with, current legal requirement under the Public Contracts Regulations 2015 as amended.

9.2 Cabinet's terms of reference include at 5.6.36 the power, by recommendation "to determine those procurement matters reserved to Cabinet by the Contract Procurement Rules."

9.3 As a result of changes in staffing within the Legal department, together with the impact of Covid-19 and the EU transition, it was accepted by Group Leaders as part of their Legal portfolio that the new Procurement Strategy would be a shorter affair in order to put into place some of the Council's aspirations for the District, as they relate to the Council's Plan as well as remain reactive to the changing environment. The UK-EU Trade and Cooperation Agreement (TCA) contains provisions relating to procurement and it remains to be seen how this and the Government's Green Paper proposals are carried forward during 2021.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 There are no financial implications arising directly from the recommendation to adopt the new Procurement Strategy. Part of the intention of the Strategy is that it will facilitate the achievement of best value from Council contracts. There is a risk that some of the policy ambitions within the strategy (e.g. promoting a real living wage) could create short-term cost pressures.

## **11. RISK IMPLICATIONS**

- 11.1 There are no risk implications arising directly from the recommendation to adopt the new Procurement Strategy. An updated Procurement Strategy will support the alignment of procurement processes and Council priorities. This will help to reduce risk where previously they may have contradicted each other

## **12. EQUALITIES IMPLICATIONS**

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. The promotion of the real living wage throughout contracts may alleviate the financial strain of those at risk of poverty and those sole earners or lone parents and therefore advance the equality of opportunity in the working population.

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1. The Social Value Act and “go local” requirements do not apply to this report, albeit that the Strategy include the requirements with regards to these.

## **14. ENVIRONMENTAL IMPLICATIONS**

- 14.1. There are no known Environmental impacts or requirements that apply to this report, albeit that the Strategy include the requirements with regards to these.

## **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1 There are no direct human resources implications arising from the report, although compliance with these regulations is a requirement of an employee’s contract of employment.

## **16. APPENDICES**

- 16.1 Appendix A: Procurement Strategy 2021-22

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## **18. BACKGROUND PAPERS**

- 18.1 The Council's Constitution.