

Report to: **Hub**
Date: **2 February 2021**
Title: **Devon Districts Procurement Strategy**
Portfolio Area: **Cllr Neil Jory
Leader of the Council**
Wards Affected: **All**
Urgent Decision: **N** Approval and clearance obtained: **Y**
Date next steps can be taken:

Author: **Rosanna Wilson** Role: **Corporate Procurement Officer**

Contact: Rosanna.wilson@teignbridge.gov.uk – 01626 215120

Recommendations:

That Hub

1. Note the progress made in delivery of the previous Devon Districts Procurement Strategy 2014-2018
2. Consider any West Devon specific priorities or objectives which we should explore to be incorporated into the strategy delivery plan
3. Recommends to Council to adopt the Devon Districts Procurement Strategy 2019-2022 (including the objectives set out in recommendation 2)

1. Executive summary

1.1 West Devon Borough Council has been a member of the Devon District Procurement Group for a number of years.

1.2 The group are responsible for developing a joint procurement strategy for the councils' which has the benefit of ensuring that we are consistent in our approach and benefit from sharing of knowledge, expertise and resource to deliver the strategy action plan.

1.3 The previous Devon Districts Procurement Strategy expired in 2019. The refreshed Strategy has been delayed in coming forward to Hub due to the

Covid-19 pandemic and the need to prioritise the order of business considered by Members.

1.4 The four key themes contained within the Devon Districts Procurement Strategy ('DDPS') are:

- Contract Management
- Social Values
- Engagement with SMEs and Local Businesses
- Behaving Commercially

1.5 The DDPS includes an action plan which includes the outcomes to be achieved in the period 2019 – 2022. The views of Hub on any additional actions are invited through this report.

1.6 Each council is responsible for implementing and monitoring their own outcomes. Progress against the action plan will be reviewed quarterly by the DDPA. It is the intention that as new actions and outcomes are identified, they will be added to the action plan as part of the annual review.

2. Background

2.1 West Devon Borough Council, South Hams District Council and Teignbridge District Council have a shared Corporate Procurement Officer to ensure compliant procurement processes and procedures. The Corporate Procurement Officer is employed by Teignbridge District Council.

2.2 A key part of the role of the Corporate Procurement Officer is to participate and contribute to the Devon District Procurement Authorities (DDPA) which consist of Exeter City Council, Mid-Devon District Council, North Devon District Council, South Hams District Council, Teignbridge District Council, Torridge District Council and West Devon Borough Council.

2.3 This group of Districts work collaboratively to ensure consistency in procurement approaches, explore opportunities for joint procurements and share knowledge and experience for the benefit of all the participating Councils. To direct their work, they develop a Devon Districts Procurement Strategy.

2.4 The previous Strategy covered the period 2014-2018. The final review of the action plan for that Strategy is included at Appendix A to this report. Key outcomes which were the result of the strategy are as follows:

- Implementation of a contract management toolkit
- Contract clauses clearly state payment terms and will ensure timely payment of monies owing.
- Responsible Procurement Strategy with supporting policies in place

2.5 In 2018 the Local Government Association (LGA) published the second version of the National Procurement Strategy (NPS) which built on councils' achievements under the previous Strategy.

2.6 The National Procurement Strategy has provided the basis for the Devon Districts Procurement Strategy 2019-2022 which is attached at Appendix B.

2.7 It is important to note that this Strategy does not replace the Sustainable Procurement Policy adopted by Council at its meeting in December 2019. The Devon Districts Procurement Strategy sits alongside the Sustainable Procurement Policy, focusing on the actions and outcomes that we can jointly deliver.

2.8 By taking a collaborative approach and having a joint strategy, we can improve the quality of the goods, services and works which we purchase whilst still seeking to achieve value for money.

3. Outcomes/outputs

3.1 The Strategy Action Plan included within Appendix B sets out a number of outcomes that we aim to achieve under each of the following themes:

- Contract Management
- Social Values
- Engagement with SMEs and Local Businesses
- Behaving Commercially

3.2 The outcomes support a number of the Councils current priorities including:-

Recovery Action Plan Item 5.17 – Identifying options for jointly procuring of supplies and services with other Devon Local Authorities

3.3 In adopting the Devon Districts Procurement Strategy, we have the opportunity to participate in joint procurements with other Districts rather than undertaking our own.

3.4 This has the benefit of reducing the administrative and procurement activities required as we undertake it once for all Councils rather than each Council undertaking their own.

3.5 Another significant benefit is that in jointly procuring supplies and services, we can ensure better value for money than going to the market alone. Recent examples of joint procurements include Insurance, Adaptations, Stationery and the Parking Enforcement System

Devon Carbon Plan Action R23 “Anchor institutions” to embed social and environmental value further into tendering processes to effect meaningful change and sustainable procurement

3.6 Procuring goods and services makes up around 20% (18/19, excl leisure services) of West Devon Borough Council’s emissions and falls within Scope 3. However, these emissions are aligned with how much is spent rather than where that spend comes from.

3.7 Although a move to procuring more goods and services within the Borough and County will not change the way procurement is calculated from a greenhouse gas reporting perspective, the benefits of doing so are wholly aligned with the Climate Emergency as social resiliency is often linked to environmental resiliency.

3.8 As an anchor institution we have a great deal of purchasing power and the willingness to do this locally will improve the social resiliency of our communities and is a critical thread that runs through Section 7 of the Draft Interim Devon Carbon Plan (Economy and Resources).

4. Options available and consideration of risk

4.1 The Council has a number of options available to it:-

- 1) Adopt the Devon District Procurement Strategy and implement the action plan and continue to benefit from the shared opportunities for joint procurements and shared delivery of the action plan
- 2) Concentrate on developing our own Procurement Strategy but this would fail to deliver the current benefits of collaboration and would require an increase in costs as we would require additional capacity to develop and deliver the Strategy.

4.2 If Hub recommend adoption of the Devon Districts Strategy, they may also wish to include some specific targets for West Devon Borough Council.

4.3 Some examples of targets that Hub may wish to consider over the coming months could be changing our procurement approach to include the following:-

- Officers considering local suppliers first for spend of £10,000 and under when seeking quotes. Spend above this level requires us to advertise the opportunity and is therefore subject to evaluation of tenders from the open market.
- Setting a target to spend a certain % of Council budgets within the Borough or within Devon (or a target for both). It should be noted that the Council already performs well on this measure with 30% of its spend being within Borough. Each 1% above this will require identifying £80,000 of spend that we can bring back in to Borough. At this stage, this would require further analysis to be able to commit to a firm target for the future.

5. Proposed Way Forward

5.1 Given the benefits of collaborative working and ensuring consistency across Devon, It is recommended that the Devon Districts Procurement Strategy is implemented to meet the targeted themes in section 1.4.

5.2 Through development and delivery of our Climate Action Plan and new Corporate Strategy, the Council can consider any specific weightings and procurement requirements that it wishes to implement to support our new priorities. The adoption of this Procurement Strategy would not prevent this from happening in the future.

5.3 It is however recommended that Hub include a requirement within the strategy action plan for officers to aim to obtain quotes from local suppliers for spend of under £10,000.

5.4 It is further recommended that Hub request that Officers undertake detailed analysis of current spend to identify a stretch target for how much spend could be brought back in to the Borough before setting a final target. The conclusions of this work would first be brought back to the Financial Sustainability Group within the next 6 months.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		All Procurement activity will be compliant with the Public Contract Regulations 2015 any other governing law (on a contract by contract basis).
Financial implications to include reference to value for money		There is a possibility of an increase in costs if The Council place too much emphasis on sustainability i.e. increased costs from using innovative environmentally friendly products. This should be explored on a case by case basis.
Risk		<p>Risk: Insufficient resource to deliver the outcomes set out within the strategy. Mitigation: The Corporate Procurement Officer will manage resources to ensure an optimum delivery of operational and strategic outcomes. These outcomes have been prioritised low, medium and high to reflect that not all participating Councils will be in a position to deliver all of them, due to differing levels of Procurement resource.</p> <p>Risk: Purchasing Departments continue to avoid compliance with procurement and contract management guidance provided in strategy roll out. Mitigation: Training will be provided to all relevant officers regarding contract management and compliance.</p>
Supporting Corporate Strategy		Council – Efficient and Effective Services Environment
Climate Change - Carbon / Biodiversity Impact		The previously adopted Sustainable Procurement Strategy encourages the consideration of a minimum weighting of 10% regarding environmental sustainability within tender evaluation criteria. This Devon Districts Procurement Strategy supports that approach

Comprehensive Impact Assessment Implications		
Equality and Diversity		None
Safeguarding		None
Community Safety, Crime and Disorder		None
Health, Safety and Wellbeing		None
Other implications		None

Supporting Information

Appendices:

Appendix A – Outcomes from previous strategy.

Appendix B – Devon Districts Procurement Strategy 2019-2022

Background Papers:

[under provisions of the Local Government Act 1972]

List any background papers used to prepare your report or say none.

Approval and clearance of report

All reports must have Finance clearance from the s151 Officer and, Legal clearance from the Monitoring Officer. Your report will only receive clearance if the implications in Section 6 are considered by the Finance and Legal Services to be complete and accurate. Make sure you contact Finance and Legal officers early on for advice where there are potentially financial or legal implications. If there are other resource implications you must forward your report to the appropriate Head of Practice for clearance. If those clearing the report make amendments they will advise you of that fact and refer you to the relevant changes. As report author you are responsible for finalising the report and its content but you are required to have regard to the comments of the Finance and Legal Services and clear reasons for not following their advice.

Process checklist	Completed
Portfolio Holder briefed/sign off	Yes
SLT Rep briefed/sign off	Yes/No
Relevant Heads of Practice sign off (draft)	Yes/No
Data protection issues considered	Yes/No
Accessibility checked	Yes/No