

PROCUREMENT ACTION PLAN (2022/25)

APPENDIX 3.

1. ORGANISATION

Ensure we maintain corporate support and establish a long term commitment from both members and officers at all levels to improve the profile of Procurement within the Borough of Newcastle-under-Lyme. We will review any shortfalls and continue to focus on the objectives that support the National Procurement Strategy for local government and the Borough Council's strategic priorities, to realise economic social and environmental benefits for Newcastle-under-Lyme.

| Position Statement | Key task and or issue/s | Objectives | Timescales | Lead Officer |
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| 1.1 Requirement to draft a new procurement strategy for 2022 -25. | Current procurement strategy and action plan ends in December 2021. | Draft new procurement strategy incorporating: | October 2021 | CP |
| 1.2 The Procurement Strategy once approved is adopted and endorsed by members and officers at all levels. | Procurement Strategy should be embedded in all major procurement decisions. | To communicate and ensure Corporate recognition for procurement practices and procedures. | Cabinet by November 2022 | EMT/ CP |

2. PARTNERSHIPS, COLLABORATION & FRAMEWORK AGREEMENTS

Deliver consistent and better quality services that meet the identified needs of individuals and groups within the Borough of Newcastle-under-Lyme and develop mixed economy, through strategic partnerships, framework agreements and collaboration with a range of public, private and voluntary suppliers.

| Position Statement | Key task and or issue/s | Objectives | Timescales | Lead Officer |
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| 2.1 Corporate procurement continue to work with the Newcastle Partnerships team to identify commissioning opportunities, manage and monitor spend, and support ongoing contract management. | Ongoing opportunities to share and participate in procurement and collaboration work streams both internally and externally. | Deliver opportunities for market engagement, commissioning and procurement compliance from standardised processes and ongoing contract management. | Throughout the term of the procurement strategy. | NPM / CP |
| 2.2 The Council has and continues to be willing to participate in partnerships (from both a commissioning and procurement perspective) with neighbouring Councils, Partners and Voluntary Sector Organisations. | Identification of project areas and like spend offering suitable partnering opportunities. Partnerships require commitment from both parties to manage and negotiate effectively. A range of Voluntary Sector Bodies exist within the local community, explore how we promote and | To continue to work with existing partners & identify new resourceful partnership groups developing beneficial services. Participation in regional commissioning and procurement group activity, explore opportunities for partnership sourcing and collaboration where beneficial to all stakeholders alike. Understand the range of voluntary services | Throughout the term of the procurement strategy. Throughout the term of the procurement | NPM / CP NPM / NC&LP / CP |

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| | utilise these as part of commissioning and procurement processes. | available, the best fit within the Council and promote such services within the appropriate directorate. | strategy. Throughout the term of the procurement strategy. | |
| 2.3 The Council is party to various framework agreements. | Continue to investigate and identify additional potential areas of spend that might benefit from the use of compliant framework agreements. | To explore the feasibility of using new framework agreements. To identify the potential costs, benefits and savings in using such frameworks. Explore opportunities for greater collaboration with both partner organisations and neighbouring Councils from both a commissioning and procurement perspective. | Ongoing throughout the term of the procurement strategy. | NPM / NC&LP / CP |

3. PROCUREMENT MANAGEMENT INFORMATION

Ensure we have a robust financial system forming a solid platform for future innovation. Maximise the cost effectiveness of Best Practice Procurement Processes by minimising administrative processes in a consistent manner and so adding value across the Council.

| Position Statement | Key Issues | Objectives | Timescales | Lead Officer |
|---|---|---|------------|---------------|
| 3.1 Contract information currently disparate and requires significant officer time to maintain. | Contracts register/data base is time intensive to update and maintain and does not offer timely alerts where contracts are due for review, expiry and/or require renewal. | Explore, identify and cost possible supportive software to address the key issues identified. | March 2022 | CP / HF&S151O |

4. VALUE FOR MONEY

To ensure and maintain a procurement process that is clear and focused in the first instance on achieving value for money.

| Position Statement | Key Issues | Objectives | Timescales | Lead Officer |
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| 4.1 The Borough Council can ensure | The Council is experiencing a wide range of | To ensure that procurement is appropriately | June 2022 | CP / HLGS |

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| value for money by the application of controls and consistent standards across the authority. | changes as part of the 'One Council' programme which will have a likely to impact on the number and range of officers supporting future procurements, identifying specific training and simplification of processes. | managed in a legal, ethical and transparent manner, whilst embodying the Council's core values. | | |
| 4.2 Corporate procurement provides a range of services from advice to undertaking the full procurement process to Departments requiring Goods and Services specific to their profession. | Consistency is required in terms of corporate standards and approach to procurement. Corporate procurement resources are finite and will be involved particularly in Strategic projects or those that are professionally challenging. Each financial year a schedule of projects will be established and agreed, accepting that this is fluid. | To ensure that procurement resources are deployed effectively and that systems are in place to deliver value for money. | Ongoing throughout the term of the procurement strategy. | CP / HLGS |
| 4.3 The cost of goods, services and works includes the supplier selection, acquisition, contract management and all life cycle costs. By reviewing strategic procurement, the Council will be in a position of greater strength and reduce process costs. | The Council must consider how best to rationalise suppliers and therefore reduce processing costs. Central corporate contracts should offer a variety of strategic benefits, but must be managed carefully. Opportunities to take advantage of the Council purchasing leverage and that of collaborative purchases should not be missed. | To reduce the cost of the procurement process and obtain Best Value on all procured goods, works and services. | Ongoing throughout the term of the procurement strategy. | CP / HoS / BM |

5. **SUPPLIER DEVELOPMENT**

Promote Newcastle-under-Lyme as a preferred customer. Focus on supplier development, supply chain management and promote the opportunity for businesses and SME's to trade with the Council.

| Position Statement | Key Issues | Objectives | Timescales | Lead Officer |
|---|---|--|--|---------------------|
| 5.1 We recognise that there are significant advantages of engaging with small local businesses, for both the Borough Council and the local economy. | Many Small or Medium-size Enterprises (SME's), Micro Enterprises (ME's) or Social Enterprises (SE) often do not understand the public sector system or documents. | We are committed to using procurement processes that ensure such businesses, trades and suppliers – including SME's, ME's and SE – have at least equal if not enhanced access to council procurement opportunities. Following a review of the Council's standard procurement documents and templates, look to simplify and publish to support greater engagement by SME's, ME's and SE. | Ongoing throughout the term of the procurement strategy and linked to relevant procurement | CP / HoS / BM / BDO |

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| | | Consider the introduction of help and advice sessions, Meet the Buyer, or pre-clarification meetings with potential bidders. | exercises. | |
| 5.2 Compliance, openness and transparency is aimed at creating a level playing field for any compliant and relatively skilled bidder as part of the Council's procurement processes. | The level of contracts / spend with local providers (within the Borough) is low and accounts (2020/21) for only 6.3% of the Council's total spend. | To explore and identify opportunities of increasing the level of spend with local SME's, ME's and SE which might include: <ul style="list-style-type: none"> • Possible use of dynamic purchasing systems; • Re-introduction of preferred local supplier lists for a range of low value category spend; • Senior management agreement to allow (where possible) for low value spend to be targeted to local providers; • Improved notification of Council low value contract opportunities. | Ongoing throughout the term of the procurement strategy and linked to relevant procurement exercises. | CP / HoS / BM |

6. MODERNISATION OF PROCUREMENT & COMMERCIALISATION

Seek innovation and new approaches across both internal and external environments to achieve continuous improvement.

| Position Statement | Key Issues | Objectives | Timescales | Lead Officer |
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| 6.1 Develop a more commercially focused procurement culture. | Officer focus on traditional transactional procurement. | Share and take advantage of the expertise of others, working to identify future opportunities for new income streams and possible savings linked to selected procurement exercises. | Ongoing throughout the term of the procurement strategy. | CP |
| 6.2 Enabling innovation. | Encourage a culture where competition and innovation may offer wider benefits. | Look for and where possible embrace opportunities for income generation within the Borough Council's contracts. | Ongoing throughout the term of the procurement strategy. | EMT / CP |
| 6.3 Encourage and allow preliminary market consultation between buyers and suppliers, which should facilitate better specifications, better outcomes and shorter procurement times | Training, development of documentation, market engagement, publication of prior information notices (where permissible). | To stimulate market interest in Borough Council contracts and encourage supplier engagement. | Ongoing throughout the term of the procurement strategy and | CP / HoS / BM |

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| | | | linked to relevant procurement exercises. | |
| 6.4 Delivering sustainable procurement initiatives and considering the environmental impact of procurement decisions in line with Council's vision for the borough to be Carbon Neutral by 2030. | Require our suppliers and contractors to reduce the impact of goods, works and services by considering whole life costs; and the carbon impacts, footprints associated with goods works and services provided on behalf of the Council. | Ensure where appropriate and allowable, sustainability criteria are part of the supplier evaluation process and are used in the award of contracts. Such factors might include the carbon footprint being a measure of the impact the Council activities have on the amount of carbon dioxide (CO2) produced through the burning of fossil fuels, inclusive of supply streams associated with the provision of goods and services the Council consumes and uses. | Ongoing throughout the term of the procurement strategy and linked to relevant procurement exercises. | CP / HoS / BM |

7. CONTROLS, STANDARDS AND MANAGEMENT OF RISK

Ensure compliance with Councils Contract Procedure Rules, Financial Regulations and relevant Legislation, covering procurement and contracting.

| Position Statement | Key Issues | Objectives | Timescales | Lead Officer |
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| 7.1 Council Contract Procedure Rules exist to provide compliance and provide direction for officers across the Council. | Ongoing reviews and updates are undertaken and changes communicated to HoS & BM however by its nature the procedure rules contain a considerable amount of detail which need to be provided to officers in a more manageable application. | <ul style="list-style-type: none"> Continue to review, update and simplify where possible; Publish in a more focused manner e.g. by section; Identify key common areas/subject matter for officers undertaken regular procurement and publish/communicate; Identify with HoS & BM their key staff involved in procurement, determine any shortfalls in knowledge and provide training/familiarisation with the rules. | Annual reviews and updates are undertaken. | CP / HoS / BM |
| 7.2 Ensure that risk is appropriately managed. | Procurement remains legal, ethical and transparent. Risk and value of strategic high value high risk procurements should be mapped and monitored. | <ul style="list-style-type: none"> Encourage transparent and equitable procurement process – via audit, publication of policies and appropriate training. Look to improve risk management and contract | Ongoing throughout the term of the procurement strategy. | CP / HoS / BM CP / RMO |

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| | | management in strategic high value high risk procurements by the introduction of guidance developed from work on the risk management strategy. In particular, that risk assessment is included from the start of procurement and contracting processes. | May 2022 | |
| 7.3 Documentation in support of all procurement processes are standardised and are accessible to all officers involved in undertaking and delivering procurement projects. | Concerns raised on the relevance of the content of such documents and a reluctance by officers to use such or modify accordingly. An external independent third party review will be undertaken of the Borough Council's standard templates. | The aim of the third party review is to further standardise the fleet of Council templates, where possible simplify and establish training in support of their use. | June 2022 | CP / HLGS |

8. PERFORMANCE MANAGEMENT

Create, implement and monitor Key Performance Indicators to highlight continuous improvement and performance benefits against targets within the authority.

| Position Statement | Key Issues | Objectives | Timescales | Lead Officer |
|---|--|---|--|---------------|
| 8.1 Not all procurements at £25,000 and above are supported by the publication of a contract notice and subsequent contract award notice on the Contracts Finder website. | None compliance with Public Contract Regulations 2015. There is an expectation if recommendation contained in the Governments Green paper 'Transforming Public Procurement' that monitoring and reporting requirements will increase. | Re-publish the requirements for the need for the formal publication and closure of contract notices on the Contracts Finder website. Monitor and report the number of non-compliances. Monitor the outcomes and reporting requirements of Governments Green paper and support the dissemination of requirements and subsequent compliant reporting. | January 2022 | CP / HoS / BM |
| 8.2 The Council has experienced an increase in officer requests for exceptions to Council contract procedure rules. | Not all requests are completed correctly and compliantly in that they do not always provide for example appropriate clauses in relation | To further formalise, ensure compliance and monitor the volume of exceptions to Council contract procedure rules being requested. | February 2022 | CP |
| 8.3 The percentage spend with local provider remains low. | Opportunities in supporting local businesses (SME's, ME's and SE) are being missed as is the support in maintaining the local pound within the borough and improving Social Value. | To explore and identify opportunities of increasing the level of spend with local SME's, ME's and SE which might include as covered in 5.2 above. | Ongoing throughout the term of the procurement strategy. | CP / HoS / BM |

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| 8.4 Strategic contract monitoring and tender compliance to the Council's specification/s of requirements are monitored and reviewed by relevant client officers / services areas. | There is no internally published overview of annual performance of the Borough Council's strategic high risk, high value contracts and suppliers. | Seek to introduce an annual review of strategic high risk, high value contracts providing an overview of delivery against the Council's specification of requirements reported against a red, amber, green rating. | Annually throughout the term of the procurement strategy. | CP / HoS / BM |
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9. TRAINING

Develop procurement skills across the organisation to support the implementation of procurement policy and strategy.

| Position Statement | Key Issues | Objectives | Timescales | Lead Officer |
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| 9.1 As part of the Council's devolved procurement structure there are a number of officers engaged in either delivering and/or supporting the procurement of Goods, Works, and Services and possibly the management of contracts/contractors post award. | Officers need the appropriate information, resources and training to support them in the delivery of this work. | <ul style="list-style-type: none"> Identify those officers by service area undertaking such duties; Assess any knowledge / experience shortfalls, develop and deliver supporting training and/or familiarisation; Offer 1-2-1 help and support in the delivery of compliant procurement outcomes. | March 2022 | CP / HoS / BM |

Glossary of Terms:

EMT – Executive Management Team; HLGS – Head of & Governance Services; NPM – Newcastle Partnerships Manager; HR – Human Resources;
 CP – Corporate Procurement; BDO – Business Development officer; RMO – Risk Management Officer; HoS – Heads of Service;
 BM – Business Managers; NC&LP – Neighbouring Councils & Local Partners; HF&S151O – Head of Finance & Section 151 Officer;