



Procurement Strategy

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1.0 Introduction

In 2018/19 we spent £6.2 million on goods, works and services; we clearly have a responsibility to make sure this spending represents best value for money. The importance of effective procurement has never been greater for local government. The demand for public services is increasing, while resources are drastically reducing. The pressure to find greater efficiencies and improve productivity is driving councils to look for different ways to deliver better outcomes for local people.

- 1.1. This strategy explains how we will continue to develop and benefit from the professional expertise of the East Sussex Procurement Hub over the next three years and the systems we use to make sure that Rother District Council delivers on its value of “spending money wisely”.
- 1.2. Whether you are a Councillor, senior manager or budget holder at the Council, or one of our suppliers or partners, reading this strategy will help you understand what the Council is setting out to achieve through how we procure goods and services – and how this affects you. For everyone else, including Rother residents and council employees, it is a reassurance that we will continue to spend public money in a way which is fair, accountable and gets the very best value.
- 1.3. As well as the expertise and experience of our successful team, we have used the National [Procurement Strategy for Local Government in England 2018 toolkit](#) to put together this plan. This combined expertise and good practice has allowed us to identify five areas of focus. Putting our energy into these areas will have the biggest impact on supporting the Council’s aims and ambition.

2.0 What is Procurement?

- 2.1. Procurement is the process of acquiring, goods, works and services, covering both acquisition from third parties and in-house providers. The process spans the whole cycle from identification of needs through to the end of a contract or the end of the useful life of an asset. It involves options appraisal and the critical ‘make or buy’ decision which may result in the provision of services in-house in appropriate circumstances. Some purchases are outside the scope of this Strategy, for example treasury management decisions in where to place surplus cash or the purchase of property.

3.0 Why is procurement important?

- 3.1. The impact of procurement is far greater than just the definition of a ‘process’ and our vision, aims and objectives set out in this strategy detail the contribution that effective procurement arrangements can make to a range of socio-economic and environmental agendas. These include a successful local economy, a thriving voluntary sector, community empowerment, environmental issues and value for money.
- 3.2. Good procurement is essential to ensure good public services, from buying works, goods and services that work as they are supposed to, to achieving savings that can help reduce spending or be ploughed back into front-line services. It can also contribute to the Council meeting its own and national objectives in relation to climate change and the commitment to being a carbon neutral Council by 2030.
- 3.3. Local Government spends over £60billion a year procuring a wide range of works, goods and services, from everyday items ICT equipment to major construction

projects such as leisure centres, schools and hospitals. All those who, as taxpayers, use and fund public services have the right to expect government to meet the highest professional standards when it procures on their behalf.

4.0 Vision for Procurement

- 4.1. The Council's vision for procurement over the term of this strategy is to demonstrate value for money through the effective whole life procurement of goods, services and works. This will ensure procurement benefits the community and the organisation, whilst minimising and mitigating impacts to the environment.

5.0 Strategic Procurement Aims

- 5.1. The Council's strategic procurement aims, based on the Local Government Association National Procurement Strategy, are shown below. Appendix 1 provides greater detail:

- **Showing Leadership**

A strategic approach to procurement should be at the heart of thinking for our Councillors and decisions makers because procurement is not merely about ensuring compliance. There is an ever-growing need to engage with service heads and procurement teams on high value, high risk procurements to drive innovation, generate savings and identify opportunities for income generation.

- **Behaving Commercially**

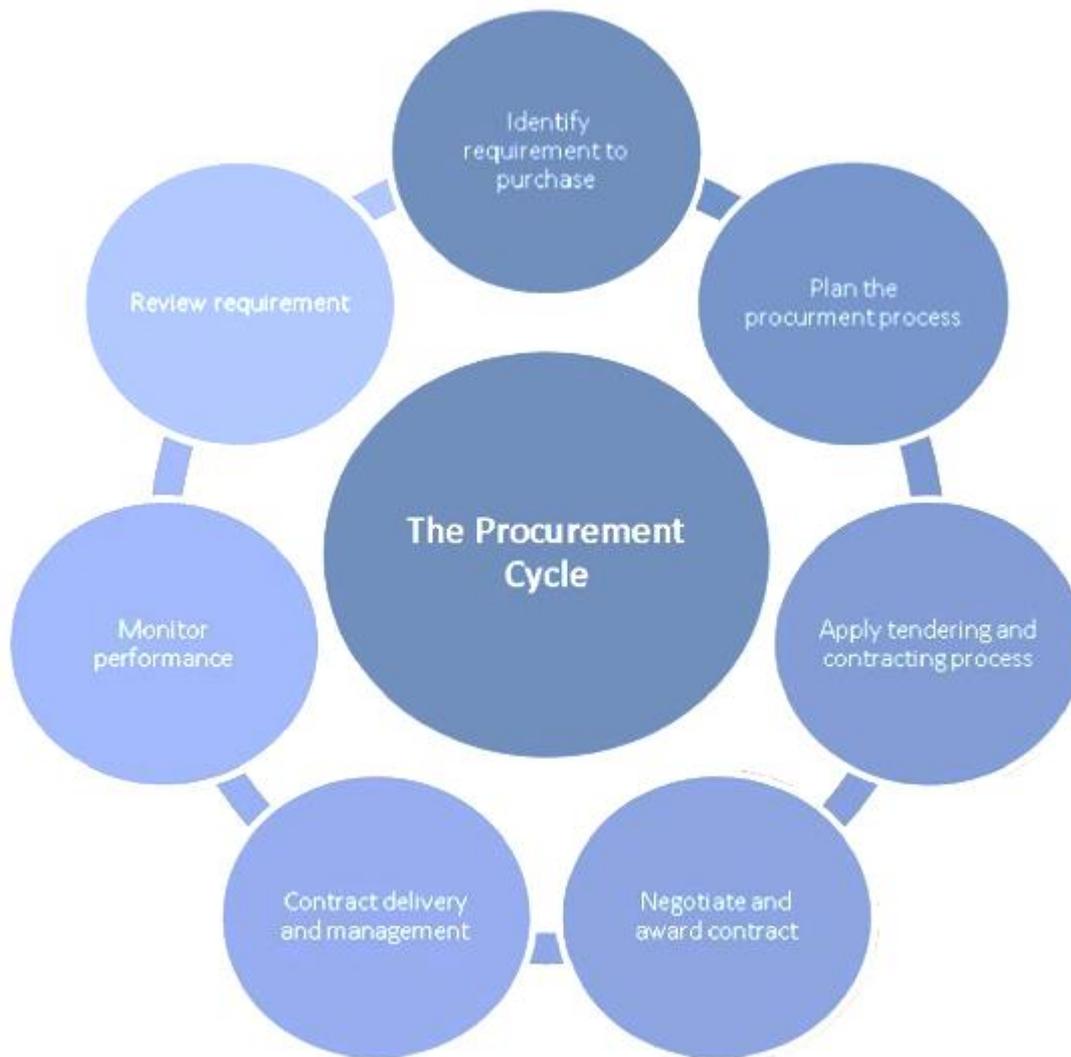
The Council will improve public sector commissioning and procurement to increase the effectiveness and efficiency of government. This means improving the skills of our leaders, both Members and officers so their teams can design service provision, influence external parties, and shape and manage markets to get the best outcomes. This can be done by creating commercial opportunities, managing contracts and supplier relationships and risk management.

- **Achieving Community Benefits**

The Council can use procurement to achieve wider financial and non-financial outcomes, including improving wellbeing of individuals and communities, social value and improved environment.

- 5.2. Success of this strategy will depend on the implementation and effectiveness of the following key principles and actions:

- Political and management endorsement and support.
- Council-wide recognition of the importance of the role of procurement in delivering improvement and efficiency.
- Improved forward planning by service areas.
- Adequate financial, staffing and expert resources.
- Effective prioritisation of projects to the available resources.
- Adequate support from key internal functions throughout the procurement cycle.
- Continued development of procurement capacity and capability within services, encouragement of continuous improvement.
- Identification, allocation and continuous management of risk.
- Management of performance shortfalls and adequate tools to tackle poor performance.
- Continuity of knowledge throughout the procurement phases and the delivery of regular and effective training.



- 6.1. Effective procurement forms a continuous cycle of action and improvement, from identification of needs through to review of delivery and achievement of outcomes and includes procurement and contract management activity. The stages are interdependent – each stage builds on the previous ones. The outcome for the procurement exercise may not be known at the outset and this may result in a grant being awarded, provision remaining in-house or a fully tendered procurement.
- 6.2. This strategy is aimed at promoting effective procurement across all services and should be read in conjunction with the Council Procurement Procedure Rules and Financial Procedure Rules.
- 6.3. There are several types of procurement procedures we can legitimately use, these are described below:
 - Open Procedure – any supplier may submit a bid for an advertised opportunity.
 - Restricted Procedure – any supplier may express an interest to participate in this procedure, but only those suppliers who pass a pre-selection process may submit bids.
 - Competitive negotiated procedure – any supplier may express an interest to participate but only those who pass a pre-selection process may submit an initial bid and then to negotiate.

- Competitive dialogue – any supplier may express an interest to participate but only those who pass a pre-selection process may enter into a dialogue over possible solutions to our requirements. Following the conclusion of the dialogue we must invite a minimum of 3 bids.
- Innovation partnership – allows us to develop innovative products, works or services where no suitable solution exists in the market and then to purchase the resulting products, services or works.
- Framework agreements - a framework agreement is a particular type of contract where a council or buying organisation establishes an arrangement where a number of suppliers are accepted as competent to deliver the service and the framework specifies the terms for awarding specific contracts as required. Contracts obtained from a framework are called call-offs and the framework specifies the terms of call-offs, such as awarding directly to a single supplier or through a mini-competition with all suppliers. The restrictions on framework agreements are that they cannot exceed four years and the terms of a contract cannot be varied substantially from what is set out in the framework. Only authorities clearly identified as part of the framework can award contracts, though the contracts awarded can last longer than the framework itself.
- Dynamic Purchasing System - a Dynamic Purchasing System is like a framework agreement, but it allows new suppliers to be added as potential suppliers over the duration of the arrangement and there is no time limit on its application.
- Light Touch Regime Regulations - contracts valued above the threshold for services specified as part of the Light Touch Regime have to follow the procedure for publishing an opportunity through a contract notice or prior information notice in OJEU, as well as publishing the contract award notice in OJEU. However, we are not bound to follow any of the procedures specified under the full regulations.

7.0 Legislation

- 7.1. Public procurement operates in a highly regulated environment that is governed by legislation and policies set by the European Union (EU), nationally through statute and case law and locally by the Council's Constitution. Please see Appendix 2 for details of the relevant legislation and procedure rules.

8.0 Governance, structure and responsibilities

- 8.1. The National Procurement Strategy recommends that local authorities demonstrate political and senior officer leadership of procurement.

- 8.2. Members role in procurement includes:

- Authorising this Procurement Strategy and reviewing progress on the strategic aims and for ensuring compliance with the Procurement Procedure Rules.
- Making key decisions in the procurement process for major projects.
- Considering the impact of a new service or a substantially varied service.
- Considering procurements where there is high public interest.
- Considering where procurement leads to significant reputational or financial risk.
- Assessing the impact and likelihood of failing to meet legislative requirements.

8.3. Strategic Management Team (SMT) including Heads of Service are responsible for:

- Management of the strategy and to review progress against the implementation of the actions.
- Strategic leadership and governance of procurement including legal compliance.
- Ensuring the Procurement Strategy aligns with corporate objectives.
- Overseeing the arrangements for procurement and to ensure they are operating effectively.
- Ensuring value for money and risk management are considered as part of any procurement activity.
- Ensuring equality and sustainability are considered at each stage of the procurement process.

8.4. Operational Managers and Relevant Staff are responsible for:

- Ensuring that the staff in their areas have the right level of skills to deliver effective procurement and will also monitor all procurement activity in their services.
- Ensuring for specific, high value (current OJEU limit for services) or high risk contracts, project teams are formed to ensure that technical, legal and commercial issues are considered, using the project management framework.
- Staff involved directly with the purchase of goods, services and works must ensure they comply with this strategy, and the Procurement Procedure Rules, with reference to the guidance from East Sussex Procurement Hub (ESPH); and conduct relationships with suppliers and the Council in an ethical and appropriate manner to ensure they promote their employer in a positive way.

8.5. The East Sussex Procurement Hub is a shared service for Rother, Wealden and Hastings and offers procurement guidance in line with best practice, and monitors procurement activity across the Council, including:

- Coordinating this procurement strategy on behalf of the Council, and leading on the implementation of the procurement aims.
- Providing assistance to contract client officers in the control and management of contracts.
- Development and maintenance of procurement documentation and ESPH web pages to publicise procurement plans, information and advice to potential suppliers and staff; to comply with transparency requirements.
- Continue the development of e-procurement to deliver savings in transactional processes.
- Providing assistance to contract owners in the planning and co-ordination of improvement of current contracts, business continuity, exit strategies and post contract appraisals and reviews.
- Ensuring the procurement process eliminates the potential for fraud and favouritism towards any supplier.
- Supplier analysis to identify supplier base, spend per supplier, spend per category.
- Coordinate and monitor the Council Contracts Register to allow improved advanced planning for procurement and contract management activity.
- Organising training for staff, to include specific procurement training, induction and Procurement Procedure Rules, and use of the procurement portal.

9.0 Value for Money (VFM)

- 9.1. Value for money does not mean the lowest cost. There are many aspects to achieving VFM through the procurement process; mainly to select a procurement model that is proportionate to the value and risk of individual contracts. It also requires a proportionate approach to the evaluation of cost and quality; where the costs can be broadly predetermined there will be a higher weighting towards quality.
- 9.2. VFM is not just about price, there are a wide range of other considerations that may be taken into account when assessing VFM, including for example, quality relevant and appropriate to the specifics of the contract; social value in terms of community experience, environmental considerations and outcomes and whole life value.

10.0 Social Value

- 10.1. The Public Services (Social Value) Act 2012 requires consideration of how the services procured might improve the economic, social and environmental well-being of the area. It is defined as improving economic, social and environmental wellbeing from public sector contracts over and above the delivery of the services directly required at no extra cost. Used properly, additional social value can be beneficial to both suppliers and councils and represent a joint effort to exploit maximum value from procurement.
- 10.2. Our Social Value Policy is currently in development and will set out our approach to ensure that all resources are used wisely and that the Council protects and enhances the environment whilst ensuring the efficient use of resources and delivery of value for money.

11.0 Sustainable Procurement

- 11.1. Sustainability is an important consideration when making procurement decisions. It ensures that the Council considers the environmental impact of procurement decisions.
- 11.2. The Council is committed to making our spending decisions in a way that delivers both value for money on a whole life cycle basis, and achieving wider economic, social and environmental benefits.
- 11.3. The Council is committed to achieving the aims of the Council's Environmental Policy and Strategy, and will:
 - Require our suppliers and contractors to reduce the impact of goods, works and services by considering whole life costs; ending our use of single use plastics; and the carbon impacts associated with goods works and services.
 - Require information from potential suppliers on how they will help us to progress our environmental objectives as part of the delivery of a contract.

12.0 Supporting the Local Economy

- 12.1. The Council recognises that there are significant advantages of engaging with small local businesses, for both the Council and the local economy. The Council is committed to using procurement processes that encourage such businesses to compete for opportunities.

12.2. The Council is precluded from any explicit local buying policies by the Treaty of Rome; however we will procure in a manner that benefits the local economy. Procurement Aim 3 – achieving community benefits, in Appendix 1 further identifies our aims in relation to supporting the local economy. The Council will also recommend to suppliers and contractors that local suppliers are used in the supply chain, where appropriate.

13.0 Ethical Procurement

13.1. Ethical procurement considers the impact of environmental, economic and social factors along with price and quality. The Council must be aware and look out for signs of unacceptable practices in the supply chain such as modern slavery, fraud and corruption.

13.2. The Council will:

- Train all relevant staff using the Chartered Institute of Purchasing and Supply's online course on Ethical Procurement and Supply.
- Require contractors to comply fully with the Modern Slavery Charter 2015, wherever it applies, with contract termination as a potential sanction for non-compliance.
- Challenge any abnormally low-cost tenders to ensure they do not rely upon any potential contractor practising modern slavery.
- Highlight to our suppliers that contracted workers are free to join a trade union and are not to be treated unfairly for belonging to one.
- Publicise our whistle-blowing policy for staff to blow the whistle on any suspected examples of modern slavery.
- Require our contractors to adopt a whistle-blowing policy which enables their staff to blow the whistle on any suspected examples of modern slavery.
- Regularly review our contracted spending to identify any potential issues with modern slavery.
- Highlight to our suppliers any risks identified concerning modern slavery and refer them to the relevant agencies to be addressed.
- Refer for investigation via the National Crime Agency's national referral mechanism any of our contractors identified as a cause for concern regarding modern slavery.
- Annually report on the implementation of this policy and publish on our website.

14.0 Management of Risk

14.1. Risk management is an integral part of a procurement process and must be considered at the planning stage of any procurement process. The Council will identify the risks associated with all major procurement activity and the contingencies for service disruption in each project and how these are to be mitigated and managed.

14.2. For any high financial value, high risk or high profile procurement and which also involves significant risk including staff transfer; or significant potential for reputational or financial risks the Council will utilise the project management methodology throughout a projects life to ensure it delivers the project objectives and outcomes. Risks and issues register(s) relating to the procurement will be set up and regularly monitored by the project team.

15.0 Managing Contracts and Supplier Relationships

- 15.1. Contract and relationship management refers to the effective management and control of all contracts from their planning inception until their completion by the appointed contractor(s). It covers the supported policies, procedures and systems needed to undertake it, together with broader issues from the identification and minimisation of risk, successful and timely delivery of outcomes and performance, effective control of cost and variations, and the maintenance of clear communications and operational relationships with contractors.
- 15.2. Buyers and contract managers will be proactive in relation to managing contracts and performance in order to ensure that positive output and outcomes are maximised, cost variations are minimised and any issues in relation to the delivery of the contract are appropriately addressed at the earliest opportunity.
- 15.3. The Council is aware of the risk presented by economic crime (fraud, corruption and bribery) and the impact it has on the ability of the Council to deliver its services. A culture is embedded in the Council where fraud is neither ignored nor tolerated. The Council has effective policies and practices in place to minimise the likelihood of economic crime and to enable staff, contractors and public to report concerns anonymously.

16.0 Business Continuity

- 16.1. Business continuity is the process of preparing for and responding to a disaster, event or situation that could have a serious impact on the delivery of services. For high risk procurements the suppliers will be required to submit a business continuity plan as part of the tender submission. All key suppliers will be required as part of contract management to provide an annual update of their business continuity plans.

Local Government Association National Procurement Strategy – Strategic Aims

Vision for procurement	Our vision for procurement over the term of this strategy is to demonstrate value for money through the effective procurement of goods, services and works on a whole life basis in terms of generating benefits to the community and the organisation, whilst minimising impacts to the environment.
Procurement Aim 1 - Showing Leadership	With local government third party expenditure totalling around £60 billion a year in revenue alone, procurement clearly has a major contribution to make. A more strategic approach to procurement should be at the heart of thinking for our Councillors and decisions makers because procurement is not merely about ensuring compliance. There is an ever-growing need to engage with service heads and procurement teams on high value-high risk procurements to drive innovation, generate savings and identify opportunities for income generation.
Engaging Councillors	<p>What it is: Councillors set the Council vision and strategic priorities and must be satisfied that the procurement and commercial arrangements for their delivery are robust. Councillors make key decisions, particularly in major projects, and maintain oversight of the performance of key contracts, agreeing corrective action where necessary. Councillors need to be fully engaged in these roles. Councillor engagement needs to be supported through training, good procurement and commercial advice and reporting arrangements.</p> <p>Why it is important: When Councillors are fully engaged with procurement and commercial matters, the quality of decision-making is better and oversight and accountability are improved. Among other things, Councillor engagement leads to better project delivery and better outcomes for the local community.</p>
Engaging Senior Managers	<p>What it is: Key decision-makers value and benefit from procurement and commercial advice, including advice at the early stages of major projects. This is a two-way process requiring action by senior managers on the one hand and by procurement and commercial advisors on the other.</p> <p>Why it is important: Good procurement and commercial (wherever possible, provided in-house or shared between councils) can have a decisive impact on the outcome of a project, particularly one involving innovation. It is important that senior managers engage with the procurement and commercial issues from the earliest stages of the project.</p>

Working with Partners	<p>What it is: The Council works as a single team to design and implement solutions for public services and commissioners / budget holders, and commercial and procurement advisors work together as part of that team.</p> <p>Why it is important: A team approach is the best use of limited resources and can lead to innovative solutions and better results. The team approach should characterise how Council departments work together and how the Council works with other councils, health, fire, police, housing, VCSEs and other partners.</p>
Engaging Strategic Suppliers	<p>What it is: The Council takes a strategic approach to the management of relationships with the most important suppliers (otherwise known as Strategic Supplier Relationship Management). This activity should be carried out cross-department and is most effective when done cross-organisation.</p> <p>Why it is important: Effective management of strategic supplier relationships can deliver a range of benefits including improved outcomes for the public, added social value, reduced cost, reduced risk and innovation.</p>
Procurement Aim 2 - Behaving Commercially	<p>The Council needs to improve public service commissioning and procurement to increase the effectiveness and efficiency of government. This means improving the skills of public sector leaders so their teams can design service provision, influence external parties, and shape and manage markets to get the best outcomes.</p>
Creating Commercial Opportunities	<p>What it is: There are many ways in which commercial opportunities can be created through the strategic management of the commercial cycle and the services and assets delivered through the contracts it creates. Commercialisation is a broad and important subject to the sector. This key area is confined to how procurement teams should contribute to helping identify and create commercial opportunities.</p> <p>Why it is important: As grants from central government are reduced, organisations are required to look at other means of reducing funding deficits. Commercial opportunities can be created in many different ways, from conventional means such as increasing returns on assets to the way it engages with its development partners and third party contractors.</p>

Managing Contracts and Relationships	<p>What it is: Contract and relationship management is the process by which all contracts and variations are managed effectively to control costs, secure the quality and timeliness of agreed outcomes and performance levels and minimise the occurrence of risks.</p> <p>Why it is important: Research by the International Association for Contract and Commercial Management (IACCM) shows that contracts exceed their expected costs by 9.4 per cent on average over their lifetime through poor performance or commercial failure can seriously damage a council's reputation and its ability to deliver effective services and support to local communities.</p>
Managing Strategic Risk	<p>What it is: A series of actions and policies designed to reduce or even eliminate the probability of a perceived risk occurring and minimising the detrimental effects that may occur should it materialise.</p> <p>Why it is important: The occurrence of any risk, particularly when it could be foreseen, can have a devastating impact on the organisation's reputation and the lives of the people it serves, the quality of the services that it provides, and even its financial viability.</p>
Procurement Aim 3 - Achieving Community Benefits	The Council can use procurement to achieve wider financial and non-financial outcomes, including improving wellbeing of individuals and communities, social value and improved environment.
Obtaining Social Value	<p>What it is: Social value is about improving economic, social and environmental wellbeing from public sector contracts over and above the delivery of the services directly required at no extra cost.</p> <p>Why it is important: Experience from procurements let by Councils that have fully included social value requirements has shown that a minimum +20 per cent social value 'additionality' can be obtained on contract value by way of direct community benefits.</p>
Local small medium enterprises (SMEs) and micro-business engagement	<p>What it is: SMEs are non-subsidary, independent firms. Usually employing up to 50 employees</p> <p>Why it is important: 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. With the potential localisation of business rates, it will be even more important for local authorities to encourage the establishment and growth of SMEs in their areas.</p>

Enabling voluntary, community and social enterprise (VCSE) engagement	<p>What it is: The VCSE sector is diverse in size, scope, staffing and funding of organisations. It provides a broad range of services to many different client groups. However, VCSE sector organisations share common characteristics in the social, environmental or cultural objectives they pursue, their independence from government, and the reinvestment of surpluses for those objectives.</p> <p>Why it is important: 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.</p>
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Legislation, Council policy and procedure rules relating to Procurement

Public procurement operates in a highly regulated environment that is governed by legislation and policies set by the European Union (EU), nationally through statute and case law and locally by our Constitution and Contract and Procurement Procedure Rules, and other relevant Council policies. These are listed below:

EU Directives and Public Contract Regulations (PCR) 2015

The EU procurement regime is based on the Treaty principles of transparency, non-discrimination, equal treatment and proportionality. The directives give detailed instructions on how public procurement over a certain threshold should be carried out. The detail behind the legislation and regulations is complex, and since their inception has been supplemented by a raft of case law.

In December 2009, the Remedies Directive provided additional regulations which provide suppliers with additional powers to challenge and arrange for a contract award to be set aside under certain conditions.

The Public Contracts Regulations 2015 came into force in February 2015. Failure to adhere to the provision of the EU Directive and The Public Contracts Regulations 2015 can result in the authorities becoming subject to Court action or enforcement action by the European Union.

Local Government Transparency Code 2015

The Transparency Code requires the Council to publish details of every invitation to tender for contracts with a value that exceeds £5,000. The Council must also publish details of any contracts, commissioned activity, purchase order, framework agreement or any other legally enforceable agreement with a value that exceeds £5,000.

The Public Services (Social Value) Act 2012

This act places a duty on local authorities, at the 'pre-procurement' phase of procuring services to consider how and what is being procured might improve the economic, social and environmental well-being in their community; and how they might secure that improvement in the procurement process itself as long as such action is relevant to what is being procured, and is considered to be proportionate. This applies to all public services contracts with only an element of goods or works. It does not apply to public works contracts or public supply (goods) contracts.

Community Right to Challenge (Localism) Act 2012

This act enables "relevant bodies", for example voluntary and community groups, employees or Parish Councils, to challenge to take over local services that they think they can run differently or better. The right enables a relevant body to submit an expression of interest (EOI) to a relevant authority to provide or assist in providing a relevant service.

Freedom of Information Act 2000

This act provides people with the right to access to information held by public bodies. This with the government's transparency agenda has consequences for those contracting with the partners where the financial details of contracts awarded may be made public.

Data Protection Legislation

The General Data Protection Regulation 2016 and the Data Protection Act 2018 sets out the basis on which the Council processes the personal data we collect. Any contract must clearly set out the roles and responsibilities of the Council and the contractor, and require the

contractor to comply with Data Protection legislation and indemnify the Council against any claim.

Procurement Procedure Rules, Financial Procedure Rules and Scheme of Delegation

As part of its corporate governance arrangements the Council must ensure that there are adequate controls, procedures and standard documentation in place to satisfy the need to meet probity, propriety and transparency tests. Procurement Procedure Rules, Financial Procedure Rules and Scheme of Delegation fulfil this requirement and they are part of the approved Constitution. They must be observed by both Members and Officers within the procurement process.

KPIs

The KPI's below will be used to measure our progress toward the level of ambition set out in this strategy. These will be assessed in 2020 and 2021 as follows:

- where the KPI includes a value, by comparison of actual results against target; and
- where the KPI does not include a value, by utilising the National Procurement Strategy toolkit to assess (with input from procurement and commissioning officers across the Council) the Council's maturity level.

	Performance Level	Baseline	Target 2020 - 2021
Key Area	Value for Money and Efficiency	Baseline	Target 2020 - 2021
1.	Delivery of budget savings through procurement.	2019/20 – 1.5%, £93,000	1.5% of qualifying spend as agreed with Finance on an annual basis.
Key Area	Governance	Baseline	Target 2020-2021
2.	Procurements are undertaken legally (including in accordance with changes in legislation/case law e.g. Brexit), consistently and within the PPRs/FPRs	<p>Procurement Practice Notices issued by Government on a regular basis identifying impacts of legislative changes on the procurement process. PPRs are reviewed annually; training and guidance is provided.</p> <p>Exemptions of PPRs are routinely monitored and reported to Audit and Standards Committee annually in conjunction with the Performance Report.</p>	<p>The impacts of new legislation are reviewed and procurement processes updated accordingly.</p> <p>Procurement governance refresher training is provided and attended by all procurement officers on a regular basis.</p> <p>The number of exemptions reduced year on year from the baseline figure from 19/20.</p> <p>On-contract spend to increase year on year from the baseline figure in 19/20.</p>

	Performance Level	Baseline	Target 2020 - 2021
3.	Review of tender documentation and procurement toolkits.	Standard tender/toolkit documents in place and being used across the Council.	All tender documents and procurement toolkits reviewed to ensure they reflect up-to-date procurement practices.
4.	External events	Keeping abreast with central government briefings and taking appropriate action, as and when required.	Thorough understanding of the possible impact on all high value/risk contracts. Contingency plans in place in the event of contract failure.
5.	Fraud and financial loss	Basic systems, controls and reporting are in place to ensure compliance and minimise potential for financial loss from both internal and external sources.	Well defined systems to be in place targeting both financial loss and fraud. Audit teams working closely with all departments.
Key Area	Obtaining Social Value	Baseline	Target 2020 - 2021
6.	Policy and scope.	A process and policy is in place to identify which contracts should include social value.	Social Value Policy is being developed to ensure social value is always considered as part of the procurement /commissioning process. The Council will establish the baseline figure as to the number of procurement exercises which have included social value criteria at end 19/20 and then increase this sum year on year. The Council will look into developing a mechanism for a monetary sum to be offered for Community Benefits.

	Performance Level	Baseline	Target 2020 - 2021
7.	Councillor or cabinet board/authority Member given responsibility for reporting leading on social value.	The Council has a Lead Member who has responsibility for leading on social value.	Individual named officer(s) within ESPH given responsibility for reporting to Lead Member and Scrutiny Board, and managing and delivering social value across procurement and commissioning. Relevant officers are provided with social value training.
8.	Market engagement and Contract Management	<p>The Council is currently work closely with the business community on various projects and meet regularly with representatives from third sector organisations.</p> <p>Where relevant, specific, targeted social value action plans are agreed at the commissioning/ procurement stage, are bound into the contract and performance against those targets are monitored.</p>	<p>We will continue to work proactively to support third sector suppliers and their understanding of social value.</p> <p>Performance reviews will be undertaken and regular feedback obtained. Action will be taken to ensure continuous improvements to social value implementation and delivery.</p>
9.	Governance and accountability	<p>Social value is recognised as a core principle of the council's procurement strategy.</p> <p>All relevant procurement documentation is available on Council Website.</p>	<p>We will continue to ensure Lead Member for social value has direct oversight of social value performance.</p> <p>We will embed social value into commissioning and procurement practice, tools, resources and processes with a ratified policy that is published.</p>

	Performance Level	Baseline	Target 2020 - 2021
Key Area	Local SMEs, micro-business and VCSE	Baseline	Target 2020 - 2021
10.	Policy and scope.	Commissioners have started to communicate what local needs are and the desired market outcomes.	Commissioners have informed SMEs, micro-businesses and VCSE organisations what local needs there are and the desired market outcomes.
11.	Facilitating good relationships with SMEs , micro-businesses and VCSE organisations	Relationships between SMEs, micro-businesses, VCSE organisations and other providers are not facilitated. It is not considered to be an area where intervention is needed or appropriate.	The Council will organise and facilitate a bi-annual “understand the buyer” event to engage with SMEs / VCSE organisations. The value of spend with local suppliers and SMEs to increase year on year from the baseline figure of 40% in 19/20.
Key Area	Commercial opportunities	Baseline	Target 2020-2021
12.	Annual Procurement Programme	Forward planning is undertaken in some areas and/or for some acquisition types. Opportunities to create new revenue streams are sometimes investigated in some departments and for some expenditure categories.	Forward planning is always undertaken across the organisation for all strategic contracts. Procurement encouraged to contribute ideas for revenue generation in the forward planning process.

	Performance Level	Baseline	Target 2020 - 2021
13.	Tendering	Tendering is seen as a commercial process by the organisation. Standard tender documentation is drafted to encourage bidder participation and is focused on innovation and opportunities. Procurement is seen as an integral contributor to the planning phase.	The Council will ensure that tendering opportunities are focused on innovation and opportunities, and carried out in conjunction with development partners to maximise market attractiveness.
14.	Performance reporting	Performance reporting is undertaken and includes commercial and social benefits achieved, as well as savings across the whole organisation. ESPH produce summary reports for chief officers and elected Members on an annual basis.	The Council will report performance on commercial and social benefits achieved. The Council will provide an annual report covering achievements and aspirations which will be published on our website.

	Performance Level	Baseline	Target 2020 - 2021
15.	Post contract review	<p>Post contract reviews are undertaken by most directorates and/or identified categories of expenditure.</p> <p>Such reviews are seen as being an integral part of improving outcomes and identifying commercial opportunities.</p>	<p>Post contract reviews will be undertaken as part of council policy.</p> <p>The Council will develop well-defined published criteria for undertaking post contract reviews including the identification of commercial opportunities.</p> <p>ESPH will support the post contract review process.</p>
Key Area	Supplier relationships and contract	Baseline	Target 2020 - 2021
16.	Data collection and analysis	<p>The Council has partial data and intelligence on our strategic suppliers.</p> <p>The Council has a contract register with access possible at officer level, mainly viewing and searching capability.</p>	<p>The Council will routinely collect and analyse data and intelligence on supplier performance, cost, financial status, added social value and risk.</p> <p>The Council will have complete data sets for all major third party spend.</p>
17.	Early engagement with future strategic suppliers	<p>Our future needs are signalled to the market using a variety of channels including publication of pipeline information and engagement events.</p>	<p>The Council will work with the combined authority/ group of councils and take a lead role for market engagement.</p> <p>The Council will take the lead in early engagement for any joint projects undertaken.</p>

	Performance Level	Baseline	Target 2020 - 2021
18.	Supplier financial distress	The Council has a structured approach to early engagement of suppliers in financial difficulties.	<p>The Council will include supplier financial distress clauses in all contracts for goods, works and services.</p> <p>The Council will provide guidance to commissioners and contract managers on managing suppliers in financial distress.</p>
19.	Savings and benefits delivery	A formal policy is in place for capturing savings and accruing benefits from contracts but this is not uniformly implemented.	Savings captured from contracts and benefits-realisation will be applied uniformly across the Council and reported to chief officers on a regular basis.
20.	Recognition and cultural acceptance	<p>There is recognition by the organisation of contract and relationship management in directorates.</p> <p>Job roles are designated as contract manager and/or contain specific contract and management activity in their content description in some directorates.</p>	<p>Contract and relationship management will be recognised as being essential to overall contract performance.</p> <p>Performance will be reviewed with job holders in their annual appraisals.</p>

	Performance Level	Baseline	Target 2020 - 2021
21.	Skills and knowledge	Staff have access to general contract management training given as a one-off exercise rather than an ongoing skills enhancement programme.	<p>Contract and relationship management will be acknowledged as a core competency across the Council.</p> <p>Briefings on contract and relationship management will form a part of all induction and management programmes.</p> <p>Refresher programmes will be available to all staff involved in contract and relationship management.</p>
Key Area	Enablers	Baseline	Target 2020 - 2021
22.	Developing Talent	The ESPH service plan includes support for staff to obtain professional qualifications and for apprenticeships.	<p>The Council will have a planned approach to talent development in relation to future procurement and contract management workload including:</p> <ul style="list-style-type: none"> • Contracts pipeline • Resourcing plan • Competency framework • Remuneration strategy • Comprehensive training and development plan including provision for development of staff not currently in procurement

	Performance Level	Baseline	Target 2020 - 2021
23.	Exploiting Digital Technology	<p>The Council currently has a basic purchase ordering functionality for some products and/or services using finance and/or operational systems.</p> <p>There is limited procurement and contract management information available via static sources.</p> <p>The Council uses an electronic tendering and quotations system for some tenders/ quotes.</p>	<p>The Council will make use of an integrated Procure to Pay (P2P) system in conjunction with online ordering for all services/ products. However, this may include some human intervention and paper trails.</p> <p>Some procurement and contract management Information will be available online to all stakeholders with appropriate search and filtering functions available.</p>

Glossary

Buying – placing orders under relevant contracts, use of purchasing cards and purchase-to-pay systems, receipting, making payments and associated transactions. This is also sometimes called Purchasing.

Category Management – best practice approach to managing and organising Procurement spend and resources; a structured framework of activities designed to deliver better Procurement outcomes through a holistic approach which focuses on the interrelated needs of buyers and suppliers; managing buying activity by grouping together related Goods, Works and Services across the Council and mapping them onto the Provider market, to improve quality, savings and efficiency across the Council as a whole.

Commissioning – the entire cycle of assessing the needs of people in a local area, designing and putting into place Goods, Works and Services to meet those needs, and monitoring and evaluating the outcomes. In a commissioning approach, the Council seeks to secure the best outcomes for local communities by making use of all available resources, whether the resources are provided in-house, externally or through various forms of partnership. This activity continues throughout the Whole Lifecycle.

Contract Management – the tasks and activities which seek to ensure the Council receives what has been contracted to receive, at the price we contracted to receive it, taking account of agreed change and continuous improvement. Activity is focused from prior to the contract starting though to contract expiry and de-commissioning. It includes supplier relationship management and also ensures that we meet our obligations under the contract.

Goods – things that the Council buys, such as pens and paper, or plants and seeds, or fruit and vegetables.

Procurement – the tasks and decisions which secure an external Provider to provide what is required, at a price that can be afforded. Activity is focused on the period from prior to advertising a tender to signing the contract. It includes both competitive tenders and circumstances where we negotiate with a single supplier.

Provider – any organisation that provides Goods, Works or Services to the Council or on behalf of the Council.

Purchasing – placing orders under relevant contracts, use of purchase-to-pay cards and systems, receipting, making payment, and associated transactions.

Services – services that the Council buys include specialist support for vulnerable children and adults, and also repairs and maintenance services, financial advice, designs and surveys for new building works.

SME or Small and Medium Enterprises – firms that employ 9 or fewer staff (micro), and firms that employ 50 or fewer staff (small), and firms that employ 250 or fewer staff (medium), and with a turnover of less than £50 million.

Social Value – the additional economic, social and environmental benefits that a contract achieves.

Value for Money or VfM – buying the right thing at the right price, taking account of price, quality, outcomes and whole life costs; the combination of whole-life costs and benefits to meet the customer's requirement; the relationship between economy, efficiency and effectiveness.

Whole lifecycle – the whole cycle of assessing needs, analysing options, preparation, Procurement, mobilisation, Contract Management and exit, including disposal/value of any assets acquired under the contract.

Works – construction works that the Council buys, including construction of new buildings, or extensions, and also creation and improvements to roads and bridges and open spaces.