

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO POLICY AND FINANCE COMMITTEE

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meeting date: 21 JUNE 2022  
title: PROCUREMENT STRATEGY 2022/23 to 2024/25  
submitted by: DIRECTOR OF RESOURCES  
principal author: LAWSON ODDIE

### 1 PURPOSE

- 1.1 To seek approval from Committee for the new Procurement Strategy covering the period 2022/23 to 2024/25.
- 1.2 Relevance to the Council's ambitions and priorities:
  - This report contributes to the council's ambition to be a well-managed council providing efficient services based on identified customer needs.

### 2 BACKGROUND

- 2.1 The Council has previously had a Procurement Strategy in place, but this was produced many years ago and has since become outdated.
- 2.2 A new Procurement Strategy (Annex 1 - this is a full re-write of the strategy) has now been produced and covers the same themes as the National Procurement Strategy for Local Government.
  - Showing Leadership
  - Behaving Commercially
  - Achieving Community Benefits
- 2.3 The National Procurement Strategy for Local Government also includes further 'enablers', which we have also included within the attached draft Procurement Strategy.
  - Developing Talent
  - Exploiting digital Technology
  - Enabling Innovation
  - Embedding change

### 3 ACTION PLAN AND FUTURE REVIEW

- 3.1 The strategy sets out a series of statements with regard to our approach to procurement under the above themes and how this relates to other policies (i.e. the Climate Change Strategy).
- 3.2 Also included is a detailed action plan which spans the life of the strategy.
- 3.3 The strategy will be reviewed on an annual basis and this offers the opportunity to further review the action plan. Any changes to the National Procurement Strategy for Local Government would also be reflected in any such reviews.

### 4 CONCLUSION

- 4.1 A full review of the Procurement Strategy has been undertaken and includes a detailed action plan covering the next three years but will be reviewed annually. This covers the same themes as the National Procurement Strategy for Local Government.

## 5 RISK ASSESSMENT

### 5.1 The approval of this report may have the following implications

- Resources – The approval of the strategy itself does not carry any resource implications. However, a number of the actions have been flagged as holding the potential to result in increased costs, such as obtaining Social Value, but such actions should result in wider better Value for Money. Any other actions where budget has not already been approved, would need budget approval before they went ahead, or otherwise savings would need to be found.
- Technical, Environmental and Legal – The actions within the strategy would be undertaken considering other policies such as the council's Financial Regulations and Contract Procedure Rules and always in-line with procurement law. The consideration of Social Value themes will also help us meet wider requirements.
- Political – not applicable
- Reputation – Transparency in our procurement activities and a clear strategy of how we wish to develop our procurement activities can only enhance the council's reputation.
- Equality and Diversity – The strategy aims to widen opportunities for businesses to engage with the council through our procurement activities, and notably makes reference to local Small Medium Enterprises and Micro-businesses. Our grant support to the Voluntary, Community Social Enterprise organisations is also referenced. Specific Equality and Diversity issues are already addressed as part of our procurement activities, notably through our tendering arrangements.

## 6 RECOMMENDED THAT COMMITTEE

### 6.1 Approve the new Procurement Strategy 2022/23 to 2024/25 as attached at Annex 1

HEAD OF FINANCIAL SERVICES

PF31-22/LO/AC

10 June 2022

DIRECTOR OF RESOURCES

BACKGROUND WORKING PAPERS:

For further information please ask for Lawson Oddie, extension 4541

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# Procurement Strategy

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2022/23 to  
2024/25

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Ribble Valley  
Borough Council

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<b>Contents</b>	<b>Page</b>
Context	<b>2</b>
Procurement Strategic Themes	<b>4</b>
Enablers	<b>7</b>
Action Plan	<b>9</b>

# Context

The purpose of this strategy is to clearly communicate to all stakeholders how we foresee the development of our Procurement activities over the medium term.

The strategy has been put together covering a three-year period and will be reviewed and refreshed on an annual basis.

The National Procurement Strategy for Local Government in England 2018 has been used as the framework for this strategy, following the same themes of:

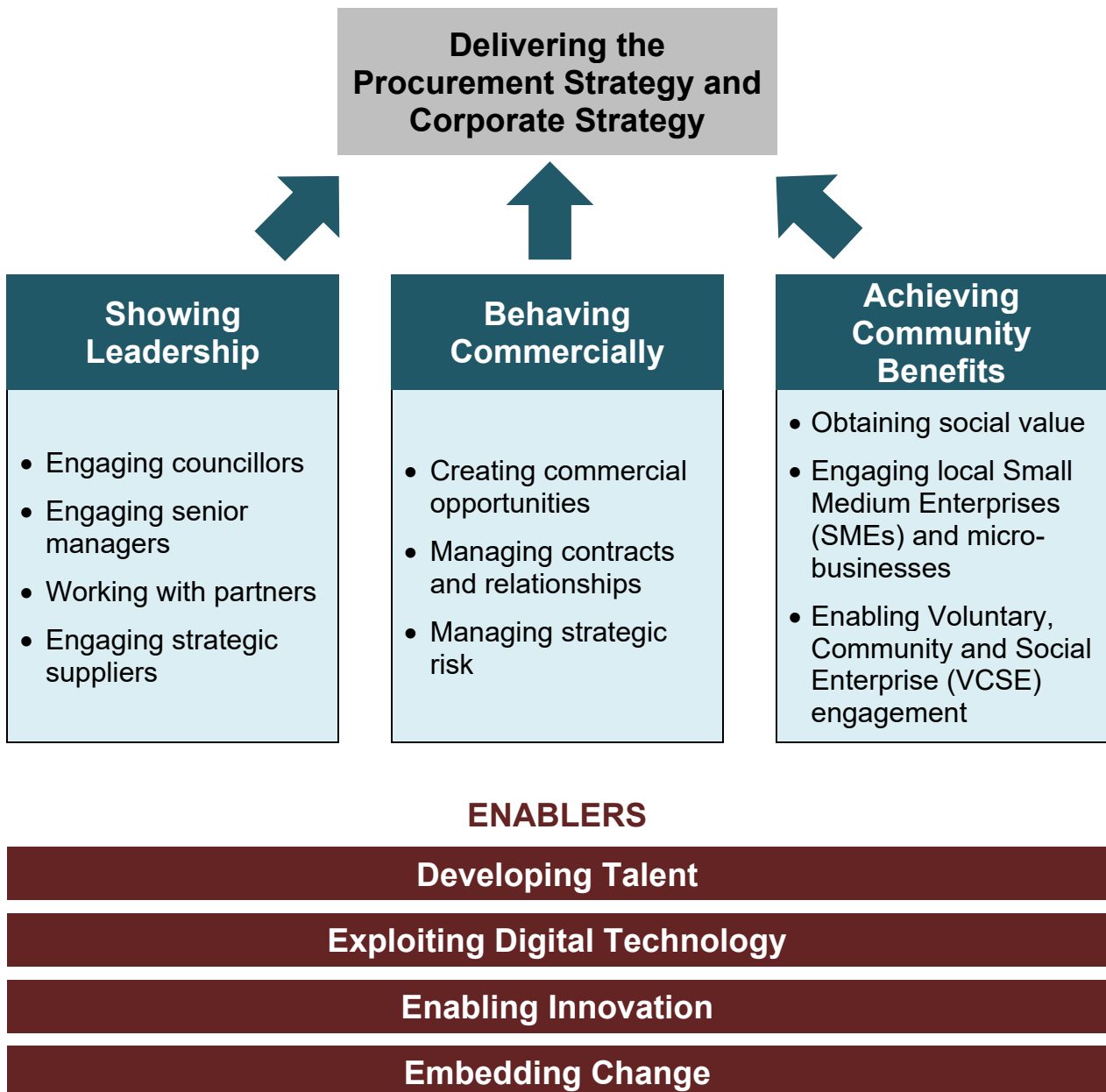
- Showing Leadership
- Behaving Commercially
- Achieving Community Benefits

There are also four cross-cutting issues that have been addressed which are seen as Enablers in helping us to achieve actions under the three themes.

- Developing Talent
- Exploiting digital Technology
- Enabling Innovation
- Embedding Change

In following the themes within this strategy document and also in undertaking the action plan, full consideration will be given to the Ambitions within the Council's Corporate Strategy, and this strategy document should be read in that context.

Ambition 1	Ambition 2	Ambition 3	Ambition 4	Ambition 5
To ensure a well-managed council providing efficient services based on identified customer needs.	To sustain a strong and prosperous Ribble Valley.	To help make people's lives safer and healthier.	To protect and enhance the existing environmental quality of our area	To match the supply of homes in our area with the identified housing needs



# Procurement Strategic Themes

## Showing Leadership

### Engaging Councillors and Senior Management

We will seek to ensure that the Corporate Management Team and Councillors are provided with the necessary level of procurement advice where needed.

This will be guided by our Financial Regulations and Contract Procedure Rules, both of which are reviewed on an annual basis.

Where necessary we will ensure key staff are trained to a level commensurate with their involvement in commercial and procurement activities.

Where projects are planned, we will ensure early engagement of Financial Services procurement staff.

As part of this work we will ensure that the council's Procurement Strategy is reviewed and updated on an annual basis.

We will ensure that members are able to make key decisions around major projects that are delivering on our Corporate Strategy and that they are in a position to maintain oversight of such contracts at committee meetings and working groups as necessary.

### Working with Partners

Whenever we undertake procurement activity, we will first look for any parity with the activities or requirements of other services within the council and look to undertake any procurement corporately and with the help of Financial Services procurement staff.

In undertaking such work, we will consider alternative methods of service provision/procurement and seek to learn from the experiences of others.

Wherever possible we will consider any opportunities to work together with other partners in our procurement activities, be that with other local authorities, health, fire, police, housing, VCSEs or any other partners.

### Engaging Strategic Suppliers

We will undertake regular analysis of our spend and identify our key strategic suppliers. We will build on these relationships and also look to potentially share this information with neighbouring authorities where this may be beneficial for joint procurement.

We will ensure close relationships with our strategic suppliers and wherever possible seek to increase efficiencies and savings and improve our contract management arrangements.

Where our needs and requirements change over time, or new areas of procurement activity are started, we will ensure an early engagement with suppliers through publication of our intentions to raise awareness prior to any formal tendering through the use of procurement portals such as the Crown Commercial Service website, Contracts Finder.



## Behaving Commercially

### Creating Commercial Opportunities (including income generation).

In reviewing our business options (in-house provision or outsourcing), appraising major acquisitions and how we engage with the market or potential suppliers, we will always seek to promote income generation and value creation.

This is particularly relevant as central government funding is reduced and innovative ways in which to reduce any funding deficits need to be identified.

We will continue to look at opportunities to work with others within this area of procurement.

### Managing Contracts and Relationships

We will ensure that all contracts are assigned an internal contract manager. This would normally be the relevant Head of Service. All contracts and any variations within them, will be managed effectively to control costs, secure the quality and timeliness of agreed outcomes and performance levels and minimise the occurrence of risks.

Such contract management will not be confined to project-based procurements.

Where formal contracts are to be awarded, it will be ensured that meaningful performance measures (where applicable) and adequate

management information provision are prerequisites. This will include regular contract management review meetings.

### Managing Strategic Risk

External providers of services will be proactively engaged with to help identify potential strategic risks to the continued provision of services.

Internally, such reviews of strategic procurement risks will include identification of key suppliers, reviews of their financial viability and any potential reputational issues such as quality issues or risks around association with a particular company.

There will be active management of such potential strategic risks and contingency plans will be developed where needed by services to help mitigate such risks.

## Achieving Community Benefits

### Obtaining Social Value

Where possible we will follow the national themes, outputs and measures (TOMs) in our procurement activity as the basis of measuring social value.

Any tender documentation method statements, formal specifications, or ad-hoc purchases will include, where relevant, consideration of the following 5 national themes

- Promoting Skills and Employment.

## Procurement Strategic Themes

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- Supporting the Growth of Responsible Regional Businesses.
- Creating Healthier, Safer and More Resilient Communities.
- Protecting and Improving our Environment.
- Promoting Social Innovation.

Where there is planned use of framework agreements for our procurement activity, we will endeavour to work with framework agreements that include such considerations.

Any inclusion of Social Value within the scoring mechanism for a tender will only be on the basis that it is fully transparent, measurable and directly correlated to the procurement in-hand. There will be regular monitoring and reporting on the achievement of such Social Value elements.

Embedding the procurement actions under the Ribble Valley Borough Council Climate Change Strategy will assist in directing some of the above actions.

### **Engaging Local Small Medium Enterprises (SMEs) and Micro-businesses**

We will actively encourage engagement with local SMEs and Micro-businesses, particularly within the borough boundary. This will include working with the council's Economic Development team.

Consideration will be given to the 'lotting' of procurements where it may be an option beneficial to the council to provide potentially more attractive smaller or alternative 'lots' within a procurement exercise.

Where incumbent suppliers are SMEs or Micro-businesses we will ensure that we provide extensive notice of plans to tender or re-tender.

We will also seek to ensure that our procurement timetables allow ample time for tender preparation by SMEs or Micro-businesses, who are likely to have fewer resources to hand for the preparation of such documents.

### **Enabling Voluntary, Community Social Enterprise (VCSE) Engagement**

Our various grant schemes will continue to offer the opportunity to support Voluntary, Community Social Enterprise (VCSE) organisations, where they meet the grant criteria, their aims and objectives meet those of the council and where their services supplement our own service provision.

## Enablers

### Developing Talent

We will seek to ensure that staff recruited to roles involved in the procurement process have the correct level of skills, or are provided with training, experience or put forward for professional training (where relevant) to allow them to undertake their full duties with the skills needed.

We will also ensure that those staff involved in procurement, contract management and project management are provided with the correct level of training for their role, as identified within the performance appraisal process.

Key skills around governance arrangements, particularly Financial Regulations, Contract Procedure Rules, Fraud Awareness and Whistleblowing Procedures will also be undertaken as part of our corporate training provision.

### Exploiting Digital Technology

We will maximise the use of our purchasing system and its integration

with our financial management system.

We will seek to invest in the Procure to Pay (P2P) process in order to enhance streamlining and efficiency.

As we move toward greater automation, the importance of robust internal controls becomes ever more important. We will ensure that we undertake full detailed regular reviews of the controls in place in order to provide assurance that they are working.

We will engage with key suppliers in order to enable better integration and improved functionality between systems.

Where possible we will minimise the use of paper resources and also seek to move to secure technology that may facilitate the submission of tenders and quotes by electronic means.

### Enabling Innovation

Prior to starting any tender procedure, we will look at alternative methods of service provision or delivery.

Heads of Service will ensure that timelines for procurements allow them to report their consideration of alternatives and recommendations to the council's Corporate Management Team and also the proposals will be reported to the relevant service committee in order to ensure they are able to provide scrutiny and leadership.

As part of our capital programme bidding process Heads of Service will

seek innovation in their proposals and consider the potential for income generation and value creation.

Prior to starting the tendering process we will ensure that we review any innovative, new or emerging alternative methods of delivering the outcomes we are seeking to procure.

In considering innovative alternatives, particular reference will be given as to how added social value can be obtained, examining the national themes, outputs and measures (TOMs):

- Promoting Skills and Employment.
- Supporting the Growth of Responsible Regional Businesses.
- Creating Healthier, Safer and More Resilient Communities.
- Protecting and Improving our Environment.
- Promoting Social Innovation.

## Embedding Change

Our Procurement Strategy will be communicated to all staff and it will be made clear to key staff what their roles are in achieving the action plan.

Where our processes are developed and best practice is identified, we will ensure that this is documented within our procedures.

As our systems and processes change we will ensure that staff are informed and briefed on new practices.

In encouraging good contract management, we will ensure that the benefits of such monitoring information is maximised and the data is acted on and also utilised in the review of any further tendering opportunities or reviews of alternative service delivery methods.

Action Plan

<b>ACTION PLAN – SHOWING LEADERSHIP</b>					
<b>Action:</b>	<b>Responsible officer:</b>	<b>Potential Target Date:</b>	<b>Resources needed if approved:</b>	<b>Potential barriers/risks</b>	<b>Financial Resources Already Approved?</b>
<b>Engaging Councillors and Senior Management</b> Annual Review of Financial Regulations and Contract Procedure Rules	Head of Financial Services	Annually in March each year to Policy and Finance Committee	No additional financial resources required	Implications of changes to domestic and international law.	<b>Not Applicable</b>
<b>Engaging Councillors and Senior Management</b> General training of staff on Financial Regulations and Contract Procedure Rules	Head of Financial Services	Ongoing. Targeted for any specific changes following the annual review.	No additional financial resources required. However, where external providers are able to be used, this should be able to be funded from existing budgets	Staffing Resources within Financial Services	<b>Not Applicable</b>
<b>Developing Talent</b> Identification of specialist procurement and/or project management training needs	All Directors and Heads of Service	To be identified as part of the Performance Appraisal Process	Within Existing Training Budgets	Prohibitive costs Fast paced changes to legislation	<b>YES:</b> Within Existing Training Budgets

<b>ACTION PLAN – SHOWING LEADERSHIP</b>					
<b>Action:</b>	<b>Responsible officer:</b>	<b>Potential Target Date:</b>	<b>Resources needed if approved:</b>	<b>Potential barriers/risks</b>	<b>Financial Resources Already Approved?</b>
<b>Engaging Councillors and Senior Management</b> Annual Review of Procurement Strategy	Head of Financial Services	Annually in March/April each year to Policy and Finance Committee	No additional financial resources required	Implications of changes to domestic and international law	<b>Not Applicable</b>
<b>Working with Partners</b> Engage with other local authorities to gauge any appetite for a procurement group.	Head of Financial Services	December 2022	No additional financial resources required	Level of interest from other bodies	<b>Not Applicable</b>
<b>Engaging Strategic Suppliers</b> Undertake an up-to-date spend analysis – notably looking at spend, volume of invoices and location. Where possible include SME information.	Head of Financial Services	March 2023 and reviewed annually	No additional financial resources required identified as needed at this stage.	Level of detailed information available without charge - particularly around SME classification.	<b>Not Applicable</b>

Action Plan

<b>ACTION PLAN – BEHAVING COMMERCIALY</b>					
<b>Action:</b>	<b>Responsible officer:</b>	<b>Potential Target Date:</b>	<b>Resources needed if approved:</b>	<b>Potential barriers/risks</b>	<b>Financial Resources Already Approved?</b>
<p><b>Managing Contracts and Relationships</b>                      Include contract manager details on the council’s internal copy of the Contracts Register and help Heads of Service in forging stronger relationships with our suppliers, perhaps assisted with additional training.</p>	<p>All Heads of Service                       Procurement Assistant</p>	<p>Ongoing</p>	<p>No additional financial resources required</p>	<p>Engagement in the process by suppliers.                       Apathy if advantages are not immediately realised</p>	<p><b>Not Applicable</b></p>
<p><b>Managing Strategic Risk</b>                      As part of the spend analysis work, and discussions with Heads of Service, our key suppliers will be identified.</p>	<p>All Heads of Service</p>	<p>March 2023 and reviewed annually</p>	<p>No additional financial resources required</p>		<p><b>Not Applicable</b></p>
<p><b>Managing Strategic Risk</b>                      As part of the contract management meetings there will be discussions around risk. Any strategic risks will be documented on the risk management software and planned for within services.</p>	<p>All Heads of Service</p>	<p>Ongoing</p>	<p>No additional financial resources required.                       However, it may be that there are costs associated with implementing any actions to mitigate identified risks.</p>		<p><b>Not Applicable</b></p>

## ACTION PLAN – ACHIEVING COMMUNITY BENEFITS

Action:	Responsible officer:	Potential Target Date:	Resources needed if approved:	Potential barriers/risks	Financial Resources Already Approved?
<p><b>Obtaining Social Value</b> Review the council’s standard tender documentation to ensure inclusion of the national themes, outputs and measures (TOMs) in our procurement activity – be this as general questions, management information measures, or as part of the scoring mechanism where applicable.</p>	<p>Head of Financial Services  Senior Accountant  Procurement Assistant</p>	<p>December 2022</p>	<p>No additional financial resources required</p>	<p>Implications of potential additional costs.  Expectation of ‘implementation at any cost’.</p>	<p><b>Potential for increased costs</b></p>



Action Plan

**ACTION PLAN – ACHIEVING COMMUNITY BENEFITS**

Action:	Responsible officer:	Potential Target Date:	Resources needed if approved:	Potential barriers/risks	Financial Resources Already Approved?
<p><b>Obtaining Social Value</b> Embed the procurement actions under the Ribble Valley Borough Council Climate Change Strategy. This is intrinsically linked to the above action on inclusion of the national themes, outputs and measures (TOMs) in our procurement activity.</p>	<p>All Heads of Service</p>	<p>Ongoing</p>	<p>No additional financial resources required</p>	<p>Implications of potential additional costs. Expectation of 'implementation at any cost'.</p>	<p><b>Potential for increased costs</b></p>
<p><b>Engaging Local Small Medium Enterprises (SMEs) and Micro-businesses</b> In undertaking an up-to-date spend analysis, where possible include SME information by working together with the council's Economic Development team.</p>	<p>Senior Accountant Procurement Assistant Economic Development Team</p>	<p>March 2023</p>	<p>No additional financial resources required</p>	<p>Level of detailed information available without charge - particularly around SME classification.</p>	<p><b>Not Applicable</b></p>

<b>ACTION PLAN – ACHIEVING COMMUNITY BENEFITS</b>					
<b>Action:</b>	<b>Responsible officer:</b>	<b>Potential Target Date:</b>	<b>Resources needed if approved:</b>	<b>Potential barriers/risks</b>	<b>Financial Resources Already Approved?</b>
<b>Engaging Local Small Medium Enterprises (SMEs) and Micro-businesses</b> Produce a 'How to do Business with the Council' Guide.	Senior Accountant  Procurement Assistant  Economic Development Team	December 2022	No additional financial resources required		<b>Not Applicable</b>
<b>Engaging Local Small Medium Enterprises (SMEs) and Micro-businesses</b> Where possible provide 14-day payment terms for any business identified as a Ribble Valley based SME or Micro-business.	Senior Accountant  Procurement Assistant  Systems and Payments Manager	Driven by supplier analysis work  March 2023	No additional financial resources required.  There will be minimal financial impact from the loss of potential investment income due to early payment.	Speed at which invoices are processed for payment.	<b>Not Applicable</b>

Action Plan

<b>ACTION PLAN – ENABLERS</b>					
<b>Action:</b>	<b>Responsible officer:</b>	<b>Potential Target Date:</b>	<b>Resources needed if approved:</b>	<b>Potential barriers/risks</b>	<b>Financial Resources Already Approved?</b>
<p><b>Developing Talent</b> (See also under ‘Showing Leadership’) General training of staff on Financial Regulations and Contract Procedure Rules</p>	<p>Head of Financial Services  Senior Accountants</p>	<p>Ongoing.  Targeted for any specific changes following the annual review.</p>	<p>No additional financial resources required</p>	<p>Staffing Resources within Financial Services</p>	<p><b>Not Applicable</b></p>
<p><b>Developing Talent</b> (See also under ‘Showing Leadership’) Identification of specialist procurement and/or project management training needs</p>	<p>All Directors and Heads of Service</p>	<p>To be identified as part of the Performance Appraisal Process</p>	<p>Within Existing Training Budgets</p>	<p>Prohibitive costs  Fast paced changes to legislation  Implications of BREXIT</p>	<p><b>YES:</b> Within Existing Training Budgets</p>
<p><b>Exploiting Digital Technology</b> Explore options for the use of technology in the secure submission, and restricted internal access, to tenders.</p>	<p>Head of Financial Services  Head of Legal &amp; Democratic Services</p>	<p>December 2022</p>	<p>May require the purchase of systems or subscription to online services. Costs yet to be explored.</p>	<p>Costs</p>	<p><b>NO</b></p>

<b>ACTION PLAN – ENABLERS</b>					
<b>Action:</b>	<b>Responsible officer:</b>	<b>Potential Target Date:</b>	<b>Resources needed if approved:</b>	<b>Potential barriers/risks</b>	<b>Financial Resources Already Approved?</b>
<p><b>Exploiting Digital Technology</b> Review the feasibility of Intelligent Scanning in the Procure to Pay (P2P) process.</p>	Head of Financial Services	August 2022	Ongoing discussions with software provider	Cost of the infrastructure needed.	<b>NO</b>
<p><b>Exploiting Digital Technology</b> Work with targeted suppliers to take advantage where possible of 'PunchOut' technology within our purchasing system.</p>	Head of Financial Services	December 2022	No additional financial resources required	Resistance from suppliers. Any hidden costs in establishing 'PunchOut' links	<b>Likely Not Applicable</b>
<p><b>Enabling Innovation</b> Amend the Contract Procedure Rules to make it a requirement that Heads of Service first take proposals to tender <u>services</u> to Corporate Management Team to consider alternative methods of service provision that may have the potential to provide better Value for Money.</p>	Head of Financial Services  All Directors and Heads of Service	March 2023	No additional financial resources required		<b>Not Applicable</b>

Action Plan

**ACTION PLAN – ENABLERS**

Action:	Responsible officer:	Potential Target Date:	Resources needed if approved:	Potential barriers/risks	Financial Resources Already Approved?
<p><b>Embedding Change</b> Utilise information from Contract Management meetings and reviews to help inform service provision, and any proposed changes when goods or services are next procured/contracted.</p>	<p>All Directors and Heads of Service</p>	<p>Ongoing</p>	<p>Heads of Service need to ensure that regular contract management meetings are held</p>		<p><b>Not Applicable</b></p>