
**PROCUREMENT STRATEGY 2017-2020 (DELIVERING COMMERCIAL AND
SOCIAL VALUE)**

Reason for this Report

1. To enable the Committee to provide comments and advice to the Cabinet on the Council's draft Procurement Strategy (Set out at **Appendix A** of this report), before Cabinet meets to consider approving adoption of the Strategy at its meeting on 16 March 2017.

Background

2. The Council's existing Commissioning and Procurement has helped the Council deliver a range of benefits, including the implementation of category management arrangements, £18 million of procurement-related savings, increased efficiency in procurement systems and recognition in a number of Welsh and UK procurement awards.
3. The Council is now developing a new Procurement Strategy to ensure that the £380 million it spends each year in procuring a diverse range of goods, services and works from over 9,000 suppliers and contractors, delivers value for money and supports delivery of the Council's wider objectives. The draft Strategy attached at **Appendix A** sets out the Council's key procurement priorities through to 2020 and the key changes that it will make to improve the management of its external spend.

Issues

4. Informed by the *Corporate Plan*, the *What Matters* Strategy and wider legislation and policy affecting procurement, the new Strategy seeks to deliver four broad over-arching Organisational Outcomes:
 - Maximising Economic, Social, Environmental and Cultural Wellbeing
 - Achieving Value for Money and Efficiency
 - Driving Innovation
 - Maintaining Effective Governance and Risk Management.

5. In seeking to deliver the first of the four objectives listed above, the Strategy will look to deliver through its external spend the same kind of improvements to employment, training and apprenticeship opportunities it has recently generated through its own workforce. The recently established Community Benefits Board will seek to maximise the delivery of these benefits across the Council, including a Child's Rights Partner programme.

6. The Board will oversee the development of a wider Social Responsibility Policy and Charter, promoting fair work practices across our suppliers and contractors. This will be informed by Welsh Government's Code of Practice on Ethical Employment in Supply Chains (due to be launched on 9 March 2017), which will cover a range of employment issues such as Modern Slavery and human rights abuses, blacklisting, false self-employment, the unfair use of umbrella schemes and zero hours contracts, and payment of the Living Wage.

7. The draft Strategy sets out how it will use five key enablers – Culture, People, Technology, Process and Information – that will be critical to its delivery.

8. A Delivery Plan will be developed and progress reported on an annual basis, using a balanced scorecard reflecting the key organisational priorities. The Delivery Plan will include detailed actions and KPIs.

Previous scrutiny

9. Members of this Committee received a draft of the Strategy for comments on 31 January 2017, and Members raised some clarification points, which officers will use to facilitate questioning at this meeting.

Way Forward

10. Councillor Graham Hinchey (Cabinet Member for Performance & Resources) has been invited to attend for this item.
11. Christine Salter (Corporate Director, Resources) and Steve Robinson (Operational Manager for Commissioning and Procurement) will be in attendance, and will be available to answer Members' questions on the draft Strategy.

Legal Implications

15. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken

having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

16. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATION

17. The Committee is recommended to note the draft Strategy and the information provided at the meeting, and consider whether it wishes to refer any comments or concerns to the Cabinet.

DAVINA FIORE

Director of Governance and Legal Services

8 March 2017