

	Finance and Audit Scrutiny Committee 4 April 2017	Agenda Item No. Urgent
	Title	Procurement Strategy 2017 -2019
For further information about this report please contact	John.roberts@warwickdc.gov.uk Mike.snow@warwickdc.gov.uk	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number		
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	Yes/No
Equality & Sustainability Impact Assessment Undertaken	No (If No state why below)
No assessment as this is a progress report.	

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	22/03/2017	Andy Jones
Head of Service	22/03/2017	Mike Snow
CMT		
Section 151 Officer	22/03/2017	Mike Snow
Monitoring Officer	22/03/2017	Andy Jones
Finance	22/03/2017	John Roberts
Portfolio Holder(s)	22/03/2017	Cllr Peter Whiting
Consultation & Community Engagement		
Senior Management Team Procurement Champions		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. SUMMARY

- 1.1 This report presents proposed amendments to the Council's Procurement Strategy 2017 to 2019.
- 1.2 The Council spends approximately £35m each year with third parties. This spend is controlled through a variety of procurement approaches from bespoke procurement to the implementation and use of Framework arrangements that allow a quick route to market.
- 1.3 All procurement exercises that are undertaken are made in compliance with the Public Contracts Regulations 2015 and covered at a local level through the Council's Code of Procurement Practice.
- 1.4 To support the implementation and delivery of the strategy an action plan has been developed. The action plan is a working document and is appended to the strategy.

2. RECOMMENDATION

- 2.1 That the Executive recommend approval to adopt the Council's new Procurement Strategy 2017 to 2019.

3. REASONS FOR THE RECOMMENDATION

- 3.1 There is a substantial challenge ahead with local government facing reduced funding settlements from central government over the coming years. This will continue to place pressure on the Council financially. The Council recognises that an effective procurement strategy will be important tool in obtaining value for money and promoting economic growth.
- 3.2 The purpose of this report is to introduce the new Procurement Strategy 2017-2019 for the Council. The new Strategy reports on the successes of the previous Strategy and maintains targets and expands to include new targets. The challenges of supporting the local economy and delivering value for money remain as valid now as they were in the original strategy and for that reason; the new strategy follows a similar format to the previous strategy.
- 3.3 The proposed new strategy sets out the future direction of procurement within the Council and creates a framework for procurement which is aligned to the Council's Corporate Plan, as well as reflecting best practice and recommendations set out in the National Procurement Strategy for Local Government 2014.
- 3.4 The Corporate Procurement Strategy inter-relates with the Council's Code of Procurement Practice. The proposed new strategy reflects new legislative requirements such set out in the UK Public Contract Regulations 2015.
- 3.5 The strategy sets out the objectives that will enable improvements through procurement and also will lead to the mitigation of financial, commercial and legal risk. The 4 themes contained within the strategy are as below:
 - Making savings
 - Supporting local economies
 - Leadership
 - Modernisation

- 3.6 It is intended that the new Strategy will continue the good work of the previous Strategy but with additional objectives to account for the changing financial and legislative landscape.
- 3.7 Public procurement operates in a highly regulated environment that is governed by legislation and policies set by the European Union, nationally through statute and case law. The following national legislation applies to procurement:
- UK Public Contract Regulations 2015 (transposed from the EU Procurement Directives);
 - Remedies Directive 2009;
 - Public Services (Social Value) Act 2012;
 - Community Right to Challenge Regulations 2012;
 - Local Government Act 2000; and
 - Small Business, Enterprise and Employment Act 2015.

4. FIT FOR THE FUTURE

As part of the Council's policy framework, the Procurement Strategy underlines how the Council acts in securing and managing its Procurement requirements to meet the aspirations as part of 'Fit for the Future'.

5. BUDGETARY FRAMEWORK

Procurement has the potential to make a huge contribution to the achievement of the Council's Corporate Plan priorities. It is difficult to quantify the savings that may be available to the Council as a result of the implementation of an effective Procurement Strategy, but cashable savings will be realised over the two years of the Procurement Strategy and ensure value for money.

6. RISKS

Implementation of the strategy will minimise contract failures that could result in financial loss and damage to the Council's reputation and credibility. Additionally it will minimise the risk of legal challenge under EU rules.

7. ALTERNATIVE OPTION(S) CONSIDERED

The amended documents set out how the District Council's Procurement arrangements should operate so as to comply with best practice and current legislation. The updated Procurement Strategy should therefore be accepted in its entirety.