

Rother District Council

Report to:	Cabinet
Date:	31 October 2022
Title:	Procurement Strategy 2022/23 Update
Report of:	Antony Baden - Chief Finance Officer
Cabinet Member:	Councillor Dixon
Wards:	All
Purpose of Report:	To provide a half yearly update on the delivery of the Council's Procurement Strategy in 2022/23
Decision Type:	Non-Key
Officer	
Recommendation(s):	It be RESOLVED: That the updates in Appendices A and B to the report be noted.
Reasons for Recommendations:	To note the progress made in the first half year.

Introduction

1. Cabinet approved the Council's 2022/23 Procurement Strategy on 14 December 2020 (Minute CB 20/77 refers) following a workshop with Members in July 2019. The main purpose of the strategy is to ensure that it meets current legal and policy objectives.
2. Appendix A of the report provides an update on procurement activity during the first two quarters of the current financial year, whilst Appendix B highlights the progress made against some of the Key Performance Indicators (KPIs) underpinning the Strategy.

Procurement activity in the first two quarter of 2022/23

3. The East Sussex Procurement Hub (ESPH) continues to deliver the Council's operational procurement function as well as its strategy. Ongoing support and advice are provided to officers across the Council and it has recently delivered procurement training to the Special Projects team. Further training will be rolled out across the Council in due course.
4. The ESPH also provide a financial checks and updates service whereby the Chief Finance Officer is notified immediately of about any of its suppliers and contractors experiencing financial distress. This does not mean the Council can terminate contracts, but it does provide an opportunity to begin preparing back up plans.

5. Appendix B sets out procurement activity undertaken in quarters 1 and 2 and sets out future activity for the remainder of the financial year.

Procurement Strategy KPIs - progress to date

6. The analysis in Appendix B highlights the performance in the current financial year against the targets in the agreed Procurement Strategy. It contains 18 KPIs and a brief analysis of what has been achieved so far is also included.
7. In the annual Procurement report presented to Cabinet on 28 February 2022, two key areas of the strategy were identified as requiring development during 2022/23. The first was Governance (Key Area 2 – see KPI 2) and central government's Green paper to 'Transform Public Procurement', which would entail legislative changes. The second was Obtaining Social Value (Key Area 3 – see KPIs 3 to 6) and the production of the Council's Social Value Policy focusing on the procurement approaches to Climate Change and social wellbeing. Both areas are explored in greater detail in Appendix B.

Environmental Implications

8. As mentioned in paragraph 6, the Procurement Strategy targets for 2022/23 will address how the Council approaches procurement in respect of climate change.

Conclusion

9. Progress in some areas had been restricted due to the pandemic, which was reflected in the setting of the targets outlined in Appendix B. The half yearly review of the Procurement Strategy highlights the developments that have been made in the first two quarters of 2022/23. Further progress is required before the targets can be met, and these will be reported to Cabinet at the end of the financial year.

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	Consultation	No
Environmental	Yes	Access to Information	No
Sustainability	No	Exempt from publication	No
Risk Management	No		

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Appendices:	Appendix A - Procurement Activity – Quarter 1 & Quarter 2 in 2022/23 Appendix B - Progress made against Procurement Strategy KPIs
Relevant Previous Minutes:	CB20/77 CB21/87

Background Papers:	None
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Reference Documents:	None
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Procurement Activity - Quarter 1 and Quarter 2 - 2022/23

Progress – The following procurement activity was concluded during Quarter 1 and Quarter 2 by the ESPH.

Contract Title	Date	Outcomes
RSI contracts	May / June / July / August	Outreach Contract Awarded to Southdown, Assessment Centre contract due to be extended.
Integra	September	Expected to be awarded via direct award on G Cloud 12 to Integra.
Stray dogs	August / September	Delayed as offered to collaborate with Eastbourne and Lewis. ITT expected to be issued in October.
EVCP	September	Completed the feasibility study.
Garden waste stickers	August / September	Tender Pack drafted and due to be on the portal.
Arboriculture contract	August / September	Single bid received, evaluation due to commence.
Legal case management software	September	Awarding via direct award on G Cloud 12 to Access Group.
Colley corner	July / August / September	ITT expected to be issued early October.
Affordable Housing and CIL Viability Assessment	July / August / September	Contract Awarded to Aspinall Verdi Limited.
Climate Change Evidence for the Rother Local Plan	July / August / September	Currently in Post Tender Clarification Stage.
RDC Specialist Housing Advice	April / May	Contract Awarded to incumbent supplier.
Retail, Leisure and Town Centre Assessment	April / May / June	Contract Awarded to Lambert Smith Hampton Group Limited.
Enforcement of Environmental Offences	April / May / June	Contract Awarded to National Enforcement Solutions Limited.

Forward Looking to Q3 2022/23 & Q4 2022/23

- Spend Analysis utilising Microsoft Power BI
- Construction of new Beech Huts
- Garden Waste Stickers (Continuing)
- Camber Public Conveniences Refurbishment
- EV Charging (Continuing)
- M&E Minor Works
- Modular Temporary Accommodation Project

- Colley corner (Continuing)
- Hybrid Mail
- King Offa Demolition
- Old Lydd Road Remediation Works
- Mount View Street Construction

ESPH Arrangements for Q3 2022/23 & Q4 2022/23

- Arboriculture Services (Continuing)
- Stray dogs (Continuing)
- Single Person Discount and Exemptions
- Review of E-Tendering platform
- Finance System (Unit 4)

Rother Procurement Strategy - 2022/23

	Performance Level	Action/ Improvement Plan 2022-2023	Progress in 2022/23
Key Area	Value for Money and Efficiency	Targets	Progress to date
1.	Delivery of budget savings through procurement.	Set target for 2022/23 based on 1.5% of external spend in 2021/22.	Savings target of £167,000. Last year's savings figure was £124,177, (1.12% of total spend).
Key Area	Governance	Targets	Progress to date
2.	Procurements are undertaken legally (including in accordance with changes in legislation/case law e.g. Brexit), consistently and within the Council's own Procurement Procedure and Financial Procedure rules.	<p>Procurement refresher training for all relevant officers to take place in Spring of 2022, to be delivered by the ESPH in conjunction with the Chief Finance Officer and by a combination of online and on-site training.</p> <p>Green Paper Transforming Public Procurement comes into force in late 2022/early 2023 and a training programme will be established for staff and Members in the Autumn of 2022.</p>	<p>Procurement Training completed for newly formed Special Projects Team. ESPH will continue with a Council wide training programme tailored for service areas.</p> <p>Green paper still going through the legislative process. Training programme will be developed following this.</p>

Key Area	Obtaining Social Value	Targets	Progress to date
3.	Policy and scope.	Principles of Social Value support the Council's Corporate Plan and adds value for Rother residents. Inconsistent levels of engagement and awareness currently exist.	<p>Social Value and Environmental Strategy addressed in 'above threshold' procurements. ESPH also working with Officers on a Policy / Strategy to address climate change and sustainability through the procurement process.</p> <p><i>Note: "Above threshold" refers to the UK Procurement thresholds for goods, works and services. It is the value at which procurements must be advertised on the 'Find a Tender' service and follow Public Contract Regulations. The thresholds are £170,782 for goods and services and £4,269,550 for works (excluding VAT).</i></p>
4.	Councillor or cabinet board/authority member given responsibility for reporting leading on social value.	Create Lead Member role responsible for Social Value and undertake specific Member training programme in 2022.	Cabinet appointed Councillor Dixon on the 28 February 2022 (CB21/87) as Lead Member for Procurement & Social Value policy
5.	Market engagement and Contract Management.	Social Value Action Plans to be produced for each contract and to be held centrally so that they can be monitored effectively. Explore potential for an Understand the Buyer event in Bexhill 2022.	The Social Value policy is being developed. THE ESPH is working with officers across East Sussex councils to formulate a sustainable procurement strategy, which will address both community benefits, added value and environmental challenges.

6.	Governance and accountability	Procurement focus on developing wider understanding of Social Value within the Council and how to apply it through contractual arrangements. All relevant reports to be placed on ESPH and RDC websites. Clear evidence that Lead Member has direct oversight of Social Value and that the Social Value sub-group supports the embedding of culture into all contractual processes.	To be developed upon completion of KPI 5 and the delivery of Procurement training for Members and Staff. A wider understanding of social value is being delivered through training and will be further enhanced as the sustainable procurement strategy is developed.
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Key Area	Local SMEs, micro-business and VCSE engagement	Targets	Progress to date
7.	Policy and scope.	Pipeline of opportunities to be published on website to inform relevant parties of local needs and the desired market outcomes.	ESPH engaged with Construction Companies at a Constructionline event in September 2022.
8.	Facilitating good relationships with SMEs, micro-businesses and VCSE organisations	Increase local spend/SMEs each year by 5% per year. Undertake analysis of external spend with companies outside of area to identify future opportunities for local businesses. Explore potential for Understand the Buyer event to update local businesses on changes to Procurement regulations in 2022/23.	2021/22 SME Spend £6,289,457 (annual increase of 22.82%)

Key Are a	Commercial opportunities	Targets	Progress to date
9.	Annual Procurement Programme	Forward planning needs to be undertaken across the organisation to consider commercial opportunities. Procurement is engaged in the inception of strategic projects to effectively contribute ideas for revenue generation in the forward planning process.	Programme meetings to commence October 2022. Early engagement with officers is necessary to forward plan and consider commercial opportunities.
10.	Tendering	Continued focus on ensuring that tendering opportunities are innovative, and that market attractiveness is maximised.	Please refer to Appendix A.
11.	Performance reporting	Annual report to Cabinet outlining performance against the Key Performance Indicators of the Council's Procurement Strategy. Quarterly reviews to be undertaken between the ESPH, Chief Executive and Chief Finance Officer.	Annual report to be reported to Cabinet in June 2023. Quarterly reviews have been undertaken with the ESPH.
12.	Post contract review	Identify criteria for undertaking post contract reviews to ensure that opportunities are being exploited effectively.	Post contract review meetings have taken place and the information is being used to improve future procurement opportunities.

Key Area	Supplier relationships & contract management	Targets	Progress to date
13.	Data collection and analysis	Need to develop contract register that includes all projects (including those under £50k) in order to have a complete overview of procurement with the Council.	Regular meetings held with Chief Finance Officer and Principal Accountant to share contract data and establish a mechanism for capturing contracts that are below £50k for the Council to meet transparency requirements.
14.	Early engagement with future strategic suppliers	Publish project pipeline early into each financial year to alert local business of potential opportunities.	Programme meetings started in October 2022, following approval of the annual programme by the CFO. It will be published for the first time as a pipeline on ESPH website.
15.	Supplier financial distress	Review training and guidance to officers on managing and identifying supplier financial distress during post Covid 19 recovery phase.	Alerts received from our credit agency Dun and Bradstreet are passed onto relevant contract officers for review.
16.	Savings and benefits delivery	ESPH will develop a streamlined approach to savings capture/benefits realisation, which will be applied uniformly across the Council and reported to Cabinet on an annual basis.	The intention is still to report this to Cabinet in June 2023.
17.	Recognition and cultural acceptance	Review the approach to contract management to reflect the current requirement for social value monitoring.	Integrating social value reporting as part of contract management is being reviewed by the sustainable procurement working group and is currently in development.

18.	Skills and knowledge	Contract management training to be part of induction and appraisal process. Refresher programmes will be available to staff involved in contracts with video training guides available on ESPH Buyer side webpages.	CFO to discuss with Human Resources.
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