



DEVON DISTRICTS PROCUREMENT STRATEGY



South Hams
District Council



Exeter
City Council



West Devon
Borough
Council



2023 - 2027

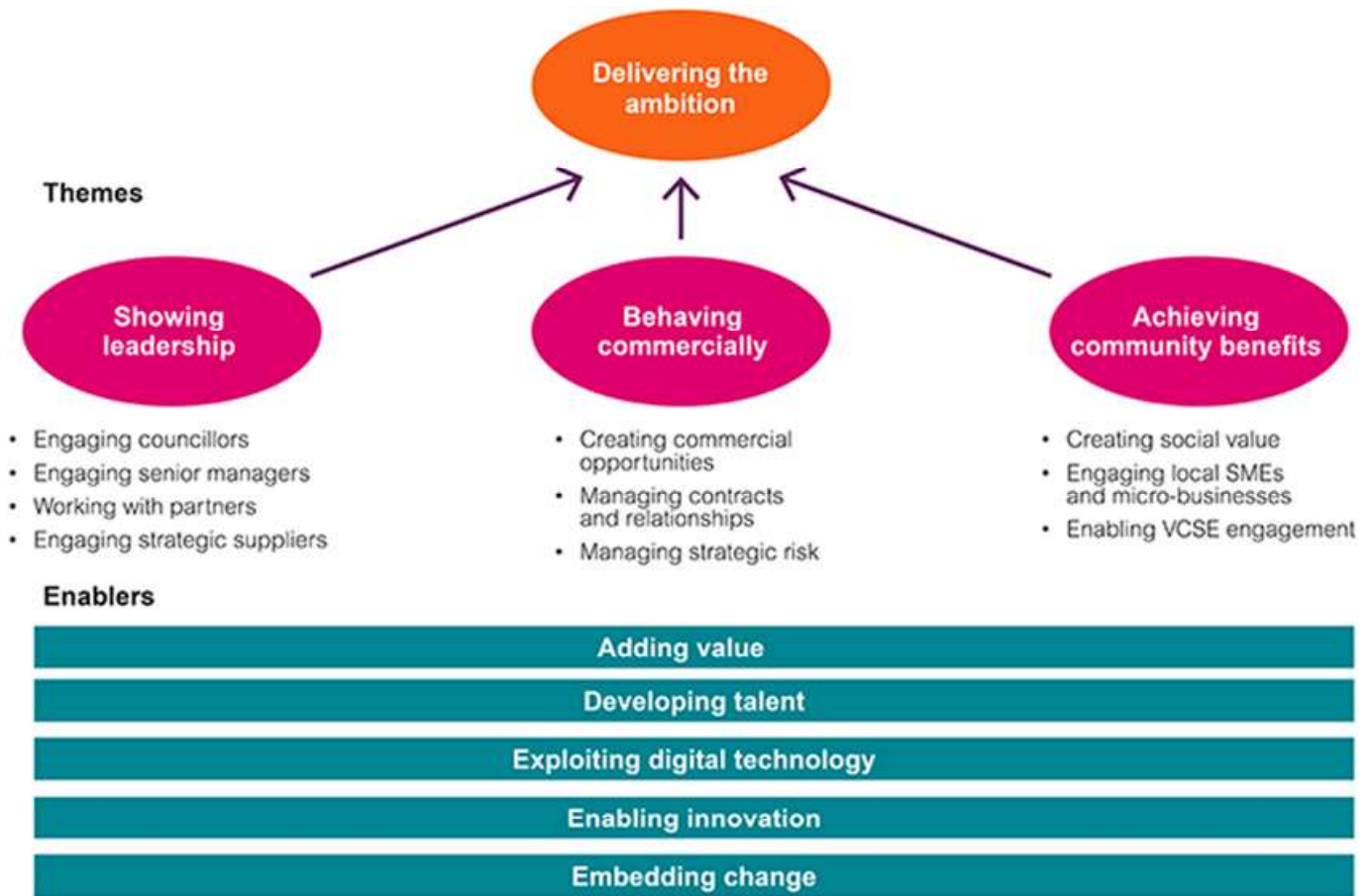
INTRODUCTION

This document will outline our objectives and actions procuring goods, services and works during the 4-year period and has been developed based on consideration of the National Procurement Strategy (NPS) 2022 key themes. We will identify key strategic areas and enablers from the NPS which will align with the context of our local and regional priorities. The National Procurement Strategy for Local Government in England 2022 focuses on three themes which councils have identified as the sector's priorities:

- **showing leadership**
- **behaving commercially**
- **achieving community benefits**

This strategy is released at a time of both challenges and opportunities. Local government face a number of challenges including inflation, supply chain shortages, war and climate change. Opportunities include the New Procurement Act 2023 and the National Procurement Policy Statement.





A toolkit has been developed to support delivery of the National Procurement Strategy (NPS) for Local Government in England. Its purpose is to help councils to set objectives in relation to the maturity levels in each of the key areas of the strategy and to assess their own progress against those objectives.

Our main objectives are:

- Engaging councillors
- Engaging senior managers
- Creating commercial opportunities
- Managing contracts
- Creating social value
- Local, SME & VCSE engagement
- A digital world

There are 5 levels of maturity each providing guidance and criteria assessment against each level: -

Minimum ➔ Developing ➔ Mature ➔ Leader ➔ Innovator

The strategy was written with the post COVID-19 pandemic in mind, along with the future changes of the national procurement regulations which will be implemented in 2024.

We are hoping that, along with the release of the new regulations from Central Government we will make procurement a great service across all authorities.

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ENGAGING COUNCILLORS

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. Councillor engagement needs to be supported through training, good procurement and commercial advice and reporting arrangements.

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. Councillor engagement leads to better project delivery and better outcomes for the local community.



ENGAGING SENIOR MANAGERS

Key decision-makers value and benefit from procurement and commercial advice including 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.

Why it is important: Good procurement and commercial advice (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 procurement and commercial issues from the earliest stages of the project.



CREATING COMMERCIAL OPPORTUNITIES

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. For example, renting out a piece of land for a business or advertising opportunities. Moreover, there are opportunities within contracts whereby we can generate income from our suppliers.

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 ways, from conventional means such as increasing returns on assets to the way the council engages with its development partners and third-party contractors.

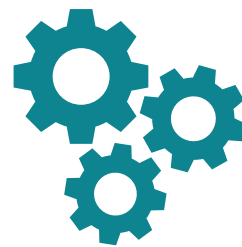




MANAGING CONTRACTS

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.

Why it is important: Poor contractor performance or commercial failure can seriously damage a council's reputation and its ability to deliver effective services and support to local communities.



CREATING SOCIAL VALUE

Social value is about improving economic, social and environmental wellbeing from public sector contracts over and above the delivery of the services directly required and at no extra cost to The Councils.

The National Social Value priorities are:

- Creating new businesses, new jobs and new skills.
- Tackling climate change and reducing waste.
- Improving supplier diversity, innovation and resilience.

Why it is important: Experience from procurements let by councils that have fully integrated social value requirements has shown that a minimum of +5 per cent to +20 per cent social value (according to sector) can be obtained on contract value by way of direct community benefits.



LOCAL, SME AND VCSE ENGAGEMENT

Spending locally is a dominant objective of this strategy. It is important that we keep the money within our districts as much as possible, especially in a post-pandemic economy. Small medium enterprises and micro-businesses (SMEs) and Voluntary, Community and Social Enterprises (VCSEs)

The Government definition of an SME is any business with up to 250 employees and a turnover of up to €50m. Micro businesses are those with 1 – 9 employees.

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.

VCSEs refers to organisations that include small local community and voluntary groups, registered charities, trusts and cooperatives. They are independent from government can play a critical role in health and social care.



A DIGITAL WORLD

Rapid use of data is critical for understanding how to manage procurements and contracts. Increasing data and transparency data is available, along with artificial intelligence, and making good use of this will be key to managing the pressures on The Councils.



HOW WILL WE GET THERE?

The Councils will use the NPS toolkit to assess our current performance and monitor progress over the life of the Strategy.

Engaging Councillors

- Exploring better ways of informing Councillors about procurement and commercial activities and encouraging feedback from them on decisions.
- Procurement training and/or briefings for Councillors as required.

Engaging Senior Managers

- Senior managers informed of procurements prior to tender
- Monitoring feedback received about the procurement service
- Encourage early engagement with procurement team when looking to run a procurement processes such as soft market testing

Creating commercial opportunities

- When a new requirement is sought, look for commercial opportunities or gaps in the market
- Contract management meetings that include revenue generating discussions

Managing Contracts

- Contract management training for all key staff
- Post contract review meetings
- Categorisation of Contracts by level of risk and strategic importance to the Council
- Ensure high level category Contracts are implemented with a contractually enforceable method of measuring performance throughout the Contract.
- Support services to develop contractual arrangements that facilitate effective contractual relations



Creating Social Value

- Considering opportunities in line with the Social Value Act 2012
- Establish Social Value considerations that are proportionate with the size, scope and nature of procurement activity
- Ensure that social value is integrated into procurement processes and procedures
- All Procurement activity will take into account Council policies and commitment around carbon reduction and sustainability

Local, SME & VCSE Engagement

- Ensure wherever possible we create opportunities for small to medium enterprises and the voluntary/community sector
- Ensure we are easy to do business with and take a proportionate approach at all times
- Support local economic development across our procurement engagement and delivery

A Digital World

- Increase efficiency through use of better devices, hardware and software solutions
- Where possible, consider the use of cloud-based software
- Supporting digital transformation throughout services, reduce waste, automate, digitalise, transform, streamline and innovate

