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Audit and Procurement Committee  
Finance and Corporate Services Scrutiny Board (1)  
Cabinet Member for Strategic Resources and Finance

26 October 2015  
11 November 2015  
07 December 2015

**Name of Cabinet Member:**

Cabinet Member for Strategic Finance and Resources – Councillor Gannon

**Director Approving Submission of the report:**

Executive Director, Resources

**Ward(s) affected:**

All

**Title:**

Sub Regional Procurement Strategy 2015 - 2020

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**Is this a key decision?**

No

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**Executive Summary:**

Through the shared procurement service, Coventry CC, Solihull MBC and Warwickshire CC agreed the first Sub-Regional Procurement Strategy in June 2010 which ran for 5 years expiring in June 2015. This report details the proposals for the revised Sub Regional Procurement Strategy 2015 - 2020.

In July 2014, the LGA published the National Procurement Strategy (NPS) giving local authorities a structure for the outcomes that need to be achieved to deliver procurement good practice, based around the following four themes, Making Savings, Supporting Local Economies, Demonstrating Leadership and Modernisation.

The revised Sub Regional Strategy 2015 – 2020 has been based around the NPS themes and priorities for local government. Across the three upper tier authorities within the Coventry, Solihull, Warwickshire (CSW) sub-region, the Councils spend approximately £883m each year on bought in goods, services and works. Spending this money well through effective procurement is fundamental to achieving organisational success for the three authorities and supporting prosperity across the sub-region.

**Recommendations:**

The Audit and Procurement Committee are requested to:

- 1) Consider the proposals in the report and forward any recommendations to the Finance and Corporate Services Scrutiny Board (1) or the Cabinet Member for Strategic Finance and Resources.

The Finance and Corporate Services Scrutiny Board (1) are requested to:

- 1) Consider the proposals in the report and any comments from the Audit and Procurement Committee and forward any recommendations to the Cabinet Member for Strategic Finance and Resources.

The Cabinet Member for Strategic Finance and Resources is requested to:

- 1) Consider the recommendations from the Audit and Procurement Committee and/or Finance and Corporate Services Scrutiny Board (1).
- 2) Approve the Sub Regional Procurement Strategy 2015 – 2020.

**List of Appendices included:**

Appendix 1	Procurement reports
Appendix 2	Sub Regional Procurement Strategy 2015 – 2020
Appendix 3	Making Savings theme
Appendix 4	Supporting Local Economies theme
Appendix 5	Demonstrating Leadership theme
Appendix 6	Modernising theme

**Background papers:**

None

**Other useful documents**

Current Procurement Strategy 2010 – 2015

[http://www.coventry.gov.uk/downloads/file/2879/procurement\\_strategy](http://www.coventry.gov.uk/downloads/file/2879/procurement_strategy)

[National Procurement Strategy 2013](#)

**Has it been or will it be considered by Scrutiny?**

Yes - Finance and Corporate Service Scrutiny Board, 11<sup>th</sup> November 2015

**Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

Yes - Audit and Procurement Committee, 26<sup>th</sup> October 2015

**Will this report go to Council?**

No

## **Report title: Sub Regional Procurement Strategy 2015 - 2020**

### **1. Context (or background)**

- 1.1 Through the shared procurement service, Coventry CC, Solihull MBC and Warwickshire CC agreed the first Sub-Regional Procurement Strategy in June 2010 which ran for 5 years expiring in June 2015. This report details the proposals for the revised Sub Regional Procurement Strategy 2015 - 2020.
- 1.2 In June 2014 the revised Constitution was adopted and a list of procurement activity since then has been included as Appendix 1.
- 1.3 In July 2014, the LGA published the National Procurement Strategy (NPS) giving local authorities a structure for the outcomes that need to be achieved to deliver procurement good practice, based around the following four themes, Making Savings, Supporting Local Economies, Demonstrating Leadership and Modernisation.

### **2. Options considered and recommended proposal**

- 2.1 For the shared procurement service to work effectively with contracts being let by one authority on behalf of the two other authorities, it is important that there are shared goals and desired outcomes. If there were no agreed direction on strategy, contracts could be let that were commercially sound without delivering the Council's priorities. The proposal is therefore that a sub-regional procurement strategy will clarify expectations and required outcomes leading to the delivery of Council priorities.
- 2.2 The shared procurement service management team reviewed the procurement vision contained in the existing strategy in the light of the current and future national context and pressures that need to be addressed by local government procurement professionals. These thoughts were presented to a sub-regional away day for procurement staff from the upper tier authorities. Views expressed by procurement professionals and the stakeholders they deal with, during the away day were used to finalise the future vision for the revised strategy and a draft was presented to the Shared Service Directors meeting in July 2015. The final draft was approved after the Directors made some recommendations. The draft is included as Appendix 2 to this report. Each authority will take the recommended Sub Regional Procurement Strategy through their organisational governance structures for approval in the autumn.
- 2.3 The revised strategy is structured as an A3 report giving the context in which procurement is delivered, the governance structure, legislative framework and future vision for the service. Appended to the A3 report are four mind maps (Appendices 3 to 6) one for each of the NPS themes. The maps start with the theme at the centre, expanding out through the NPS priorities and outcomes and then the sub regional responses (the outside boxes) which have been Red, Amber or Green (RAG) rated to show relevant importance for the sub region, with red being the most important to have in place, amber less of a priority although still important and green being activities that would further enhance the service although not an immediate priority.
- 2.4 A revised Sub Regional Procurement Strategy seeks to clarify the strategic direction for procurement across the sub region whilst allowing for more localised delivery plans within each of the three authorities to meet specific need.

- 2.5 It was agreed that it was a sensible approach to base the revised sub regional Procurement Strategy on the NPS themes and priorities to demonstrate that the shared procurement service is working to national best practice.
- 2.6 The NPS themes fit well with the Council's priorities and therefore delivery of the Sub Regional Procurement Strategy will help to deliver those priorities. Effective procurement can contribute to a wide range of socio-economic benefits including a successful local economy, a thriving voluntary sector, community empowerment, equality, consideration for the environment and value for money.

### **3. Results of consultation undertaken**

- 3.1 As stated previously the Sub Regional Procurement Strategy is based on the themes of the NPS. There was wide consultation on the NPS itself including central government, local government heads of procurement nationally, external consultants and the local government association. For our local vision and challenges, consultation was held with sub regional procurement staff, local authority stakeholders, Heads of Service and Directors with responsibility for Procurement. Views were sought through face to face meetings, a sub-regional away day for procurement staff and circulating draft documents for comment. Comments received were considered and where appropriate incorporated into the final strategy and appendices used as the basis for this report.

### **4. Timetable for implementing this decision**

- 4.1 If approved, the Sub Regional Procurement Strategy will take immediate effect running through until December 2020.
- 4.2 Progress against this strategy will be monitored by Audit and Procurement Committee and the Cabinet Member for Strategic Resources and Finance once a year as a minimum.

### **5. Comments from Executive Director, Resources**

- 5.1 Financial implications  
Following the recommended Sub Regional Procurement Strategy should help deliver value for money in all Council purchases, in line with the Council's core aims.
- 5.2 Legal implications  
Following the recommended Sub Regional Procurement Strategy will help to ensure that procurement activity is carried out within the appropriate legislative framework.

### **6. Other implications**

#### **6.1 How will this contribute to the Council's priorities? [www.coventry.gov.uk/councilplan](http://www.coventry.gov.uk/councilplan)**

Delivery against the four themes of the Sub Regional Procurement Strategy i.e. Making Savings, Supporting Local Economies, Demonstrating Leadership and Modernisation will contribute to all of the Council's core aims. Spending our money well through effective procurement is fundamental to achieving organisational success and supporting prosperity across the city.

#### **6.2 How is risk being managed?**

Following the Sub Regional Procurement Strategy will help to mitigate procurement risk

### **6.3 What is the impact on the organisation?**

The Sub Regional Procurement Strategy impacts on the whole organisation whenever money is spent. Following the principles set out in the strategy will help achieve value for money whilst supporting the local economy where possible.

### **6.4 Equalities / EIA**

Procurement processes that will be used to deliver against the Sub Regional Procurement strategy have been designed to fulfil the Public Sector Equality Duty. Working with commissioning colleagues, consultation will be undertaken on changes to service specifications as required.

### **6.5 Implications for (or impact on) the environment**

Economic, environmental and social value issues have been considered under the Supporting Local Economy theme of the Sub Regional Procurement Strategy

### **6.6 Implications for partner organisations?**

The Sub Regional Procurement Strategy has been developed with Solihull MBC and Warwickshire CC. It has been written at a high enough level for other authorities to be able to adopt, supported by local delivery plans which will take local policy direction and need into consideration.

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**Name and job title:**

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Director: Chris West	Executive Director Resources	Resources	26.08.15	14.09.15
Members: Damian Gannon	Cabinet Member Strategic Finance and Resources		26.08.15	14.09.15

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