

# Somerset West and Taunton Council

**Executive – 17 March 2021**

## **Procurement Strategy**

**This matter is the responsibility of Executive Councillor Ross Henley**

**Report Author: Paul Fitzgerald, Assistant Director Finance and S151 Officer**

### **1 Executive Summary / Purpose of the Report**

- 1.1 The report seeks approval of a new Procurement Strategy for Somerset West and Taunton Council (SWTC).
- 1.2 This strategy sets out our vision for procurement and our priorities for the next 3 years to 2024, incorporating the latest government procurement legislation and initiatives, and the Council's priorities, aims and objectives. It is a statement of the procurement commitments of the Council, setting out our approach to acquiring goods, services and works for the Council which is compliant with applicable rules and regulations, and secures value for money.
- 1.3 The strategy is important for communicating with suppliers as well as members and officers involved in purchasing and managing contracts. Inappropriate procurements could result in legal challenge, financial and reputational damage, and failure to achieve value for money.
- 1.4 The primary purpose of the strategy is to ensure compliance, thus mitigating risk, and delivering value. The strategy also seeks to complement key Council priorities such as social value, climate change and supporting the local economy.
- 1.5 Approval of the Strategy also addresses an action included within the Procurement internal audit report issued in October 2020.

### **2 Recommendations**

- 2.1 The Executive approves the Procurement Strategy.

### **3 Risk Assessment**

- 3.1 Procurement is currently identified on the Corporate Risk Register. The creation and approval of a new Procurement Strategy for SWTC is regarded as one of the key components to mitigate risk.

- 3.2 The most significant risks are failure to achieve value for money, and non-compliant procurement activity which could lead to legal challenge and potentially significant financial and reputational damage, as well as problems delivering services and projects. This risk was emphasised in the internal audit report issued in October 2020, following the planned review of the Council's procurement arrangements. Completion of the Strategy is included as a recommendation within the report.
- 3.3 As well as formally approving and adopting a new strategy, the procurement team plans to minimise risk through the development of guidance and training for relevant officers and members involved on obtaining goods, services and works. This will be rolled out in the coming months.

#### **4 Background and Full details of the Report**

- 4.1 The reports seeks Executive approval for a new Procurement Strategy for SWTC.
- 4.2 Effective procurement is extremely important for the Council, and the wider public sector in general. It is well reported that funding for local government has reduced significantly over the past decade. For SWTC this challenge is exacerbated further over the next 2-3 years with anticipated further major reductions in funding in particular from business rates and new homes bonus. The Council also has ambitious investment plans in delivering key priorities with significant enhanced expenditure in housing, regeneration and environmental initiatives, in addition to ongoing operational services. This is clearly demonstrated in the budget reports for the General Fund and Housing Revenue Account to Full Council on 18 February 2021.
- 4.3 One of the key drivers for the Procurement Strategy, and supporting business practices, is to ensure compliance with relevant rules and regulations. This is a key component for minimising risk, where losses and reputational damage could be significant.
- 4.4 The other primary driver is having a clear approach to delivering value for money in the acquisition of goods, services and works. Effective competition and supply chain management will help to achieve this, enabling the Council's limited resources to deliver value for customers and tax payers.
- 4.5 The Strategy also provides an important opportunity to further the Council's wider objectives. This includes social value through potential support to the local economy, local community, and environmental priorities such as climate change. We will seek to find the right balance between these priorities and relentless cost control, without compromising compliance.

#### **5 Links to Corporate Strategy**

- 5.1 Procurement activity cuts across all Council priorities and services, and therefore contributes the majority of themes and objectives in the Corporate Strategy. In particular the Procurement Strategy contributes to delivering the following Corporate Strategy themes and objectives:
- 5.2 A Transparent and Customer Focused Council: Deliver excellence in the way the Council conducts its business.
- 5.3 An Enterprising Council: Meet the challenge of Government completely withdrawing the

Council's grant funding.

- 5.4 Our Environment and Economy: Work towards making our District carbon neutral by 2030; Shape and protect our built and natural environment; Encourage wealth creation and economic growth throughout the district; Provide and maintain green open spaces and parks, enhanced public spaces, as well as additional opportunities to safely walk or cycle; Facilitate the development of the commercial parts of the Firepool site in Taunton;
- 5.5 Homes and Communities: Increase the number of affordable and social homes in our urban towns, rural and coastal communities; including those built by the Council; Facilitate the development of the residential blocks at Firepool, Taunton, in order to deliver new homes and public open spaces.

## **6 Finance / Resource Implications**

- 6.1 There are no specific financial implications included in this report. However the delivery of the procurement strategy is fundamental to securing value for money and avoiding risk of costs / losses through non-compliant procurement activity, and supports the Council's financial strategy and budget.

## **7 Legal Implications**

- 7.1 Public procurement is a highly regulated environment governed by legislation and policies set by the UK government, nationally through statute and case law and locally by the Council's Constitution, and other Council plans and policies. These are set out in Appendix 1 of the Strategy.

## **8 Climate and Sustainability Implications**

- 8.1 The Procurement Strategy sets out how it will contribute to delivering social value – including environmental wellbeing. In addition, section 11 of the Strategy addresses our planned approach to sustainable procurement, seeking to support, wherever commercially and economically viable, the Council's vision and determination for the District to be Carbon Neutral by 2030.

## **9 Equality and Diversity Implications (if any – delete if not applicable)**

- 9.1 Section 13 of the Strategy sets out our approach to ethical procurement, including equality objectives.

## **10 Social Value Implications**

- 10.1 Section 10 and Appendix 2 of the Strategy sets out our approach to considering social value factors through procurement.

## **11 Data Protection Implications**

- 11.1 Whilst no direct implications in this report, data protection compliance is relevant to procurement activity and contracts. These are covered in the Strategy in section 8 and Appendix 1.

**Democratic Path:**

- **Scrutiny / Audit Governance and Standards Committees – No**
- **Executive – Yes (17 March 2021)**
- **Full Council – No**

**Reporting Frequency: Once only****List of Appendices (background papers to the report)**

Appendix A - Draft Procurement Strategy 2021-2024

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