

Cheshire West & Chester Council

Procurement Strategy

2022 - 2025



Cheshire West
and Chester

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Foreword

by Councillor Carol Gahan, Cabinet Member - Finance and Legal



Welcome to the Council's new three year Procurement Strategy (2022-2025). This Strategy outlines how procurement will contribute towards the delivery of Cheshire West and Chester Council's Council Plan and priorities.

The Council spends more than £350 million each year on supplies, services and works with third party suppliers and we have a duty to ensure that this spending represents value for money for the residents of the Borough, through efficient and effective procurement practices.

This Strategy is designed to shape our approach to procurement and ensure it supports local priorities, whilst contributing to many of our most important strategic objectives. However, we still need to achieve more in areas such as our commitment to local businesses and Voluntary Community and Social Enterprise Sector (VCSE), in generating Social Value for our communities and ensuring that sustainability is built into our processes and contracts.

Flexibility is the way we should work and think, the ability to build and maintain key relationships with our suppliers and local communities is crucial in going forward. This Strategy is not only about maintaining compliant procurement processes but empowering Commissioners to create new contracting models, generate choices, and encourage innovation at every opportunity.

The impending Public Procurement Reforms in 2023 will further strengthen this strategy by recognising the importance of a revised set of rules to purposefully meet the needs of local authorities such as ours to support our local economy.

As lead member responsible for this key area, I recognise that successfully implementing this Strategy ensures every pound spent delivers value for money and contributes towards achieving our wider social, economic, and environmental priorities.

Executive Summary

- The Council's Procurement Strategy commits to supporting the Cheshire West and Chester economy. Wherever possible within the current legislative framework, the Council will, both directly and indirectly, use local businesses to deliver the supplies, services and works it requires.
- The Council's vision is to provide an unrivalled end to end procurement service which is effective, efficient, respected and delivers tangible outcomes for the Council.
- The procurement function is embedded within a broader commissioning framework and designed to support and deliver commissioning intentions in a legal and compliant manner. The relationship between the two functions is key to delivering this strategy.
- The overarching procurement initiatives will transform the Council's approach to procurement procedures and include:
 - Delivering an enhanced and embedded Social Value and inclusive growth approach in the Council procurement process
 - Adopting good governance throughout the procurement cycle and enhancing visibility of our procurement activity
 - Behaving commercially
 - Engaging and developing the procurement community
 - Simplifying our procurement processes to support local micro, small and medium sized enterprises (MSME's), Voluntary Community and Social Enterprises and our own Council officers
- Procurement will support the West Cheshire Anchor Network, to strengthen local supply chains and deliver Social Value by working together and focusing on delivering local value for longer-term economic recovery and the move towards a more inclusive economy.

What do we mean by Procurement?

Procurement is the process by which the Council obtain supplies, services and works, but it is more than just purchasing. The procurement cycle covers the full life cycle of activity starting with the identification of needs, through to the end of a contract. Procurement can range from purchasing day to day commodities to key strategic services.

Commissioning, whilst working closely with Procurement is about assessing needs, the planning of services and outcomes as well as the quality monitoring of procured services.

Why is Procurement important?

The duty of best value placed upon the Council under the Local Government Act, 1999 requires the Council to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The procurement and commissioning functions play a key role in delivering this obligation.

The most recent statutory guidance published under the Local Government Act, 1999 in 2015 makes it clear that when considering its duty of best value in procurement and commissioning the Council should consider the delivery of overall value including Social Value.

The impact of procurement is far greater than just the definition of a process. The vision, aims and objectives set out within this strategy, demonstrate the contribution that effective procurement arrangements can make to a range of socio economic agendas. These include a successful local economy, a thriving voluntary community and social enterprise sector, community empowerment, a healthy and diverse environment and value for money.

The Council's Procurement Team has adopted a greater commercial outlook when dealing with suppliers and third party contracts and this approach will continue going

forward. A fully functional procurement forward plan has enabled early identification of pipeline activity and positive market engagement; the annual average of local spend has been maintained above 50%, since 2020/2021, exceeding current annual performance targets.

Through active local business engagement sessions, the launch of a new Social Value Policy, late in 2021, has seen the Council adopt the National Themes, Outcomes and Measures Framework (TOMs) Social Value is identified through a procurement opportunity and is aligned to Council priorities. These outcomes will inevitably vary from contract to contract and be dependent on the subject matter of the procurement. Supplier Social Value commitments will be both measured and monitored using the Social Value Portal providing a robust reporting and measuring of Social Value across the Council and will be a contractual requirement to be delivered through the life of the contract.

There will be minimum prescribed weightings for Social Value as part of the evaluation criteria, for contacts with a value of £50,000 to £100,000 5% applied and for £100,000 upwards 10%. However, weightings may be varied on a case by case basis.

The Council is well placed as an anchor institution to promote opportunities to MSME's and VCSE's, which in turn will support with the recirculating of wealth and surplus locally, but primarily within Cheshire West and Chester. Procurement can be used as a catalyst to engage with other organisations within the West Cheshire Anchor Network. Although the network is in its infancy, it is envisaged that the development of strong links with other anchor institutions will give the Council ability to leverage its collective spend, review economies of scale, and explore how the community could support any collaborative or individual procurement opportunities.

Procurement Governance

Public procurement is highly regulated and governed by legislation (UK Procurement Directives and Public Contract Regulations, (PCR) 2015) and locally by the Council's own Constitution through Contract Procedure Rules (CPR's).

Since 1 February 2020, the UK is now a member of the World Trade Organisation's (WTO) Government Procurement Agreement (GPA).

Public Procurement needs to evolve and resurge as procurement fit for the UK and not Europe, which led to the Government Green Paper "Transforming Public Procurement". There are a number of key changes which are scheduled for implementation 2023:

- Reduction in the number of procurement procedures
- Increased transparency and reporting around procurement
- Ability to consider supplier's poor performance
- Simplified process for dealing with legal challenges with procurement
- Emphasis on prompt payments

A further change to complement the proposed procurement reforms is the introduction of a National Procurement Policy Statement (NPPS) which requires contracting authorities to consider the following national priority outcomes alongside any additional local priorities in their procurement activities:

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

Additionally, the Council should consider whether the right policies and processes are in place to manage the key stages of commercial delivery, as identified in the NPPS, and consider whether it has the right organisational capability and capacity with regard to the procurement skills and resources required to deliver value for money.

This Procurement Strategy, although in place until 2025, will be reviewed and updated to reflect the implementation of new Procurement legislation and ensure it remains aligned to the Council priorities.

Procurement Commitments

Cheshire West and Chester Council has set a number of procurement commitments that are key to the success of this strategy. These are outlined below:

1. Ensure that flexibility is fostered in helping to support the development of alternative procurement and partnership arrangements, including working with our anchor network and embedding key principles of the West Cheshire Community Compact
2. Support local suppliers, MSME's and the VCSE sector and ensure a positive impact through early engagement process
3. Tackle modern slavery and inequalities through the procurement process and work with responsible businesses to eradicate such practices
4. Promote responsible tax conduct through accreditation to the Fair Tax Foundation
5. Realise community benefit by using procurement as a lever to achieve both wider financial and non financial outcomes such as improving the borough economy, the wellbeing of residents and communities and the environment
6. Support the council in its response to climate change in working towards carbon neutrality by creating Social Value through the procurement process to promote and deliver key outcomes and embedding the principles of central Governments Procurement Policy Note PPN06/2021 to support national and local carbon reduction.

We are committed to reducing greenhouse gas emissions and delivering on the Council's carbon reduction commitments. Environmental and carbon considerations feature in the aspects of delivery of most public contracts, this

is an opportunity for the Council to take steps to support that commitment and reduce emissions through public procurement.

7. Prompt payment of local, regional and national suppliers on agreed timescales

To effectively deliver these commitments, procurement will play a major part in supporting the Council to deliver on its key priorities. Furthermore, the Procurement Strategy sets out how it will deliver the above commitments by taking an 8 point themed approach.

1. Best outcomes for money spent

- Continue to have an open approach to contract renewals and extensions by considering all available options from utilising Council owned companies, negotiation of preferred terms during any extension period, ongoing supplier engagement and co production and additionally supporting the Commissioning Forward Planning process to achieve wider efficiencies
- Ensure specifications have in built flexibility, where appropriate, to avoid being too restrictive and to achieve the required contract outcomes
- Encourage suppliers to be more creative and innovative to provide additionality
- Consider breaking down larger contracts and introduce smaller packages of works, (Lots) subject to legislative requirements to benefit MSME's and increase local spend
- Consider how we assess how Price -V- Quality ratio is apportioned at procurement planning stage
- Using a procurement pipeline to support market development and complement the aims of the Commissioning Programme Workplan

- Work with our anchor network to collaborate on procurement opportunities to maximise output

2. Social Value and Social Responsibility

- The council will continue to work within the limitations of UK Procurement legislation to capitalise on in borough spend. To succeed, we will:
 - Continue to monitor local spend quarterly against Council performance targets
 - Engage with our suppliers at the earliest opportunity to facilitate market research and areas of best practice as part of the commissioning process and procurement cycle
 - Embed the Contract Procedure Rules revisions from 1 April 2022 to support continuous improvement for both Council officers and businesses wanting to trade with Cheshire West and Chester Council by simplifying our processes below the required legislative thresholds
- Foster and deliver sustainability, Social Value, Economic Development and Environmental Goals through the following actions:
 - Continue to incorporate Social Value within the procurement process by utilising the Social Value Portal and the National TOMs Framework for all contracts above £50,000 where appropriate and proportionate
 - Ensure that consideration is given to the inclusion of specific requirements relating to apprenticeships, local employment, work placements and local supply chain in longer term contracts such as construction projects
 - Periodic reporting on Social Value to a range of key stakeholders, by project and overarching outcomes
 - As an anchor organisation, ensure that Social Value considers community wealth building to revive local economies (post Covid-19), through exploring targeted local supply opportunities
 - Continuously reviewing what we do to support suppliers wanting to do business with the Council, through the use of feedback and supplier forums

- Provide both regular supplier sessions on the Social Value policy and procurement best practice to enable them to develop and compete more successfully in securing Council contracts
 - Ensure that the Contracts Register is continuously updated and publicly visible
- Compliance with Modern Slavery Act, 2015 and through anti corruption practice, the Council aspires to:
 - Undertake appropriate due diligence at tender selection stage wherever possible
 - Publish a Modern Slavery statement in line with Section 54 of the Modern Slavery Act from September 2022
 - Raise awareness of the Fair Tax Foundation and their work
 - Take appropriate action for non compliance and discriminatory practices

3. Transparency and Communication

- Ensure good communication channels and the promotion of procurement opportunities are made accessible to local MSME's and VCSE sector and subsequently maintained
- Maintain communication through the procurement intranet microsite so officers are fully aware of the procurement function and process
- Provide ongoing advice and guidance to internal stakeholders to promote compliance and visibility of existing contracts
- Promote collaboration wherever possible with other authorities and within our anchor network to share best practice and leverage including improved opportunities for supplier engagement

- Supporting the Health and Social Care Integration agenda in the Council's approach to commissioning and the joint procurement of services between the Council and health care partners
- Involving elected members on the Council's procurement pipeline and ensure they are informed of any key updates whether legislative or reporting on Social Value gains

4. Proficient and effective sourcing

- With the changes to contract procedure rules and the reduction in sourcing thresholds, low value spend will continue to be monitored to deliver further efficiencies
- Utilise the procurement workplan to seek opportunities for collaboration and development of internal frameworks
- Aim to reduce the use of Council Purchasing Cards for low level, high volume spend by encouraging the use of specific frameworks to reduce transaction costs
- Improve spend and purchasing analysis to maximise procurement category management, contract compliance and supplier management

5. Managing our suppliers

- Maintain active engagement with current and future suppliers to demonstrate the transparency of our process to support improved Council spending
- Ensure that the way suppliers can trade with the Council are easy to follow and are both risk based and proportionate
- Continue to update and make publicly visible our contracts register and pipeline opportunities

- Develop supplier relationship management for mutual benefit

6. Risk management

- Risk management is important to our activities and is part of good governance. Our approach will include:
 - Procurement and services designing specifications to include risk identification and mitigation such as supplier resilience and business continuity
 - Identifying risk ownership and mitigation assurance
 - Developing and deploying suitable terms and conditions for our contracts
 - Maintaining a clear consistent and standardised approach to procurement across the Council
 - Monitoring our spend with suppliers to ensure compliance with CPR's
 - Embedding a risk based approach to procurement by ensuring that legally compliant procurement documentation is appropriate and relevant to what is being procured

7. Performance

- We will continuously seek feedback from both our internal and external stakeholders throughout the procurement cycle to deliver improvements
- Ensure Open Data is published in line with the requirements of the Local Government Transparency Code, 2015 and continue to do so with no data breaches
- Accurately report on procurement specific Key Performance Indicators each quarter
- Maintain the procurement workplan and contracts register

- Continue to uphold a record of no successful procurement legal challenges
- Ensure the procurement service continues to work within the confines of the Council's Customer Charter and Standards
- We will continue to provide an exemplary procurement service and at the same time make an effective contribution to the Council's objectives
- Improve our understanding and knowledge of local businesses and VCSE's to help shape future services and policies and continue to remove barriers for them to work with the Council

8. Being Commercial

- With an ongoing reduction in Council budgets, we will explore and create opportunities that will generate additional sources of income; for example, by providing procurement support to external organisations
- We will look towards forward planning as a mechanism to maximise leverage and commercial attractiveness to the market
- Seek to collaborate with other local authorities and the West Cheshire Anchor Network
- Procurement is a strategic function and not just about compliance it can add value in many ways, from forward planning to soft market testing, reviewing possibilities for collaborative procurement or promoting innovation.
- Our tender process is seen as a commercial process by the Council and our documentation will be drafted to make it attractive for suppliers to take part and in some instances will be focused on innovation and opportunities. This will be demonstrated through the changes in contract procedure rules from April 2022, with a greater opportunity for organisations to do business with the Council. A simplification of our below threshold procurement rules including

the introduction of a risk based sourcing approach and simplified process will benefit MSME's and can promote organisational sustainability

- We will work closely with the Business Growth Team to provide ongoing essential guidance to "Business Start Ups" on how to trade with the Council and provide greater visibility of procurement pipeline opportunities

What next?

This strategy will help guide the shape of our procurement thinking in developing our detailed workplans and performance measures to deliver the aspirations and commitments. Although set against a continued background of uncertainty and change, the impact of Covid-19 together with future public procurement reforms on our procurement activities will become clearer throughout the life of this strategy.

Procurement Strategy Key Actions

During the period of this Strategy a key list of actions has been developed:

Theme	Action	Timeline
Council Spend	<ul style="list-style-type: none"> • Low value spend targets met each year • Supplier rationalisation • Contract consolidation • Enhanced Category Management • Increase local spend to 55% • Payments to suppliers within agreed timescales • Publication of Open data on council payments above £500 in line with the Transparency Code, 2015 	<ul style="list-style-type: none"> • Ongoing • Ongoing • March 2023 • March 2025 • Ongoing • Ongoing • Quarterly

Social Value	<ul style="list-style-type: none"> • Social Value Policy launch with regional and national organisations • Demonstrable increase in the monetary value of suppliers Social Value commitments • Annual Reporting of Social Value validated outcomes • Explore the potential to maximise the creation of social value across the borough through the emerging Cheshire West Anchors Network • Contribute to actions within the West Cheshire Compact to strengthen the VCSE sector • Review of Social Value Policy 	<ul style="list-style-type: none"> • March - July 2022 • Ongoing • April each year • Ongoing • Ongoing • March 2024
Training	<ul style="list-style-type: none"> • Launch of Procurement microsite and Knowledge Hub • Biannual events for businesses including MSME's and VCSE on how to trade with the Council • Provide procurement advice and guidance to new businesses in borough in collaboration with the Council's Business Growth Team • Council officer and team sessions on procurement to strengthen compliance and embed best practice • Introduction of i-learn modules on specific procurement topics • Introduce member procurement 	<ul style="list-style-type: none"> • April 2022 • Each April and September • Quarterly • Bi monthly and as requested • October 2022 • April 2023

	sessions to help support future decision making	
Legislation	<ul style="list-style-type: none"> • Implementation of Government Green Paper, (Public Sector Procurement Reform) 2020 	<ul style="list-style-type: none"> • Phased approach from December 2021 to July 2023
Process	<ul style="list-style-type: none"> • Deploy changes to Contract Procedure Rules • Review of Procurement documentation • Contract Register is updated and publicly visible • Fully embedded Procurement workplan • Support the function of the Commissioning Programme and Operational Boards • Continue to support a wide range of sustainability initiatives including Fair Trade 	<ul style="list-style-type: none"> • Phased approach January 2022 onwards • January 2023 • Each month • June 2022 • Ongoing • Ongoing
Health Integration	<ul style="list-style-type: none"> • As new NHS system and place structures are established, following the introduction of the Health Care Bill from April 2022, there will be opportunities for more integrated approaches to commissioning and the joint procurement of services between the council and health. Procurement will provide support to facilitate such changes 	<ul style="list-style-type: none"> • April 2022 onwards

Commercialisation	<ul style="list-style-type: none"> • Explore opportunities to collaborate with other local authorities • Develop relationships with other anchor institutions in the Cheshire region to review our supply chains • Actively promote a Procurement Support offer with external organisations 	<ul style="list-style-type: none"> • Ongoing • January 2023 • Ongoing
Carbon Reduction	<ul style="list-style-type: none"> • Adopt Central Government approach as outlined in PPN06/21 to achieving Carbon reduction by including, as a selection criterion, for contracts above £5m a requirement for bidding suppliers to provide a Carbon Reduction Plan confirming the supplier's commitment to achieving Net Zero by 2050 in the UK, and in Borough by 2045 and setting out the environmental management measures that they have in place and which will be in effect and utilised during the performance of the contract. • Continue to support a wide range of sustainability initiatives 	<ul style="list-style-type: none"> • April 2023 • Ongoing

Commissioning

The strategic activity of identifying need, allocating resources and procuring a provider to best meet that need, within available means. Commissioning is a broad concept and there are many definitions. Commissioning combines effectiveness and efficiency to achieve the best possible outcomes within the resources available and sees procurement as the means of achieving this.

Climate Emergency

Serious and urgent problems caused by or likely to be caused by changes in the world's weather and because of human activity increasing the level of carbon dioxide in the atmosphere.

Contract Procedure Rules

These procedures are standing orders made pursuant to Section 135 of the Local Government Act 1972 relating to contracts (the procedures are referred to as the Contract Procedure Rules). They provide the overarching rules which govern the Council's procurement of Supplies, Services and Works.

Fair Tax Foundation

The Fair Tax Foundation was launched in 2014 and operates as a not-for-profit social enterprise. The Fair Tax Mark accreditation scheme seeks to encourage and recognise businesses that pay the right amount of corporation tax at the right time and in the right place.

Modern Slavery

Modern slavery is the severe exploitation of other people for personal or commercial gain.

MSME

Micro, small and medium enterprises are companies defined by low levels of revenue, assets or number of employees. The industry operated in could also be a factor.

Social Value

The benefit to the community from a commissioning or procurement process over and above the direct purchasing of supplies, services, works and outcomes.

TOMS

Themes and Outcomes and Measures Framework is a nationally recognised reporting tool which aims to provide a minimum reporting standard to help buyers measure and justify the pursuit of social value outcomes in their contracts.

VCSE

Voluntary, Community and Social Enterprise organisations. These include small local community and voluntary groups, registered charities both large and small, foundations, trusts and the growing number of social enterprises and cooperatives.

Supporting Information

Contract Procedure Rules



CPRs 2022

Council Plan 2020 - 2024

<https://www.cheshirewestandchester.gov.uk/your-council/policies-and-performance/council-plans-and-strategies/council-plan/council-plan-2020-24.pdf>

Social Value Policy, 2021

<https://www.cheshirewestandchester.gov.uk/your-council/policies-and-performance/council-plans-and-strategies/social-value/documents/social-value-policy-2021-25.pdf>

National Themes, Outcomes and Measures Framework (TOMs)

<https://socialvalueportal.com/solutions/national-toms/>

Government Green Paper, Public Sector Procurement Reform, 2020

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/943946/Transforming_public_procurement.pdf

Government Green Paper, Public Sector Procurement Reform, Government response to consultation, 2021

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1038516/Transforming_Public_Procurement_Government_response_to_consultation.v3_.pdf

National Procurement Policy Statement, 2021

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/990288/PPN_05_21- National Procurement Policy Statement.pdf

Inclusive Economy Progression Framework

Currently awaiting approval

Cheshire West and Chester Council's Climate Emergency Response Plan and Carbon Management Plan

[The Climate Emergency \(cheshirewestandchester.gov.uk\)](https://www.cheshirewestandchester.gov.uk/the-climate-emergency)

Procurement Policy Note – PPN06/2021 Taking Account of Carbon Reduction Plans in the procurement of major government contracts

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1054374/PPN-0621-Taking-account-of-Carbon-Reduction-Plans-Jan22_1_.pdf

A Compact for West Cheshire 2021-2024

[A Compact for west Cheshire 2021-24 | Live Well Cheshire West \(cheshirewestandchester.gov.uk\)](https://www.cheshirewestandchester.gov.uk/a-compact-for-west-cheshire-2021-24)

Cheshire West Place Plan
[Cheshire West Place Plan \(cheshirewestandchester.gov.uk\)](https://www.cheshirewestandchester.gov.uk)
Currently awaiting approval

Fairer Futures Strategy
<https://cmttpublic.cheshirewestandchester.gov.uk/documents/s76788/Appendix%20-%20-%20Fairer%20Future%20Strategy.pdf>

The LEPs Sustainable and Inclusive Growth Commission
[Sustainable and Inclusive Growth Commission - Cheshire and Warrington](#)
Currently at consultation phase

Fair Tax Foundation
[Home - Fair Tax Foundation \(fairtaxmark.net\)](https://www.fairtaxmark.net)