

## REPORT

<b>SUBJECT:</b>	<b>Procurement Strategy – Procuring for Public Value</b>
<b>MEETING:</b>	<b>Economy and Development Select</b>
<b>DATE:</b>	<b>13<sup>th</sup> July 2018</b>
<b>DIVISION/WARDS AFFECTED:</b>	<b>All</b>

### 1. PURPOSE:

- 1.1 The purpose of this report is to present for scrutiny the next iteration of the Council's Procurement Strategy and accompanying action plan. The Strategy builds upon workshop sessions undertaken with the Economy and Development Select Committee and the aims, aspirations and priorities for procurement, identified throughout the participative process.

### 2. RECOMMENDATIONS

- 2.1 That the Committee considers the draft Strategy and action plan; ensuring that based upon the knowledge and understanding developed through the Procurement workshops, the Strategy reflects the required direction of travel, prior to consideration by Council.

### 3. KEY ISSUES:

- 3.1 The Procurement Strategy is a key means through which the buying-in of goods, services and products, can create wider benefits and 'value added' to the Council's stated objectives. The Council invests c£109m annually in external procurement activity and leveraging this spend optimally can make a key contribution to 'sustainability and resilience'. There are two core aspects of the Council's procurement activity that relate to the main objectives of the Strategy and Action Plan:
- The way in which the Council invests its annual procurement spend in order to create efficiencies, benefits and added value in an internal sense; and,
  - The way in which we leverage 'smart spend' in order to create optimal external economic and social benefits through cultivating local supply chains, creating jobs and developing new and existing business growth.

### 4. REASONS:

- 4.1** The Council invests a significant proportion of its budget in procuring goods and services. The potential to embed 'smart state' thinking in this process; ensuring maximization of value for money, is significant. Beyond the Council as 'client' however, there is a wider responsibility and opportunity to maximize the contribution of its spend in the local supply chain; bringing people together to respond to challenges in new and different ways and ensuring that both economic and social benefits are optimized. Beyond this, the Strategy has an ambition to strengthen and consolidate procurement, by bringing together all those responsible for procurement in order to ground the new approach in a cultural process and ensure that all procurers develop a collective sense of responsibility around sustainable procurement.

## **5.0 RESOURCE IMPLICATIONS:**

- 5.1** The resource implications associated with the strategy and report are cost-neutral given improvements, developments and projects will be brought forward on a Return on Investment basis. Individual business cases seeking up-front investment outside of this, will require individual consideration. The creation of a Procurement network requires no additional support since the approach suggested, requires integration and better co-ordination and alignment of existing resources.

## **6. CONSULTEES:**

Senior Leadership Team  
Economy and Development Select Committee  
Procurement leads from across the Council

## **7. BACKGROUND PAPERS:**

Procuring for Public Value

## **8. FUTURE GENERATIONS IMPLICATIONS:**

- a. The significant Future Generations impact identified in the assessment (Appendix 1) are summarised below for members' consideration:
- i. The opportunity to self-determine and self-direct our own future through taking control of spending decisions and ensuring they are leveraged and optimised, will be critical to our continued relevance and viability;
  - ii. The opportunity to contribute to local economic growth and social cohesion through the way in which we target and develop supply chains and engage local communities in responding to the big challenges of the day – is a significant one. Enshrining the principles of transparency (for example, through open data) and collective responses to big challenges, will ensure we futureproof our processes and remain relevant to those to whom we are accountable; and,

- iii. The opportunity to be foresight focussed and understand future trends and developments is of critical importance. This will ensure that we move beyond responding to demand and begin to be able to anticipate future needs.
- b. The actual impacts from this report's recommendations will be reviewed every 3 years and criteria for monitoring and review will include: Continuous assessment of the Procurement Strategy will be undertaken to ensure it is actively maximising the Council's contribution to the Wellbeing Goals.

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