

PROCUREMENT STRATEGY (2024-2027)

FOREWORD

As we buy in goods, works and services we aim to deliver the very best economic, social, environmental, and cultural value for our communities whilst supporting our current Corporate Plan. This approach will support the evolution of modern, efficient, and effective procurement that delivers for our communities whilst minimising our impact on the world we live in.

We use the term Procurement to describe buying in goods, works or services within the public sector. With new legislation, UK Public Procurement Reform Bill and the Social Partnership and Public Procurement (Wales) Act, the Council has an opportunity to take advantage of a new shape public procurement. We can do this by seeking to increase innovation and agility in this highly regulated environment, whilst ensuring that we use our spending power wisely and strategically. With an annual spend in the region of £128 million on bought-in goods, services and works, it is important we manage this spend responsibly, and in a way that supports our corporate priorities, to secure not only the best value for money but also the very best outcomes for our citizens and our communities.

Our strategy will be supported by annual plans that have specific outcomes around achieving a reduction in carbon emissions, carrying out sustainable procurement duty, and setting out measurable expectations in respect of improving the contribution of procurement and commissioning activity on local businesses and the circular economy. We will aim to use technology to support the increase in transparency duties within the Procurement Acts, and we aim to have a consistent Council wide proportionate approach to contract management.

This strategy supports our Corporate Plan to:

- Build flourishing communities by reducing inequalities across environment, education, employment, income, and housing.
- Improve community well-being by enabling people of all ages to live healthy and independent lives.

We acknowledge that delivering this strategy will require some significant changes from the way we currently procure and commission, where procurement information will be available to all. The Council is committed to making this change and will provide the clear leadership and support that will be needed to ensure success.

Councillor Paul Johnson
Cabinet Member for Finance, Inclusion, Resilient Communities,
including Social Value and Procurement

Introduction

It's the Council's responsibility to manage its money efficiently and effectively. This strategy sets out how we are changing procurement and commissioning within the Council.

This Strategy will help us to:

- Establish a clear strategic direction and priorities for change.
- Establish key commissioning and procurement policy principles.
- Clearly set out what we are going to do and why.

The way in which public sector bodies buy, or procure, is changing. Two new parliamentary Acts set out the way in which the Council can buy in goods, works and services. If we improve our transparency, open more opportunities for competition, plan the procurement and commissioning cycle well, with tender specifications that are clear in our ask of community benefits and wider social and environmental value, it will give the Council a better chance of improving the use of local suppliers, and the economic and employment prospects in the County and bordering region.

Where we are now

- Fully electronic tendering with continual review and application of available technology – increasing efficiency and maximising accessibility.
- Carbon reduction – this is an evolving approach and is targeting carbon in what we buy and the supply chain of what we buy.
- Social value is now business as usual – securing added value for our communities and residents.
- Supply Chain capacity and inflation pressures.

Words we use in this document.

Procure and Procurement – this is the process of buying in a way that meets our responsibilities as a public sector body. These responsibilities are laid out in procurement Acts and Laws.

Commissioning – how we specify what we need to buy, and how we will buy it.

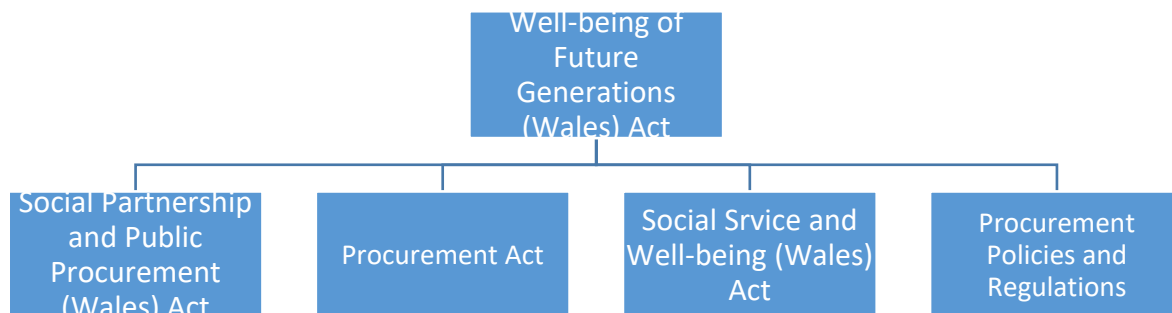
Tendering – how potential suppliers tell us their offer, including price and quality in a transparent and open way.

Socially Responsible Procurement – the considerations we must take when buying, this includes the social, economic, environmental, and cultural impact of what we buy and how we buy it.

Social Value – how we use our buying power to deliver additional benefits for our communities that is above the goods, works or services that we are purchasing.

The context in which the Council operates.

Across the UK, and in Wales, every public sector body is obliged to meet certain requirements when purchasing goods, works and services. These requirements are subject to laws, guidelines, and processes. As the UK and Wales procurement landscape is changing, we are changing to ensure that we not only remain compliant but take full advantage of this new way of purchasing and use it in a way that helps us deliver better outcomes for our communities.



As with every public body in Wales, Flintshire is:

- on a journey to become Carbon Net Zero
- contributing to reversing the current climate emergency
- ensuring that we deliver the very best value for communities.
- supporting business with early payment of goods and services.

Supporting the Flintshire County Council Corporate Plan

The Collaborative Procurement Team, that is shared between Flintshire and Denbighshire Councils, advises, and supports Flintshire commissioning officers to deliver compliant procurement that seeks to contribute to Flintshire's priorities.

Flintshire's corporate priorities are:

- Poverty – protecting people from poverty by supporting them to meet their basic needs.
- Affordable and accessible housing - Housing in Flintshire meeting the needs of our residents and supporting safer communities.
- Green society and environment - Limiting the impact of the Council's services on the natural environment and supporting the wider communities of Flintshire to reduce their own carbon footprint.
- Economy – enabling a sustainable economic recovery and growth.
- Personal and Community Well-being – supporting people in need to live as well as they can.

- Education and Skills – enabling and supporting learning communities.

The way in which we commission, tender and procure will contribute to the corporate priorities by:

- Supporting commissioning officers to
 - Deliver our socially responsible procurement duty.
 - Consider carbon impact of what we buy, and how we buy it.
 - Secure best overall value – including financial, social, environmental, and cultural.
 - Ensure potential suppliers are aware of faster payment options.
 - Be aware of the implications and opportunities arising from the new Procurement Acts.
- Producing data that is
 - Robust and relevant, in a way that informs future procurement decisions.

Themes of the Procurement Strategy

The Procurement Strategy is based around five key themes.

With defined key target outcomes for each theme, the strategy will make sure the ambitions are delivered through a range of actions and measures.

- Theme 1 – Climate Emergency.
- Theme 2 – Securing best overall value.
- Theme 3 – Socially Responsible Procurement Duty.
- Theme 4 – Early Payment – ‘FastTrack’.
- Theme 5 – The implications and opportunities arising out of the new procurement Acts.

Theme 1 – Climate Emergency

Ambition

The Council has an ambition to become carbon neutral by 2030.

Carbon emissions from supply chain make up around 60% of the Council's total carbon emissions, so we understand we have work to do, both internally within the Council and externally by working with our supply chain, to meet this ambitious goal.

Some of our objectives include:

- working with public sector partners, the private sector, third sector, and our local communities, to support them to reduce their carbon footprint.
- considering carbon impacts and climate adaptation in local infrastructure, building and planning.
- managing our land effectively to increase carbon absorption, maintain and improve biodiversity, and improve natural flood management.

The Council spends around £128m per year with suppliers and many of the services that we provide are delivered through these suppliers. There is therefore a huge opportunity for Procurement and Contract Managers to support the Council's resolution and Strategy.

Target outcomes

- ✓ Our procurement exercises have a reduced impact on CO2 emissions including life cycle thinking of products and services and support of a circular economy, and spending decisions consider the impact on the environment and a changing climate.
- ✓ Our Suppliers embrace our ambitions to become a Net Zero Carbon Council by 2030 by assessing their own practices to create change across the whole sector.

Actions

1. Work collaboratively to develop a toolkit to ensure all procurement exercises are awarded, giving consideration to carbon reduction priorities and monitor contract against declared emissions.
2. Provide communication and training to all affected employees, suppliers, and prospective bidders.
3. Ensure carbon reduction is appropriately considered throughout Council procurement policy, strategy, business cases, commissioning templates, tender evaluations, etc.
4. Increase local participation and stakeholder involvement by working with local businesses to support them to reduce their carbon footprint by switching from fossil fuel driven tools, equipment, and fleet, sourcing local and sustainable materials and services, and reducing use of single-use plastics.
5. Work in collaboration where procurement of goods and services can be utilised on a regional or joint basis.

Theme 2 – Securing best overall value.

Ambition

The Council seeks to deliver the best value for our communities in terms of cost and benefit whilst always having in mind our socially responsible procurement duty.

The best overall value will be achieved by practicing good procurement. Good procurement delivered in a careful and responsible way supports the delivery of good quality services whilst ensuring value for money, society, environment, local economy whilst reflecting the cultures of, and shared by, our communities.

The key objectives include:

- Forward planning procurements to ensure all value-based considerations are included.
- Apply lessons learned from delivery of previous contracts to inform the design of future procurements.
- Consider overall value of a procurement including balancing cheapest against expected longevity of purchase and social value secured.
- Attracting potential local and third sector suppliers to engage in tender opportunities.

By thinking about the overall value that can be achieved whenever we plan to procure goods, works or services, we can potentially achieve valuable local impact. There is therefore a huge opportunity for Procurement and Contract Managers to support the Council's resolution and Strategy to secure the best overall value out of our approach to procurement.

Target outcomes

- ✓ Maximise the number of well-planned procurement exercises that take advantage of feedback from previous contract delivery.
- ✓ Engage in appropriate collaborative procurement opportunities to secure improved value for money.
- ✓ Increase capability in local suppliers, including third sector, to engage in tender opportunities to develop and deliver services.
- ✓ Improve long-term outcomes from our procurements, such as local supply chain commitments, carbon reduction, local employment and employee development, and engagement with community groups.

Actions

1. Challenge value-based considerations on procurements, to support the shift from Most Economically Advantageous Tender (MEAT) to Most Advantageous Tender (MAT)
2. Explore applying 100% quality evaluations on applicable procurements.
3. Identify potential procurement to trial outcome-based approach, i.e., tender defines the problem/challenge, evaluate responses using 100% quality.
4. Continue to ensure social value officer is engaged during commissioning phase.

Theme 3 – Socially Responsible Procurement Duty

Ambition

The council has an ambition to be ready to meet its Socially Responsible Procurement (SRP) Duties in good time for application of the Social Partnership and Public Procurement (Wales) Act 2023. The Act is expected to become law in Autumn 2024.

The Council's SRP duty is defined as:

- To improve the economic, social, environmental, and cultural well-being of its area by carrying out public procurement in a socially responsible way, aligned to the sustainable development principle.
- Prepare a strategy and set and publish objectives.
- Ensure provisions are proportionate.
- Apply requirements on prescribed contracts (major construction and outsourcing services contracts)

The Council spends around £128m per year with suppliers and many of the services that we provide are delivered through our suppliers. There is therefore a huge opportunity for Procurement and Contract Managers to support the Council's resolution and Strategy to maximise the social impact of our approach to procurement.

Target outcomes

- ✓ Our procurements will be designed and delivered to maximise our positive impact on our communities. This includes social, economic, environmental, and cultural well-being.
- ✓ Major construction contracts and outsourced services will include Social Public Works Clauses
- ✓ Prepare and publish reports, reviews, and information as required by the Act.

Actions

1. Continue to raise awareness of SRP duty amongst officers who commission and procure, and to share updates, training, and developments.
2. Contract management will be used to ensure implementation of Social Public Works Clauses and the Revised Workforce Code, as prepared by Welsh Government.
3. Consider the Well-being of Future Generations Act, the Wales Procurement Policy Statement, and the statutory guidance aligned to the SRP duty within the Act.
4. Ensure obligations are implemented throughout the supply chain.
5. Produce exception reports if Clauses are not used or applied.
6. Produce and publish as summary of procurements carried out over the year and expected to be carried out over the next two years (pipeline)
7. Publish a 'contracts register'

Theme 4 – Early Payment – ‘FastTrack’

Ambition

The Council is committed to developing strong supplier relationships and recognises that now more than ever, early payment can make a significant impact on the growth and development of suppliers’ businesses. The Council is also facing its own unprecedented financial challenges and must change its working practices to protect frontline services.

The Council continues to promote FastTrack, an early payment programme which demonstrates this commitment and delivers multiple benefits.

Suppliers benefit from:

- ✓ improved cash flow.
- ✓ greater visibility across the Council.
- ✓ reduced time spent chasing payments.

The Council benefits from:

- ✓ improved operational effectiveness.
- ✓ improved, less time-consuming operational processes.
- ✓ generation of savings.

Target outcomes

- ✓ All suppliers are provided with the opportunity to participate in the Council’s FastTrack programme where appropriate, regardless of spend levels or procurement methods utilised.
- ✓ The Council will be able to proactively plan for and consider required FastTrack actions for all upcoming spend throughout the Procurement and Contract Management phases.

Actions

1. Work collaboratively to develop a sourcing pipeline which captures all upcoming spend to ensure that where appropriate, all suppliers are offered the ability to participate in FastTrack.
2. Work collaboratively to develop and support consistent Contract Management policies and processes which allow suppliers greater opportunity to participate in FastTrack.
3. Ensure that FastTrack is appropriately considered throughout the Council’s Procurement and Contract Management policies and imbedded into delivery throughout services via strategy, plans, business cases, commissioning actions, contract management actions, etc.

4. Provide and update guidance and training to officers in relation to FastTrack and Finance processes and procedures, including, sourcing, commissioning, Purchase-to-Pay, etc.
5. Increase visibility of performance levels across the organisation, providing reports to management highlighting areas of non-compliance with FastTrack and Finance processes and policies.

Theme 5 – The implications and opportunities arising out of the new procurement Acts.

Ambition

The Council will maximise opportunities arising out of the new procurement Acts whilst ensuring all officers are aware of the implications of the new Acts, including any statutory duties.

There are 3 pieces of legislation that will impact on how and what we procure:

- The Procurement Act 2023 – introduced by Westminster, this Act covers wide ranging changes to the way in which public sector bodies must procure.
- The Social Partnership and Public Procurement (Wales) Act 2023 – introduced by Welsh Government, among other considerations this Act widens procurement actions to include not only how we procure but what we procure and its impact (socially responsible procurement duty). The Welsh Act will work in conjunction with the Westminster Act.
- Health Service Procurement (Wales) Bill – not yet enacted and currently focused on NHS procurement.

Some objectives include:

- The act of procurement contributing to a greater focus on well-being goals.
- Greater transparency of the whole procurement process
- Improved contract management
- Taking tougher action on underperforming suppliers

Target outcomes

- ✓ Reporting requirements delivered, including contact register, future pipeline, prompt payment, and all required notices.
- ✓ Publish minimum of 3 KPIs on prescribed contracts
- ✓ Inclusion of Model Clauses for construction and outsourced services contracts
- ✓ Payment compliance notice published every 6 months – 30 days from receipt of invoice.

Actions

1. Build capacity of contract management within the Council to:
 - a. Ensure all contract reporting is fit for purpose and ready to publicly publish.
 - b. Monitor contract delivery to ensure underperforming suppliers are checked and remedial actions are taken.
 - c. Capture what works well, and what doesn't work well, to inform future tender design.
2. Raise awareness, train and support officers understand new reporting and contact management obligations.
3. Support engagement with procurement service to explore design of new and novel procurement processes that fit local requirements whilst being fully compliant.

Monitoring and Reporting

We will publish an annual report that clearly sets out our targets, how we plan to meet them, and our performance against previous plans. The Report will address:

- Progress towards procurement's contribution to corporate priorities.
- How we met our Socially responsible procurement and prompt payment duties, including suppliers accessing faster payment options.
- Reduction, or otherwise, in our supply chain carbon footprint.
- A summary of procurements that led to prescribed contracts.
- A pipeline of anticipated procurements over the following 12 – 18 months.
- How we ensure efficient and effective monitoring and reporting.
- An overview of what we have procured.

Contact Point

For further information please contact procurement@flintshire.gov.uk