

|                              |  |
|------------------------------|--|
| <b>MIDDLESBROUGH COUNCIL</b> |  |
|------------------------------|--|

|                   |                     |
|-------------------|---------------------|
| <b>Report of:</b> | Director of Finance |
|-------------------|---------------------|

|                                   |   |
|-----------------------------------|---|
| <b>Relevant Executive Member:</b> | Executive Member for Finance & Governance |
|-----------------------------------|---|

|                      |           |
|----------------------|-----------|
| <b>Submitted to:</b> | Executive |
|----------------------|-----------|

|              |               |
|--------------|---------------|
| <b>Date:</b> | 10 April 2024 |
|--------------|---------------|

|               |  |
|---------------|--|
| <b>Title:</b> | Corporate Procurement Strategy 2024 - 2026 |
|---------------|--|

|                    |          |
|--------------------|----------|
| <b>Report for:</b> | Decision |
|--------------------|----------|

|                |        |
|----------------|--------|
| <b>Status:</b> | Public |
|----------------|--------|

|                            |                    |
|----------------------------|--------------------|
| <b>Strategic priority:</b> | Quality of service |
|----------------------------|--------------------|

|                      |    |
|----------------------|----|
| <b>Key decision:</b> | No |
|----------------------|----|

|             |                |
|-------------|----------------|
| <b>Why:</b> | Not applicable |
|-------------|----------------|

|                             |    |
|-----------------------------|----|
| <b>Subject to call in?:</b> | No |
|-----------------------------|----|

|             |                |
|-------------|----------------|
| <b>Why:</b> | Not applicable |
|-------------|----------------|

|   |
|---|
| <b>Proposed decision(s)</b>   |
| That Executive approves the Corporate Procurement Strategy 2024 – 2026. |

|   |
|---|
| <b>Executive summary</b>  |
| This report presents Executive with the Corporate Procurement Strategy for 2024 – 2026 for approval and subsequent publication. |

## 1. Purpose

To present Executive with the Corporate Procurement Strategy 2024 – 2026 for approval.

## 2. Recommendations

That the Executive

- Approves the Corporate Procurement Strategy 2024 - 2026

## 3. Rationale for the recommended decision(s)

The Corporate Procurement Strategy sets the strategic direction for the implementation of the Contract Procedure Rules, which are the regulatory framework for all staff to follow in respect of purchasing goods, services and works regardless of value. This strategy supports the aims and priorities of the Council.

## 4. Background and relevant information

The current strategy was in place from 2020 to 2023 and a new strategy is required.

A new two year corporate procurement strategy (Appendix A) is recommended to be put into place until 2026, this timeframe is shorter than previous strategies to ensure any future revisions reflect the transformation anticipated over the next two years within the authority. As part of this transformation an options appraisal will be developed concerning the most cost effective delivery model for procurement across the authority.

The strategy recognises the opportunity that procurement activity has in maximising added value and efficiencies with a focus on achieving value for money, alongside collaborating with internal and external partners.

The Procurement vision is to offer an outstanding procurement experience for stakeholders and suppliers that is transparent, provides opportunities for local businesses, delivers fantastic goods and services, delivers the best value for our residents, and supports achievement of the Councils strategic priorities.

### Key elements of the Strategy

The procurement strategy has three strategic aims:

- **Straightforward** - To make procurement as straightforward as possible for the Council and potential suppliers, in particular to improve access for local suppliers, SMEs, the VCS/ Third Sector and to eliminate anything that does not add value to the procurement.
- **Strategic** - To use sound procurement practices and innovative solutions to promote sustainability and value for money, making use of collaboration and partnership opportunities where this meets the needs of the Council.
- **Delivering local Opportunities** - To support and encourage an effective local supplier market including the voluntary sector and the promotion of local social value in contracts (such as the creation of apprenticeships and local supply chains).

Following the concerns articulated by External Audit, and noted as part of the Best Value notice, a suite of actions have been implemented to improve governance in accordance with respect to procurement activity. These actions include:

- Refresh of the Contract Procedure Rules within the Constitution
- Mandatory face to face training for all senior managers and budget holders
- Revision of criteria linked to the use of procurement cards
- “How to” training videos for all staff
- Production of a procurement operational manual
- Options appraisal concerning the most cost effective model for procurement to deliver best value for money and ensure good governance.

This Procurement Strategy complements all the activities above, and sets the strategic direction to promote excellence in our procurement practices and ensuring full accountability and transparency for our spend.

## **5. Other potential alternative(s) and why these have not been recommended**

Do Nothing – The current strategy would expire, without a replacement . As such there would be no strategic vision aligning to the council plan for the purchase of goods and services.

## **6. Impact(s) of the recommended decision(s)**

### **6.1 *Financial (including procurement and Social Value)***

Whilst there are no direct financial implications arising from the agreement of the Strategy, clearly the absence of an agreed strategy could lead to increased costs being incurred by the Council, or indeed missed opportunities.

This strategy articulates the link to the annual procurement pipeline report, which is determined annually and is reflective of the Council Plan.

### **6.2 *Legal***

There are no known legal implications of adopting the strategy. However adopting an up to date procurement strategy will assist the Council to be mindful of and comply with the relevant legislative framework.

Procurement operates in a highly regulated environment governed by the Council's internal procedures and rules such as the Contract Procedure Rules in the Constitution and legislation such as the UK Public Contract Regulations 2015, the Concession Contracts Regulations 2016 and the Utilities Contracts Regulations 2016 (soon to become one legal framework

The Strategy has also been prepared (so far as possible) to reflect changes that the Council anticipates may be required to comply with the Procurement Act 2023 when this comes into force in October 2024. The government has indicated that there will be a six month transition period to allow authorities and suppliers time to prepare for any changes introduced by the Procurement Act 2023. The Public Services (Social Value) Act 2012 will

be applicable to pre-procurement procedures and the Council must consider how any services it is considering procuring might improve social priorities and the wellbeing of the service area.

**6.3 Risk**

The risk to the council in not having a Procurement Strategy is that officers would not have strategic guidelines to follow. As a result the council would potentially be open to challenge as a result of inconsistent procurement activities.

**6.4 Human Rights, Public Sector Equality Duty and Community Cohesion**

An Impact Assessment has been completed with no concerns being found that the strategy could have any adverse effects and the assessment is attached as Appendix B.

**6.5 Climate Change / Environmental**

The Corporate Procurement Strategy 2024 – 2026 articulates how the Council will be strengthening Social Value return through procurement which could assist the Council in meeting its aspirations to become net carbon neutral by 2029, ensure Middlesbrough as a town is net carbon neutral by 2039 and make Middlesbrough a lead authority on environment issues.

**6.6 Children and Young People Cared for by the Authority and Care Leavers**

There are no impacts for Children and Young People cared for by the Authority and Care Leavers from this report.

**6.7 Data Protection / GDPR**

There are no Data Protection or GDPR implications from this report.

**Actions to be taken to implement the recommended decision(s)**

| Action  | Responsible Officer                           | Deadline                       |
|---|---|--------------------------------|
| Publish the Corporate Procurement Strategy 2024 – 2026 on the Middlesbrough Council website | Strategic Commissioning & Procurement Manager | 29 <sup>th</sup> February 2024 |

**Appendices**

|   |   |
|---|---|
| 1 | Appendix A – Impact Assessment Corporate Procurement Strategy |
| 2 | Appendix B – Corporate Procurement Strategy 2024 - 2026       |
| 3 |   |

**Background papers**

No background papers were used in the preparation of this report.

**Contact:** Claire Walker  
**Email:** Claire\_walker@middlesbrough.gov.uk