



**BLACKBURN**  
*with*  
**DARWEN**  
BOROUGH COUNCIL

# PROCUREMENT STRATEGY

2022 - 2025

# INTRODUCTION

## WHAT IS PROCUREMENT?

Procurement is the process of acquiring supplies, services and works. It includes acquisition from third parties and in-house providers. The process spans the full procurement cycle from identifying the need, through to the end of a contract or the end of useful life of an asset and lessons learnt. It involves early stakeholder engagement, assessing impact on relationships and linkages with services internally and externally, options appraisals and the critical 'make or buy' decision whilst determining the appropriate procurement strategy and route to market. Procurement is therefore much wider than simply purchasing, and through the effective implementation of our procurement strategy we will be able to demonstrate the added value that procurement can bring.

## WHY IS PROCUREMENT IMPORTANT?

The Council spent £112m on goods and services in 2020/21. Therefore the procurement activity that buys in supplies and services is critical to ensuring that best value is being obtained.

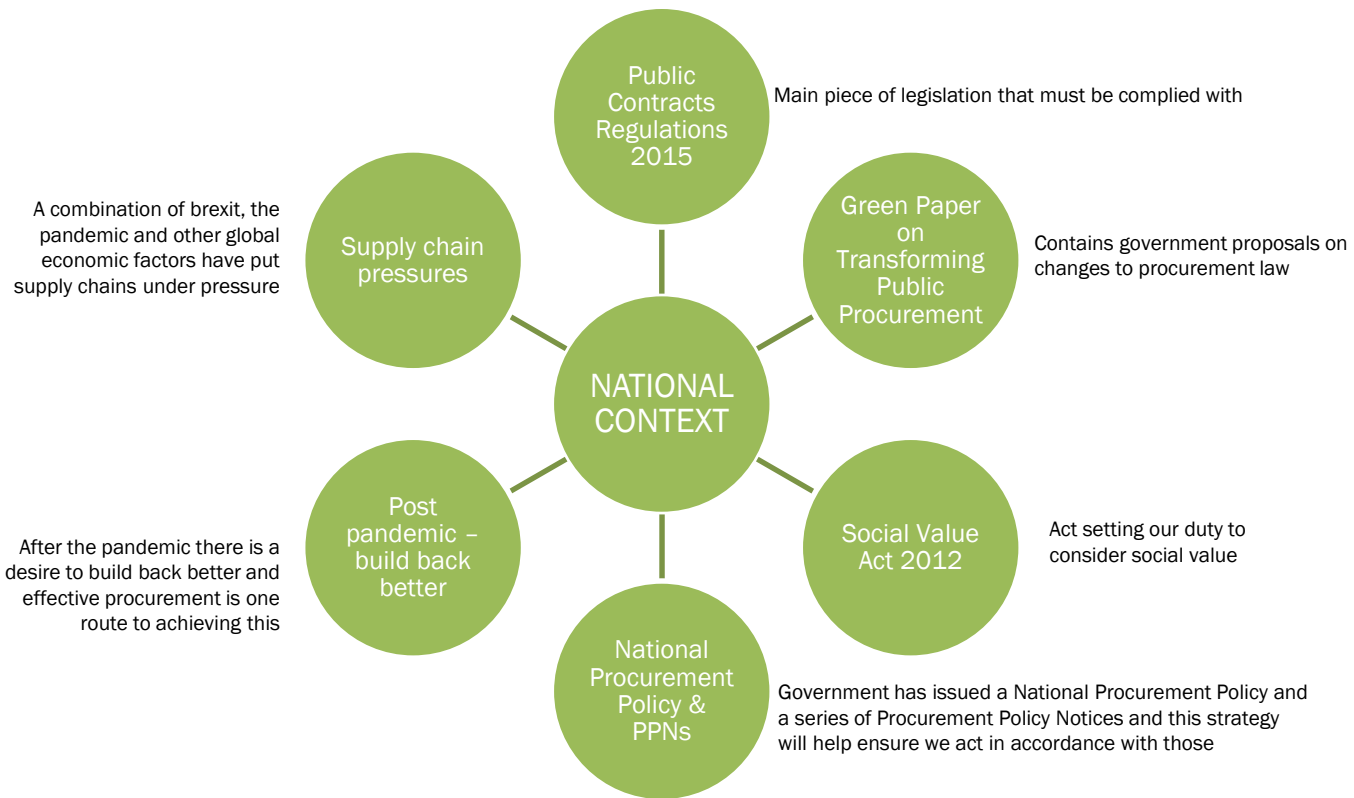
- Public procurement is about improving the delivery and cost effectiveness of quality public services to citizens
- Procurement can be a mechanism to challenge current service arrangements and find new models for service delivery
- Savings realised through better procurement can be channelled back into priority services
- Procurement can achieve additional added value benefits to residents through effective use of supply chains
- Our professionalism and planning can help prevent financial loss to the Council

## WHY DO WE HAVE A PROCUREMENT STRATEGY?

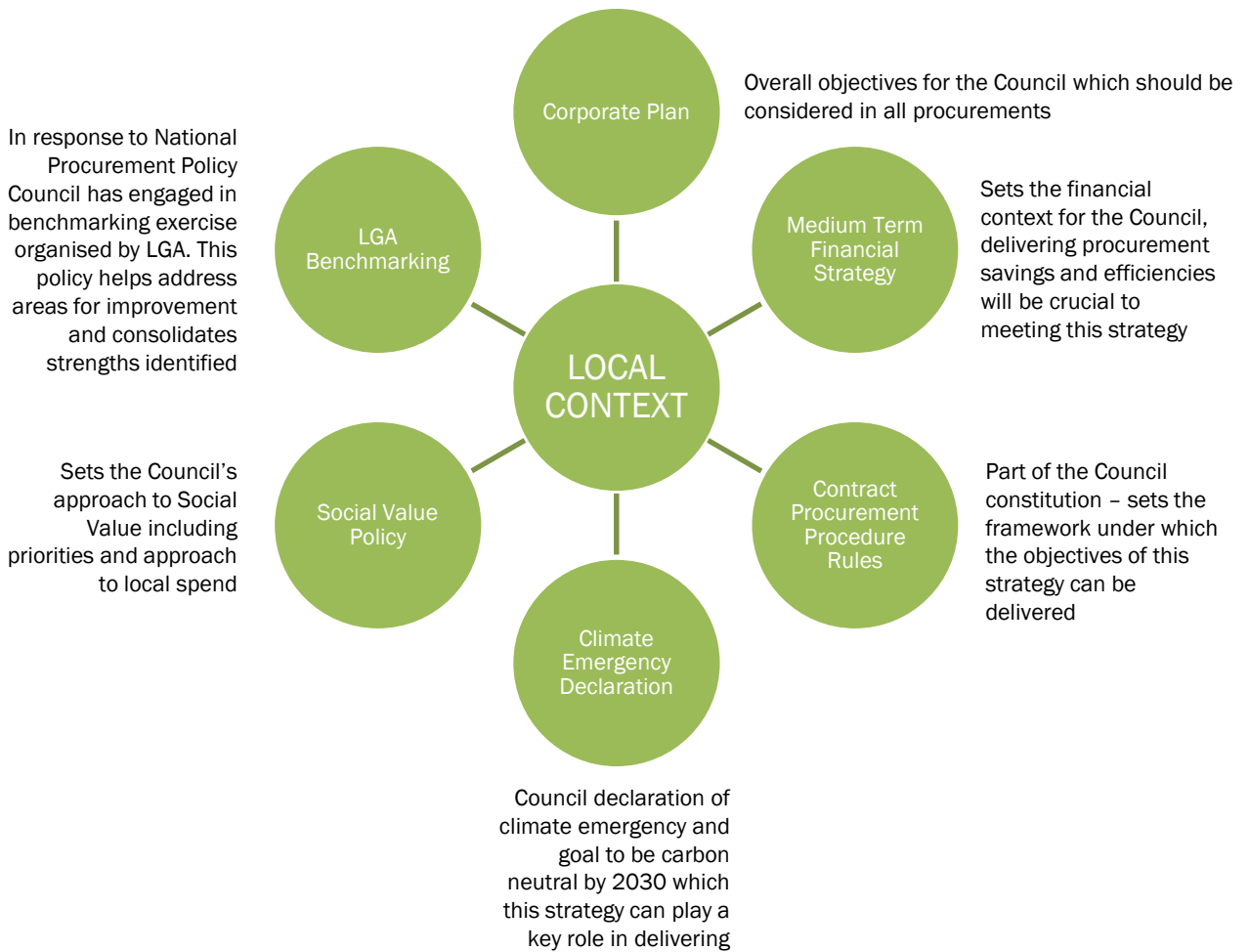
Our Procurement Strategy sets out our strategic approach to procurement activity. It is not intended to be an operational guide to procurement; however the objectives should be applied to all our procurement activity.



# NATIONAL CONTEXT



# LOCAL CONTEXT



# PROCUREMENT STRUCTURE

The Council's Procurement structure is made up of three elements – leadership, the Contracts and Procurement team and officers in departments who undertake procurement activity. Their key roles and responsibilities are set out below.

## Executive Member

- Lead by Executive Member for Finance and Governance
- Approval of overall strategy
- Oversight of Procurement function and implementation of this strategy
- Receive regular reports on delivery of the strategy
- Approve strategies for high value or high importance procurements

## Corporate Leadership Team

- Agree strategies for delivering procurement savings including cross department procurement opportunities
- Approve contract awards when in line with agreed strategies
- Monitor KPIs including local spend & social value
- Propose this to be done via establishment of a Procurement Board

## Contracts and Procurement Team

- Advice and guidance to departments on Procurement Rules and Strategy
- Advice and guidance on compliance with Public Contracts Regulations 2015
- Primary responsibility for delivering the priorities and action plan set out in this strategy
- Administer the Chest e-tendering
- Identify savings opportunities and propose strategies for delivering procurement savings
- Prepare procurement documents for tender exercises working with Place and Resources departments
- Placing quotation exercises on the Chest for Place and Resources
- Advise departments on contract management
- Procure and manage corporate contracts
- Manage major contracts (e.g. BSF)

## Strategic Commissioning Team

- Identify savings opportunities and propose strategies for delivering procurement savings within People Department
- Prepare procurement documents for tender exercises working with People departments
- Placing quotation exercises on the Chest for People departments
- Manage contracts for People departments

## Departments

- Work with Contracts and Procurement team as required to deliver this strategy
- Comply with Contract Procurement Procedure Rules
- Primary responsible for ensuring their contracts have been appropriately procured and are managed appropriately
- Undertaking low value procurement exercises (under £80k) with advice from Contracts and Procurement (Place and Resources Departments) where needed
- Place and Resources departments must engage with Contracts and Procurement team for contracts above £80k
- People departments must engage with Strategic Commissioning team for contracts above £80k
- Work with Contracts and Procurement team to deliver procurement savings
- Use corporate contracts where appropriate
- Implement any initiatives to deliver priorities and action plan – e.g. use of local suppliers

# PRIORITIES

- Supporting the Local Economy
- Achieving Savings
- Delivering Social Value
- Responding to Climate Change
- Being Effective and Efficient



# SUPPORTING THE LOCAL ECONOMY

We will aim to be a catalyst to boost the local economy. The Council recognises that, as highlighted by PPN 11/20, when it spends money locally there is enhanced value delivered for the borough beyond quality and price as local supply chains are more likely to employ local people, train local people, give back to the local community and have a lower carbon footprint. This will help to create new businesses, new jobs and new skills. We will therefore seek to maximise opportunities for local businesses by :

- taking a local first approach where we can – we will identify capable local suppliers and if there can be effective competition between local suppliers we will seek quotes from them first
- offering training to local providers to help them bid for our contracts and those of other public sector organisations
- Increasing how much we spend locally measured via a KPI reported on annually

# ACHIEVING SAVINGS

In order to meet the financial challenge faced by the Council due to less funding and to drive value for money it is as important as ever that procurement activity consistently maximises savings. To do this we will:

- identify opportunities for new savings using spend analysis
- obtain best value offers through effective competition and negotiation
- explore with departments opportunities to use procurement as a catalyst for transformational change of services to drive better value
- engage with suppliers to encourage diversity, innovation and resilience
- continue and develop use of innovative procedures such as e-auctions which drive best prices from markets
- develop our spend analysis and report on this to departments





# DELIVERING SOCIAL VALUE

The Council will demonstrate through a Social Value Policy the additional benefits that can be brought to the borough through consideration of social value. This will include its priorities which will be consistent with the National Procurement Policy set out in PPN 05/21. We will achieve those priorities by measuring social value as set out in the policy and effectively managing contracts to ensure social value that is promised is delivered on.



# RESPONDING TO CLIMATE CHANGE

Procurement can and must play a key role in tackling climate change. In July 2019 the Council declared a climate emergency. The Council's Climate Emergency Action Plan identified a need to revise procurement policies and procedures to ensure environmental impact is considered as part of all major procurements. To do this we will:

- When procuring goods, works and services consider if there are any alternatives available that would help the borough meet its targets
- in line with the Social Value Policy for every tender include social value questions which include the priority of being carbon neutral by 2030
- work with existing suppliers to understand the carbon footprint of contracts and whether it can be reduced



# BEING EFFECTIVE AND EFFICIENT

As custodians of the public purse it is the Council's duty to ensure that money is spent effectively and in accordance with the principles of fairness and transparency. To ensure this is the case we will:

- have an up to date contracts register for each department and a plan of upcoming procurement activity for each department to ensure compliance with upcoming publication requirements
- ensure systems and process are in place to maximise value and effectively manage risk
- ensure our systems for purchasing and procurement operate as effectively as possible
- implement role specific training for members, procurement officers, budget holders and staff who raise orders
- offer appropriate qualifications (at least CIPS Level 4) to all Procurement Officers
- have a toolkit of standard documents and guidance to help our procurement activity to align with best practice
- have a continuous improvement plan to ensure we are always improving our ways of working
- to demonstrate delivery of this policy we will prepare an annual report to the Executive Member for Finance and Governance setting out progress against these priorities
- be prepared for upcoming changes in procurement law and embrace and maximise opportunities it presents
- working jointly with colleagues across the public sector to explore opportunities for collaboration

# ACTION PLAN 2022-25

Action	Priority	Measure	By when
Develop local supplier register	Local Economy	In place	Summer 2023
Produce quarterly report on local spend by department	Local Economy	Target increase local spend by 10%	Increase by Spring 2025
Hold training events for local providers, including on social value	Local Economy, Social Value	2 per annum	First event Summer 2022
Develop spend analysis tool	Savings, Effective and Efficient	Quarterly spend reports to department	Spring 2023
Produce savings identification plan	Savings	Target savings of 5% of influenceable spend	Savings delivered by Spring 2025
Finalise, approve and implement Social Value Policy	Local economy, social value and climate change	Policy approved	Approval Early 2022
Develop Social Value Commitment Tracker	Local economy, social value and climate change	Annual report on social value benefits delivered	Summer 2022

# ACTION PLAN 2022-25 CONTINUED

Action	Priority	Measure	By when
Procurement Training Plan produced and implemented	Effective and Efficient	100% of those involved in procurement received annual training	2023
Establish Procurement Board	Effective and Efficient	Board established	Spring 2022
Climate change assessment for all high value procurements	Climate Change	100% of high value procurements have assessment	Spring 2023
Measure Carbon Footprint of high value contracts	Climate Change	100% major contracts to have measurement	2024
Contract Management Toolkit used for all high value contracts	Effective and Efficient	100% of high value procurements have CM in line with toolkit	2023



# ACTION PLAN 2022-25 CONTINUED

Action	Priority	Measure	By when
Draft new Contract Procurement Procedure Rules once new procurement regulations are in place	Effective and Efficient	New rules in place	Aligned to new law implementation date
Develop and maintain Continuous Improvement Plan for Procurement	Effective and Efficient	Plan reviewed quarterly	2022
Annual report to the Procurement Board on delivery against this plan	Effective and Efficient	Report submitted annually	Winter 2022
Develop links with other anchor institutions in the borough to agree mutually beneficial approaches	Effective and Efficient	Agreements with at least 2 anchor institutions	2024