

## Appendix 1: Corporate Procurement Strategy Annual Update 2018/19

Strategic Objective	A continuously improving Council delivering best value
Procurement Objective	Develop and implement a procurement plan to deliver social benefits through procurement processes; and develop supplier relationship management across the Council

Action area	Status	Actions for 19/20
Develop and implement the Contract & Supplier Management Policy	Complete	<p>Policy implemented. Continue to embed across organisation including:</p> <ul style="list-style-type: none"> <li>• Ensuring clarity of the Council's commitment to payment of a living wage to persons involved in producing, providing or constructing the subject matter of regulated procurements;</li> <li>• Ensuring clarity of the Council's commitment to payment within 30 days after invoice;</li> <li>• Ensuring clarity of the Council's commitment to Health and Safety at Work etc;</li> <li>• Ensuring clarity of the Council's commitment on food to improve the health, wellbeing and education of communities and the standards of animal welfare;</li> <li>• To embed scorecards for all new contracts.</li> </ul>
Develop a standard matrix of targeted social benefits	Complete	<p>Standard matrix implemented. Continue to target Social Benefits across:</p> <ul style="list-style-type: none"> <li>• Employment;</li> <li>• Skills and Training;</li> <li>• Health and Wellbeing;</li> <li>• Security and Crime;</li> <li>• Fairly and Ethically Traded;</li> <li>• Equality;</li> <li>• Fair Work; and</li> <li>• Environment.</li> </ul>
Continuously improve Council spend with local small and medium enterprises (SME)	Ongoing	<p>Introduce a communication quarterly to local SMEs about the Council procurements in the next 2 quarters.</p> <p>Introduce a process where suppliers / providers where spend is from £1M and contractors where spend is from £4M have to advertise their supply chain opportunities to local SMEs to express an interest in joining the supply chain.</p> <p>Introduce a minimum yearly "Meet the Buyer" sessions to the local SMEs.</p>

Code	Performance Indicator	2016/17	2017/18	2018/19					2019/20	
		Value	Value	Value	Target	Status	Long Trend	Short Trend	Note	Target
SECON04	% of procurement spent on local small/medium enterprises	9.1%	11.18%	11%	11%				From an analysis of the Council's influence-able procurement spend in FY2018/19: The Council spend with local SMEs was 11% against a target of 11%; and the Council's spend with all SMEs was 54%.	12%
RES/PRO/098	Percentage of C&SM scorecards submitted against the total number due	New PI	New PI	5.3%	100%				Indicative PIs were used for 18/19 following approval of the CSM Policy in Aug 2018. However following full implementation of new CSM policy and assessment, revised PIs have been introduced for 19/20.	75%
RES/PRO/099	Percentage of social benefits points delivered against total social benefits points agreed in tender	New PI	New PI	15%	100%				Indicative PIs were used for 18/19 following approval of the CSM Policy in Aug 2018. However following full implementation of new CSM policy and assessment, revised PIs have been introduced for 19/20.	75%

Strategic Objective	A continuously improving Council delivering best value
Procurement Objective	Develop procurement leadership, governance and controls across the Council

Action	Status	Actions for 19/20
Review and implement the procurement guidance	Complete	Continue to review and implement the procurement guidance based on legislation and continuous improvement.
Continue to review and revise Procurement Procedures including review of financial regulations	Complete	Review procurement training to reflect financial regulations.
Report performance against the procurement strategy and annual report.	Ongoing	Monitor performance at regular intervals and report through PAMG / Committee as required. Monitor performance at regular intervals and report through PAMG / Committee as required.
Continuously improve Council spend that is regarded as compliant in line with financial regulations and regulated procurements	Ongoing	Quarterly monitoring of non-compliant spend to identify improvement areas: <ul style="list-style-type: none"> <li>Procurement spend and commodity / contract strategies will be analysed and reviewed on a quarterly basis. Target - 90% of contracts compliant.</li> </ul>

Action	Status	Actions for 19/20
		Continue to deliver procurement awareness training for relevant officers. Increase awareness of the Financial Regulations across the workforce.
Ensure approaches to procurement including commodity strategies which facilitate better management of the supply base; avoids and / or resolves potential problems; and is the basis of future processes for the commodity involved.	Ongoing	Complete - Implementation of commodity strategies for: <ul style="list-style-type: none"> <li>• Security; and</li> <li>• Environmental Services.</li> </ul> Ongoing - Implementation of commodity strategies for: <ul style="list-style-type: none"> <li>• Mental Health, Learning Disabilities and Addictions;</li> <li>• Construction;</li> <li>• Information and Communications Technology (ICT);</li> <li>• Highway Maintenance, Equipment &amp; Materials.</li> </ul>
Lead, and deliver the council wide pipeline 2019/21	Ongoing	Continue to prioritise to support the organisation's wide pipeline and increase compliance.
Consult and engage with those stakeholders affected by procurements	Ongoing	Continue as part of the commodity / contract strategies.
Continuously improve P2P efficiencies	Ongoing	Target suppliers to take faster payment options through Basware system. Continuing to reduce manual ordering and replace with a purchase order. Continuing to target e-invoicing and embedding purchasing cards.

Code	Performance Indicator	2016/17	2017/18	2018/19					2019/20	
		Value	Value	Value	Target	Status	Long Trend	Short Trend	Note	Target
RES/PRO/005	Percentage of contracts that are compliant	77%	72%	77.2%	75%				All spend in FY2018/2019: 77.2%. Regulated spend in FY2018/2019: 79.7%	90%
CS/PR/01	Annual Cash Savings target achieved	£642,691	£435,565	£334,728	£332,000				FY2018/19 savings achieved was £334,728 (revenue and rebate) against a saving target of £332,000.	£400,000
RES/PRO/003	Percentage of P2P savings target achieved		100%	94%	100%				The P2P target has not been reached due to under performance on card rebate with the number of suppliers that can take card almost reached.	100%

Strategic Objective	A continuously improving Council delivering best value
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Procurement Objective	Develop and implement new ways of working in procurement activity
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Action	Status	Actions 19/20
Undertake benchmarking with other Councils to consider best practice and improve performance	Ongoing	Continue to benchmark with councils. As part of the option appraisals, commodity strategies and contract strategies work, continue to explore collaboration opportunities.
Undertake key tasks in line with continuous improvement framework including self evaluation	Complete	Continue to implement improvement plan and team performance.
Complete pilot of an e-auction	Complete	Develop the methodology and guidance and share lessons learned. Roll-out e-auctions as a potential route for supplies.

Strategic Objective	A continuously improving Council delivering best value
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Procurement Objective	Implement actions arising from the PCIP assessment
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Action	Status	Actions 19/20
<ul style="list-style-type: none"> <li>Leadership &amp; Governance</li> <li>Development &amp; Tender</li> <li>Contract</li> <li>Purchasing Processes</li> </ul>	Completed for PCIP 2018	All procurement activities will continue to contribute to the improvement plan and the next formal PCIP assessment in 2020.

Code	Performance Indicator	2016/17	2017/18	2018/19					2020	
		Value	Value	Value	Target	Status	Long Trend	Short Trend	Note	Target
RES/PRO/001	External assessment of procurement - PCIP score (Procurement and Commercial Improvement Programme)	64%	N/A	75.52%	73%				<p>An external assessment of procurement takes place every two years. Based on our most recent assessment on 23 October 2018, the Council achieved an improved PCIP score of 75.52%, exceeding the target set and up significantly from our previous score of 64% in 2016.</p> <p>The assessment is split into 4 sections:</p> <ul style="list-style-type: none"> <li><b>Leadership &amp; Governance</b> 2018 Achieved 83%</li> </ul>	84%

									<ul style="list-style-type: none"><li>• <b>Development &amp; Tender</b> 2018 Achieved 73%</li><li>• <b>Contract</b> 2018 Achieved 58%</li><li>• <b>Purchasing Processes</b> 2018 Achieved 88%</li></ul> <p><b>2020 Target: 84%</b></p>	
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