

Co-operative Procurement Strategy 2021 – 2024

“Building Wealth in our Community”



Foreword

We have revised our Procurement Strategy for 2021 to 2024 outlining our priorities and how procurement will contribute to our Future Town, Future Council ambitions and outcomes.

Stevenage Borough Council spent around £60 million on goods, works and services in 2020/2021. We have a duty to provide value for money for our residents and customers through effective and efficient procurement policies and practices.

In November 2020, the Council launched its Co-operative Inclusive Economy Charter encouraging communities, organisations and businesses to work together to help shape the economy and share the benefits of growth. Procurement plays its part in encouraging our local suppliers to bid for our contracts and help to grow and connect our town's residents and organisations and to support wealth building within Stevenage.

We will look to insource procurement opportunities as our default position; we will review our contracts to establish if we are able to enhance service delivery or better value by delivering services directly.

The Council declared a Climate Emergency in June 2019; we want and need to do more to achieve net zero emissions in Stevenage by 2030. We consider the supply chain an important part of helping us to achieve this goal. Social value benefits in procurement will bring together positive sustainable and economic solutions driving down our carbon usage.

One of the Council's challenges will be to help the Borough to recover from the effects of Covid 19; procurement will play its part in supporting our existing suppliers through good contract management and encouraging new suppliers to tender for up and coming opportunities. Community wealth building will work through the supply chain to help our town grow with opportunities that procurement gives.

Public Procurement Laws are being reformed by the government simplifying processes as a result of Brexit. Stevenage Borough Council will unleash the potential of public procurement so that departments can tailor their procedures to meet the needs of the market.

We signed the Co-operative Party Modern Slavery Charter in September 2018 as a frontline stand against modern slavery. We have trained our corporate procurement team to support challenging any low cost tenders and report any contractors that they feel may be of concern. We actively check our supply chains to ensure that exploitation has no place across our Council.

Successful implementation of this strategy ensures that every pound spent is at the heart of achieving value for money and supporting the residents, communities and businesses of Stevenage.



Councillor Joan Lloyd (Mrs)
Portfolio Holder for Resources

Progress since our last strategy.....

<p>Our strategy is published on the Council website along with our 'Selling to the Council' Guide.</p>	<p>We have made further updates to our Contract Standing Orders for Band 2 to say that Council Officers must invite a Stevenage based supplier if one such exists and is appropriate for the requirement.</p>
<p>We have encouraged procuring officers to carry out pre-market engagement for procurement exercises to understand what suppliers are able to offer prior to starting the procurement.</p>	<p>We have delivered an online webinar to help small businesses understand how to do business with the Council.</p>
<p>The Council publishes a quarterly pipeline of procurement opportunities and the contracts register on the website.</p>	<p>We have encouraged procuring officers to get local suppliers wanting to do business with the Council to sign up on the Supply Hertfordshire website – http://www.supplyhertfordshire.uk/ so they can receive automatic email alerts.</p>
<p>We have revised our bidding documents to make them simpler to understand.</p>	<p>Procurements over £75,000 are openly advertised through Supply Hertfordshire and Contracts Finder.</p>

Future Town, Future Council

The delivery of the Council's ambitions will be central to every procurement exercise. It is also important for the Council to ensure that the organisations and individuals it does business with have culture and values that align with the Council's.

Procurement is a function which works alongside many other areas of the Council. There is a requirement for awareness and adherence to UK Law and other Council policies and strategies. For example, Health and Safety Acts and regulations, Safeguarding, Equality and Diversity, Transfer of Undertakings (Protection of Employment) Regulations 2006, Confidentiality and Publicity, Data Protection, Freedom of Information, the Modern Slavery Act, Anti-terrorism, Anti-Fraud and Corruption, Commercial and Co-operative Insourcing Strategy, Co-operative and Inclusive Economy Charter and Climate Change Strategy.

Stevenage will promote effective procurement across the Borough with a long term focus on its ambitions.



The Council will contribute to facilitating economic growth, including the transformation of the town and high-quality housing. Procuring officers are committed to encouraging and working with a diverse and competitive supply chain including working with small firms, social enterprises, ethnic minority businesses, voluntary and community sector suppliers and encouraging apprenticeship schemes.

Five Principle Foundations of the Stevenage Procurement Strategy

The Procurement Strategy for 2021-2024 is made up of five principle foundations.

Each foundation is a building block of the considerations that need to underpin the procurement process and will be embedded in the way we procure our goods, works and services contracts to support the Council's ambitions.



1. Community Wealth Building

Community Wealth Building focuses on how much money is held and reinvested into an area for the benefit of local communities. Stevenage Borough Council is well positioned to promote opportunities for SMEs, Employee Owned Businesses, Social Enterprises and other Community Based or Owned Businesses within the Borough which will support the aim of locally recirculating wealth in the area.

This Procurement Strategy will encourage the development of Community Wealth Building as part of our foundations. We will embed Community Wealth Building into our procurement process, into the supply chain and the community. We will engage with other anchor institutions to include relevant departments from Hertfordshire County Council, the NHS, North Herts College and the University of Hertfordshire. The success that comes from Stevenage Borough Council will be used as a means to explore and incorporate this agenda within other anchor institutions thus creating economies of scale to lever our collective spend. By adapting their procurement processes and decision making, anchor institutions can create dense local supply chains and ecosystems of local enterprises, SMEs, Employee Owned Businesses, Social Enterprises, Cooperatives and other forms of Community Ownership. This is important because these types of businesses are more likely to support local employment and have a greater tendency to recirculate wealth and surplus locally.

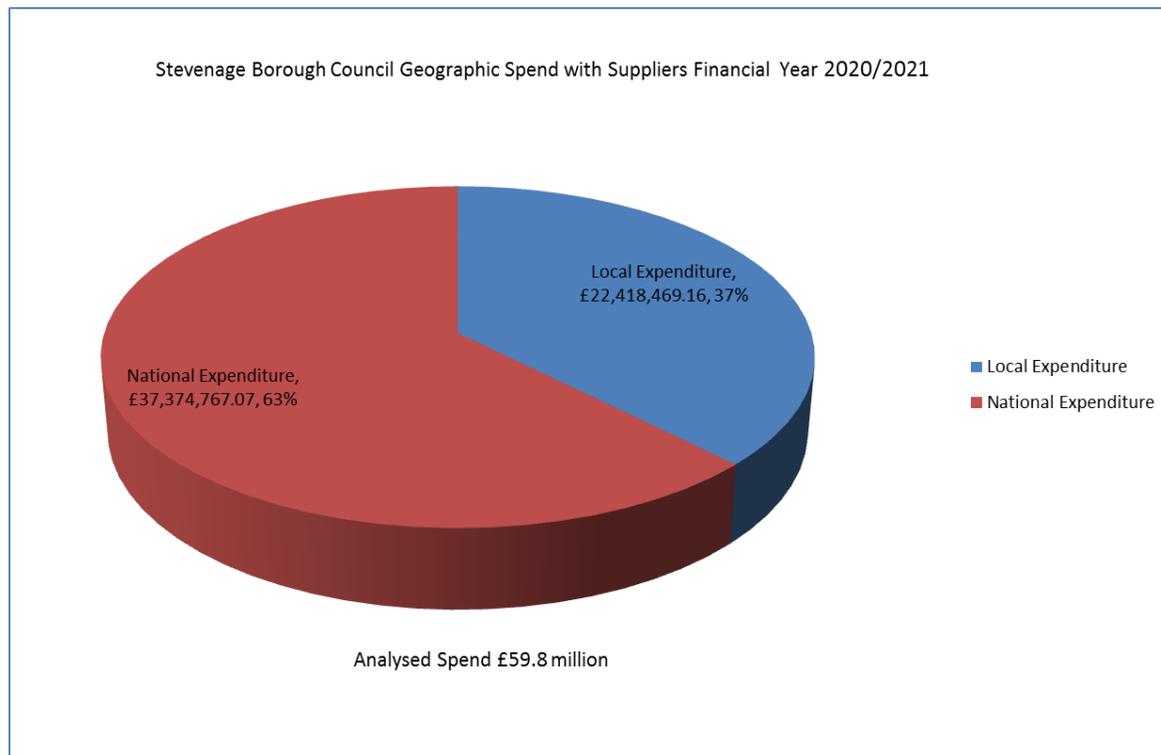
Community Wealth Building works with the other four principle foundations forming this strategy by helping to address the various inequalities experienced by our residents by focussing on generating economic growth and supporting financial resilience within our local community.

Stevenage Borough Council is a member of the Cooperative Council's Innovation Network which recognises the need to define a new model for local government built on civic leadership, with councils working in equal partnership with local people to shape and strengthen communities. This means a new role for local authorities that replaces traditional models of top down governance and service delivery with local leadership, genuine co-operation, and a new approach built on the founding traditions of the co-operative movement: collective action, co-operation, empowerment and enterprise.

As part of the recovery efforts from Covid-19, the Council established a charter for the town to drive pledges from public, private and voluntary sector partners to rebuild the local economy putting residents and local enterprises at the heart of recovery planning.

The Cooperative and Inclusive Economy Charter aims to prevent money leaving the area. Ways of doing this include making contracts more accessible to small and medium sized local companies, and connecting local people to good jobs. The council identified two main benefits when developing the charter – bringing about a fairer society, as people become more connected to their economy, and a more resilient economy as people and businesses cooperate to create sustainable growth.

In 2020/2021 Stevenage Borough Council (“The Council”) spent approximately £60 million on the procurement of goods, works and services; this was an increase of £10 million from the previous year. The increase is a result of the major construction projects being undertaken in the town as part of the regeneration scheme. The chart below maps the geographical area our expenditure has been made in. We can see from the geographical spend that 37% goes to suppliers locally. We have defined local as all suppliers that are based in Hertfordshire, Luton and Central Bedfordshire.



2. Sustainability

Stevenage Borough Council declared a climate emergency in June 2019 and reconfirmed its commitment to battling climate change by setting a target to ensure Stevenage has net-zero emissions by 2030. Tackling climate change and improving sustainability must be a key foundation for all procurement activity. By harnessing our purchasing power we will: help combat climate change and reduce carbon emissions; reduce waste; save resources; improve air quality; and enhance green space and promote biodiversity. The Council, following Hertfordshire County Council, is approaching the climate emergency through three specific themes: Enable, Lead, and Inspire. While Stevenage Borough Council is fully committed to being net zero carbon itself by 2030, it is also committed to achieving that for all within Stevenage. The Council can only do this in partnership and with the support of the town. Through identifying these 3 approaches and effective engagement it is possible to empower everyone to reduce their carbon emissions, including the supply chain.

We will drive sustainability into our procurement process in the following ways:

- As a minimum comply with all relevant environmental, social and procurement legislation.
- Support our goal of net-zero emissions by 2030 and reduce carbon dioxide emissions from contracted services.
- Wherever possible, the Council will specify products which are made from recycled products, can be recycled or re-used, can be operated in an energy efficient manner and cause minimal damage to the environment in their production, distribution, use and disposal; so long as the requirements for value for money and quality are met.
- Lessen environmental impacts across design, construction and operation, as well as services and goods provision.
- Ensure that waste is reduced, reused, and recycled wherever possible.
- Reduce all plastic waste.
- Integrate environmental considerations throughout the procurement process, from options appraisal to contract completion, applying appropriate significance.
- Reduce energy consumption and maximise the use of green energy sources.
- Reduce the energy consumption and subsequent contribution to the Council's carbon footprint from ICT equipment and electrical appliances.
- Support services that help generate improved air pollution within the town.

- Reduce transport impacts through smarter delivery options and encourage greener vehicles to be used both within the Council's fleet and for contracted services.
- Avoid the unnecessary use of chemicals, and prevent the use of hazardous chemicals wherever possible on our estate and within our contracted services.
- Support options that encourage green infrastructure and biodiversity.



3. Social Value and Ethical Procurement

'Social Value' is a way of thinking about how scarce resources are allocated and used. It involves looking beyond the price of each individual contract and looking at what the collective benefit to a community is, when a public body chooses to award a contract. Social value asks the question 'If £1 is spent on the delivery of services, can that same £1 be used to also produce a wider benefit to the community?' The Public Services (Social Value) Act came into force on 31 January 2013. It requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before they start the procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders.

Stevenage Borough Council has chosen to use the Social Value Portal to manage social value within its tendered contracts – <https://socialvalueportal.com/> evaluating social value comprises of themes, opportunities and measures. The themes which are being used in procurement at Stevenage are:

- Promote Local Skills and Employment
- Supporting Growth of Responsible Regional Business
- Healthier, Safer and more Resilient Communities
- Decarbonising and safeguarding our world
- Promoting Social Innovation

As a member of the Co-operative Councils Innovation Network, Stevenage Borough Council is a local authority committed to reforming the way it works through building an equal partnership with local people, based on the values and principles of the International Co-operative Alliance. We will support the development of a framework and criteria for social value, giving substance to the concept and to ensure better local social and economic outcomes.

Social Value can help support Community Wealth Building aims to revive local economies, renew trust in local services and deliver a renaissance of local government; by giving businesses and communities a bigger stake in the local economy.

The council is committed to ensuring a high standard of ethical trade practices, across its commissioning and procurement activities. The council expects its suppliers, service providers and contractors to act with integrity and transparency in their dealings and practices, adhering to the laws of the countries where they operate. These are not normally included explicitly in the subject matter of the contracts as most are governed by legal requirements which if breached would be grounds for excluding the supplier from further contracts for non-compliance.

Stevenage Borough Council has signed up to the Co-operative Party Charter against Modern Slavery which aims to establish ethical labour sourcing practices in our supply chain and establish robust recruitment processes. We require all of our contractors to comply fully with the Modern Slavery Act 2015, wherever it applies, with contract termination as a potential sanction for non-compliance.

Procurement can be the target of anti-competitive, fraudulent and corrupt activities. The Council will take steps to minimise the opportunity for these and use clear policy statements and codes of conduct which are easily accessible by members, staff and the public.

4. Commercial & Insourcing

Stevenage Borough Council recognises that it is operating in a rapidly changing environment, with increasing financial challenges which are expected to become more demanding in future years. In the last decade, against the backdrop of austerity, £10m of ongoing savings have been made. In addition, the council have made investments via the Future Town, Future Council programme in regeneration, building new homes, improving council homes, supporting neighbourhoods and improving services for customers.

There is a need for the Council to adapt its culture, thinking and ways of working. In August 2020 the Council launched its Co-operative Commercial and Insourcing Strategy which harnesses greater innovation, financial flexibility, commercial awareness, prudent risk management and the effective use of new technologies. Commercialisation will be embraced and delivered throughout the organisation, with opportunities identified and realised universally wherever possible. As a Co-operative Council, the focus will be on cooperative solutions and where possible work will be undertaken through the Co-operative Council Innovation Network. The Council defines commercialism as the ability to manage services well and efficiently and be innovative in generating vital funds to be able to protect vital services and deliver the best value for our communities and customers. This includes maximising value for money from contractual relationships, including the consideration of insourcing services.

The council will continue with its commitment to use in-house and shared services to deliver council operations, and insourcing will be the council's default position, other than when there is sufficient evidence that this is not an option. All services provided to, or on behalf of the council by external suppliers or third parties will be reviewed to establish if an opportunity exists to enhance service delivery or achieve better value by delivering services directly. Officers are being provided with guidance on considerations around insourcing and where possible, business units will be developed to deliver work that is currently contracted out to others. Attention will be given to whether opportunities exist to join up work streams across the council and break down silo approaches when procuring services and managing contracts. Insourcing roadmaps will be used to list known contracts and potential insourcing opportunities and will detail timescales for their consideration.

5. Pro-active Procurement

High quality, professional procurement support is essential to deliver better procurements and also for developing a knowledge and intelligence base to support the delivery of the Council's ambitions. The procurement process spans from the pre-market engagement, preparation, the tender and award and through to the final stage of contract management. We expect to form a pro-active approach at all stages in the procurement cycle taking stock and considering our options to best meet the needs of our town.

Pro-active Communication

- Generating opportunities to engage with our stakeholders, developing a knowledge base of up and coming procurements and understanding how they translate into the Council's ambitions. This will include the quarterly contracts and procurement group.
- Reaching out to establish opportunities to engage with the community, local businesses, the voluntary sector through meet the buyer events and by utilising technology to offer webinars on how to do business with the Council.
- Through this process, building a repository of intelligence and using it to enable us to be best placed to provide appropriate guidance, developing a consultative pro-active approach across the Council to all our procurements.

Pro-active Learning

- From the procurements we have undertaken, wherever possible we will follow up with a lessons learnt plan to ensure that we are making the most effective use of public money and looking for opportunities to develop our local supply base.
- The Corporate Procurement team will ensure that they are appropriately trained and guided, with suitable tools and data to pro-actively move the procurement strategy forward.
- Providing opportunities to develop skills and knowledge, as well as creating career pathways that will enable the Council to attract and retain the best talent.

- The Council will continually review how its procurement teams are resourced to pro-actively support and deliver the challenges of the Procurement Strategy.
- The Corporate Procurement team will deliver training to procuring staff across the Council to promote the five principle foundations of the Procurement Strategy.

Pro-active Analysis

- Data integrity and intelligence is beneficial to good pro-active procurement. We will use the Council's financial data to assist with our decision making.
- Have the ability to generate reports that provide a complete understanding of our contractual spend and supplier make up, including local versus non local spend.

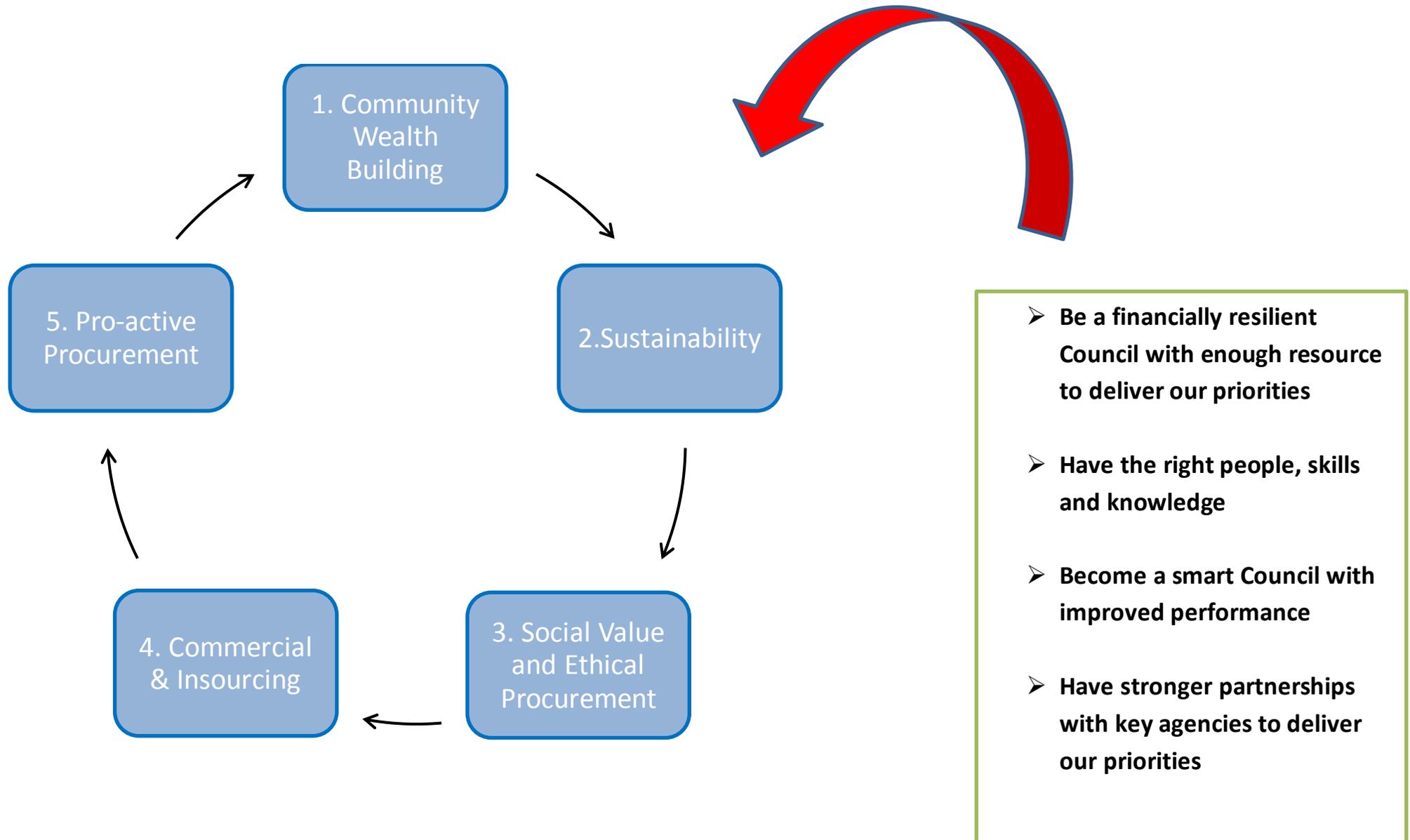
Pro-active Contract Management

- Meeting the requirements of the Local Government Transparency Code 2015 by capturing all contracts over £5,000 on a central contracts register to support effective contract management.
- Procuring Officers will confirm procurements for major and operational contracts have appropriate KPI's and outcome measures included.
- Learning from suppliers and stakeholders to understand how performance and outcomes have been delivered and can be improved, along with lessons learnt to build into future procurements.
- Undertaking benchmarking exercises of pre-agreed services and continually reviewing the contracts to ensure maximum value is being achieved. Where appropriate review any possible insourcing opportunities.
- Delivering training on a regular basis to support officers that are pro-actively managing contracts.

Pro-actively Moving Forward

- Reviewing progress across the five principle foundations of the Procurement Strategy.
- Taking on board feedback from all stakeholders (internal and external) and constantly striving through our procurements to deliver maximum social, environmental and economic benefits for our local communities.
- Providing guidance through spend and contract information on where our focus should be in supporting the Council's Future Town Future Council ambitions while balancing the need to make efficiencies.

Moving Forward – The Five Principle Foundations



Community Wealth Building

The Council is a key anchor institution in Stevenage and can lead by example to encourage and support Community Wealth Building. To create community wealth from a procurement perspective we need to understand the local supplier base.

Outcome Delivery – Increase the number of local suppliers we use within Stevenage year on year from our current baseline

Indicators

- Number of contracts awarded to local suppliers
- Amount spent with the local supply chain

1. Understand the local supplier base Target: by Dec 2021

- Conduct research, identify supplier engagement activities, and work with key local supplier representatives to understand more of what our local supplier base comprises of.
- Conduct a gap analysis to show what we are looking to procure across our programmes of work versus the types of local suppliers.

2. Understand opportunities for local suppliers Target: by Mar 2022

- Through supplier events and by improving our online offer specific to local suppliers, enabling them to learn more about the support available, future opportunities and how to register on the procurement portal – www.supplyhertfordshire.uk.

3.	Targeting procurements for the local supply base	Target: to commence April 2022
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- Identify the number of social enterprises, for example, Mutual, Co-operatives, Community Interest Companies etc. in the local community.
- Understand what services they can provide and look to conduct preferred contract procurements targeted to social enterprises in line with current legislation.
- Through our procurements, create links for larger suppliers to use our local supply chain in delivery of the required project, capturing the number of suppliers and amount spent within the local economy.
- Work with key departments to encourage the creation of more social enterprises that will support community wealth building.

4.	Broadening our scope to bring in other Anchor organisations	Target: to commence Jun 2022
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- To engage with other anchor institutions in Stevenage and Hertfordshire such as the NHS, Hertfordshire County Council, North Herts College and The University of Hertfordshire to work collaboratively on procurements embedding wealth building.
- Specifically looking to identify opportunities where leveraging spend will enable all involved to provide more opportunities for the local economy.
- Using an evidence based approach to demonstrate the journey, intelligence around the local supply base and social enterprises, as well as successes with regard to increases in the amount we have been able to spend within the community.

Sustainability

The Council's commitment to achieving net zero emissions by 2030 and leading work to establish Stevenage as a leader in sustainable transport and the enhancement of Stevenage's biodiversity will be supported through the procurement process.

Outcome Delivery – Reduce waste through smarter procurement

Indicators

- How many of our suppliers have strategies in place to reduce carbon in the supply chain. This will be tested through the evaluation of the procurement process and contract management.

1. Create a Procurement Sustainability check list for use on all future procurements

Target: March 2022

- Incorporating the 'Communication and Collaboration Plan' from the Climate Change Strategy to create a sustainability check list suitable to use in the procurement process.
- Working with departments to ensure that the check list captures all aspects to the procurements that will be undertaken.

2. Implementing the Procurement Sustainability checklist

Target: to commence April 2022

- Working with the contracts and procurement group and delivering training across the Council to end users to roll out the use of the checklist.
- Once agreed to use the check list as part of the contract management process.
- Link into the social value portal theme of Decarbonising and Safeguarding our world.

Social Value and Ethical Procurement

Stevenage Borough Council is firmly committed to social value and will be embedding the Social Value Portal into all tendered procurements.

Outcome Delivery – Measure the delivery of social value

Indicators

- The individual TOM's (Themes, Opportunities and Measures) will be reported on from the Social Value Portal.

1.	To work with the Social Value Portal to select the TOM's for Stevenage Borough Council	Target: March 2021
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- Organise a workshop with officers from different areas of the Council to define what TOM's are suitable for Stevenage Borough Council to use.

2.	To include Social Value Evaluation in all tenders over £75,000	Target: to commence September 2021
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- Develop guidance and update the standard procurement tendering templates.
- Offer training to officers on the Social Value portal where required.

3.	To report on the TOM's for Stevenage	Target: to commence April 2022
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- Use the available data to report on the Social Value being created by the supply chain in Stevenage.

4.	Modern Slavery Statement	Target: to commence April 2021
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- To review and update the Council's Modern Slavery Statement on an annual basis.

Commercial & Insourcing

The Council will identify commercial options and insourcing opportunities which will support the Council's financial position.

Outcome Delivery – to increase the number of insourced contracts or where there is commercial opportunity

Indicators

- Number of contracts insourced
- Number of contracts insourced and then scaled up for services to be sold externally
- Savings realised through the insourcing of contracts
- Number of contracts with income generation

1.	Embed a review process 18-24 months prior to end of contract to consider insourcing/commercial options	Target: to commence January 2022
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- As part of the contract management process at around 24 months prior to the end of a contract a process is to be implemented to review whether the contract is suitable to bring in house and what the financial and resource implications would be.

2.	Case Studies	Target: September 2022
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- Where successful insourcing has taken place, encourage the departments responsible to produce a case study to showcase the positives and any problems with the process as a learning tool.
- Case studies are also to be encouraged for procurement projects where successful commercial opportunities have been implemented and executed.

Pro-active Procurement

Corporate Procurement will support the delivery of savings by identifying further budget options through the transformation programme, through better communication and contract management.

Outcome Delivery – Provide commercial intelligence to ensure we are achieving value for money	
<u>Indicators</u>	
<ul style="list-style-type: none"> ➤ Maintain the contracts register and identify opportunities to collaborate on internal contracts ➤ Work with the contracts and procurement group to understand opportunities and risks of up and coming projects and contract management ➤ Developing supplier relationships ➤ Savings/cost avoidance 	

1.	Pro-active Communication	Target: Continue to build April 2021
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- Continue to pro-actively manage up and coming opportunities and publish the procurement pipeline on the Council's website.
- Support local and small businesses by offering webinars, participating at meet the buyer events and updating the Selling to the Council guide on the internet.
- Update and build a repository of new guidance and web links relevant to procuring officers as and when required on the internal intranet, to include for example information on the National Procurement Policy Statement.

2.	Pro-active Learning	Target: Continue to build April 2021
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- Set up a process to enable a debrief and lessons learned plan after all tendered procurements.
- Continually review how the Council's procurement function is resourced in order to ensure it is equipped to support and deliver the challenges of the Corporate Procurement Strategy.
- To deliver training to procuring staff across the Council to promote the five principle foundations of the Corporate Procurement Strategy.

3.	Pro-active Analysis	Target: Continue to build April 2021
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- Working with departments to ensure there is a full awareness of data requirements and how this feeds into supporting the Council's ambitions.
- Generate reports to provide a complete understanding of our contractual spend and supplier make up including local versus non local spend.

4.	Pro-active Contract Management	Target: Continue to build April 2021
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- All contracts over £5,000 are to be recorded on the central contacts register and published online.
- Procuring Officers to ensure all contracts have appropriate KPI's and outcome measures included.
- Work with departments and offer guidance and training to ensure contract management and performance is achieving contractual commitments.

- Undertake benchmarking exercises of pre-agreed services and continually review the contracts to ensure maximum value is being achieved. Where appropriate review any possible insourcing opportunities.

5.	Pro-actively Moving Forward	Target: Continue to build April 2021
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- Building in the milestones set out across all of the five principle foundations in the Corporate Procurement Strategy and reviewing regularly to make sure we are on track.