



Westmorland
& Furness
Council

Procurement Strategy

2024-2027



'to work in partnership with internal and external stakeholders ensuring procurement is carried out in an ethically, social and environmentally responsible way, that delivers value for money, and long term benefits for the Council and the residents in Westmorland and Furness'



Introduction

Westmorland and Furness Council spends over £340m annually on the purchase of goods, works, services and utilities. This strategy is an important document and sets out our approach to ensure we deliver value for money, whilst maximising every pound spent and delivering financial sustainability.

It creates a valuable opportunity for us to contribute significantly to the economic, environmental and social gains in the local region and for our local communities – through a well-planned, organised and executed procurement process.

It defines our strategic approach to procurement for the next 3 years until 2027; and sets out our vision and priorities, incorporating the latest government procurement legislation, whilst considering our local and national drivers.

This strategy is set within the context of the Council Plan and our vision to make Westmorland and Furness **“A great place to live, work and thrive”** whilst supporting our economy and culture to achieve **“sustainable, inclusive, economic growth”** and making sure **“customers and communities needs are at the heart of designing our services”**.

As part of achieving value for money, we are committed to ensuring that sustainability is fundamental in our procurement process looking to work with providers, and other stakeholders, that support our commitment to balancing the demands of environmental protection and recovery, economic development and growth, and addressing inequality and creating a fairer Westmorland & Furness.

Working with and through providers to address the challenges of sustainability must be underpinned by three sustainability principles of equity, economy, and environment.

Equity - We know that there is a need to address any inequalities, especially those resulting from poverty and rural sparsity. We will focus on the wider determinants that drive those inequalities in a way that is fair and equitable.

Economy - We know that we need to increase our productivity and improve educational outcomes, broaden and increase our skills base. We will support sustainable and inclusive growth which benefits our diverse population whilst protecting the environment.

Environment - As a new Council we recognise our environmental responsibilities, including taking action on climate change and biodiversity loss. We will seek to redress damage and protect our environment for the long term.

Contents

What is Procurement?	4
Legal and compliance	5
Environment, Social and Governance in Procurement	6
Challenges and Opportunities	7
Our aims, objectives and key priorities	9
The Procurement Cycle	10
Procurement Alignment with Council Strategies and Plans	13
Next Step	14

What is Procurement?

Procurement is the process through which an organisation establishes and manages contracts for goods, works, services and utilities. Put simply we aim to ensure that we make commercial arrangements and award contracts that provide the Council with value for money, whilst proving social value benefits and a sustainable future for the 230,000 residents in Westmorland and Furness.

This strategy applies to all directorates and services across the council and all officers of the council must have regard to this strategy and Contract Procedure Rules (part of the Constitution) when undertaking procurement activity, to ensure all procurement is carried out in a legal and compliant way.

To support the delivery of this strategy, procurement and commissioning need to be defined and understood throughout the council. We have agreed the following definitions:

Procurement is the process of acquiring goods, works, services and utilities from third parties. This is a process that spans the whole procurement life cycle from identification of needs, through to the end of a works or services contract or the end of the useful life of an asset.

Commissioning is the strategic activity of identifying need, allocating resources and determining the best way of meeting these needs, which if appropriate, could include securing a provider, within available means.



Legal and compliance

Public procurement is governed by a legal and regulatory framework which is being transformed to create a simpler and more commercial system, with openness and transparency at its core. Failure to adhere to public procurement law can expose us to costly legal challenges. In that context, this strategy is intended to support compliance with our Contract Procedure Rules, the UK Public Contracts Regulations 2015, and the fundamental procurement principles of transparency, equal treatment, non-discrimination and mutual recognition.

Following Brexit, UK procurement is no longer led by the EU Public Contracts Directive 2014, and moving forwards will be regulated by The Procurement Act 2023, Social Value Act 2012 and other legislation specific to the nature of the goods or services being procured.

Developments in this area will be considered and acted upon over the duration of this strategy, and such changes are expected to start to come into effect during October 2024.

These public procurement transformation changes will:

- Create a simpler and more flexible, commercial system, that better meet public needs, while remaining compliant with our international obligations
- Open up public procurement to new entrants, such as small businesses, those in the voluntary and community sector and social enterprises, so that they can compete for, and win, more public contracts
- Embed transparency throughout the commercial lifecycle so that the spending of taxpayers' money can be properly scrutinised

Over time, this public procurement transformation will provide new tools we can utilise in the procurement process, and we will need to upskill staff across the Council, which will be embraced and used to support our vision and aims.

Environment, Social and Governance in Procurement

The importance of Environmental, Social, and Governance (ESG) factors in procurement is rapidly growing as local authorities and their supply chains are increasingly held accountable for their impact on the environment and society.

For the Council, this means looking how we can achieve the following through the procurement of goods, works, services and utilities:

- Minimising negative environmental impacts, such as reducing greenhouse gas emissions, conserving resources, preventing pollution – whilst working with providers to increase our bio diversity net gain and achieve our net zero carbon scope 3 target in 2050
- Increasing focus on the social factors that include human rights, fair labour practices, diversity and inclusion, and community engagement. Working with suppliers to look beyond the financial cost of a contract to consider how the services they procure can improve the economic, social and environmental wellbeing of an area (for more information see the Social Value Statement)
- Addressing the ethical and responsible management of providers and their suppliers. This includes transparency, accountability, and adherence to relevant laws and regulations

By focusing on these ESG factors, not only will we be supporting the Council Vision and Values – but there are other benefits associated with implementing these factors such as cost savings (through resource efficiency, waste reduction and energy conservation) risk management (by helping to identify, assess and mitigate ESG risks) and identifying opportunities for innovation and attracting or retaining talent.

Considering ESG factors will also help us address our sustainability challenge, balancing demands of environmental protection and recovery, economic development and growth, and addressing inequality and creating a fairer Westmorland & Furness.

Challenges and Opportunities

Our strategy is introduced at a time of world-wide and national economic challenges and opportunities, set against a background of uncertainty and change. For procurement activities the impact of Brexit and the upcoming Procurement Act 2023, alongside other challenges including the impact of war, supply chain shortages, climate change, inflation, and the cost of living crisis, make effective procurement particularly important to our Council.

There has been no greater time for the influence of procurement to play an integral part to the success of the council and ensure ongoing financial sustainability as pressure upon local government budgets continues.

The predecessor councils made extensive savings over the last 10-15 years, from revenue expenditure, whilst demand for services continued to increase, particularly in relation to services to the most vulnerable adults and children. In addition, we face challenges in relation to the maintenance and updating of highways and built infrastructure.

These challenges also provide opportunities for us to use our purchasing power to deliver improvements in the structure of markets, provide opportunities for local suppliers, deliver better outcomes for our residents, and support better commissioning and the integration of services across public sector organisations operating in Westmorland and Furness. We as a council commit to prioritise innovation and continuous improvement to meet these challenges.

From 1st January 2024, the Provider Selection Regime has been implemented, which is a new set of rules which govern the arrangement of healthcare services in England. Recognising that previous legislations could have been a barrier to the aims of the health system, including greater integration and collaboration, the Provider Selection Regime has been designed to give the relevant authorities, including the Council, greater flexibility in selecting providers for health care services.

This could give us more options in the way we procure services for public health, such as sexual health and substance misuse services. The principles include securing the needs of the people who use the services, improving the quality of the services and improving efficiency in the provision of the services.

It could also mean more challenges in successfully implementing joint activity with Integrated Care Boards, as they have different approaches to identifying and securing providers because of this new regime.

We are a new council, with a new vision and new priorities. The new procurement legislation will support the Council to focus on value in its broader sense, beyond economic value. The new procurement procedures are more flexible and are introduced to increase innovation and social responsibility in procurement, enabling us to take advantage of advances in technology.

In the term of this strategy (2024 - 2027) there are also opportunities for us to consider how we enhance our approach to supplier relationship and contract management, management and monitoring of risk in the supply chain, and other effective monitoring and reporting mechanisms. These will all be significant in the delivery of outcomes, and transparency associated with the performance and management of contracts and the financial robustness.

We know that contract management is essential to ensure the Council's interests are protected. When a contact is agreed, suppliers need to be managed to ensure they deliver what has been agreed and operating in line with expectations or statutory requirements. Specification gaps, price, risk and terms of engagement can all be exploited by providers if not managed correctly.

As part of the delivery of this strategy and supporting delivery plan we need to review our contract management framework, updating documents, policies and templates. This will also support our commissioning cycle by providing clear guidance as to the roles and responsibilities within the contract management process, and thereby improve the collection of data and intelligence.

Effective contract management frameworks will also help us manage the impact of social value with providers.



Our aims, objectives and key priorities

The vision for our approach to procurement is:

.....to work in partnership with internal and external stakeholders ensuring procurement is carried out in an ethically, social and environmentally responsible way, that delivers value for money, and long term benefits for the Council and the residents in Westmorland and Furness

This Strategy is set within the context of the Council Plan and our vision to make Westmorland and Furness “A great place to live, work and thrive.”

It is important that we do not compromise the integrity of any of our procurement processes and maintain our legal framework obligations of undertaking fair, open and transparent procurement activity whilst supporting the Council Plan and vision.

To support this, our core principles in the way we procure goods, works, services and utilities are to:

- Ensure that services to be procured are designed around our residents and service users, putting their needs at the heart of everything we do
- Support local economic growth
- Work with local supply chains, the voluntary and community sector, and small to medium enterprises to upskill their workforce and increase opportunities
- Build greater connections across the region, working with key stakeholders, including suppliers, health and the third sector
- Work with local networks and institutions and increase opportunities for collaboration in procurement
- Attract, develop, upskill, train and retain talent within the Council
- Use public procurement transformation as a springboard to make procurement easier and more accessible for bidders, especially those in local supply chains
- Become forward looking, using data and intelligence effectively to drive improved decision making, to ensure procurement activity is needs led and sustainable
- Take the professional lead in effective and meaningful contract, supplier relationship and supply chain management
- Embrace public procurement transformation and maximise innovation and work to continuously improve and streamline procurement activities
- Encourage and support the operation of effective markets in all sectors

The Procurement Cycle

The Council has adopted the Procurement Cycle as defined by the Chartered Institute of Procurement and Supply. Officers must adhere to the 13 steps of the process, this is important if we are to achieve our vision for the procurement of goods, services, works and utilities.

The extent of breadth and complexity of each step will vary depending on the nature of the procurement exercise and complexities associated with it - such as determining Social Value, costs, market challenges, and application of ESG factors.

Procurement Team as a Business Partner

To ensure opportunities are maximised and procurement activity is carried out in a lawful and robust way, whilst capturing risks and identifying any mitigations, a Business Partner approach has been implemented.

Using the Procurement Cycle as a framework, the Procurement Team offer the following in terms of support to other Directorate's and Services (who are identified as stakeholders) in any procurement exercise.

Steps of the Procurement and Supply Cycle	The Role of the Procurement Team
1. Define Business Needs and Develop Specification	To engage and work with stakeholders to: <ul style="list-style-type: none"> ● Develop a comprehensive, high-level specification, often based on the outcome of the commissioning cycle ● Develop the environmental, social, and governance (ESG) criteria that need to be built into the specification ● Identify any expected additional costs or savings from the (re) procurement
2. Market Analysis and Make or Buy Decision	To engage and work with stakeholders to: <ul style="list-style-type: none"> ● Identify potential suppliers ● Provide information relating to the decision making process, including the make do or buy decision ● Understand the market dynamics ● Explore the innovation and technology available ● Use previous contract performance and knowledge, market insight, benchmarking and research
3. Develop the Strategy and Plan	To define the procurement plan and strategy, including consideration of innovation, technology, risk management, equality, ESG goals and market engagement.

Steps of the Procurement and Supply Cycle	The Role of the Procurement Team
4. Pre-procurement and Market Testing	<p>To work with stakeholders to:</p> <ul style="list-style-type: none"> ● Identify stakeholder and business needs, including future needs ● Consider other factors including new legislation or market dynamics ● Decide route to market for the tender process
5. Develop Documentation and Detailed Specification	<p>To work with stakeholders to finalise tender documentation, including:</p> <ul style="list-style-type: none"> ● Detailed specification ● Standard Questionnaire and Qualifying Questions ● Invitation to Tender (ITT) ● Quality and finance scoring evaluations, including Social Value weighting and questions ● Terms and Conditions ● Any other relevant documents ● Consider SMART KPI's, whole life cycle costs and ESG requirements ● Identify and plan evaluation panels ● Reporting and evaluation of costs/savings versus the Business Plan
6. Supplier Selection to Participate in Tender	<p>When relevant, work with stakeholders to assess and evaluate, including all relevant due diligence checks</p>
7. Issue Tender Documents	<p>Conduct the tender exercise, in compliance with relevant legislation and the Council's Contract Procedure Rules</p>
8. Bid and Tender Evaluation and Validation	<p>To either evaluate or oversee the bid evaluations, in accordance with the pre-defined award criteria.</p>
9. Contract Award and Implementation	<p>Oversee the contract award process, including evaluation feedback and award letters, communication and implementation.</p> <p>Ensure that the successful bidder honours what they have agreed.</p>
10. Warehouse, Logistics and Receipt	<p>To work with other stakeholders to ensure a smooth and efficient process</p>
11. Contract Performance and Improvement	<p>To work with stakeholders to:</p> <ul style="list-style-type: none"> ● Track and improve performance using SMART KPI's ● Manage the supplier relationship ● Resolve conflicts with agreed actions and timescales ● Discuss plans for continuous improvement ● Manage contractual changes ● This will develop further to focus on those indicators supporting Social Value

Steps of the Procurement and Supply Cycle	The Role of the Procurement Team
12. Supplier Relationship Management	To work with stakeholders to: <ul style="list-style-type: none"> ● Establish the right level of input, based on the type of contract, market place and other factors ● Work with the supplier on continuous improvement, additional value and innovative developments ● To ensure continuity of supply
13. Management and Review of Process, that will feed into the commissioning cycle	To work with stakeholders to ensure a smooth and efficient process to determine: <ul style="list-style-type: none"> ● If business requirements have changed ● What can be learnt from the previous process ● Improvements to be incorporated next time ● End-of-life considerations

Everyone involved in procurement will need to follow this cycle.

The extent of the Procurement Team's involvement for each activity is dependent on the value and complexity of the exercise and the nature of the goods, works, services and utilities involved. The team are there to offer professional advice and support – at all stages of the process, specifically:

- Providing professional advice, guidance and insights regarding markets, suppliers and contractual options to help support service delivery and improvement
- Leading the development of plans for how we spend our money with suppliers from across the private, public and voluntary, community and faith sectors
- Ensuring that our contracts are developed, awarded and managed in line with best practice, including developing strong relationships with our key suppliers
- Driving social value by encouraging spend with local firms and identifying opportunities to manage and monitor this
- Creating performance dashboards, for higher transparency for Services, on supplier performance

The Procurement Team will support Directorates and Services to consider ESG in the procurement of goods, works, services and utilities – but it is important that Directorates and Services identify and own the risks and opportunities associated with ESG and monitor the impact on their services.

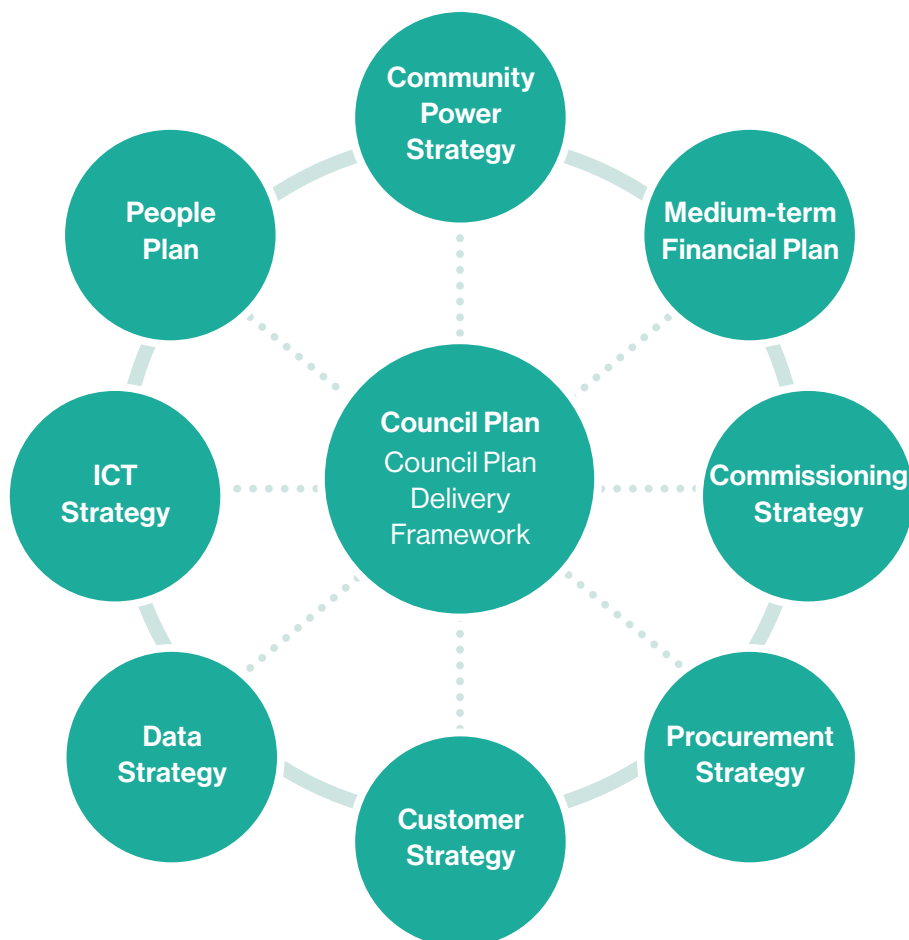
Procurement Alignment with Council Strategies and Plans

Throughout any procurement activity, there should be recognition for the role that the Procurement Team, or other Directorates and Services leading on the activity, can play in delivering on other Council strategies and plans.

This strategy has been written to support and align with the following:

- The Council Plan (and delivery plan)
- The Commissioning Strategy
- Social Value Statement
- Grant Giving Policy
- Carbon Management Strategy

This is one of our foundation strategies for the Council



Next Steps

This strategy is part of a journey and builds on the successes, skills and solid foundations created through previous procurement activity, providing confidence in our approach. A delivery framework is to be developed – setting out how we will deliver the ambitions and vision in this strategy across all Directorates and Services.

Through this procurement activity, the Council is well placed to support the delivery of high quality public services, improvements in outcomes and the maximisation of social value initiatives and environmental sustainability within the local economy.

Our next step is to develop a suite of supporting documentation for this strategy, including a robust Delivery Plan, Procurement Charter and a Social Value Toolkit. We will also review our contract management framework, and the roles and responsibilities associated with the monitoring and management of contracts.

This strategy is ambitious, and we recognise that investment and development will be needed if we are to deliver everything we have set out in this strategy as we continue to develop and grow over the next 3 years.

We will continue to review best practice and update the strategy when required for legislative and regulatory changes.



Translation Services

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