

23 May 2016

**Wards:** All

Hull City Council Procurement Strategy
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**Report of the** Town Clerk

This item is not exempt  
Therefore exempt reasons are not applicable

This is a Key Decision

This is a key decision. The matter is in the Forward Plan  
Forward Plan Reference: 0007/16

1. Purpose of the Report and Summary

- 1.1 To enable the Cabinet to consider amendments to the draft Hull City Council Sustainable Strategic Commissioning and Procurement Strategy 2016.

2. Recommendations

- 2.1 That Cabinet agree the draft Strategy.

3. Reasons for Recommendations

- 3.1 The Sustainable Commissioning and Procurement Strategy is listed in the Council's City Plan as one of the Council's key strategic documents. It defines the Council's approach to commissioning and procuring goods, services and works in a way that supports the delivery of its strategic vision and aims, including the improvement of Public Health in the city.

4. Impact on other Executive Committees (including Area Committees)

- 4.1 This is a citywide report. It has particular impact upon the Health and Wellbeing Board in relation to the duty upon the Board to promote the integration of Health and Social Care commissioning; consequently the Board have been consulted upon the proposals.

## 5. Background

5.1 In January 2013, Cabinet approved the Sustainable Strategic Commissioning and Procurement Strategy. The Strategy defined the Council's approach to commissioning and procuring goods, services and works in a way that supported the delivery of its strategic vision and aims. The Strategy is listed in the Council's City Plan as one of the Council's key strategic documents.

5.2 The key objectives of the 2013 Strategy included:

- Implementing a category management approach;
- Working collaboratively across the Council to focus on value for money;
- Stimulating supply markets and achieving local growth and community benefits.

5.3 There have been some significant changes since the last strategy was published, namely:

- The Public Contracts Regulations 2015 came into force at the end of February 2015.
- The Council's Contract Procedure Rules were updated in June 2015 to reflect the requirements of the Public Contract Regulations 2015.
- The Local Government Association published a new National Procurement Strategy for Local Government in England 2014.
- The Care Act 2014 came into force, requiring that the Council stimulate and influence the market to provide choice, value for money, competition and sustainable service provision to the community.

5.4 In April 2013 Public Health responsibility and budgets transferred from the Primary Care Trust to the Council. In addition in April 2015, Public Health England transferred to the Council its spend on 0-19 services.

5.5 The Public Services (Social Value) Act 2012 requires that the Council considers how what is procured may improve the economic, social and environmental well-being of the area and how it might secure those improvements.

5.6 The updated strategy takes these issues into account, records what has happened since the 2013 strategy was introduced and sets out areas of activity to deliver further improvements.

## 6. Issues for Consideration

- 6.1 The draft Strategy therefore seeks to establish core commissioning principles and a strategic approach to procurement that will support all services undertake efficient procurement exercises and joint procurement with other agencies where appropriate.

## 7. Options and Risk Assessment

### 7.1 **Elimination of Option 1 – Do Nothing**

The Council's Procurement Strategy is three years old and needs to be updated to reflect the changes in the legislative framework it operates in and to enable the closer working relationships with health organisations necessary to deliver effective public health services.

### 7.2 **Option 2 – Support the draft 2016 Strategy**

The draft Strategy aims to provide the structure to enable effective procurement and collaboration between the Council and its partners within the City when commissioning external services.

The approach to Social Value will ensure that suppliers deliver wider benefits wherever possible, helping to reduce the demand for public services.

## 8. Risk Assessment

- 8.1 Upon adoption of the 2016 Strategy, it will be necessary to ensure the Strategy is fully and effectively implemented. To that end, regular updates are provided to the Finance and Value for Money Overview and Scrutiny Commission, detailing the progress made on implementing the existing Strategy and performance against Key Performance Indicators. It is proposed that this would continue following the adoption of the new Strategy.

## 9. Consultation

- 9.1 The draft Strategy was presented to Hull City Council's Finance and Value for Money Overview and Scrutiny Commission on 20<sup>th</sup> November 2015 and feedback received from that Commission has been built into this revised draft.
- 9.2 The Commission recommended some amendments to the strategy as set out below:
  - 9.2.1 The document should make clear the audience it is intended for and focus its content accordingly. *This has been included.*

- 9.2.2 Whilst the Procurement and Commissioning background information would be of interest to a Council audience, if the document is intended for the public and potential contractors the suggestion is made that the historic (how we got here) information be included as appendices. *This has been done.*
- 9.2.3 That, if the Strategy is intended for an external audience, suggestions for sections that could inform and advise potential contractors include; the Council's approach to procurement and commissioning; the Council's expectations going forward; and, procurement and commissioning spend split over categories over the previous five years *Commissioning spend is being updated and will be included in the final version.*
- 9.2.4 That more detail be included on how the VCS and small businesses can get involved and submit competitive tenders That increased detail of engagement with the local Voluntary and Community Sector (and how the sector can link with Procurement) be included in the Strategy. *A VCS group exists and workshops have been undertaken with both the Construction Sector and the Voluntary sector, these will be built upon and referenced in the strategy rather than using the document to communicate with market segments.*
- 9.2.5 That hyperlinks be included so that interested small organisations can more easily find information on the category Forward Plans and planned workshops and events. *This will be included in the published version of the strategy,*
- 9.2.6 That reference needs to be made to conflict-free procurement within the Strategy. *This has now been included.*
- 9.3 The Portfolio Holder for Business Support and Change Programme, as the portfolio holder with responsibility for procurement, has been consulted on the draft Strategy.

## 10. Comments of the Town Clerk (Monitoring Officer)

- 10.1 The revised strategy updates the existing strategy, taking into account the significant legal and structural changes that have taken place since a strategy was first formulated in 2013.

It also recognises the increasing requirement for integrated working and the advancement of the duties under the Health and Social Care Act 2012 to encourage the integration of Health and Social Care services and collaboration between providers.

## 11. Comments of the Section 151 Officer

- 11.1 It is sensible that strategies of partners are joined up where possible so that greater coherence and value for money may be achieved.

## 12. Comments of City HR Manager and compliance with the Equality Duty

Author:

Status:

Date: 13/05/2016

12.1 It is essential that HR and equality duty implications are addressed when commissioning and procuring goods, services and works. Having a joined up and sustainable Strategic Commissioning and Procurement Strategy in place will help support this aim.

13. Comments of Overview and Scrutiny

13.1 Although this report has not been subject to scrutiny the generic Hull City Procurement Strategy was considered by the Finance and Value for Money Overview and Scrutiny Commission at its meeting of 20 November 2015, where the Commission recommended some amendments and additional information that should be included in the Strategy. The final version of the document will be subject to pre-decision scrutiny prior to it being taken to Cabinet for approval. (Ref. Sc4721).

14. Comments of the Portfolio Holder for Business Support and Change

14.1 The Portfolio Holder has been engaged in the development of the Strategy and will make his final comments informed by the views of the Finance and Value for Money Overview and Scrutiny Commission.

Town Clerk

Contact Officer: Neil Daynes, Procurement Manager Telephone No.: 01482 615073

Officer Interests: None

Background Documents: -

Appendix 1 – Draft Sustainable Commissioning and Procurement Strategy  
2016

## Implications Matrix

**This section must be completed and you must ensure that you have fully considered all potential implications**

This matrix provides a simple check list for the things you need to have considered within your report

If there are no implications please state

I have informed and sought advice from HR, Legal, Finance, Overview and Scrutiny and the Climate Change Advisor and any other key stakeholders i.e. Portfolio Holder, relevant Ward Members etc prior to submitting this report for official comments	Yes
I have considered whether this report requests a decision that is outside the Budget and Policy Framework approved by Council	Yes
Value for money considerations have been accounted for within the report	Yes
The report is approved by the relevant City Manager	Yes
I have included any procurement/commercial issues/implications within the report	Yes
I have considered the potential media interest in this report and liaised with the Media Team to ensure that they are briefed to respond to media interest.	No
I have included any equalities and diversity implications within the report and where necessary I have completed an Equalities Impact Assessment and the outcomes are included within the report	Yes
Any Health and Safety implications are included within the report	Yes
Any human rights implications are included within the report	Yes
I have included any community safety implications and paid regard to Section 17 of the Crime and Disorder Act within the report	Yes
I have liaised with the Climate Change Advisor and any environmental and climate change issues/sustainability implications are	Yes

included within the report	
I have included information about how this report contributes to the City Plan/ Area priorities within the report	Yes