

Progressive Procurement Strategy Action Plan update + Update on Procurement Act 2024

Corporate Resources and Economy Scrutiny Committee

12 September 2024

Session outline

Part 1

- Overview and progress

Part 2

- Part 2 Strategy Themes

Part 3

- Reflections

Part 4

- Procurement Act 2023

Part 1 Overview and progress

- Overview and progress
- Commitment summary
- Theme summary

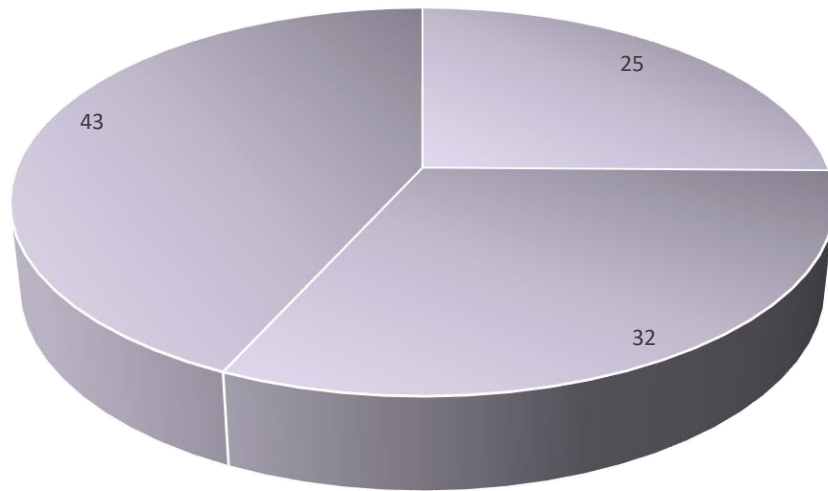
Overview and progress

- October 2020 to April 2027 work programme, made up of three key themes:
 - A - Active Leadership
 - B - Progressive Supply Partnerships
 - C - Achieving Community Benefits
- Supported by 25 key commitments, underpinned by 222 actions. These actions are a mix of one-off actions and ongoing activities which move into business as usual.



Commitment summary

% allocated to each Theme



■ Theme A ■ Theme B ■ Theme C

Theme	Number actions	% actions
Theme A	56	25%
Theme B	70	32%
Theme C	96	43%
	222	100%

Theme summary

Theme A Active Leadership

- 56 actions
- 30 completed (54%)
- 26 Outstanding (46%)

Theme B Progressive Supply Partnerships

- 70 actions
- 49 completed (70%)
- 21 Outstanding (30%)

Theme C Achieving Community Benefits

- 96 actions
- 70 completed (73%)
- 26 Outstanding (27%)

Part 2 Strategy Themes

- Theme A - Active Leadership
- Theme B - Progressive Supply Partnerships
- Theme C - Achieving Community Benefits

Theme A – Active Leadership

What we have done or are doing

- **Training** - process in place
- **Contracts register** - procured, tested
- **Oversight** - e.g. PPSG, CPB, SCPG
- **Anchor Institution Network** - established
- 30 completed (54%)

Still to do 2024/27

- **Training** - review / refresh - feedback
- **Contracts register** - go live, develop
- **Oversight** - Category management strategies / plans
- **Engagement** - co-design and participation
- 26 Outstanding (46%)

Theme B – Progressive Supply Partnerships

What we have done or are doing

- **Insourcing** - guidance, now BAU
- **Spend** - tracked and reported
- **Fraud** - built protections, resilience
- **Risk** - contingency plans
- 49 completed (70%)

Still to do 2024-27

- **Contract management** - enhance
- **Reporting** - recording and analysis
- **Fraud** - ahead of risk
- **Risk** - embed and systemise
- 21 outstanding (30%)

Theme C – Achieving Community Benefits

What we have done or are doing

- **Networks** - Anchor Institution Network, Business Improvement Districts
- **Social value** - embedded 20%, shared good practise
- **Suppliers** - construction directory, local and SME
- 70 completed (73%)

Still to do 2024-27

- **Networks** - collaborative working, delivering action plans
- **Social value** - monitoring and enhancement, circular economy
- **Suppliers** - build on climate change, co-operatives and diversity
- Outstanding 26 (27%)

Part 3 Reflections

- Reflections - big wins
- Reflections - big still to do
- Reflections - next 12 months

Reflections – big wins 2020/24

- **Impactful progress** - BAU whilst adapting to other changes e.g. economic conditions
- **Oversight** - groups part of BAU e.g. CPB, SVWG, AI Network
- **Values embedded** - need for social value and progressive procurement recognised
- **Contracts Register** - new system procured, go live April 2024
- **Sharing our success** - stories for social value in contracts
- **Living our values** - e.g. insourcing, community wealth building, inclusive economy, Islington Together
- **Key charters** - e.g. ethical care, violence at work, modern day slavery
- **Keeping it simple** - e.g. less jargon, reviewing processes

Reflections – big things left to do 2024/27

- **Positioning** - getting the right organisational structures / roles in place to deliver
- **Systems usage** - rolling out and getting everyone to use new improved systems
- **Analysis** - make better and earlier use of data to improve forward planning, trend detection, risk analysis and mitigation
- **Category management** - embed across the organisation, focus on aligning spend and synergies
- **Automation and digitisation** - of all main activities
- **Engagement** - improve and move away from traditional delivery models
- **Social value** - better ways to capture, measure, report on and improve social value impacts
- **Balance** - managing demands with new priorities e.g. legislative changes

Reflections - next 12 months 2024/2025

- **Training** - roll out e.g. Contracts Register, Procurement Act, social value
- **Contracts Register** - go live improved Contracts Register, reporting and analysis
- **Social value** – recording monetising and reporting
- **Suppliers** - further work to reduce barriers and increase opportunities
- **Legislation** - Procurement Act and Provider Selection Regime
- **Intranet** - to design and manage

Procurement Act 2023 - Readiness

Go-live 28 October 2024

Transforming Public Procurement

- Fundamental change
 - Creating a **simpler and more flexible** commercial system (for suppliers, not necessarily the council!)
 - Opening up procurement to **SMEs and social enterprises**
 - Embedding **transparency** in public procurement
- Replaces suite of existing procurement legislation
 - With **two** new regimes
- Procurement Act 'go live' date set for 28 October 2024



Procurement Act 2023: key changes

Increases scope of procurement

- 'Procurement' expanded to **cover whole contract life cycle**. Elements traditionally commissioning, contract management and payments now covered as 'procurement' as a matter of law
- **New requirements at every stage**: commissioning, procurement, contract management and termination
- Impacts all service areas

Transparency New duties to publish

- **Many (potentially 6,000+)** new notices pre-procurement, during procurement, throughout contract management, needing compiling, checking and publishing by qualified commercial practitioners
- Need to **record all decisions** and undertake **conflicts assessments** at every stage
- Must publish **copy of contract** and **supplier performance against KPIs** (contracts £5m+)

New procedures and frameworks

- Removes restricted procedure
- Introduces new **competitive flexible procedure**, open procedure and direct award
- New **open frameworks** and **dynamic markets**

Reduces autonomy

- Will limit use of **waivers** (grounds for direct award are more tightly defined, and a Transparency Notice must be published for every direct award)
- Reduces scope for making **contract changes** (only certain modifications are permitted, and a Contract Change Notice must be published before making any change)

Procurement Review Unit established

- **New watchdog** with powers to investigate us and assist suppliers to challenge council decisions
- **Duties** extend into commissioning, procurement, contract management and payments
- Will manage new national **debarment list** (council's decision to exclude a supplier could lead to their debarment from bidding for any public contract with any authority)

Benefits

- Aligns with Islington's **Progressive Procurement Strategy**
 - Duty on council to consider **reducing barriers** for SMEs/VCSEs wherever possible
 - Pipeline notice and Planned Procurement notices = opportunity for **market warming**
 - Pre Market Engagement = chance for suppliers to help **shape specs / social value**
 - Duty on council to consider **contract lots**: dividing contracts into smaller, more accessible contract opportunities
 - Find a Tender Service: **central digital platform** for single supplier registration, finding contract opportunities and information on current contracts

5 major risks, implications and mitigations

Risk areas

- **Publishing requirements** (notices, changes, payments)
- **Pre-market engagement** and getting new procedures right
- **Recording decisions and conflicts**
- **Managing contract changes**
- **Supplier readiness**

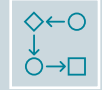
Implications

- Legal challenge
- Investigation by Procurement Review Unit
- Disputes with suppliers
- Resource pressures
- Reputational risk (service users, supplier relationships)
- Financial implications

Mitigations

- Training for staff/Members/ external stakeholders
- New project plans, guidance, templates
- New Procurement Rules
- Progressive Procurement Toolkit
- Keeping it simple: standardised procedures

Day One readiness: actions taken to date



Policies and procedures

Prepared Action Plan in accordance with national workstreams
Updated project plans and service procedures to cover new requirements
Established service policies on using new flexibilities and Day One approach



Guidance and information

Reviewed 100+ central government guidance documents
Established new suite of council templates and guidance documents
Developed plan for Progressive Procurement Toolkit



Systems

Engaged with Proactis (e-tendering provider) on readiness for go live
Developed plan for publication of notices within service
Collaborated with Information Governance on system for redaction



People

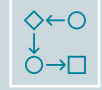
Appointed Change Manager to oversee Action Plan implementation
Service member training: Knowledge Drops / GCC Certification / away day
Developed training programme for commissioners / contract managers



Commercial activity and transition

Identified first procurements under new regime and created plan for delivery
Engaged in GCC Communities of Practice and Cabinet Office groups
Established Action Plan group and weekly meetings to track progress

Day One readiness: actions underway



Policies and procedures

Redrafting Procurement Rules to reflect changes

Mapping processes required to gather information from services and publish

Communicating new procedures to commissioners/contract managers/Members



Guidance and information

Developing and delivering Progressive Procurement Toolkit

Monitoring new guidance from central govt and updating internal templates

Creating new guidance on contract management and modifying contracts



Systems

User testing of new workflows within Proactis (e-tendering system)

Training service members on publishing new notices, contracts/payment info

Developing CCDR processes to capture contract management info



People

Creating MyLearning content for commissioners / managers

Delivering internal communications plan on changes

Training service members on publishing new notices, contracts/payment info



Commercial activity and transition

Communicating to suppliers need to register on Find a Tender Service

Planning for potential delays to procurements due to systems transition

Working with services on resource planning for redactions/publication

Appendix 1

Progressive Procurement Strategy

Action Plan - detail

Theme A - Active Leadership: Commitments

No	Commitment	Actions	Completed (Number / %)	Outstanding (Number / %)
1	Improve systems so that members have access to timely and accurate information, including reports and contract management analysis	7	5 (71%)	2 (29%)
2	Provide members with training and development on commissioning, procurement and contract management decision-making and ongoing monitoring of social value	7	5 (71%)	2 (29%)
3	Make the contracts register easier to navigate to enable scrutiny and make it easier to extract data	7	5 (71%)	2 (29%)
4	Continue regular updates to Policy and Performance Scrutiny Committee on commissioning and procurement activity, including data on value for money and social value outcomes	7	5 (71%)	2 (29%)
5	Further strengthen the potential for collaborative leadership and collective purchasing power through the development of an anchor institution network	7	4 (57%)	3 (43%)
6	Where data protection rules allow, share information from suppliers on performance, costs, social value and other strategic priorities for service planning and improvement	7	2 (29%)	5 (71%)
7	Service providers are in the best position to talk about the contracts they deliver. As a result, they should be prepared to attend the council's scrutiny meetings to discuss their performance	7	3 (43%)	4 (57%)
8	Ensure that service users are actively involved in designing and monitoring delivery of commissioned services and associated social value outcomes	7	1 (14%)	6 (86%)

Theme B - Progressive Supply Partnerships: Commitments

No	Commitment	Actions	Completed (Number / %)	Outstanding (Number / %)
9	Staff seeking to externally commission services will work closely with the corporate procurement function to identify and shape opportunities for external commissioning, working together to creatively challenge the way the council acquires goods, works and services	7	6 (86%)	1 (14%)
10	Progressive supply partnerships are vital in identifying and implementing creative solutions to the challenges the council faces, and it will seek to actively engage with potential partners where an external solution is the best way forward	7	4 (57%)	3 (43%)
11	Communication, during procurement and delivery phases, will be as straightforward and free from jargon as possible, in order to support supply partners in their work with the council	7	6 (86%)	1 (14%)
12	The contracts register will be made more user friendly, be transparent and visible to all, and kept up to date	7	5 (71%)	2 (29%)
13	The council will establish new contract and relationship management processes, with supporting capacity, to ensure we support, track and therefore maximise the delivery of social value commitments throughout the contract lifecycle	7	5 (71%)	2 (29%)
14	Central functions to have accountable senior advisory professionals for driving corporate ambitions and achieving efficiencies required through appropriate staffing strategies	7	4 (57%)	3 (43%)
15	Where contract and supplier relationship management accounts for more than 20% of an officer's role, this will be recognised as a core competency. All staff who meet this requirement will receive specialist training to support them in delivering this responsibility	7	5 (71%)	2 (29%)
16	Through the use of risk assessments, services will identify vulnerable areas of the supply chain and put in place contingency plans to mitigate any risk	7	3 (43%)	4 (57%)
17	The council will enhance its effectiveness in tackling mandate fraud, as well as seeking to strengthen wider fraud and compliance processes on an ongoing basis	14	11 (79%)	3 (21%)

Theme C - Achieving Community Benefits: Commitments

No	Commitment	Actions	Completed (Number / %)	Outstanding (Number / %)
18	Establish a cross-council/partner social value champions network to share best practice, support cultural and practice change, and ultimately help maximise social value delivery, with officer and member participation	14	12 (86%)	2 (14%)
19	All external tenders will include social value commitments in contractual deliverables and these will be weighted at 20% of the overall scoring/evaluation where at all possible, with robust justification needed before defaulting to the 5% statutory requirement	14	13 (93%)	1 (7%)
20	Establish a comprehensive, thematic social value delivery framework with measurable targets and mandatory ethical standards, to both track commitments across individual contracts and demonstrate delivery across the borough	14	10 (71%)	4 (29%)
21	Social value delivery will be reported through a set of dashboards, publishing this information from time to time	14	7 (50%)	7 (50%)
22	Provide tailored and practical procurement support to SME and micro businesses, removing as many barriers to participation as possible and provide comprehensive support throughout the contract lifecycle	14	12 (86%)	2 (14%)
23	Establish local supplier networks to strengthen local providers and encourage innovation	14	7 (50%)	7 (50%)
24	Provide tailored and practical procurement support to the VCSE sector, removing as many barriers to participation as possible and provide comprehensive support throughout the contract lifecycle	10	8 (80%)	2 (20%)
25	Publication and monitoring	2	1 (50%)	1 (50%)