

**Report of: Executive Member of Finance and Performance**

<b>Meeting of:</b>	<b>Date:</b>	<b>Ward(s):</b>
Executive	15 October 2020	All

<b>Delete as appropriate:</b>		Non-exempt
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**SUBJECT: PROGRESSIVE PROCUREMENT STRATEGY 2020/27****1. Synopsis**

- 1.1 The Procurement Strategy 2015/20 was adopted by the Executive on 18 June 2015 and continues to operate until the new strategy is agreed.
- 1.2 This report summarises the Council's proposed new Progressive Procurement Strategy 2020/27.

**2. Recommendations**

- 2.1 To recommend the new Progressive Procurement Strategy 2020/27 for approval.
- 2.2 To note that an implementation plan will be developed, pending the strategy's approval.
- 2.3 To note that the Commissioning and Procurement Board will undertake an annual assessment of progress in delivering the strategy.

### **3. Background**

3.1 The Procurement Strategy 2015/20 was adopted by the Executive on 18 June 2015 and continues to operate until the new strategy is agreed. As a matter of policy, the strategy is a decision matter which has been reserved for the Executive.

3.2 The Progressive Procurement Strategy 2020/27 sets out the general approach of the Council in regard to money spent with third parties. Consequently, the strategy as usual comprises approaches to wider supply chain matters such as commissioning and contract management. The strategy is supported by the Council's Procurement Rules and individual service and commissioning plans.

3.3 The new Strategy marks a significant change from the last strategy. In particular, it reflects:

- the Council's default strategy to deliver services in-house
- where there is a strong case for continuing external delivery, the Council actively seeks progressive supply partners with shared values and common ambitions
- the need to invest in strengthening the capacity of local businesses, particularly micro and small businesses, and local VCSE organisations to successfully bid for Council contracts
- the fundamental importance of the Council's supply chain and purchasing decisions to the delivery of social value and wider community wealth building objectives
- the commitment to going significantly beyond minimum national guidance on social value weighting, targeting a weighting of 20% for the majority of external procurements
- the need to strengthen procurement and contract management processes and expertise to ensure, in particular, the delivery of ambitious social value targets
- the commitment to work with fellow anchor institutions to seek opportunities to integrate supply chains and pool purchasing power, further strengthening our ability to deliver social value.

3.4 The Strategy signals and underpins the Council's ambition to leverage its purchasing power to maximise the delivery of social value to our residents and to help build a genuinely inclusive local economy. To become progressive procurement pioneers and to benchmark our performance, potentially together with local anchor institutions, against a series of long term social value targets.

3.5 Although the Strategy represents a significant shift to embrace the Council's Community Wealth Building objectives, it does not dilute the Council's focus on maximising value for money and ensuring procured services are of high quality, delivering on all contractual commitments, and based on strong supplier relationships.

### **4. Implications**

#### **4.1 Financial implications:**

There are no financial implications arising directly from this report. Financial implications of all procurement activity is considered on a case-by-case basis.

## **4.2 Legal Implications:**

This report seeks the Executive's approval to the new Progressive Procurement Strategy 2020/27. Under paragraph 4.1 (g) of the Constitution, the Executive has responsibility to 'consider and promote strategic and Council-wide initiatives to improve the quality, efficiency and effectiveness of the Council's services to the public' and therefore approval of the procurement strategy is reserved to the Executive.

The Council has power to approve and adopt a procurement strategy under section 1 Localism Act 2011 and section 111 of the Local Government Act 1972 which enables the council to carry out any activity that is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

The commitments set out in the Progressive Procurement Strategy 2020/27 will be relevant to decisions on future council procurement of services, supplies and works which must comply with relevant UK and European legislation including the Public Contracts Regulations 2015, EU treaties, Public Services (Social Value) Act 2012 and the Equality Act 2015. The 2015 regulations implement the provisions of the 2014 European Directive on Public Procurement in the UK and embody the EU treaty principles of treating contractors equally and without discrimination and in a transparent and proportionate manner. Decisions on procurement must also comply with the usual public law principles including taking into account all relevant considerations and disregarding irrelevant ones. Relevant matters will include the public sector equality duty, the council's fiduciary duty to its taxpayers and the council's best value duty (section 3 Local Government Act 1999).

## **4.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:**

There are no environmental implications arising directly from this report. However, the commitment the Council takes to social value covers the economic, social and environmental implications of procurement as it arises. The strategy contains commitments to promote environmental sustainability through procurement, including reducing waste, limiting energy use and producing sustainable materials, as well as encouraging improved sustainability amongst VCSE suppliers. The Council will ensure alignment between the Progressive Procurement and Zero Carbon strategies.

## **4.4 Resident Impact Assessment:**

The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The Council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The Council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment has been completed to support the overall Strategy and is attached in Appendix 2. Individual Resident Impact Assessments are completed on procurement activity on a case-by-case basis and forms part of decision making.

## 5. Reason for recommendations

- 5.1 To approve the new Progressive Procurement Strategy 2020/27 to ensure on-going clarity of vision for procurement and commissioning activity in line with key Community Wealth Building objectives.

### Appendices

- Progressive Procurement Strategy 2020/27
- Resident Impact Assessment

### Background papers:

- None

Final report clearance:

### Signed by:



2 October 2020

Executive Member for  
Finance and Performance

Date

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