

Meeting date: 25th October 2018
Report to: Cabinet Member for Resources and Delivering Value



Subject/report title: Solihull's Performance against the national Procurement Strategy 2018

Report from: Director of Resources and Deputy Chief Executive

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Wards affected:

- All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood |
 Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle |
 Lyndon | Meriden | Olton | Shirley East | Shirley South |
 Shirley West | Silhill | Smith's Wood | St Alphege

Public/private report: Public

Exempt by virtue of paragraph:

1. Purpose of Report

- 1.1 To inform the Cabinet Member of the National Procurement Strategy 2018, Solihull's assessment of maturity against the toolkit and the proposed route to update the Sub Regional Procurement Strategy 2015-2020.

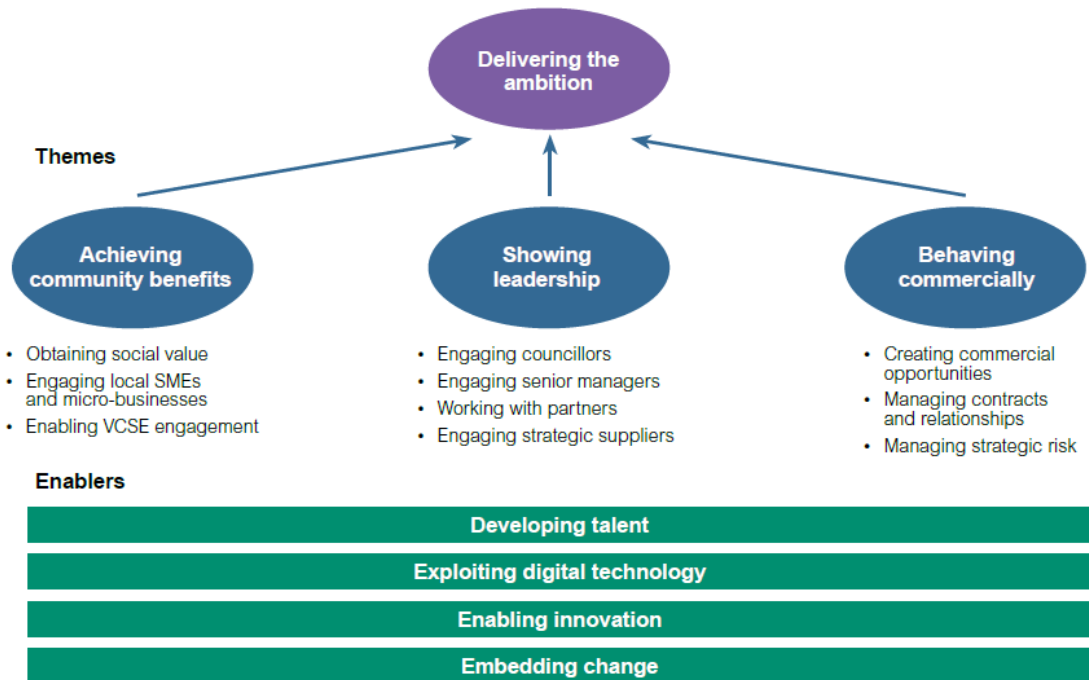
2. Decision(s) recommended

- 2.1 To note Solihull's current maturity level and agree the proposed maturity levels to be reached in the next 4 years, by 2022, having taken local priorities into consideration.

3. What is the issue?

- 3.1 In 2014 the Local Government Association (LGA) published the first National Procurement Strategy. Solihull based its Sub Regional Procurement Strategy 2015 to 2020 on the key themes of that strategy. The starting point for the National Procurement Strategy (NPS) 2018 is that councils are well along the way of delivering the path set out in the 2014 strategy. The NPS 2018 therefore focuses on three revised themes and gives councils an opportunity to assess their maturity against the themes and the key areas identified under those themes.

3.2 Figure 1 provides an overview of the new NPS 2018



3.3 The three themes in the NPS 2018 show a shift in priorities with more emphasis on community benefits and commercial behaviours. This shows that Councils with mature procurement services have exhausted the opportunities to make significant savings through tendering services where they have not been previously market tested and are now looking for additional ways to deliver value, as Councils have less money to spend. Community Benefits can be achieved through building added social value into the tendering process and then asking successful bidders to deliver the added social value alongside tendered services.

3.4 Behaving commercially is again linked to Councils having less money to spend where service leads and procurement professionals need to work together to explore service delivery options that maximise income generation opportunities as well as delivering desired outcomes.

3.5 The themes and enablers of the NPS 2018 above fit well with SMBC's priorities in the Council Plan 2018 to 2020 below:



and if successfully implemented to an appropriate level of maturity, would provide a strong foundation when spending money to deliver Council priorities.

- 3.6 Helpfully, NPS 2018 includes a toolkit against which authorities can assess their level of maturity in the 10 key areas identified. The five levels of maturity are minimum, developing, mature, leader and innovator. For each level of maturity a short narrative has been provided to explain what should be in place therefore providing a simple assessment tool. The toolkit also encourages councils to assess what level of maturity they should be at to deliver local priorities and Appendix 1 shows the outcome of those assessments. Clearly it would not be cost effective, practical or desirable for us to be at innovator or leader level for a significant number of the key areas as being mature (level 3) is sufficient. For example, the narrative for innovator often includes working at combined authority level. Whilst this is essential for some services in the Council it would be inappropriate in others. The Head of Procurement will give further explanation of the various proposed maturity levels at the decision session. The Cabinet Member is asked to consider the assessment and confirm that desired levels of maturity are appropriate.
- 3.7 Maturity against the four enablers has also been assessed. The enablers are cross cutting themes that support the delivery of improvement to the identified maturity levels. For example procurement professionals will have had commercial training when completing their qualifications. However, they may not have the knowledge to conduct an options appraisal to identify whether it would be more beneficial to deliver a service in house, through a joint venture, through a charity or a different company structure. We will need to develop our talent to meet those identified gaps.
- 3.8 The Local Government Association is currently asking local authorities to participate in a national diagnostic against the NPS 2018 maturity index and our assessment will be fed into this diagnostic tool. We will then be able to benchmark our maturity levels both regionally and nationally.
- 3.9 Our current sub regional procurement strategy 2015- 2020 demonstrates how we will deliver against the National Procurement Strategy 2014 and therefore needs updating. This has been discussed at sub regional level and both Coventry and Warwickshire will not be in a position to revise the strategy until April 2019 when they have consulted with Members on local priorities and in Warwickshire's case, when their current transformation programme has been completed. This will not prevent us as a council implementing the plan developed against the agreed maturity levels for Solihull, as the National Strategy is clear and the sub regional strategy will simply explain what the particular priorities for this region are. Being clear on our local priorities will also help us to develop a sub-regional strategy that will deliver our desired outcomes. A further report will be brought back to the Cabinet Member next year on the proposed update to the sub regional procurement strategy.
- 4. What options have been considered and what is the evidence telling us about them?**
- 4.1 SMBC could choose not to assess our maturity levels or to deliver against the NPS 2018. This option has been rejected as this would be ignoring an opportunity to benchmark ourselves against a maturity index developed nationally from the areas that procurement officers have expressed as being important to their authorities for the

foreseeable future. As there is also an opportunity to tailor requirements to our local priorities then there is little argument for not using what appears to be a useful tool.

5. Reasons for recommending preferred option

- 5.1 Being able to assess our level of maturity against regional and national performance will help us identify authorities who are leaders in particular areas where we want to improve. Finding out what made them successful could lead to quicker improvement and would avoid duplication of effort
- 5.2 In addition, CLT/Procurement Board would be able to assess the Corporate Procurement Service's performance against a national standard and agreed levels of maturity.

6. Implications and Considerations

6.1 Delivery of key themes in the Council Plan:

How will the options/proposals in this report contribute to the delivery of the key themes in the Council Plan?

- Improve Health and Wellbeing
- Managed Growth
- Build Stronger Communities
- Deliver Value

A mature procurement service will help deliver all of the Council's key themes through wise use of the Council's scarce resources.

6.2 Implications for children and young people, vulnerable groups and particular communities:

- 6.2.1 All contracts impacting on vulnerable individuals will include safeguarding as part of the evaluation process and appropriate clauses in the contract. The developing talent enabler will ensure that appropriate safeguarding training is provided as necessary.

6.3 Consultation and Scrutiny:

- 6.3.1 The Achieving Community Benefits theme will facilitate appropriate engagement with all interested parties for each contract let under this strategy.

6.4 Financial implications:

- 6.4.1 There are no direct financial implications of this report; however prudent assessment of appropriate maturity levels will lead to a cost efficient effective corporate procurement service. In addition, delivery of added social value through the community development theme will help the authority to maximise benefit and value to our local community and economy whilst spending the council's scarce resources.

6.5 Legal implications:

6.5.1 There are no direct legal implications of this report

6.6 Risk implications:

6.6.1 Delivery of the agreed maturity levels under the NPS 2018 will help mitigate risk in contracts let under that strategy.

6.7 Statutory Equality Duty:

6.7.1 The Strategy itself does not need an FTA as the individual contracts let under the strategy will be assessed to identify when an FTA is required or there needs to be equality considerations included in the procurement activity or contract.

6.7.2 The implications of statutory equality duties will be considered when drawing up the revised sub regional procurement strategy.

7. List of appendices referred to

7.1 Appendix 1 SMBC “As is” and “To be” maturity levels against NPS 2018

8. Background papers used to compile this report

8.1 [National Procurement Strategy 2014](#)

8.2 [National Procurement Strategy 2018](#)

8.3 [National Procurement Strategy Toolkit 2018](#)

9. List of other relevant documents

9.1 None