

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

11th September 2024

Report of the Head of Legal and Democratic Services – Mr Craig Griffiths

Matter for Decision

Wards Affected:

All

Neath Port Talbot Council Procurement Strategy 2024-2028

Purpose of the Report:

1. To agree the Neath Port Talbot Council Procurement Strategy for 2024-2029 which includes the Council's socially responsible procurement objectives. The Procurement Strategy provides a vision for procurement across the Council for the next 4 years and has been prepared in accordance with the Council's requirements under the Social Partnership and Public Procurement (Wales) Act 2023.

Executive Summary:

2. The public procurement landscape has changed over the last 3 years following the UK's departure from the European Union and will continue to change over the next year with substantive legislative reform through the introduction of the the Welsh Government's Social Partnership and Public Procurement (Wales) Act 2023 and the UK Government's Procurement Act 2023..
3. The Social Partnership and Public Procurement (Wales) Act 2023 focuses on social partnership and socially responsible procurement and creates a socially responsible procurement duty. The duty requires the Council to seek to improve the economic, social, environmental and cultural well-being of its area by carrying out public procurement in a socially responsible way. Amongst other requirements, the Act requires the Council to prepare a procurement strategy setting out how it intends to carry out public procurement.
4. This Procurement Strategy will meet the requirements of the Social Partnership and Public Procurement (Wales) Act 2023 and embed the principles of the Well-being of Future Generations (Wales) Act 2015 into our processes and ensure our procurement activity plays a positive role in helping the Council achieve its target of becoming a net zero carbon contributor by 2030.
5. As a Council, we are committed to using procurement to improve the social, economic, environmental and cultural well-being of Neath Port Talbot. The Council recognises that procurement is fundamental to achieving our vision, protecting our front line services and supporting a socially sustainable economic environment. The Council has already demonstrated a clear commitment to this agenda. Innovative and compliant procurement practices continue to play a fundamental role in achieving the Council's vision, supporting

local businesses whilst protecting our front-line services and supporting our locality in a socially conscious and a sustainable manner.

6. This Procurement Strategy will look to build upon and consolidate the progress that has been made by drawing together a number of different legislative requirements, Strategy initiatives and aspirations into a single coherent framework.

Background:

7. Sustainable Procurement is defined as:

“The whole process of acquisition, covering goods, services, works and/or capital projects. The process spans the entire life-cycle from the initial concept through to the end of the useful life of the asset (including disposal) or the end of a service contract or a works/capital project”.

The Council applies many different service delivery models across its procurement operations, using a ‘right model for the right service’ approach. This includes single/multiple provider frameworks and contracts, use of small Lots, local, regional and pan-regional frameworks, joint ventures and many partnership operations.

8. With an annual spend on bought in goods, services and works of £259,000,000 in the Financial Year 2023/2024, the Council must manage this spend responsibly.
9. Under the Social Partnership and Public Procurement (Wales) Act, the Council is required to prepare a procurement strategy setting out how the Council intends to carry out public procurement. The strategy must state how the Council intends to ensure that it will carry out public procurement in a socially responsible way; meet its socially responsible procurement objectives; and state how the Council intends to make payments promptly. The procurement strategy is to be reviewed each financial year and revised as appropriate. The Council’s Procurement Strategy incorporates these legislative requirements and provides an overarching framework for lawful procurement activities, as detailed further below, going forward.
10. The Council’s vision for procurement is to demonstrate the achievement of value for money through the responsible procurement of its current and future requirements. There is an aim to operate a mixed economy of service provision, using a diverse range of suppliers, (including small firms, social enterprises and voluntary and community groups), and in-house resources, to ensure high quality services.
11. The purpose of this Procurement Strategy is to set out how we are changing procurement within the Council, to enhance our contract management arrangements and set out the vision and strategic direction necessary to deliver better outcomes for our communities. This Strategy also sets out how the Council intends to carry out procurement in a socially responsible way and meet the objectives it has set.
12. The Procurement Strategy has been developed with a full appreciation of the complex regulatory framework within which procurement operates, and incorporates the future legislative reforms. It also recognises that it is an area with high risks – with potentially significant impacts on service delivery, financial management and legal compliance, as well as the overall reputation of the Council.
13. The Procurement Strategy seeks to meet the requirements of different procurement objectives such as obtaining value for money, procuring responsibly and supporting Small

and Medium Enterprises (SMEs) and the Voluntary and Community sector (VCS). It recognises that these objectives can sometimes be in conflict with one another and that achieving the best outcome will often depend on the circumstances surrounding a particular procurement exercise. SMEs play a major role in Neath Port Talbot in creating jobs and generating income and can deliver real social and economic benefits. Engagement with this sector is a core operational way of doing business, integrated into all directorates and departments and activities with regular reporting against targets. VCSs can help play a significant role in delivering social value.

14. The Council's socially responsible procurement objectives are specified in the Procurement Strategy as:

- Securing value for money
- Think NPT first
- Contributing to making Neath Port Talbot Net Zero by 2030
- Improving fair work and safeguarding practices
- Making procurement spend more accessible to local small businesses and the voluntary and community sector
- Increasing social value in procurement and benefits to the community
- Ensuring legal and regulatory compliance and transparent governance and be innovative in approach through the digital world

The Strategy sets out how the Council intends to meet the above objectives.

15. The specific aims of the Strategy are:

- To ensure that our procurement activity is undertaken by professionally qualified staff with the aim of compliant, effective procurement. Recruiting, developing and retaining professionally qualified staff will underpin the Councils' ability to address issues and particularly issues of value.
- To ensure that our procurement activity supports the aims and aspirations of the Council, as reflected in our Corporate Plan "Recover, Reset, Renew" 2022 – 2027.
- To ensure all procurement activity is conducted in a fair, open and transparent manner, allowing all potential suppliers to compete for business.
- To ensure that the principles of the Well-being of Future Generations (Wales) Act 2015 are appropriately promoted in all procurement activities.
- To ensure that principles of the Wales Procurement Strategy Statement are given due regard in all Procurement activities.
- Embracing public procurement transformation and innovation including making procurement accessible for bidders
- State how the authority intends to ensure that it will carry out public procurement in a socially responsible way.

16. This Strategy when considered with other Council policies and protocols promotes:
- adding value
 - fulfilling our social value priorities through procurement:
 - creating new businesses, new jobs and new skills
 - improving supplier diversity, innovation and resilience
 - tackling climate change and reducing waste
 - building even greater connections and partnerships locally, across the public sector, with suppliers and the voluntary sector
 - attracting, developing and retaining talent
 - exploiting data and technology
 - effective contract, supplier relationship and supply chain management
 - embracing public procurement transformation and innovation including making procurement easier for bidders.

Financial Impacts:

17. Decisions as to the expenditure of Council funds will be made through the budget setting process in the usual way. The Council has in place a robust set of Contract Procedure Rules that govern the processes that need to be followed when looking to buy in goods, works and services from external suppliers. These will be subject to review, in light of procurement reform and an updated set of procedure rules will be brought before members in Autumn 2024. The Council recognise that as budgets contract, new and innovative ways of providing services such as partnering, joint working and collaboration with other public and not for profit organisations need to be examined. The Council's Procurement Strategy aims to support departments in delivering best value for money in light of these challenges.

Integrated Impact Assessment:

18. A first stage impact assessment has been undertaken to assist the Council in discharging its legislative duties (under the Equality Act 2010, the Welsh Language Standards (No.1) Regulations 2015, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016. The first stage assessment has indicated that a more in-depth assessment is not required

Valleys Communities Impacts:

19. One of the aims of this Procurement Strategy is to increase the amount of Council spend spent in local and regional supply chains where possible and affordable. This will allow

increased access to public service contracts and aim to attract new inward investment. 54% of spend with Neath Port Talbot based suppliers is with SMEs, however this drops to 22% for suppliers across all of Wales. In terms of the Valleys, whilst total spend in this area is relatively small (5%), a significant proportion (84%) is spent with SMEs. SMEs play a major role in creating jobs and generating income, they help foster economic growth, social stability, are a source of innovation and contribute to the development of a dynamic private sector. The Procurement Strategy aims to ensure that all organisations, irrespective of location and size are able to access opportunities to bid for Council contracts, find it easier to bid for opportunities to work with the Council, better understand where opportunities exist to supply through the Council's existing suppliers and contractors.

Workforce Impacts:

20. In order to take this programme of work forward, contributions from all directorates is required, not only to meet the work programme identified above but also to ensure a new approach is taken in procurement activities. Work on this will be facilitated by the Corporate Procurement team but a commitment to new work practices will be necessary. To achieve the below operational model will be followed.

	What Corporate Procurement will do?	What Directorates will do?
Vision	We will provide a resilient, flexible, adaptable and innovative procurement service able to maximise the benefits of spend for the Council whilst ensuring ongoing legal compliance	Departments will mutually support the vision, in maximising the value and benefits of public sector spend while maintaining legal compliance
Strategic	Provide engagement and collaboration within the Welsh Procurement Network, and liaison with Welsh Government regarding Procurement legislation and Policy, supporting joint and national procurements, acting as lead in key procurements as appropriate.	Engage with procurement legislation and policy, understanding Council spend as part of the wider public sector network
Corporate	Identify opportunities for greater efficiency and rationalisation of Council-wide spend and procurement activity. Working as a point of co-ordination when addressing Authority-wide Procurement Strategies, to lead, encourage, engage, and communicate.	Engage with the 'One-Council' spend approach at corporate level with regards procurement legislation, policy and implementation. Engaging in appointment of key stakeholders and their involvement in procurement activity participating in cross-departmental approach working with other customer departments as the opportunity arises.

	<p>Engage with customer departments to seek feedback regarding procurement activity to ensure an approachable, quality Procurement service, feeding up to strategic level where required.</p> <p>Communicate and cascade relevant procurement updates, including legislation and policy, information, tools and guidance.</p> <p>Oversee corporate agreements at a strategic contractual level.</p>	<p>Communicate with Procurement unit at early initiation stage where feasible, to facilitate planning and management of procurement activity, and engaging in appropriate governance processes at the start and completion stages of procurement activity.</p> <p>Communicating with the Procurement unit in relation to departmental objectives in line with Procurement policy, implementing recognised policy and processes in operational implementation.</p>
<p>Operational</p>	<p>Provide professional advice, procurement expertise and support on all aspects of procurement in terms of value and risk.</p> <p>Facilitate, operate and lead procurement exercises on behalf of client departments</p> <p>Offer Procurement advice and guidance, and market or category knowledge on specific exercises where available, and contract management knowledge and guidance where relevant.</p> <p>Provide training, guidance and tools to enable departments to confidently undertake compliant procurement exercises.</p>	<p>Will engage and take ownership of relevant procurement exercises and decision making, under the advice and guidance of the Procurement Unit, acknowledging any financial or legal risk factors, and will provide any technical expertise to inform exercises as appropriate to the category and department.</p> <p>Will engage fully with the process in committing relevant resources required from both customer department and Procurement unit.</p> <p>Will accept operational responsibility and contract management duties for relevant contracts and agreements, maintaining the necessary records and data under corporate contract records, providing any administrative resource and technical expertise as required under specific contracts and agreements.</p>

Legal Impacts:

21. Significant public procurement reform through the Welsh Government's Social Partnership and Public Procurement (Wales) Act 2023 (the SPPP Act) and the UK Government's Procurement Act 2023 is due to come into force in October 2024.
22. The UK Act focuses on the processes that the Council will be required to follow in respect to the procurement of works, goods and services.
23. The Wales specific SPPP Act makes provision for social partnership and socially responsible procurement and creates a socially responsible procurement duty. The duty requires the Council to seek to improve the economic, social, environmental and cultural well-being of its area by carrying out public procurement in a socially responsible way. The Council will do this by taking action in accordance with the sustainable development principle aimed at contributing to the achievement of the well-being goals set out in the Well-being of Future Generations (Wales) Act 2015.
24. Under the SPPP Act, the Council is required to prepare a procurement strategy setting out how the Council intends to carry out public procurement. The strategy must state how the Council intends to ensure that it will carry out public procurement in a socially responsible way; meet its socially responsible procurement objectives; and state how the Council intends to make payments promptly. The Welsh Ministers may by regulations specify other matters which the procurement strategy must address.
25. The Procurement Strategy will embed the principles of the Well-being of Future Generations (Wales) Act 2015 into Council procurement processes and ensures procurement activity contributes to helping the Council achieve its target of becoming a net zero carbon contributor by 2030, meet the Council's public sector quality obligations and ensures compliance with Welsh Language Standards. The Procurement Strategy will be reviewed each financial year and revised as appropriate. The SPPP Act includes reporting obligations to, and oversight of, the Welsh Ministers, and the Council will be required to comply with these requirements.

Risk Management Impacts:

26. The Procurement Strategy presents an ambitious body of work and an identified risk is failure to implement its ambitions. This risk is managed through the above Corporate Procurement operating model (see para 21 above) and also recent recruitment into the team to ensure that it is properly resourced. Implementation of the Procurement Strategy will be monitored and the strategy will be reviewed each financial year which will include a progress report on its implementation and reporting back to members. In addition, reporting obligations to the Welsh Ministers will be adhered to.

Consultation:

27. There is no requirement for external consultation on this strategy.

Recommendations:

28. It is recommended that having due regard to the integrated impact screening assessment that Cabinet considers and approves the Neath Port Talbot Council Procurement Strategy 2024-2028, which includes the Council's socially responsible procurement objectives, as enclosed at Appendix 1 of this Report.

Reasons for Proposed Decision:

29. The aim of this Procurement Strategy is to ensure adherence to new legislative requirements and have a framework in place so that procurement and commissioning decisions play a key role in supporting the delivery of the aims of the Council's Corporate Strategy and this Procurement Strategy.

Implementation of Decision:

30. The decision is proposed for implementation following the expiry of the three-day call-in process.

Appendices:

31. Appendix 1- Draft Procurement Strategy
Appendix 2 – Integrated Impact Screening Assessment

List of Background Papers:

32. None

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