



**STROUD  
DISTRICT  
COUNCIL**  
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Procurement Strategy  
2023 - 2028

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November 2023

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Corporate Policy and Governance

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## 1.0 INTRODUCTION

- 1.1 The National Procurement Strategy defines Procurement as:  
*“The process of acquiring goods, works and services, covering both acquisitions from third parties and from in-house providers. The process spans the whole cycle from identification of need, through to the end of a service contract or the end of the useful life cycle of an asset. It involves options appraisal and the critical ‘make or buy’ decision which may result in the provision of services in house in appropriate circumstances.”*
- 1.2 The refresh of this strategy is launched at a time of countless opportunities and pressures on Stroud District Council’s procurement activity. Challenges such as inflation, supply chain shortages, and climate change. Opportunities include new procurement legislation and the National Procurement Strategy.
- 1.3 Procurement is not solely about compliance - although it is required. More importantly, procurement is about delivering both economic and social value to our communities. The role of procurement at Stroud District Council remains pivotal in maximising these opportunities through our supply chains and managing the challenges faced by our sector and our communities.
- 1.4 This document sets out the Council’s strategic approach to procurement. It is not intended to be a procurement manual; however, the principles should be applied to all procurement. More detail on procurement processes and procedures will be found in our Contract and Procurement Procedure Rules, the Procurement Framework Toolkit, and the Social Value Toolkit all of which can be found on the Corporate Policy & Governance Team Hub pages.

## 2.0 PROCUREMENT CONTEXT

### National Context

- 2.1 The National Procurement Strategy (NPS) for Local Government in England has been developed by councils and endorsed by the Local Government Association’s Procurement National Advisory Group.
- 2.2 The NPS was published in August 2022 and sets out recommendations for district councils in relation to procurement and contract management activity.
- 2.3 Builds on the procurement aims from the two previous national procurement strategy of 2014 and 2018.
- 2.4 The National Procurement Strategy 2022 themes are shown below and these are incorporated in our procurement aims:
  - **Showing Leadership**  
With local government third party expenditure totalling around £60 billion a year procurement clearly has a major contribution to make. A more strategic approach to procurement should be at the heart of thinking for our councillors and decisions makers because procurement is not merely about ensuring compliance. There is an ever-growing need to engage with service heads and procurement teams on high

value, high risk procurements to drive innovation, generate savings and identify opportunities for income generation.

- **Behaving Commercially**

Nationally, Councils are required to look at means of reducing funding deficits. It is important that we recognise opportunities to act in a commercial manner and ensure our contracts are properly managed to control costs and contract delivery. This means improving the skills of our leaders, both members and officers so their teams can design service provision, influence external parties, and shape and manage markets to get the best outcomes. This can be done by creating commercial opportunities, managing contracts and supplier relationships and risk management.

- **Achieving Community Benefits**

We can use procurement to achieve wider financial and non-financial outcomes, including improving wellbeing of individuals and communities, social value and improved environment.

### **Procurement Act 2023**

- 2.5 The reforms contained in the Procurement Act 2023 (the Act) will place value for money, public benefit, transparency and integrity at the heart of procurement; they will modernise and unify systems and processes; and they will get tough on the poor performers and fraudsters.
- 2.6 The Act reforms the UK's public procurement regime, making it quicker, simpler, more transparent while remaining compliant with our international obligations. It will more effectively open up public procurement to new entrants such as small businesses and social enterprises so that they can compete for and win more public contracts.
- 2.7 The Procurement Act 2023 received Royal Assent on 26<sup>th</sup> October 2023. It is due to go live October 2024.
- 2.8 The main changes to the procurement regime are listed below:
  - Greater flexibility when choosing the procurement procedure to be used
  - Exclusions in which a supplier may be excluded from a procurement or bids can be rejected due to serious misconduct, unacceptably poor performance.
  - Contract management changes set out steps to manage a contract, including strengthening rules to ensure suppliers are paid on time, and new requirement to assess and publish information on how suppliers are performing based on Key Performance Indicators
  - There will be a requirement to publish additional notices throughout procurement and contract management process.
  - A new procurement review unit has been created and will have the power to investigate our compliance with new regulations.
  - The requirement to create and publish a Forward Procurement Plan that includes information about future procurement opportunities.

### **Local Context**

- 2.9 This strategy will contribute to delivering the Council Plan priorities of:

- **Environment and Climate Change**
- **Economy, Recovery and Regeneration**
- **Community Resilience and Wellbeing**

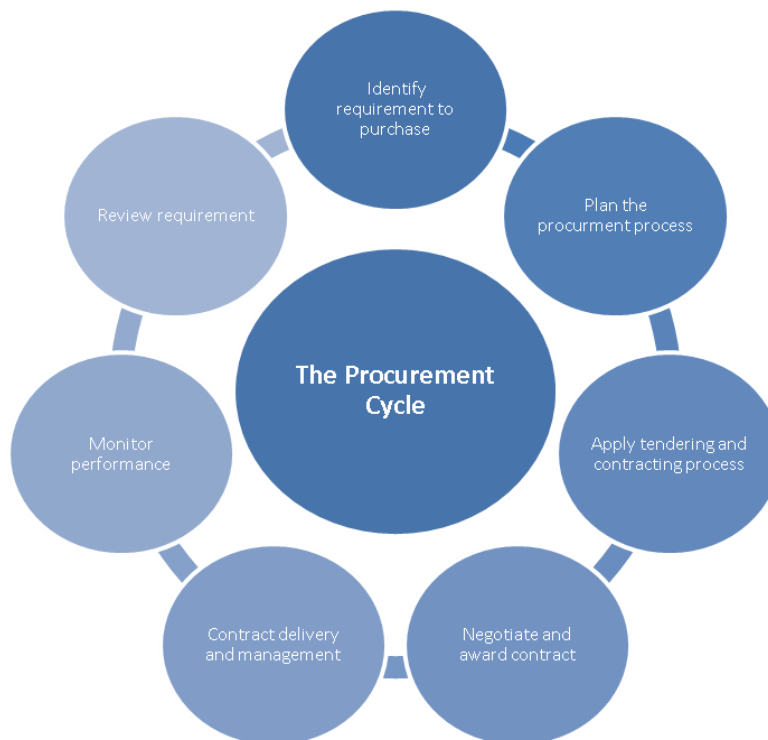
2.10 The importance of procurement in the public sector continues to grow and there is increasing pressure to improve procurement performance. This has been recognised in the Council Plan, and the Equality Action plan with specific actions relation to procurement:

- ER4.3 Support procurement from local businesses and drive local spending on low carbon goods and services to create stronger supply chains within the local economy. This may include collaborative partnerships with local anchor institutions to encourage community wealth building.
- Review Contract Management processes to ensure it takes into account our EDI&E Policy and objectives and promotes equalities in the procurement process

### 3.0 STROUD DISTRICT COUNCIL PROCUREMENT OVERVIEW

3.1 Effective procurement is about managing the whole life cycle of the goods, services and works we procure, and ensuring that specifications are right and fit for purpose with clear outcomes and purposes.

3.2 The Procurement Cycle:



NB Not all awarded contracts will include negotiation

- 3.3 Effective procurement and contract management forms a continuous cycle of action and improvement, from identification of needs through to review of delivery and achievement of outcomes and includes procurement and contract management activity. The outcome for the procurement exercise may not be known at the outset and there are many potential outcomes including a grant being awarded, provision remaining in-house or a fully tendered procurement
- 3.4 Procurement at Stroud District Council is governed by the Council's Constitution, predominantly the Contract and Procurement Procedure Rules and Financial Regulations, and other internal policies and procedures that provide guidance to support officers with procurement.
- 3.5 The Council spends around £36.7m (2022/23) per year on goods, works and services with suppliers.
- 3.6 The range of goods, works and services is varied but includes collection and processing of waste and recycling, responsive and planned maintenance of our housing, new build and redevelopment programme, canal project, Brimscombe Port project and provision of leisure services.
- 3.7 To inform this strategy, a maturity assessment has been carried out against the NPS toolkit, this enables us to measure our progress against the NPS in developing and improving our procurement and contract management processes. There are five levels of maturity – minimum; developing; mature; leader and innovator.
- 3.8 We have mainly assessed at a level of minimum or developing with the level of mature reached in some areas. From this assessment we have highlighted our priority areas, and future actions we need to undertake to develop our maturity.
- 3.9 Appendix A includes details of our strategic procurement road map over the term of the strategy and the annual procurement action plan which includes actions for the forthcoming year to show how we will develop our activity to move from minimum and developing to mature for selected actions.

#### **4.0 PROCUREMENT AIMS**

- 4.1 This section sets out our Procurement Aims where in a time of increasing funding pressures, and increasing expectations of residents, it is more important than ever that we have the best arrangements in place.
1. Procure works, services and quality goods that are responsive to the needs of our community, where relevant to the community and deliver optimum value for money.
  2. Drive Social Value from our procurements where possible, including minimising the adverse environmental impact of services delivered by our suppliers, and supporting the local economy.
  3. Ensure a consistent approach to procurement and contract management.
  4. Maintain, strengthen, and develop strong relationships with suppliers.
- 4.2 This strategy sets out how these Procurement Aims will be successfully achieved, including why they are important, the actions and the next steps or outcomes. Appendix A sets out the Procurement Action plan including timescales.

## **Procurement Aim 1 - Procure works, services and quality goods that are responsive to the needs of our community and deliver optimum value for money.**

### **4.3 Driving Value for Money (VFM)**

- 4.3.1 Delivering value for money is at the heart of what procurement does. Residents' overall satisfaction with the Council usually has a direct correlation with their perception of value for money that the Council delivers.
- 4.3.2 Every pound spent must deliver true value to the community, where relevant to the community, whether that is by better management of our existing contracts, proactive spend analysis, being more commercially astute.
- 4.3.3 In times of reducing resources and challenging budget positions, we must embed a strategic approach to procurement that focuses on whole-life cost, balancing quality, cost and risk to drive maximum value from every pound that we spend with our suppliers.

#### **Actions**

- Ongoing analysis of spend data to map to our Contracts Register and Forward Procurement Plan to identify single supplier expenditure across services that needs to be on a more detailed contract rather than a purchase order and also identify savings opportunities.
- Continue to embed a consistent approach to the production of Procurement Plans for contracts and use them to drive pre-market engagement in procurement processes, where appropriate.
- Work with neighbouring authorities to identify and implement collaboration opportunities.

#### **Outcomes**

- Pro-active use of pre-market engagement to inform procurements, better understand current and potential suppliers, and to encourage innovation that drives VFM.
- Procurement Plans Forms produced for all contracts, considering all relevant market and commercial factors at the beginning of the process, and authorised by Heads of Service or Strategic Directors.
- Spend data from our Forward Procurement Plan and Contracts Register is meaningful and utilised to inform procurement decisions.
- Opportunities for collaboration are explored on an ongoing basis and benefits maximised through strong governance.

### **4.4 Supporting the Local Economy**

#### **Social Value**

- 4.4.1 The Public Services (Social Value) Act 2012 requires us to consider how the services we procure with a contract value above the amount prescribed by legislation might improve the economic, social and environmental well-being of the area.



- 4.4.2 Our Social Value Policy sets out the approach that will be taken in order to ensure that Stroud District Council considers economic, social and environmental wellbeing in connection with its contracts. Contracts over £75,000 must incorporate Social Value in the procurement process including a social value element of at least 10% in the evaluation process.
- 4.4.3 The Council has implemented the use of the Social Value Portal to measure, monitor and report on the amount of social value delivered in the district through our procurement and contract management activity.
- 4.4.4 We have also agreed a local set of Themes, Outcomes and Measures (TOMs) based on the National TOMs where suppliers select as part of the procurement process the most applicable TOMs relating to the contract.
- 4.4.5 By using the Social Value Portal we can measure how we are improving economic, social and environmental wellbeing from public sector contracts over and above the delivery of the services directly required at no extra cost.

### **Actions**

- Continue to incorporate Social Value within the procurement process for all contracts above £75,000, at a minimum of 10% of the evaluation.
- Produce and Annual Report on Social Value created in the district, by project and overarching outcomes.
- Monitor Social Value commitment of our suppliers through our contract management processes.
- Continuously reviewing what we do to support suppliers wanting to do business with the Council, through the use of feedback.
- Provide both regular supplier sessions on the Social Value policy and procurement best practice to enable them to develop and compete more successfully in securing Council contract.

### **Outcomes**

- Delivering Social Value benefits to the community, residents and businesses of the district.
- A maintained, developed and ongoing clear statement of what good Social Value looks like to the Council.
- Social Value is used to support local suppliers and SMEs.
- Social Value is used to support the Council's environmental commitments, mitigating the negative impact and maximising the value achieved for the environment through working with suppliers.
- Social Value is embedded in the procurement process to ensure that all relevant opportunities are utilised to drive Social Value
- Social Value commitments made by suppliers are monitored to ensure that they are delivered

### **Small and Medium Enterprises (SMEs) and Voluntary Community and Social Enterprises (VCSEs)**

4.4.2 We recognise that engaging local Small and Medium Enterprises (SMEs) and Voluntary Community and Social Enterprises (VCSEs) is a powerful means to support the local economy. This brings a multiplier effect through which local service providers can upscale, create and sustain local jobs, invest in personnel, generate local economic growth, social stability, be agile and support innovation.

4.4.3 We aim to promote opportunities for local suppliers, SME's and VCSE's when planning the procurement approach and that applying to do business with us, it is as streamlined as possible.

### **Actions**

- Encourage contracts to be split into lots so as not create barriers for smaller businesses.
- Use the using the "Supplying the South West" Portal for all contracts over £10k, and publishing the Council's Contracts Register, together with Forward Procurement Plans for future contracting opportunities, on the council's website.
- Use pre-market engagement to inform the market of upcoming procurements, identify local supply opportunities, gather local supplier input and to facilitate the development of consortia/sub-contracting arrangements.

### **Outcomes**

- Drive the Social Value process to optimise the level of spend with local suppliers, both directly and sub-contracted.
- Engage the VCSE sector so that they are involved for each relevant opportunity so that the value of local suppliers and VCSE organisations is recognised.

## **4.5 Sustainability and Equalities in Procurement**

4.5.1 Sustainability is an important consideration when making procurement decisions. It ensures that we consider impact of environmental, economic and social factors of procurement decisions along with price and quality.

4.5.2 Stroud District Council is committed to making its spending decisions in a way that delivers both value for money on a whole life cycle basis, and achieving wider economic, social and environmental benefits. It is important to be aware of, and look for signs of unacceptable practices, such as modern slavery, fraud and corruption, in the supply chain

4.5.3 We are committed to achieving the aims of the Council's [2030 Strategy](#) and will require our suppliers to demonstrate how they will assist with achieving these aims as part of the contract using performance indicators.

4.5.4 In terms of ethical procurement we must be aware and look out for signs of unacceptable practices in the supply chain such as modern slavery, fraud and corruption. We are committed to the Co-operative Party's Charter against Modern Slavery.

- 4.5.5 It is a requirement of the Equality Act 2010 to comply with the Public Sector Equality Duty (PSED). Compliance with the PSED ensures that relevant Council procurements are fit for purpose and meet the needs of our customers.
- 4.5.6 The Council's Equality, Diversity, Inclusion and Equity Objectives promote a positive approach to equality and diversity in our procurement processes.
- 4.5.7 We have partnered with the Employers Network for Equality and Inclusion and carried out a self-assessment called Talent, Inclusion and Diversity Evaluation (TIDE) which sets out specific actions in relation to our procurement activity, where we will ask for evidence of equality and diversity activity, training and monitoring undertaken by suppliers.
- 4.5.8 Stroud District Council expects its partners and suppliers to share its commitment to equal opportunities. Procurement can promote equality of opportunity and service delivery in those organisations that supply the Council or its residents.

### **Actions**

- Require information from potential suppliers during the procurement process on how they will help us to progress our environmental objectives as part of the delivery of a contract.
- Complete the actions identified in the ENEI TIDE assessment to move from preparing to realising by requiring evidence from suppliers on their equality and diversity implementation plans including monitoring and training.
- In conjunction with One Legal build ethical, sustainable and equality and diversity terms and conditions into standard procurement documents.
- Assisting officers in addressing equality and diversity in procurement activity including undertaking Equality Impact Assessments (EQIAs), where required, to ensure that equality and diversity requirements are built into contracts where relevant.

### **Outcomes**

- Our suppliers and contractors help to support our environmental, ethical and equality objectives to reduce the impact of goods, works and services.

## **4.6 Partnership Working**

- 4.6.1 By working in partnership with a wide range of private, public and voluntary organisations this can help achieve our corporate objectives, by playing a strong role in collaborating with partner organisations focussing on knowledge sharing, joint policy development and procuring joint contracts to reduce duplication and take advantage of greater economies of scale.
- 4.6.2 We will work closer with partners and other organisations to optimise service delivery, stimulate economic growth and work towards carbon neutrality and tackle health and other inequalities.
- 4.6.3 We will look to community groups, service providers and reference groups to build intelligence and local service knowledge into the planned approach.

## **Actions**

- Continue to identify opportunities for partnership or collaborative working.
- Explore opportunities through existing routes to market, existing framework agreements, dynamic purchasing systems or Procurement Buying Organisations

## **Outcomes**

- The avoidance of duplication of effort/resources and working in silos, fostering cooperation across services and with external partners.
- Joined up planning and budgeting processes.
- Greater economies of scale and cost savings.

## **Procurement Aim 3 - Ensure a consistent approach to procurement and contract management.**

### **4.7 Developing Capacity**

4.7.1 This Procurement Strategy cannot be achieved unless the Council has the right people in place with the right skills to deliver it. The officers who undertake procurement and contract management activity are vital to the successful delivery of the Councils strategic procurement objectives. The required capacity and skills will continue to be developed in service areas with support and guidance from the Policy and Governance Team.

## **Actions**

- Carry out training needs analysis across the council.
- Specific targeted training will be developed and made available to services and officers as required.
- Annual review of training needs.
- Annual training events.
- Regular procurement forums for all responsible officers will be offered. Active participation will be encouraged by the use of focus and working groups on specific topics of interest.

## **Outcomes**

- Training needs identified across the authority that allows us to identify the skills required across the function.
- Training and Development programme in place to identify and meet individual training needs.

### **4.8 Systems and Processes**

4.8.1 As mentioned above our procurement and contract management activity is governed by legislation, contract and procurement procedure rules and financial regulations, this is supported by detailed guidance for officers on the Hub. The purpose of the systems and processes is to provide a consistent, standardised and compliant approach to all our procurement activity.

4.8.2 From 2016, the government has mandated the use of electronic procurement. Our system SupplyingtheSouthWest has improved compliance and at the same time, it has streamlined the quote and tendering processes.

4.8.3 Under the Transparency Code we must publish a [contracts register](#) for all contracts valued over £5,000; this is published on our website so that any interested parties may view it. This has led to greater visibility of Council spend which will be fed into procurement and resource planning and should lead to greater opportunities for efficiency savings.

### **Actions**

- Develop, publish, maintain best practice guidance, and template documents on the Hub to support those involved in procurement processes and management of contracts.
- Publish revised procedure rules and guidance to reflect changes to the national legislation when this comes into effect in Autumn 2024.
- Ensure all contracts awarded over £5,000 are added to the Contracts Register.

### **Outcomes**

- A procurement governance structure with clear roles and responsibilities.
- Contracting Rules are fit for purpose and set out delegations and approval levels for procurement expenditure.
- Those involved in procurement have access to clear guidance and templates (supported by training opportunities and resources).

## **4.9 Contract Management**

4.9.1 Effective Contract Management can mitigate against financial risks within contracts, as well as delivering a range of non-commercial benefits such as better-quality services and outcomes for service users, lower service risk and additional social value during the life of the contract.

4.9.2 Through the Council's Contract Management Framework we will manage the Council's exposure to commercial, contractual and reputational risk through better Contract Management during the lifecycle of the contract and embed this as part of routine activity.

### **Actions**

- Deliver comprehensive training to all Contract Managers and other relevant staff.
- Ensure Contract Management Plan Forms are produced, for all new contracts over £75k, to drive better up-front planning as to how activities such as performance monitoring, management of change, review meetings, spend management, risk management will be undertaken during the post contract award phase.
- Continue to embed the contract management framework across the authority improve document management, contract archive and renewal management, quality, risk and performance monitoring.

## **Outcomes**

- A developed and embedded consistent approach to Contract Management across the Council that can be applied to all external third-party relationships.
- Support, knowledge sharing, training and systems are provided to Council staff involved in Contract Management

## **Procurement Aim 4 - Maintain, strengthen, and develop strong relationships with suppliers.**

### **4.10 Supplier Relationship Management**

4.10.1 By establishing strong relationships with key suppliers we will ensure that both parties are delivering against the commitments within the contract and build upon mutual experience and knowledge to embed continuous improvement practices throughout the contracted period.

4.10.2 Effective engagement with suppliers will also inform future specifications. This will ensure that we are approaching the marketplace with requirements that meet clearly defined needs and are commercially attractive to potential bidders.

4.10.3 We will build strong, long term, positive relationships with suppliers across all sectors, not just when actively procuring goods and services but also when considering alternative delivery models e.g. social enterprises.

4.10.4. We commit to making all procurement activity fair and transparent as well as encouraging a diverse range of potential bidders to participate accessible to suppliers.

### **Actions**

- To identify the Council's key suppliers and how we want to interact with them.
- To coordinate regular 'Meet the Buyer' events for our existing and potential suppliers.
- Publish a Forward Procurement Plan to identify future opportunities for suppliers

### **Outcomes**

- To develop a relationship between the Council and our suppliers that creates mutually advantageous, flexible and long-term relations based on continuous improvement of quality of performance and financial savings.

### **4.11 Risk and Fraud Management**

4.11.1 Risk Management is an integral part of a procurement process and must be considered at the planning stage of any procurement process. We will identify the risks associated with all major procurement activity and the contingencies for service disruption in each project and how these are to be mitigated and managed.

4.11.2 For any high financial value, above the UK procurement threshold (currently £213,477 for supplies and services, £5,336,937 for works), high risk or high-profile procurement

and which also involves significant risk including staff transfer; or significant potential for reputational or financial risks we will utilise the project management methodology throughout a project's life to ensure it delivers the project objectives and outcomes. Risks and issues register(s) relating to the procurement will be set up and regularly monitored by the project team.

4.11.3 Procurement fraud can happen throughout the whole procurement and contract management cycle; we will review the approach to procurement fraud by risk identification, assessment and appropriate controls; and by raising awareness for all members and officers.

### **Actions**

- Services designing specifications to include risk and fraud identification and mitigation such as supplier resilience and business continuity, and appropriate checks to be undertaken.
- Developing and deploying suitable terms and conditions for our contracts to reflect risk and fraud management

### **Outcomes**

- A developed and embedded consistent approach to Risk and Fraud Management across the Council that can be applied to all external third-party relationships.

## **5.0 EMBEDDING DELIVERY**

In keeping with the ambitions of the Council Plan and the emphasis placed on public sector procurement by the Government, this Strategy sets high standards for the Council. Delivery will require commitment from Members, officers and suppliers.

### **5.1 Leadership**

5.1.1 The council recognises the strategic importance of procurement, strategic procurement activity requires multi-discipline officers from SLT, LMT, Finance, One Legal, P&G Team and buyers who work together on key projects/contracts to design and implement solutions.

5.1.2 The roles and responsibilities of commissioners and procurement professionals are set out in Appendix 2.

### **5.2 Modernising Procurement**

5.2.1 To rise to the challenge local government procurement needs to modernise in terms of scope, use of technology and practices and procedures by:

- Using outcome specifications and other methods to encourage supplier innovation.
- Ensuring terms and conditions are flexible enough to allow for changes in technology and enable innovation during the life of the procurement

- Taking advantages of the opportunities presented in the Public Contracting Regulations which allow council procurement processes to be quicker, simpler, and less costly to run.

### **5.3 Monitoring and Review**

- 5.3.1 The P&G Team will have overall responsibility for monitoring progress and developing the Procurement Strategy.
- 5.3.2 Monitoring the implementation and recording progress with the Strategy will be supported by the Strategic Road Map and the Annual Procurement Plan, details at Appendix 1 including measurable performance indicators.
- 5.3.3 These actions and performance indicators will be placed on the Council's performance management system, Ideagen, which will be utilised to monitor progress and demonstrate transparency and accountability.
- 5.3.4 This will be updated in line with any developments of the Strategy in support of continuous improvement across the authority. Progress against the Strategy will be reported to SLT and LMT quarterly and to Strategy and Resources Committee annually.
- 5.3.5 The Annual Procurement Plan will be updated annually to ensure it meets the needs of all stakeholders including elected members, officers, public and private sector partners, local and third sector organisations.

## **6.0 GOVERNANCE FRAMEWORK**

- 6.1 Stroud District Council's procurement is governed both by UK Law and by our Constitution, mainly the Contract and Procurement Procedure Rules and Financial Regulations. These are mandatory for officers to follow.

### **6.2 Strategic Leadership Team (SLT)**

The Strategic Leadership Team (SLT) will continue to initiate and lead all procurement activity and endorse and support adherence to the procurement strategy across the Council.

### **6.3 Contract and Procurement Procedure Rules**

The Council will comply with the wide range of legislation, regulation and guidance, which governs procurement. The Council's Contract and Procurement Procedure Rules were last updated in 2022 in consultation with the Constitution Working Group to incorporate lessons learnt as well as emerging best practice principles.

### **6.4 The Corporate Governance Group (CGG)**

The purpose of the group is to provide strategic oversight of Stroud District Council District Council's governance activities, to enhance the three lines of defence and to ensure good governance.

In particular relating to procurement, the CGG role is to



- Oversee the production and management of the procurement strategy.
- Assure that procurement and contract management is managed competently and legally.
- Ensure changes in legislation e.g. The Social Value Act (2012) and best practice are embedded in the Councils procurement practices.
- Ensuring that staff engaged in procurement have the required skills.

## 6.5 Procurement Forward Plan

The Procurement Forward Plan identifies the required strategic procurement activities for a period extending 1 - 3 years into the future. The procurement forward plan will encompass all major procurements due in the following 1-3 years. This will allow for enhanced planning and scheduling, improved visibility and improved risk management for the Council's major procurement activities.

## 6.6 The Contracts Register

The Contracts Register is a Council-wide record of all contracts that the Council has entered into above the value of £5,000 and is located on an in-house built system. The publication of our Contracts Register is a requirement of the Transparency Code.

Contract Managers must ensure that all contracts are entered onto it and that they are kept up to date.

The Contracts Register is monitored by the Corporate Governance Group and will continue to be a key component to co-ordinate and risk manage procurement activity at the corporate level and will assist with Freedom of Information requests.

## Appendix 1 - Strategy Road Map and Annual Procurement Action Plan and Performance Indicators

### Strategic Road Map

Theme	2023/24	2024/25	2025/26	2026 - 2028
Showing Leadership	SL1.4 - Member training	SL1 Engaging Councillors	SL3 – Working with Partners	
	SL2.3 – Updated Procurement Strategy	SL2 Engaging Senior Managers		
	SL2.5 – Officer Training	SL2.5 – Officer Training relating to the new Procurement Act from October 2024		
	SL4.2 – Data collection on Strategic Suppliers	SL4 – Engaging Strategic Suppliers		
Behaving Commercially	BC 2.2 – Updated Contract Register	BC2 – Managing Contracts and Relationships		BC1 - Creating Commercial Opportunities
	BC2.3 – Embedded Change Control procedure	BC3 – Managing Strategic Risks		
	BC2.7 – Officer training on Contract Management			
Achieving Community Benefits	ACB1.2 – Embed Social Value Policy	ACB1 – Creating Social Value	ACB2 – Local small and medium enterprises (SMEs) and micro business engagement	ACB3 – Enabling voluntary, community and social enterprise (VCSE) engagement
	ACB1.6 – Social Value Market Engagement			
	ACB1.7 – Managing Social Value in contracts			

**Appendix 1 – Annual Procurement Action Plan 2023/24 and 2024/25 to support Achieving Procurement Aims**

<b>Procurement Aim</b>	<b>Theme</b>	<b>Action</b>	<b>Target Date</b>
<p><b>Procurement Aim 1 - Procure works, services and quality goods that are responsive to the needs of our community, where relevant to the community and deliver optimum value for money.</b></p>	<p><b>Driving Value for Money</b></p>	Ongoing analysis of spend data to map to our Contracts Register and Forward Procurement Plan to identify non-contract spend and savings opportunities.	<b>Ongoing and quarterly</b>
		Continue to embed a consistent approach to the production of Procurement Plans for contracts and use them to drive pre-market engagement in procurement processes, where appropriate.	<b>Ongoing</b>
		Work with neighbouring authorities to identify and implement collaboration opportunities.	<b>Ongoing</b>
<p><b>Procurement Aim 2 - Drive Social Value from our procurements, including minimising the adverse environmental impact of services delivered by our suppliers, and supporting the local economy.</b></p>	<p><b>Social Value</b></p>	Continue to incorporate Social Value within the procurement process for all contracts above £75,000, at a minimum of 10% of the evaluation.	<b>Ongoing</b>
		Produce and Annual Report on Social Value created in the district, by project and overarching outcomes.	<b>Annually</b>
		Monitor Social Value commitment of our suppliers through our contract management processes.	<b>Ongoing</b>
		Continuously reviewing what we do to support suppliers wanting to do business with the Council, through the use of feedback.	<b>Ongoing</b>
		Provide both regular supplier sessions on the Social Value policy and procurement best practice to enable them to develop and compete more successfully in securing Council contract.	<b>Ongoing</b>
	<p><b>SME's and VCSE's</b></p>	Encourage contracts to be split into lots so as not create barriers for smaller businesses.	<b>Ongoing</b>
		Use the using the "Supplying the South West" Portal for all contracts over £10k, and publishing	<b>Ongoing</b>

		the Council's Contracts Register, together with Forward Procurement Plans for future contracting opportunities, on the council's website.		
		Use pre-market engagement to inform the market of upcoming procurements, identify local supply opportunities, gather local supplier input and to facilitate the development of consortia/sub-contracting arrangements	<b>Ongoing</b>	
	<b>Sustainability and Equalities in Procurement</b>		Require information from potential suppliers during the procurement process on how they will help us to progress our environmental objectives as part of the delivery of a contract.	<b>Ongoing</b>
			Complete the actions identified in the ENEI TIDE assessment to move from preparing to realising by requiring evidence from suppliers on their equality and diversity implementation plans including monitoring and training.	<b>December 2024</b>
			In conjunction with One Legal build ethical, sustainable and equality and diversity terms and conditions into standard procurement documents.	<b>June 2024</b>
			Assisting officers in addressing equality and diversity in procurement activity including undertaking Equality Impact Assessments (EQIAs), where required, to ensure that equality and diversity requirements are built into contracts where relevant.	<b>Ongoing</b>
	<b>Partnership Working</b>		Continue to identify opportunities for partnership or collaborative working.	<b>Ongoing</b>
			Explore opportunities through existing routes to market, existing framework agreements, dynamic purchasing systems or Procurement Buying Organisations	<b>Ongoing</b>

<b>Procurement Aim 3 - Ensure a consistent approach to procurement and contract management.</b>	<b>Developing Capacity</b>	Carry out training needs analysis across the council.	<b>December 2023</b>
		Specific targeted training will be developed and made available to services and officers as required.	<b>February 2023</b>
		Annual review of training needs.	<b>Annually</b>
		Annual training events.	<b>Annually</b>
		Regular procurement forums for all responsible officers will be offered. Active participation will be encouraged by the use of focus and working groups on specific topics of interest.	<b>Quarterly as needed</b>
	<b>Systems and Processes</b>	Develop, publish, maintain best practice guidance, and template documents on the Hub to support those involved in procurement processes and management of contracts.	<b>December 2023 and ongoing</b>
		Publish revised procedure rules and guidance to reflect changes to the national legislation when this comes into effect in Autumn 2024.	<b>Autumn 2024</b>
		Ensure all contracts awarded over £5,000 are added to the Contracts Register.	<b>Ongoing</b>
	<b>Contract Management</b>	Deliver comprehensive training to all Contract Managers and other relevant staff.	<b>March 2024</b>
		Ensure Contract Management Plans Forms are produced, for all new contracts over £75k, to drive better up-front planning as to how activities such as performance monitoring, management of change, review meetings, spend management, risk management will be undertaken during the post contract award phase.	<b>Ongoing – 2<sup>nd</sup> line of defence</b>
		Continue to embed the contract management framework across the authority improve document management, contract archive and renewal	<b>Ongoing</b>

		management, quality, risk and performance monitoring.	
<b>Procurement Aim 4 - Maintain, strengthen, and develop strong relationships with suppliers.</b>	<b>Supplier Relationship Management</b>	To identify the Council's key suppliers and how we want to interact with them.	<b>March 2024</b>
		To coordinate regular 'Meet the Buyer' events for our existing and potential suppliers.	<b>Ongoing</b>
		Publish a Forward Procurement Plan to identify future opportunities for suppliers	<b>Annually</b>
	<b>Risk and Fraud Management</b>	Services designing specifications to include risk and fraud identification and mitigation such as supplier resilience and business continuity, and appropriate checks to be undertaken.	<b>June 2024</b>
		Developing and deploying suitable terms and conditions for our contracts to reflect risk and fraud management	<b>June 2024</b>
		Risk Management training for officers.	<b>January 2023</b>

### Performance Indicators and Measures

<b>Procurement Aim</b>	<b>Theme</b>	<b>PI or Measure</b>	<b>Method</b>	<b>Target</b>
<b>Procurement Aim 1 - Procure works, services and quality goods that are responsive to the needs of our community and deliver optimum value for money.</b>	Driving Value for Money	Percentage of spend with local suppliers (GL postcode)	Annual spend analysis	2% year on year increase
		Percentage of Council spend covered by contracts	Annual spend analysis	80%
<b>Procurement Aim 2 - Drive Social Value from our procurements, including minimising the adverse environmental impact of services delivered by our suppliers, and supporting the local economy.</b>	Social Value	Percentage of contracts awarded over £75,000 that have included Social Value in the tender process and ongoing commitments	Report from the Social Value Portal	95%

		Annual Social Value created through procurement and contract management activity	Annual Social Value Report	
	SME's and VCSE's	Number of contracts awarded to SME's or VCSE's	Annual spend analysis	Target to be agreed
		Percentage as part of the total number of contracts split into lots	Annual spend analysis	Target to be agreed
	Sustainability and Equalities in Procurement	Percentage of suppliers who publish EDIE strategy for contracts over £75,000	Contract details held by services	100%
		Percentage of suppliers who train staff about EDIE for contracts over £75,000	Contract details held be services	80%
	Partnership Working	Number of partnership working contracts awarded annually	Annual Spend analysis	Target to be agreed
<b>Procurement Aim 3 - Ensure a consistent approach to procurement and contract management.</b>	Developing Capacity	Percentage of officers against total of SDC employees attending annual training events	Details held by P&G Team	40%
	Systems and Processes	Number of procurement challenges received per year	Details held by P&G Team and One Legal	0
		Publishing all contracts valued over £5,000 on the Council website	Details held by P&G Team	100%
		Publishing our annual Forward Procurement Plan	Details held by P&G Team	Green – it's published
	Contract Management	Percentage of contracts over £75,000 that have	Measured by P&G team who	100%

		authorised Contract Management Plans	record all contract management plans	
<b>Procurement Aim 4 - Maintain, strengthen, and develop strong relationships with suppliers.</b>	Supplier Relationship Management	Number of Meet the Buyer events held each year	P&G Team	2 per year
	Risk and Fraud Management	Number of Contract Management Plans detailing risk and mitigation	Measured by P&G team who record all contract management plans	100%



## **Appendix 2 – Governance Structure and responsibilities**

### **Governance, structure and responsibilities**

The National Procurement Strategy recommends that local authorities demonstrate political and senior officer leadership of procurement.

#### **Members role in procurement**

Members are responsible for:

- Strategy and Resources Committee are responsible for authorising this Procurement Strategy and reviewing progress on the strategic aims.
- Audit and Standards Committee are responsible for ensuring compliance with the Contract and Procurement Procedure Rules.
- Each committee's performance monitors are responsible for reviewing service specific procurement activity at the performance monitoring meetings with directors.
- Procurement activity requiring more detailed member involvement includes:
  - Making decisions in the procurement process for major projects.
  - Where a new service or a substantially varied service is being considered.
  - High public interest.
  - Significant reputational or financial risk.
  - Significant risk of failing to meet legislative requirements.

#### **Strategic Leadership Team (SLT)**

SLT are responsible for:

- Management of the strategy and to review progress against the implementation of the actions.
- Strategic leadership and governance of procurement.
- Ensuring the Procurement Strategy aligns with corporate objectives.
- Ensuring value for money and risk management are considered as part of any procurement activity.
- Ensuring equality and sustainability are considered at each stage of the procurement process.

#### **Corporate Governance Group**

The Corporate Governance Group is the primary strategic agent through which procurement activity is governed. The Corporate Governance Group is made up of senior management officers and procurement professionals and is chaired by the Monitoring Officer.

The main functions of the Corporate Governance Group are:

- Oversee the production and management of the procurement strategy
- Assure that procurement is managed competently and legally by overseeing the arrangements for procurement and to ensure they are operating effectively.
- Ensure changes in legislation e.g. The Social Value Act (2012) and best

practice are embedded in the Councils procurement practices

- Assessing whether procurement is achieving best value for the Council
- Ensuring that staff engaged in procurement have the required skills

## **Heads of Service**

Heads of Services are responsible for:

- Managing procurement activity in their services, in line with the Contract and Procurement Procedure Rules and this Strategy
- Responding to matters raised by the Corporate Governance Group or Internal Audit
- Identifying staff within their services areas who need relevant training
- Supplying information for the Forward Procurement Plan
- Authorising procurement activity through the procurement plan forms
- Ensuring Officer Decisions are recorded for contracts at £75,000 or over
- Authorising Contract Management Plans Forms

## **Contract Managers/Owners**

Contract Managers/Owners are responsible for:

- Overseeing the entire contract lifecycle in line with the Council's Contract Management Framework
- Ensure the Contract Management Plan Form is produced for contracts over £75,000 and authorised by their Head of Service
- To have regular meetings with the supplier to ensure contract compliance with delivery and management of key performance indicators
- Maintaining contract records
- Identifying and managing risks related to the contract.
- Escalating any issues to their Head of Service

## **Operational Managers and Relevant Staff**

- Each relevant operational manager is responsible for ensuring that the staff in their areas have the right level of skills to deliver effective procurement and will also monitor all procurement activity in their services.
- Staff involved directly with the purchase of goods, services and works must ensure they comply with this strategy, and the Contract and Procurement Procedure Rules, with reference to the guidance on the Hub; and conduct relationships with suppliers and the Council in an ethical and appropriate manner to ensure they promote their employer in a positive way.

## **Corporate Policy & Governance (P&G) Team**

The duties of the P&G team are to maintain procurement guidance in line with best practice, and to monitor procurement activity across the Council, including:

- Coordinating this procurement strategy on behalf of the Council and leading on the implementation of the procurement aims.

- Providing assistance to contract owners in the control and management of contracts.
- Development and maintenance of procurement documentation and web pages to publicise procurement plans, information and advice to potential suppliers and staff; to comply with transparency requirements.
- Publish the Forward Procurement Plan.
- Continue the development of e-procurement to deliver savings in transactional processes.
- Providing assistance to contract owners in the planning and co-ordination of improvement of current contracts, business continuity, exit strategies and post contract appraisals and reviews; including the 3<sup>rd</sup> Line of Defence procedure
- Ensuring the procurement process eliminates the potential for fraud and favouritism towards any supplier.
- Supplier analysis to identify supplier base, spend per supplier, spend per category.
- Coordinate and monitor the Council Contracts Register to allow improved advanced planning for procurement and contract management activity.
- Organising training for officers, to include specific procurement training, induction and Contract & Procurement Procedure Rules, and use of the procurement portal.

## **Appendix 3 - Legislation, Council policy and procedure rules relating to Procurement**

Public procurement operates in a highly regulated environment that is governed by legislation and policies set by the European Union (EU), nationally through statute and case law and locally by our Constitution and Contract and Procurement Procedure Rules, and other relevant Council policies. These are listed below:

### **UK Directives and Public Contract Regulations (PCR) 2015**

The EU procurement regulations were transposed in UK law following Brexit, they are based on the Treaty principles of transparency, non-discrimination, equal treatment and proportionality. The directives give detailed instructions on how public procurement over a certain threshold should be carried out. The detail behind the legislation and regulations is complex, and since their inception has been supplemented by a raft of case law.

The Public Contracts Regulations 2015 came into force in February 2015. Failure to adhere to the provision and The Public Contracts Regulations can result in the authorities becoming subject to Court action.

### **Procurement Act 2023**

Legislation due to 'go live' into effect in October 2024

We will have to:

- Deliver value for money
- Maximise public benefit
- Comply with transparency requirements
- Act with integrity

### **Local Government Transparency Code 2015**

The Transparency Code requires the Council to publish details of every invitation to tender for contracts with a value that exceeds £5,000. We must also publish details of any contracts, commissioned activity, purchase order, framework agreement or any other legally enforceable agreement with a value that exceeds £5,000.

### **The Public Services (Social Value) Act 2012**

This act places a duty on local authorities, at the 'pre-procurement' phase of procuring services to consider how and what is being procured might improve the economic, social and environmental well-being in their community; and how they might secure that improvement in the procurement process itself as long as such action is relevant to what is being procured and is considered to be proportionate. This applies to all public services contracts with only an element of goods or works. It does not apply to public works contracts or public supply (goods) contracts.

### **Community Right to Challenge under The Localism Act 2011**

This act to enables "relevant bodies," for example voluntary and community groups, employees or Parish Councils, to challenge to take over local services that they think they can run differently or better. The right enables a relevant body to submit an expression of interest (EOI) to a relevant authority to provide or assist in providing a relevant service.

### **Freedom of Information Act 2000**

This act provides people with the right to access to information held by public bodies. This with the government's transparency agenda has consequences for those contracting with the partners where the financial details of contracts awarded may be made public.

### **Data Protection Legislation**

The General Data Protection Regulation 2016 and the Data Protection Act 2018 sets out the basis on which we process the personal data we collect. Any contract must clearly set out the roles and responsibilities of the council and the contractor and require the contractor to comply with Data Protection legislation and indemnify the council against any claim.

### **Contract and Procurement Procedure Rules, Financial Regulations and Scheme of Delegation**

As part of its corporate governance arrangements the Council must ensure that there are adequate controls, procedures and standard documentation in place to satisfy the need to meet probity, propriety and transparency tests. The Contract and Procurement Procedure Rules, Financial Regulations and Scheme of Delegation fulfil this requirement and they are part of the approved Constitution. They must be observed by both Members and Officers within the procurement process.

### **Other Council plans and policies**

The Council's procurement framework is aligned to the commitments made in other Council plans and policies:

- Council Plan
- Contract Management Framework
- Performance Management Framework
- CN 2030
- Risk Management strategy
- Capital Strategy
- MTFP