

Report to **Policy & Resources Committee**
Date **19 September 2024**
By **Procurement Manager**
Title of Report **Review of SDNPA Procurement Strategy Action Plan**
Decision

Recommendation: The Committee is recommended to:

- 1. Note progress against the Procurement Strategy Action Plan during Year 3.**
 - 2. Approve the revised Procurement Strategy Action Plan Year 4 for Sept 2024-Sept 2025.**
-

1. Introduction

- 1.1 The Policy & Resources (P&R) Committee approved the Authority's Procurement Strategy 2021-2026 at its meeting in September 2021.
- 1.2 The Procurement Strategy describes what the SDNPA aims to achieve when procuring works, goods and services, and the mechanisms and processes used to achieve those.
- 1.3 The Procurement Strategy contains an outline Action Plan covering five years, together with a detailed Action Plan for the current 12 months.
- 1.4 This report summarises the progress against the Procurement Strategy Action Plan during year 3 and proposes an action plan for year 4 of the Strategy.

2. Policy Context

- 2.1 Effective procurement makes a significant contribution to achieving organisational success. By aligning the function with key objectives contained within the Corporate Plan, procurement processes allow Officers working towards the high-level targets to achieve the best possible outcomes, through the application of early and appropriate market research, the correct type of specifications, and the use of appropriate evaluation criteria.
- 2.2 The proposed Procurement Strategy Action Plan for 2024-25 will ensure the continued alignment of Procurement with SDNPA's Corporate plan and will include further development of the Procurement Strategy, to ensure that social value and sustainability is embedded over the next 12 months, before developing a new Sustainable Procurement Strategy in 2026.
- 2.3 The Procurement Bill, which will reform the existing Public Contract Regulations, is currently going through Parliament, and the new legislation is expected to come into force in October 2024, training will be provided to all public sector organisations to support them in implementing the changes. Benefits of the new legislation will include a more flexible

procurement system, helping SMEs and social enterprises to compete for and win more public contracts, and embedding transparency throughout the commercial lifecycle, making it easier to do business with the public sector.

3. Progress on the Action Plan during Year 3

3.1 The Outline Action Plan for year 3 set out that the focus would be on:

- Sustainability and Social Value embedding into the process for all contract managers to consider.
- Learning the new legislation and ensuring SDNPA policies and procedures comply with this.

3.2 The Procurement Strategy Action Plan for Year 3 contained the following actions:

- Work with contract managers and other SDNPA officers to ensure that every tender specification considers sustainability criteria which are relevant and proportionate to the contract.
- Implement new social value evaluation criteria in the tendering process, which will increase SDNPA's ability to achieve and monitor social value outcomes.
- Ensure that the Procurement Team and key internal stakeholders receive appropriate [training on the Procurement Bill](#) as it becomes available.
- Review and update policies or procedures, including guidance, as required as part of the procurement process to ensure compliance with the new legislation.

Below is an update on the progress of each of these actions.

3.3 Work with Contract Managers to ensure every tender specification considers sustainability criteria which are relevant and proportionate to the contract: The following process has been implemented: When the procurement team receives a specification, it is reviewed for the inclusion of sustainable elements, both within the core specification itself and for added social value. Prior to the finalisation of the Invitation to Tender the procurement team discusses with contract managers whether there is any scope to improve sustainability requirements or add in social value which is relevant and proportionate to the contract.

3.4 Implement new social value evaluation criteria in the tendering process, which will increase SDNPA's ability to achieve and monitor social value outcomes: In October 2023 we updated the Invitation to Tender template with new separate social value evaluation criteria which focus on the relevance to the contract, and the deliverability of the offer, which is monitored through the use of KPIs. We have also updated the website and give bidders examples of ideas on what they can offer in terms of social value.

3.5 Ensure that the Procurement Team and key internal stakeholders receive appropriate training on the Procurement Bill as it becomes available. The Government "Knowledge Drops" which provide an overview of the changes became available in Spring, followed by more in depth training modules for procurement professionals. The procurement team have all undertaken the knowledge drops and are now working on completion of the in-depth training. We have identified key SDNPA officers and Members who would benefit from the Knowledge drops and have updated all SDNPA officers of the impending changes. The procurement Manager will undertake further training (Deep Dives).

3.6 Review and update policies or procedures, including guidance, as required as part of the procurement process to ensure compliance with the new legislation: We are now beginning to look at updating policies and processes and will need assistance from Legal to ensure that they are fit for purpose. Now that we have additional resource within the team, we will complete this action with an anticipated date of 31 December 2024.

4. Procurement Strategy Action Plan Year 4 for Sept 2024-Sept 2025

- 4.1 The Procurement Strategy including a proposed Action Plan Year 4 for 2024-25 is set out in **Appendix I**. The proposed Action Plan Year 4 aims to ensure the compliance with the new legislation and use any opportunities the new rules provide to improve sustainability within our contracts. There will be a focus on researching how we can measure the baseline scope 3 emissions for SDNPA contracts and we will be working closely with the Climate Action Group to ensure the viability of this.
- 4.2 SDNPA’s Procurement Team (at the time this report has been written) are undertaking in-depth training on the forthcoming Procurement Bill. The training is being delivered by the Government Commercial College. Key officers and Members have also been identified and will be asked to undertake the knowledge drops which is an overview level of training.
- 4.3 These actions will also inform the work to be undertaken during years 5 and 6 on the development of a Sustainable Procurement Strategy for approval in 2026.

5. Options and cost implications

- 5.1 The implementation of the new social value evaluation criteria is key to ensuring the SDNPA can properly monitor social value outcomes through the procurement process. Proportionate sustainability criteria is also an important mechanism in supporting the SDNPA’s Climate Action targets in the Corporate Plan.
- 5.2 Training for key stakeholders is necessary in order to become familiar with the new legislation. The Government Commercial College have provided three levels of training for key stakeholders over the coming months: “Knowledge Drops” (short on-demand presentations) for those needing a general level of awareness, “Self-guided e-learning” for those needing a comprehensive knowledge and understanding (culminating in the award of a Practitioner Certificate), and “Deep dive webinars” – a three-day intensive course for a those who need to become experts in operating within the new regime (three-day intensive course). This training has been funded by the Cabinet Office.
- 5.3 The development of the Sustainable Procurement Strategy for approval 2026 will require some baseline information to measure Scope 3 emissions of current suppliers to enable us to measure the new strategy in terms of environmental sustainability once implemented. Some research will be required on the best way to capture this information. Following on from the outcomes of the research, there may be associated costs in capturing the required information. These costs are currently being explored.

6. Next steps

- 6.1 Should the proposed Action Plan Year 4 be approved work will continue to implement the Procurement Strategy.

7. Other implications

| Implication | Yes*/No |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| Will further decisions be required by another committee/full authority? | A Sustainable Procurement Strategy will be considered by P&R Committee in 2026. |
| Does the proposal raise any Resource implications? | Please see Section 5 above. |

| Implication | Yes*/No |
|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| How does the proposal represent Value for Money? | The development of the Sustainable Procurement Strategy in the Action Plan aims to improve value for money across the organisation, not only in terms of savings but towards social, environmental and economic goals embedded in the Corporate Plan. |
| Which PMP Outcomes/ Corporate plan objectives does this deliver against | Procurement is a strategic function which supports the delivery of all outcomes and objectives in the PMP and Corporate Plan. |
| Links to other projects or partner organisations | Government Commercial College, Cabinet Office, any companies/organisations who might bid for contracts with the SDNPA. |
| How does this decision contribute to the Authority's climate change objectives | The Action Plan Year 4 objectives aim to ensure that any procurement processes take into account the objectives within the Climate Change strategy. |
| Are there any Social Value implications arising from the proposal? | Task 2 and 4 in the Action Plan directly relates to improving social value within SDNPA contracts. The Public Services (Social Value) Act 2012 applies to all contracts over GPA Thresholds, however we apply Social Value criteria to all lower value contracts where relevant and proportionate to the contract. The updated criteria in last years Action Plan aims to ensure that we are better able to monitor the delivery of social value promised in bids. |
| Have you taken regard of the South Downs National Park Authority's equality duty as contained within the Equality Act 2010? | Yes, taking regard of the Authority's equality duty is an integral part of the procurement process. There are no implication from this action plan. |
| Are there any Human Rights implications arising from the proposal? | None within the Action Plan however the selection process within any tendering exercise will examine the bidding companies' compliance with the associated laws. |
| Are there any Crime & Disorder implications arising from the proposal? | None within the Action Plan however the selection process within any tendering exercise will examine the bidding companies' compliance with the associated laws. |
| Are there any Health & Safety implications arising from the proposal? | None within the Action Plan however the selection process within any tendering exercise will examine the bidding companies' compliance with the associated laws. |
| Are there any Data Protection implications? | None within the Action Plan however the selection process within any tendering exercise will examine the bidding companies' compliance with the associated laws. |

8. Risks Associated with the Proposed Decision

| Risk | Likelihood | Impact | Mitigation |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Failure to comply with the new Procurement legislation | Unlikely | Moderate | Ensure procurement staff are trained within the new legislation at the deep dive level that the Government Commercial College are providing Ensure staff are aware of the new legislation and all procurement spend goes through the Procurement Team. |
| Implementing criteria which requires bidders to submit complex sustainability information could exclude smaller suppliers from bidding or impact disproportionately on the cost/quality of what we buy. | Possible | Major | Ensuring the sustainability requirements are proportionate to that of the contract and therefore do not exclude suppliers from being able to submit a proposal. Prior engagement with Suppliers to ensure the requirements will not be a barrier. |
| Implementing criteria which requires bidders to submit complex social value information could exclude smaller suppliers from bidding or impact disproportionately on the cost/quality of what we buy. | Possible | Major | Ensuring the sustainability requirements are proportionate to that of the contract and therefore do not exclude suppliers from being able to submit a proposal. Prior engagement with Suppliers to ensure the requirements will not be a barrier. |

HAYLEY MADGWICK
Procurement Manager
South Downs National Park Authority

Contact Officer: Hayley Madgwick, Procurement Manager

Tel: 01730 819390

Email: Hayley.madgwick@southdowns.gov.uk

Appendices I. Procurement Strategy with proposed Action Plan

SDNPA Consultees Chief Executive; Director of Countryside Policy and Management; Director of Planning; Chief Finance Officer; Monitoring Officer; Legal Services, Head of Finance and Corporate Services

External Consultees None

