

Nuneaton & Bedworth



Procurement & Accounts Payable Strategy 2023 - 2027

Foreword

The UK and Local Government landscape continues to face uncertain economic challenges adding additional pressure to services and the supply chain. Furthermore, the Public Procurement Regulatory framework is changing with new regulations predicted to come into force in 2023. That said, the Council is determined to meet the challenges head on by working innovatively to realise its ambition to Build a Better Borough.

This sixth iteration of the Council's Procurement Strategy aspires to build and develop on performance obtained under previous procurement strategies. Additionally, this strategy incorporates aspects of Accounts Payable as well as the National Procurement Strategy for Local Government in England.

Procurement is a strategic activity across the organisation helping to ensure compliance, value for money and effective delivery whilst achieving additional benefits such as efficiency, reduced waste and generating social value. The Council wishes to obtain and deliver social value throughout its supply chain such as unleashing opportunities for small and local businesses, charities, social enterprises and the wider society it serves.

This strategy has been designed to do that by focusing on 5 key themes:

1. Compliance

2. Strategic Procurement & Purchasing

3. Value for Money

4. Collaboration

5. Social Value

Procurement Vision

The key delivery aims will help to address the following challenges:

- Ensure procurement is undertaken at the right level with the right people and relevant training.
- Use technology and in particular eProcurement to support organisational and behavioural change.
- Make procurement a key management activity.
- Involve Elected Members in the procurement strategy so they provide leadership in embedding procurement excellence into the culture of the Council.
- Comply with all legislation relating to procurement activity and prepare for an effective transition to the new UK Public Procurement regime when introduced.
- Develop partners and partnership working.
- Stimulate markets and the local economy to be able to procure from a diverse and competitive range of suppliers including minority businesses, voluntary and community sector groups and SME's. This also extends to Tier 1 and high Tier 2 Contractors/Suppliers who shall be involved in the delivery of the Council regeneration plans.
- Develop a contracts database covering recurrent procurement activity in the form of pipelines for effective planning.
- Enhance existing guidance and support offered to officers on procurement process/contract management.
- Provide strategic procurement advice to major projects.
- Provide procurement training for Elected Members, Officers and Suppliers.

Background

Procurement and Accounts Payable is an essential element of delivering cost effective efficient services and Social Value. It impacts on a range of stakeholders, including Elected Members, management team, staff, the public, suppliers and partners.

Procurement embraces the whole of the supply chain and commissioning cycle from identifying need, to contract management and monitoring. Key to the success of this strategy is delivering the Council's procurement and accounts payable function at a strategic level and optimising the advantages of a corporate approach to supply chain management and the wider social environment. This means that in the future the Council will work with its partners to engage in supplier and market development and packaging of contracts to ensure the most effective purchase is made. This strategy seeks to provide clear direction and a coordinated strategic approach that avoids duplication or increased bureaucracy, interfaces with the Corporate Strategy and delivers improvements to our procurement process for the period 2023–2027.

Procurement is a critical process for ensuring the Council meets the needs of the community. The public do not distinguish between in-house services and those provided by contractors. Poor procurement can lead to a loss of confidence by the public in our ability to deliver excellent public services.

Nuneaton & Bedworth Borough Council currently spends approximately £41m¹ per year on procurement of supplies, services and works, using around 900 suppliers. The council is continually improving its procurement processes and procedures to achieve maximum efficiency. Furthermore, the Council pays approximately 21,000¹ invoices as a result of the procurement of goods, services and works which flow through the Accounts Payable team for processing.

Our operating principles are to:

- Ensure Procurement is conducted within UK legislation and is compliant.
- Provide services that represent good value for money not only to internal and external stakeholders but also throughout our supply chain.
- Identify best practice in procurement and accounts payable to challenge current methods.
- Maximise, where proportionate, social value.
- Be open to and seek opportunities for partnership or collaborative work with other authorities, the private and third sector.
- Deliver efficiency savings both cashable and non-cashable.

¹ Creditors & Procurement Annual Performance Report 2021/2022

Theme 1 – Compliance

Outcomes Sought:

- Ensure the Council's reputation is maintained.
- Council staff and members are aware of relevant legislation and have access to compliant documents, efficient processes and sound advice.
- Manage the risk of legal challenges and fines.

Given the UK has departed from the EU and is set to implement its own set of procurement regulations, the principles remain unchanged and therefore the risk of exposure for failing to comply remains high. The Green Paper and the Procurement Bill is in circulation in 2022 which aims for greater transparency in public sector procurement which the Council aims to be ahead of prior to legislative changes. Primarily, the Council has a duty to ensure compliance with all regulations and legislative requirements and procurement is no different. As far as reasonably possible, the Procurement and Accounts Payable Team is required to protect the Council from legal challenge to ensure the reputation of the Council isn't damaged but to also limit any risk of fines due to non-compliance. The regulations and legislative requirements provide a basis to implement best practice throughout the procurement cycle and should therefore be viewed as an opportunity for the council to obtain maximum value in its procurement and service delivery.

The Procurement and Accounts Payable Team shall continually review the Council's procurement practices and procedures to ensure compliance with existing and developing legislation. An appropriate level of central professional procurement resource and knowledge will also be maintained within the Council to help ensure outcomes are delivered as set out in this strategy. This also mitigates risk by protecting the Council's finances.

In addition to the above and as a public sector body, the Council has a duty to support its supply chain by implementing prompt payment procedures to limit exposure of late payment charges. The Accounts Payable function, therefore, seeks to limit any risk associated with late payment fines protecting the Council and its finances.

Theme 2 - Strategic Procurement & Purchasing

Outcomes Sought:

- eProcurement – use of technology for efficiency and effectiveness:
 - *e-tendering*
 - *Purchase to Pay (P-2-P) and associated electronic functionality*
 - *Central contracts database for improved transparency and planning*
- Application of Category Management from data analysis and aggregate spend internally and with collaboration partners.
- Uphold Governance standards via management information allowing for better financial management, budgeting, transparency reporting and decision making.
- Devolve Council policy to external bodies through supply contracts.
- Continue to implement innovative procurement and accounts payable practices.
- Showing leadership via engagement with partners, strategic suppliers, Elected Members, Senior Officers and Managers.
- Behaving commercially to extract value and identify new opportunities, including possible income generation activities.
- Prioritising corporate requirements, while addressing any long-term risks, maximising cost savings, and ensuring processes are efficient and effective.

Strategic procurement takes place where there is high risk/high value of spend for the Council and where it is crucial in supporting the Corporate Plan (Building a Better Borough). In this area it is important to be concentrating on building excellent working relationships with the supply chain and collaborative partners with a view to driving down costs without attempting to reduce profit margins to maintain sustainability. This involves looking across service boundaries to identify synergies and opportunities for improving the economy, efficiency and effectiveness. Supplier rationalisation and spend aggregation will allow buying power to be refocused with the resultant benefits of increased leverage, better processes, potential for reduction in numbers of transactions and better value for money being achieved. Furthermore, this strategy aims to build on the status of Procurement and Accounts Payable throughout the Council to assist with the delivery of both statutory and non-statutory functions. The use of eProcurement has and will continue to facilitate the deployment of the strategy in an efficient and effective manner whilst linking into value for money and compliance. The Procurement team will continue to support SME's in use of these systems to ensure inclusiveness.

Theme 3 - Value for Money

Outcomes Sought:

- Seek the correct balance of quality, effectiveness and price for Council services.
- Continue to improve the efficiency and effectiveness of services delivered across the Council portfolio's.
- Improved supplier service to end user through effective contract management activities.
- Drive down procurement and accounts payable costs whilst obtaining value for money by reducing waste and implementing lean processes.
- Use of innovative eProcurement tools.
- To increase savings, maximise efficiency, and reduce risks.

The principle of delivering value for money remains a key principle for the procurement and accounts payable service as it is of paramount importance for the delivery of the Council's objectives and the residents it serves. Achieving value for money in public procurement remains key to securing from suppliers the best mix of quality and effectiveness to deliver the requirements for the least outlay over the period of use of the requirements bought. Therefore, the Council sets a clear framework that it is not bound to select the lowest price but instead it shall take a broad view of value for money that captures operational delivery, quality, effectiveness and social value. Therefore, creating efficiency, reducing waste and releasing resource, outlines a vision for the Council to harness opportunities available to deliver measurable efficiency improvements and deliver value for money. Additionally, unleashing opportunities for small businesses, charities and social enterprises to innovate in public service delivery remains crucial for delivering social value in local economies.

Theme 4 - Collaboration

Outcomes Sought:

- Actively seek and participate in Shared Services, Partnerships and Public Sector networks both regionally and nationally.
- Encourage the use of collaboration where value for money and service requirements can be improved.
- Establish links to public sector framework agreement providers.
- Working proactively with procurement and accounts payable system providers to enhance eProcurement.
- Reducing the administrative burden for suppliers, particularly SME's, to compete and bid for the provision of council services, goods and works.

The opportunities identified within this strategy become even more powerful when shared with partners, shared services, regional and national public sector bodies. We are actively collaborating within the Warwickshire sub region and exploring working in various ways with other public bodies to combine our buying power and procure goods, works or services jointly. Major benefits we have realised are economies of scale, accelerated learning and reduced sourcing activity. The Council will encourage the development of new methods or approaches to procurement that will deliver services efficiently, effectively and economically.

Theme 5 - Social Value

Outcomes Sought:

- Consider and where appropriate, maximise social value by encouraging the local and wider economy to stimulate economic, social and environmental development:
 - *creating new businesses, new jobs and new skills*
 - *reducing waste*
 - *improving supplier diversity, innovation and resilience*
 - *aim to pay over 70% of invoices to SME's within 10 days*

- Develop and enhance links to organisations such as the Federation of Small Businesses (FSB), Voluntary, Community and Social Enterprise organisations (VCSE) and Federation of Master Builders (FMB) to help identify best practice and reduce barriers to trade.

Public Sector Procurement has placed social value as a key priority and year on year contracting authorities place more emphasis on delivering social value throughout their supply chain. Following the devastating impact of Coronavirus, delivering social value outcomes both regionally and nationally has never been so important. Procurement and Accounts Payable can play a huge part in enhancing the profile of social value as outlined in the National Procurement Policy Statement². The Council has placed a particular focus on supporting local economies and consideration of the Social Value Act 2012. Procurement has been innovative in its approach to this aim and will continue to develop strategic and tactical mechanisms to encourage economic regeneration. Improving access and visibility to trading opportunities and reducing the administrative burden are vital in attracting SME/VCSE organisations. Accounts Payable and prompt payment is critical in the support of supplier sustainability and cashflow security and remains a key activity for the Council to maintain its payment performance.

² [Procurement Policy Note 05/21](#)