



# PETERBOROUGH CITY COUNCIL PROCUREMENT STRATEGY

2015 to 2020

PETERBOROUGH  
  
CITY COUNCIL

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## 1. Introduction

This five year strategy sets out how the council intends to purchase goods, works or services from third parties that:

1. Contribute towards achieving the council's priorities (appendix 1) and aligns to the seven commissioning principles the council has adopted to become a commissioning led council (appendix 2);
2. Supports Peterborough's Sustainable community strategy<sup>1</sup> and ambition to become the UK's Environment Capital, to substantially improve the quality of life of the people of Peterborough and to raise the profile and reputation of our city as a leading city in environmental matters and a great place in which to live, visit and work;
3. Complies with the legislative requirements for procurement; and
4. Meets the challenge within local government and the wider public sector to spend within its means. The council has already seen its government funding cut by £44m (40%) over the previous five years, with this downward trend set to continue over the next four years.

The council spends in excess of £200 million per year on procuring works, goods and services through a variety of procurement and contracting arrangements covering a wide and diverse spectrum of council functions. For example, this includes buying stationery, energy, insurance, home to school transport for eligible pupils, care packages for eligible adults and children in social care, services from our strategic partners such as building maintenance and highway maintenance, to major IT systems and construction projects.

Our previous strategy focused on value for money which is now at the core of everything we do, however, this is no longer sufficient. We now need to ensure that every time we spend £1 we are clear that it is adding value and contributes directly to the strategic priorities of the council, playing a key role in breathing life back into local economies and improving the outcomes for the people of Peterborough. This strategy will align to the council's customer strategy<sup>2</sup> which is fundamental in the understanding of our customer and business needs that will shape the way we deliver our services as a commissioning led council.

The outcomes of this strategy will be to:

1. Undertake procurement that achieves the council's strategic priorities and being a commissioning led council;
2. Achieve agreed efficiencies, effectiveness and economies of scale that demonstrates value for money for the residents, partner organisations, businesses and other interested parties, taking into account environmental, social and economic impacts and whole life costs when procuring products and services;
3. Achieve improved business processes that streamline how the council interacts with its **supply chain including through maximising** digital technology; and
4. Promote and supports small medium enterprises including community groups and local businesses

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<sup>1</sup> <https://www.peterborough.gov.uk/council/strategies-policies-and-plans/strategic-priorities/>

<sup>2</sup> <https://www.peterborough.gov.uk/council/strategies-policies-and-plans/customer-service-strategy/>

## 2. Achievement of outcome of next five years

Outcome	Success Criteria
<p>1. Undertake procurement that achieves the council's strategic priorities and being a commissioning led council</p>	<ol style="list-style-type: none"> <li>1. All procurement activity undertaken by the council is done in accordance with the Public Contract Regulations 2015 and the principles set by the European Union, the council's Contract Rules and Financial Regulations.</li> <li>2. All procurement of goods, works and services over £50,000 will be linked directly towards our strategic priorities or not procured at all. This will be clearly articulated in our procurement documentation so we can evidence why the goods, works and services are being bought and that where services have been commissioned that these have been considered against the seven commissioning principles and customer strategy. Where possible, where value, delivery and quality can be assured and financial constraints met, we will seek to procure goods, works and services from ethical sources.</li> <li>3. Sustainable procurement is investigated and developed within the council using the government's procurement framework to achieve this, as agreed in the council's Environmental Capital Action plan.</li> <li>4. Training and regular updates to council officers involved in procurement activity undertaken.</li> <li>5. Investigate and develop policies (for example, SME, ethical, sustainable and departmental category plans) that align to the procurement strategy.</li> <li>6. A clear market engagement strategy for the Peoples and Communities department that creates a buoyant supplier base which the council can commission services from to improve the outcomes for the people of Peterborough.</li> </ol>
<p>2. Achieve agreed efficiencies, effectiveness and economies of scale that demonstrates value for money for the residents, partner organisations, businesses and other interested parties, taking into account environmental, social and economic impacts when procuring products and services</p>	<ol style="list-style-type: none"> <li>1. All objective setting within our procurement activities will include both financial and non-financial components.</li> <li>2. Sourcing approvals will then show how these benefits can be demonstrated. Key facets that will be a focus in our procurement documentation will include: <ul style="list-style-type: none"> <li>• Innovative procurement opportunities</li> <li>• Partnering and collaboration, aggregating spending powers through effective collaboration or by sharing services on common goods.</li> <li>• Commercial innovation / commissioning / different ways of working – link to developing a commissioning strategy and category plans for departments</li> <li>• Inclusion of consideration of the requirements in the revised Best Value Duty guidance and Public Services (Social Value) Act 2012 where applicable</li> <li>• Implement key performance indicators that demonstrate value for money</li> </ul> </li> </ol>

Outcome	Success Criteria
<p>3. Achieves improved business processes that streamline how the council interacts with its supply chain including through maximising digital technology</p>	<ol style="list-style-type: none"> <li>1. We will adopt the appropriate E-sourcing technology that will: <ul style="list-style-type: none"> <li>• Streamline procurement processes</li> <li>• Ease the supplier on-boarding process for smaller suppliers, community organisations</li> <li>• Promote and implement processes that are less bureaucratic and burdensome to suppliers</li> </ul> </li> <li>2. Review the end to end process for purchasing goods, works or services to paying invoices to improve business processes</li> <li>3. Publish contract opportunities on Sourcecambridgeshire and Contracts Finder</li> <li>4. Meet requirements of the Transparency Code</li> <li>5. Outside of this our focus will be to review our: <ul style="list-style-type: none"> <li>• Supplier base</li> <li>• Work with the supply base to support appropriate demand management.</li> <li>• Create, develop and foster the appropriate engagement with suppliers</li> </ul> </li> </ol>
<p>4. Promotes and supports small medium enterprises including community groups and local businesses</p>	<ol style="list-style-type: none"> <li>1. The council will commit to: <ul style="list-style-type: none"> <li>• Pro-actively engage with Opportunity Peterborough, the Chambers of Commerce (and Federation of Small Businesses) Community and voluntary sector to ensure our procurement processes and policies support local regeneration.</li> <li>• Pro-actively work with our strategic partners to promote opportunities to sub contract goods, works and services to local suppliers within the Greater Cambridge and Greater Peterborough local enterprise partnership.</li> <li>• Drive local social and economic growth and regeneration by ensuring any commercial opportunity &gt; £25k is advertised on the Sourcecambridgeshire and Contracts Finder.</li> <li>• Hosting two supplier days per annum that will allow local businesses to ‘meet the buyer’</li> <li>• To ensure that in any post tender feedback, that all small businesses receive constructive feedback on their performance when involved in a procurement exercise.</li> </ul> </li> </ol>

## 2.1 Monitoring arrangements:

Progress and monitoring of the procurement strategy outcomes will be done in the following ways:

- Regular monitoring as part of a programme of works through the council's Procurement Working Group, a cross representative group of officers that are involved in procurement, legal, finance and commissioning activity
- The corporate management team to receive monitoring reports of the Procurement Working Group
- An annual performance report to Cabinet members commencing summer 2016

## Appendix 1 – Council strategic priorities 2015

Peterborough is one of the fastest growing cities in the country bringing new housing, jobs and opportunities for the people who live here and attracting new residents from across the UK and beyond. Our vision is to create a bigger and better Peterborough that grows the right way, and through truly sustainable development and growth:

- Improves the quality of life of all its people and communities, and ensures that all communities benefit from growth and the opportunities it brings
- creates a truly sustainable Peterborough, the urban centre of a thriving sub-regional community of villages and market towns, a healthy, safe and exciting place to live, work and visit, famous as the environment capital of the UK

The council's strategic priorities that underpin the vision are:

1. Drive growth, regeneration and economic development
  - To bring new investment and jobs
  - To support people into work and off benefits
  - To boost the city's economy and the wellbeing of all people
2. Improve educational attainment and skills
  - To allow people to seize opportunities of new jobs and university provision
  - To keep talent and skills in the city's economy
3. Safeguard vulnerable children and adults
4. Implement the Environment Capital agenda
  - To position Peterborough as a leading city in environmental matters
  - To reduce the city's carbon footprint
5. Support Peterborough's culture and leisure trust Vivacity
  - To deliver arts and culture to all people
6. Keep all our communities safe, cohesive and healthy
7. Achieve the best health and wellbeing for the city

## Appendix 2 – Commissioning led council and principles

What is a commissioning led council?

This means that we will deliver better outcomes for our customers through identifying the most efficient, effective and economic models of service delivery.

This may mean the council continuing to deliver services on its own, or directly through other agencies and organisations or as a partnership between the council and other organisations. This will provide us with a range of different abilities, skills and knowledge to enable targeted services to be delivered in the right place at the right time.

A commissioning approach offers significant benefits to local residents and businesses alike. Services will be delivered in more efficient ways, stimulating local enterprise by creating new markets in the provision of local services, and an increased emphasis on the scrutiny of those services.

### Commissioning principles

#### 1. Demand management

We will prioritise the commissioning of services and solutions that will prevent or delay escalating support and service needs.

#### 2 Efficient and effective

We will take an evidence based approach to commissioning services and solutions that demonstrate efficient and effective use of resources.

Services and solutions will be commissioned on the basis of best value.

#### 3 Return on investment

We will commission on the basis of a clear, whole-life costed benefits realisation for service users, PCC and other stakeholders.

This will include analysis of the value of social and environmental outcomes of commissioning activities as well as financial outcomes.

#### 4 Market Development

We will develop the market with providers and partners to ensure that strategic commissioning activity across health and social care is coordinated and best value and outcomes are delivered.

#### 5 Statutory duties

We will ensure PCC complies with its legal duties within the statutory legislative and policy framework.

#### 6 Political

Commissioning activity will take account of and be sensitive to the national and local political context. Engagement with elected members will be carried out throughout the commissioning process.

#### 7 Collaborative commissioning

We will work to commission services and co-produce solutions with strategic partners where this best delivers PCC outcomes and objectives.