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# **Croydon Council**

## **Procurement Strategy to 2024 to 2026**



# Procurement Strategy 2024-26



## Introduction from Head of Strategic Procurement

I am proud to be introducing our Procurement Strategy.

It has never been more important that procurement delivers excellent value for money for our residents.

To do this successfully we must develop & harness the collective skills and knowledge of our staff, so this is rightly a key focus of the Strategy.

To drive improvements, we also need to deliver high quality, well researched and insightful commercial strategies as part of our business cases.

At the same time, we have to ensure that robust contract and supplier management arrangements are in place to ensure the value captured through the above is not eroded in the delivery of our contracts.

Importantly, the Strategy provides a direct link to the Mayor's priorities as set out in his Business Plan, particularly Social Value. It also takes addresses the Improvement and Assurance Panel's (IAP) Exit Strategy requirements to ensure we are delivering our best value duty.

We want to be able to measure ourselves against the best so as well as a range of specific performance measures we will benchmark our progress nationally using the Local Government Association's framework.

This Strategy is grouped into **six themes**, a number of which I have highlighted above. Within each we set out our ambitions, the outcomes we will achieve and the specific tasks we will deliver to enable this.

It must remain a live document; as the environment in which we work changes, then so may our priorities. We will therefore regularly review and modify it as required.

**Scott Funnell, Head of Strategic Procurement and Governance**

## Strategy Themes

**Theme 1: Commercial Engagement**

**Theme 2: Contract & Supplier Management**

**Theme 3: Social Value**

**Theme 4: Skills Development**

**Theme 5: Governance & Assurance**

**Theme 6: System & Process Development**



## Theme 1: Commercial Engagement

### Ambition

It is paramount we use our spending power with suppliers wisely and strategically to deliver savings and wider benefits for our residents.

Early commercial involvement in the procurement process, as business cases are being developed, provides the best opportunity to extract most value.

The Procurement team will use its knowledge of markets, lessons learned from suppliers and collaboration with other authorities to inform the viability of delivery options under consideration.

It will focus on our key procurements, where most value, risk and complexity resides. This is where they will have greatest impact.

### Target Outcomes

- The Procurement team's remit and structure is designed so it focuses on the council's key procurements with lower value, routine procurements being handled by the wider business (with Procurement support provided where required).

- Future requirements are communicated to the market using a variety of channels including publication of pipeline information and engagement events.
- Routine early engagement with bidders on significant projects is in place to encourage innovative solutions.
- High quality market & business intelligence is used to make important contributions to options appraisals and to provide ideas for savings in the forward planning process.

### Actions

- 1.1** Develop and apply a savings/benefits methodology.
- 1.2** Develop a Support offer to Services for low value sourcing including training, 'How to' guide and templates.
- 1.3** Implement revised Procurement staff structure and job profiles.
- 1.4** Provide a series of market events sharing pipeline information with specific sectors to allow them to plan their engagement with the council.



## Theme 2: Contract and Supplier Management

### Ambition

The Council uses suppliers to deliver many of our services. We therefore need to ensure that our contracts with them deliver on time, to the right quality and without cost overruns; we need to effectively manage their performance, risks & supplier relationships. Otherwise gains secured at the procurement stage also risk erosion through the life of the contract.

Our key contracts (classified as platinum and gold) make up 15% of the total number of contracts in the Council but account for 90% of total contract value. We will therefore take a proportionate approach, initially focusing on these key contracts.

### Target Outcomes

- Contract managers are operating to an appropriate standard based on the risk, value and complexity of their contracts in line with best practice guidance.
- Contract managers have access to the necessary guidance, systems, tools & training to support this.
- Required contract management resource is routinely identified and engaged early in the procurement process to ensure lessons learned are applied.

- Dedicated commercial resource is in place to ensure contracts deliver against objectives in the business case and to support on key commercial issues.
- Relationships with strategic suppliers are developed to drive further value & innovation from contracts.
- A complete contracts register & repository exist and are accessible to all appropriate staff so they can use to inform forward planning and to access key documentation.

### Actions

- 2.1** Conduct initial assessment of key contracts to assess contract management status versus required standards and to identify key themes affecting performance.
- 2.2** Develop materials to support contract managers including handbook and key template documents.
- 2.3** Finalise a complete contract register, referencing it against expenditure from the purchasing system to identify any gaps.
- 2.4** Following on from 2.1 undertake a series of 'deep dives' on individual contracts to improve performance.
- 2.5** Develop and populate a contract repository to ensure all key contract documentation resides in a central, accessible location.
- 2.6** Develop and communicate a Supplier Charter to set out expectations of suppliers and what they can expect from the council.
- 2.7** Commence implementation of a Supplier Relationship Management (SRM) programme for strategic suppliers.

### Ambition

We will look to use our procurement activity to maximise the economic, social and environmental benefits to the local community.

The Council will use Social Value through the procurement process to support its priorities within the Mayor's Business Plan

Spend with SMEs, VCSEs and micro businesses can make a significant contribution to local growth and we will support this through their early engagement in the procurement process and making our procurements as accessible as possible for them.

We will work with local providers and seek out best practice elsewhere to implement innovative procurement solutions that support SMEs, VCSEs and micro businesses.

### Target Outcome

- Social Value considerations are embedded at the early stages of the commissioning cycle.
- Metrics are in place to quantify Social Value delivered through our procurements.
- Regular reporting tracks the delivery of Social Value through the lifecycle of our contracts.

- Staff and suppliers are clear on how to apply Social Value.
- SMEs, micro businesses and VCSEs understand how to respond to council requirements (including successfully incorporating social value into their bids) and have visibility of relevant upcoming opportunities.

### Actions

- 3.1** Develop and agree an updated Social Value Policy that outlines key ambitions and deliverables over the next three years.
- 3.2** Develop approach for VCSEs to deliver social value via larger council contractors as part of policy.
- 3.3** Implement a tool to support measurement of desired Social Value outcomes to enable more robust comparison of bids and delivery of Social Value through the contract.
- 3.4** Review opportunities that the Procurement Act offers to reduce barriers for local supplier participation.
- 3.5** Deliver Social Value & Equalities training and toolkit for commissioners, contract managers and procurement staff to support improved design of our procurements and subsequent monitoring of delivery of commitments.
- 3.6** Deliver Social Value training, particularly for VCSEs, micro and SMEs to support them in bid submissions.
- 3.7** Baseline existing Scope 3 carbon emissions (from our supply base) and pilot delivery of reductions across key areas.
- 3.8** Categorise Modern Slavery risk in procurements. Build improvement plans with high risk suppliers & audit.



### Ambition

Having the right people in place, with the right skills, will play a key part in ensuring the successful delivery of this strategy.

We will ensure our procurement staff develop the right blend of commercial & technical expertise and will provide wider support to build the necessary commercial skills & awareness across the Council.

We will also support the development of contract management skills across the Council to ensure that risks and performance are effectively managed throughout the contract lifecycle.

### Target Outcomes

- The Procurement team have the necessary skills to make a significant commercial impact at all stages of the procurement process.
- Similarly contract managers have the appropriate skills to successfully manage their assigned contracts, recognising these will vary depending on value, complexity and risk.
- All staff involved in procurements are competent to input effectively.

### Actions

**4.1** Develop procurement and contract management competency frameworks.

**4.2** Implement a Chartered Institute of Purchasing Supply (CIPS) apprenticeship training programme to develop more junior members of staff. Develop an apprenticeship programme as a key part of a 'grow our own' approach.

**4.3** Develop & deliver a training programme for the procurement team to support more strategic role and in line with required competencies.

**4.4** Develop & deliver training for contract managers to address key skills gaps.

**4.5** Develop & deliver procurement training across the council for senior managers & all those involved sourcing activities.

**4.6** Define competencies required of stakeholders to successfully input into the procurement process, identify key gaps and develop required training to support.

**4.7** Develop partnerships with other councils to jointly improve skills.





## Theme 5: Governance & Assurance

### Ambition

An efficient and proportionate governance structure will ensure appropriate oversight of the Council's procurement operations.

It will help drive best value from our procurements as well as ensuring compliance to legal and regulatory requirements and the principles of fairness and transparency.

The Procurement Service will use good quality management information to provide assurance on the extent to which the Council is effectively planning its procurements, adhering to the tender and contracts regulations (TCRs) and managing its contracts.

### Target Outcomes

- Performance dashboards are in place that provide rich management information to inform good decision making across the Council. This includes the delivery of commercial and social benefits through procurements/contracts, contract performance against Key Performance Indicators, and level of compliance to purchasing processes.

- All those across the Council involved in the procurement process are clear what is expected of them to participate effectively.
- Our governance provides the necessary controls to ensure high quality decision making but is streamlined to eliminate activities that do not add value or duplicate.

### Actions

- 5.1** Define key stakeholder roles and responsibilities for each procurement activity, supported by guidance and training.
- 5.2** Develop simplified, proportionate TCRs that take account of the Procurement Act.
- 5.3** Deliver Purchasing reporting to support compliance & decision making.
- 5.4** Revise template documents for each key gateway in the procurement process (from business case onwards) to prevent duplication and to ensure only relevant areas are scrutinised.
- 5.5** Commence assurance reporting of the performance of contracts at Corporate/DMT level.
- 5.6** Implement Purchasing, Procurement & Contract Management Dashboards, drawing data from a variety of systems to give Directorates a holistic view of performance in their areas.



### Ambition

Improved efficiencies in our purchasing processes, alongside communication & support reinforcing the importance of compliance, will ensure that purchasing transactions are raised 'right first time'. Unnecessary duplication and manual working will be eliminated speeding up the supplier registration and invoicing process.

Better use of strategic procurement systems to support the end to end procurement process will aid effective planning, reductions in reactive procurements, the removal of unnecessary manual processes, improved visibility of contract performance and stronger controls on contract spend.

More powerful management information will support the development of our strategies and provide focus on areas for improvement.

### Target Outcomes

- Integrated pipeline management, e-sourcing, Purchase to Pay and contract management systems are in place and accessible & easy to use for staff and suppliers who will benefit from them.
- The Procurement team proactively uses this information to work with Directorates/Services to address performance issues it highlights.

- Guidance & learning is embedded into our purchasing systems to support compliance.

### Actions

- 6.1** Implement supplier system self-registration to speed up the supplier set up process.
- 6.2** Deliver embedded guided learning to support the purchasing process within Oracle Fusion. Deliver revised learning materials for new starters.
- 6.3** Implement e-invoicing with all suppliers.
- 6.4** Roll out Blanket Purchasing Agreements to support control of contract spend.
- 6.5** Implement contract management system roll out for platinum and gold contracts.
- 6.6** Go live with pipeline management system to support planning process.
- 6.7** Roll out of electronic signatures for all contracts.

## Measuring Successful Delivery

Overall, we will compare the procurement function with sector best practice by using two frameworks:

- LGA National Procurement Strategy (NPS)
- Cabinet Office Commercial Continuous Improvement Assessment Framework (CCIAF)

Our minimum target is to be operating at mature level across all measures in the LGA National Procurement Strategy (and at equivalent Good Level across the CCIAF framework) by Mar 25.

More specific measures are detailed below:

Themes	Success Measure
<b>Commercial Engagement</b>	<p>Cashable and non-cashable benefits (including social value) to be captured from <b>Apr 24</b>. From <b>Apr 25</b> annual forecast target savings to be included (based on future pipeline of planned procurements). Thereafter savings to be recorded and tracked against the annual targets.</p> <p>% of procurements added to forward plan after it has been 'frozen' to be captured from <b>Apr 24</b>.</p>
<b>Contract and Supplier Management</b>	<p>% of Gold and Platinum contracts with overall KPI RAG status at Red or Amber to be measured from <b>Sep 24</b>.</p> <p>% of Platinum and Gold contracts operating to agreed contract management standards to be tracked from <b>Jun 24</b>.</p> <p>Percentage of Council spend covered by active contracts to be tracked from <b>Apr 24</b></p>
<b>Social Value</b>	<p>Quantified Social Value captured. % spend with local SMEs and VCSEs to be tracked from <b>Sep 24</b></p>
<b>Skills Development</b>	<p>Procurement staff to be operating at the required competencies for their role within the new operating model (in line with agreed competency framework) by <b>Mar 25</b>.</p> <p>Contract Managers for Platinum and Gold contracts to be competent to a level that enables a 'Good' standard (CCIAF) by <b>Apr 25</b>. Targets for 'Better'/'Best' improvements and associated competencies to be agreed at this point.</p>
<b>Governance</b>	<p>Number of waivers as a % of total procurements to be baselined for 23-24 and numbers for 24-25 tracked against this.</p> <p>% of Route to Market reports submitted to Procurement Board with less than 3 &amp; 6 months of existing contract left.</p>
<b>System &amp; Process Development</b>	<p>Number of purchase orders received after invoice date to be tracked from <b>Apr 24</b>.</p> <p>Supplier set up &amp; approval times for transactions to be tracked from <b>Apr 24</b>.</p> <p>End to end procurement timescales to be tracked from <b>Apr 24</b>.</p>

## APPENDIX: Summary of Actions and Target Dates

### Theme 1: Commercial Engagement

Ref	Action	Target Date
1.1	Develop and apply a savings/benefits methodology.	<b>Apr 24</b>
1.2	Develop Support offer to Services for low value sourcing including training, 'How to' guide and templates.	<b>Apr 24</b>
1.3	Implement revised Procurement staff structure and job profiles.	<b>May 24</b>
1.4	Provide a series of market events sharing pipeline information with specific sectors to allow them to plan their engagement with the council.	<b>Sep 24 onwards</b>

### Theme 2: Contract Management

Ref	Action	Target Date
2.1	Conduct initial assessment of key contracts (Platinum & Gold) to assess contract management status versus required standards and to identify key themes affecting performance (with recommendations to address).	<b>Mar 24</b>
2.2	Develop materials to support contract managers including handbook and key template documents	<b>Mar 24</b>
2.3	Finalise complete contract register, referencing it against expenditure from the purchasing system to identify any gaps.	<b>Mar 24</b>
2.4	Following on from 2.1 undertake a series of 'deep dives' on individual contracts to improve performance.	<b>May 24- Mar 25</b>
2.5	Develop and populate contract repository to ensure all key contract documentation resides in a central, accessible location.	<b>Sep 24</b>
2.6	Develop and communicate Supplier charter to set out expectations of suppliers and what they can expect from the council.	<b>Sep 25</b>
2.7	Commence implementation of Supplier Relationship Management (SRM) programme for strategic suppliers.	<b>Sep 25</b>

### Theme 3: Social value

Ref	Action	Target Date
3.1	Develop and agree an updated Social Value Policy that outlines key ambitions and deliverables over the next 3 years	Jul 24
3.2	Develop approach for VCSEs to deliver social value via larger council contractors as part of policy.	Jul 24
3.3	implement tool that will support measurement of desired social value outcomes to enable more robust comparison of bids and delivery of Social Value through the contract	Sep 24
3.4	Review opportunities that the Procurement Act offers to reduce barriers for local supplier participation	Sep 24
3.5	Deliver Social Value & Equalities training for commissioners, contract managers and procurement staff to support improved design of our procurements and subsequent monitoring of delivery of commitments	Sep 24
3.6	Deliver social value training for suppliers to support them in bid submissions	Oct 24
3.7	Baseline existing Scope 3 carbon emissions (from our supply base) and pilot delivery of reductions across key areas	Mar 25
3.8	Categorise Modern Slavery risk upfront in procurements. Build improvement plans with high risk suppliers and audit contracts	Sep 25

### Theme 4: Skills Development

Ref	Action	Target Date
4.1	Develop procurement and contract management competency frameworks	Mar 24
4.2	Implement Chartered Institute of Purchasing Supply (CIPS) apprenticeship training programme to develop more junior members of staff. Develop an apprenticeship programme as a key part of a 'grow our own' approach	Apr 24
4.3	Develop & deliver training programme for procurement team to support more strategic role and in line with required competencies	Jun 24
4.4	Develop & deliver training for contract managers to address key skills gaps	Mar 25
4.5	Develop & deliver procurement training across the council for senior managers & all those involved sourcing activities.	Dec 24
4.6	Define competencies required of stakeholders to successfully input into the procurement process, identify key gaps and develop required training to support	Sep 25
4.7	Develop partnerships with other councils to jointly improve skills.	Mar 25

### Theme 5: Governance & Assurance

Ref	Action	Target Date
5.1	Across the Council, roles and responsibilities in the end to end procurement process are defined, supported by guidance and training.	<b>Apr 24</b>
5.2	Develop simplified, proportionate CSOs that take account of the Procurement Act (with training, guidance and templates to support revisions)	<b>Apr 24</b> (phase 1) <b>Oct 24</b> (phase 2)
5.3	Deliver Purchasing reporting to support compliance & decision making	<b>May 24</b>
5.4	Revise templates documents for each key gateway in the procurement process (from business case onwards) to prevent duplication and to ensure only relevant areas are scrutinised.	<b>Jun 24</b>
5.5	Commence assurance reporting of performance of contracts at Corporate/DMT level.	<b>Sep 24</b>
5.6	Implement Purchasing, Procurement & Contract Management Dashboard drawing data from a variety of systems	<b>Oct 25</b>

### Theme 6: System & Process Development

Ref	Action	Target Date
6.1	Go live with supplier self-registration to speed up the supplier set up process	<b>Aug 24</b>
6.2	Deliver embedded guided learning to support the purchasing process within Fusion. Deliver revised learning materials for new starters.	<b>Oct 24</b>
6.3	Complete implementation of e-invoicing with all suppliers	<b>Apr 25</b>
6.4	Complete implementation of Blanket Purchasing Agreements to support control of contract spend	<b>May 25</b>
6.5	Complete contract management system roll out for platinum and gold contracts	<b>Apr 25</b>
6.6	Go live with pipeline management system to support planning process	<b>Sep 24</b>
6.7	Complete roll out of electronic signatures for all contracts	<b>Sep 25</b>