

Our vision: To be a modern, sustainable council with a forward-thinking procurement approach that is easily accessible to suppliers, consistently provides value for money, is compliant with relevant legislation, ensures risks are managed and results in excellent services and outcomes for our customers.

This Procurement Strategy sets out the council's approach to **procuring** (or buying) goods, services and works; from identifying a genuine **need to buy** through to the **management of the contracts** arising from requirements. Subject to legislation, and in accordance with council policy, once a requirement is determined, we first consider whether value for money can be achieved by using our in-house teams, by considering financial and non-financial factors. Our approach to this is set out in the SCC First policy. This Procurement Strategy is supported by our **procurement policies** which set out our approach to procuring ethically and sustainably and are underpinned by the council's Contract Procedure Rules (CPRs) and Financial Procedure Rules (FPRs).

All buying activity undertaken by the council must adhere to the **public procurement principles** of equality of treatment for all suppliers, non-discrimination, transparency, mutual recognition and proportionality whilst also delivering **value for money** for the council and its residents and supporting the local economy. This strategy sets out our approach to achieving these and other legislative requirements including the Public Services (Social Value) Act 2012.

When procuring new or renegotiating current contracts, as well as achieving our own objectives on behalf of our customers, we also aim to achieve **benefit** for our suppliers and the city as a whole. Where possible, rather than specifying how a supplier should meet our needs, we enter into contracts which describe the required **outcomes**, which can incentivise suppliers to share risks and benefits with us. Our procurement approach promotes fair employment practices (including the payment of the Living Wage) and, where legislation permits, requires employment/training opportunities and work placements/apprenticeships to be provided and advertised through local agencies. We undertake joint commissioning with partners such as the clinical commissioning group where appropriate.

This strategy applies to all **buying activities** undertaken by the council, which also often referred to as procuring, purchasing, contracting, outsourcing or other service delivery models. To ensure we achieve best value and income (where appropriate) from all our third party contracting relationships, this strategy also applies to contracts where the council does not make payment in return for goods, services or works and/or when **council revenue** is produced from contracts (including Concession Agreements).

What are we already doing?

The council's contract management and procurement services are **aligned** to allow us to effectively plan procurement requirements, support the management of council contracts and ensure that needs are fully considered and assessed before new procurements and re-procurements commence. This **end-to-end** approach helps us to continue to avoid legal challenges, meet ethical procurement and transparency publishing commitments and achieve value for money. Through this, a number of current initiatives support the delivery of the **council outcomes**:

Priority Outcome	Supporting initiatives	Cross cutting initiatives
 <p>Southampton is a city with strong and sustainable economic growth</p>	<ul style="list-style-type: none"> Suppliers bringing added benefit to the city by securing sponsorship and income. Profit sharing arrangements allowing our suppliers to receive modest benefits from good performance and/or generating revenue. Undertaking joint procurement with other councils and public bodies. 	<ul style="list-style-type: none"> Suppliers linking with the council's return to work plans to engage with deprived communities. Suppliers sharing, embracing and supporting the council's digital working. Suppliers introducing improved ways of working to streamline processes, save money and provide effective services to customers. Support, guidance and simple procurement processes
 <p>Children and young people in Southampton get a good start in life</p>	<ul style="list-style-type: none"> Apprenticeships provided by suppliers to equip young people with the skills they need to successfully enter the work place, develop their skills and contribute to the local economy and communities. Working with other authorities to strengthen residential care for children and young people. 	
 <p>People in Southampton live safe, healthy, independent lives</p>	<ul style="list-style-type: none"> Provision of a cohesive and effective sport, recreation and health offer which is consistent with the Health and Wellbeing Strategy. Providing a range of activities and initiatives across the city designed to engage customers of all ages and abilities in sport and physical exercise. Delivery of a new "ActiveAbility Programme Southampton" to engage disabled people in a range of free sports and activities including sailing, skiing, swimming, and kayaking. Implementation of a new approach for the provision of day care for older people which promotes independence, health and well-being. Improving access to better information and support through a self-help advice, information and guidance service. 	
 <p>Southampton is a modern, attractive city where people are proud to live and work</p>	<ul style="list-style-type: none"> Strong performance monitoring to ensure the city's highways, public places and street lighting are well maintained. Investment by our suppliers in council-owned sites and facilities to ensure they are safe, attractive, modern and improve residents' and visitors' perceptions of the city. 	

Our overarching aim is to become a forward-thinking council with a procurement approach that is compliant with all legislation and delivers best value for money on all spending.

This will be achieved by delivering the following outcomes:

Outcome	Why is this important?	What are we going to do?	What does success look like?
 <p>SIMPLE: Delivering a joined-up approach to procurement and contract management</p>	<p>A simplified, joined up approach will:</p> <ul style="list-style-type: none"> • Allow greater oversight and transparency of contractual relationships, including performance and compliance monitoring. • Improve best value through procurement. 	<ul style="list-style-type: none"> • Review all procurement processes to identify opportunities for simplification and ease of use. • Centralise all buying activity in excess of £1,000. • Develop a central Supplier Management Database (SMD) which will contain key details of all council contracts held with external suppliers. • Ensuring that our processes are as simple as possible to allow Small and Medium Sized Enterprises (SMEs) to effectively bid for work. 	<ul style="list-style-type: none"> • Details of all contracts will be held and managed centrally. • Better information to allow us to combine procurements. • Zero challenges in respect of procurement activities. • The council will take all available opportunities to reduce spending with external suppliers.
 <p>ACCESSIBLE: Delivering a simple, effective procurement service that is accessible to staff and suppliers</p>	<p>Ensuring that our staff and suppliers can understand and access our services will ensure compliance with our processes and promote equality of opportunity for suppliers to bid to increase the numbers of suppliers from SMEs and the voluntary sector.</p>	<ul style="list-style-type: none"> • Streamline 'buying activity' for our staff. • Review and improve procurement processes, roles and responsibilities and associated documents and make more these more prominent and accessible on our intranet site. • Simplify terminology relating to procurement and promote the service to staff, partners and suppliers. • Set up user-friendly frameworks and guides to help staff and suppliers. • Introduce a supplier portal which will allow suppliers to check their details online and view their purchase orders. • Ensure that local businesses have the opportunity to bid for our contract opportunities. 	<ul style="list-style-type: none"> • The experiences of customers, suppliers and staff will be improved. • Consistent compliance with our processes. • Improved management information to help us to monitor our spending with suppliers. • Contracting will be with a greater mixture of suppliers, inclusive of SMEs and the voluntary sector as well as larger suppliers.
 <p>FORWARD THINKING: Delivering a flexible approach to procurement that adapts to our future requirements</p>	<p>In a time of fast-paced change, we will take a results-driven approach to meeting our requirements and ensure that contracts are flexible to allow for the changing needs of our customers and to take advantage of new opportunities.</p>	<ul style="list-style-type: none"> • Adopt an outcome based approach to meeting the needs of our customers including taking part in collaborative procurements with other local authorities and public bodies. • Utilise strong evidence to inform contract requirements, and predict future needs, trends, risks and opportunities. • Embed future procurement into our budget and business planning processes, to ensure visibility of future procurement needs and opportunities. • Ensure that 'added value' opportunities from contracts are reviewed at the point of procurement, to identify wider opportunities for suppliers to support the achievement of the council's priority outcomes. • Ensure that our contracts and specifications are clear, fair and represent our social value requirements. • Build in flexible terms and conditions to contracts to allow the council to benefit from changing markets. • Develop our Procurement Service to become 'best in class'. 	<ul style="list-style-type: none"> • We will have flexible contracts which are adaptable as technology and our requirements change, without need for complex renegotiations. • Our contracts will contribute to improving the quality of life of our customers and the environment within which they live. • Procurement will be joined up with our other functions and decision making processes. • Suppliers deliver the outcomes the council and our customers need in a manner consistent with our social values.

Success measures:

- Increase in the number of staff engaging with the Procurement Service as soon as a need to purchase is identified.
- Improvement in results obtained from surveys set out in the 'Our Feedback' section below by April 2019.
- Reduction in multiple contracts for the same or similar council requirements.

Our feedback:

55% of our residents are satisfied with the way the council runs things*

43% of our residents think that the council provides value for money*

46% of staff agree that the council delivers a good standard of service to our customers**

12% of staff agree that the information on the intranet relating to the procurement process is easy to follow**

59% of staff understand their roles and responsibilities in respect of the procurement process**

73% of staff agree that it is easy to make contact with the Procurement Service**

* City Survey 2016 ** Staff survey May 2017

Links to other strategies:

