

<b>DECISION-MAKER:</b>	<b>GOVERNANCE COMMITTEE</b>		
<b>SUBJECT:</b>	<b>STRATEGIC PROCUREMENT ACTIVITY</b>		
<b>DATE OF DECISION:</b>	<b>13 NOVEMBER 2023</b>		
<b>REPORT OF:</b>	<b>HEAD OF SUPPLIER MANAGEMENT &amp; DIRECTOR OF COMMISSIONING</b>		
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<b>STATEMENT OF CONFIDENTIALITY</b>			
N/A			
<b>BRIEF SUMMARY</b>			
<p>This report provides the Governance Committee with an overview of the Council’s upcoming strategic procurement activity, the arrangements for which need to be operational by the end of Financial Year 2025/26.</p> <p>These include upcoming requirements/projects which are strategically significant to the Council in terms of value, operational considerations, reputation or political importance.</p> <p>It involves services which would benefit from a review of the delivery model in terms of how they are packaged or delivered when considering opportunities to deliver savings, drive efficiencies and contribute to the Council’s strategic goals. Many are likely to result in significant, complex and lengthy procurements or insourcing projects.</p> <p>The report includes:</p> <ul style="list-style-type: none"> <li>• non-Health and Social Care (H&amp;SC) requirements/projects managed by Supplier Management Service (SMS) as part of the Strategic Procurement Programme (“the SPP”)</li> </ul> <p>and</p>			

- relevant H&SC requirements/projects managed by the Integrated Commissioning Unit (“ICU”).

Detail relating to each strategic procurement activity project is included as Appendix A to this report.

This is the first report to the Governance Committee on this matter and is produced jointly by the SMS and the ICU.

**RECOMMENDATIONS:**

	(i)	That Governance Committee notes the strategic procurement and implementation activity planned for and being undertaken during Financial Years 23/24 to 25/26.
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**REASONS FOR REPORT RECOMMENDATIONS**

1.	The report is provided for information.
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**ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

2.	N/A
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**DETAIL (Including consultation carried out)**

3.	The strategic procurement activity referred to in this paper will result in the Council setting long term (in some cases until 2040) strategic direction regarding services, contracts and arrangements and once this direction is set it will be challenging, time-consuming and expensive to reverse.
4.	The SMS has overall responsibility for procurement strategy, policy and process for the Council and undertakes all procurement above £10,000 in contract value for the Executive Directorates of Corporate Services, Strategy and Performance, Place as well as the “Housing” and “Stronger Community” service areas within Wellbeing and Housing.
5.	The ICU directly undertakes all procurement and associated activities for the Children and Learning (excluding Education) and the remainder of Wellbeing and Housing Executive Directorates, with a predominant focus on the commissioning and procurement of all-age health and social care services.
6.	This report focuses on known strategic procurement activity for which the replacement arrangements need to be implemented and operational by end of the 2025/26 Financial Year. As such, despite meeting the definition of strategic procurement activity, certain existing contracts such as the Waste Tripartite, Schools PFI and Street Lighting PFI and are not within scope of this report as their expiry dates are December 2030, October 2031 and March 2035 respectively. The ICU’s contract for Sexual Health services also falls outside the scope of this report as the collaborative re-procurement led by Hampshire County Council has already been completed to enable a new contract to commence from 1 <sup>st</sup> April 2024.
7.	It is anticipated that a further phase of strategic procurement activity will be required to deal with the projects referred to in paragraph 5 and other relevant projects which need to be in place after the Financial Year 25/26 and this is being developed.

	<b>Governance of strategic procurement activity</b>
8.	The SMS and ICU teams work closely to ensure that best practice, subject matter expertise and economies of scale are being delivered through strategic procurement activity regardless of which team is managing a project. This includes involvement in decision making and boards of relevant projects where applicable.
	<b>SPP Governance</b>
9.	The SPP Board meets every other month or in advance of decisions in relation to specific SPP projects. The SPP Board's purpose is to ensure there is a shared, continued, and focused effort to design and deliver the outcomes for the SPP. The SPP Board is responsible for maximising the benefits anticipated from the combined programming approach to the SPP, identifying interdependencies between the SPP projects, capitalising on opportunities in the SPP, maximising efficiencies and minimising costs.
10.	Governance of individual projects which make up the SPP is being undertaken through specific project boards which reflect arrangements appropriate to their specific characteristics and status within the SPP. This includes briefings of relevant Cabinet Member(s) at regular and/or appropriate intervals.
11.	As part of the governance for SPP projects, opposition briefings and updates at Overview and Scrutiny Management Committee (OSMC) and Governance Committee are being offered to encourage cross party visibility and buy-in to the approach.
	<b>Governance of the ICU strategic procurement projects</b>
12.	The scope of the ICU's area of responsibility spans the Wellbeing and Housing and Children and Learning Directorates and as such the ICU's work plan and delivery of individual projects within it is subject to regular officer-level management team and transformation board oversight within both Directorates. At a political level, the work of the ICU is subject to further oversight via Cabinet Member briefings, as well as reports to the Health and Care Partnership Board, and the Health and Overview Scrutiny Committee.
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
13.	In recognition of the Council's forecast budget challenges, it is important that strategic procurement activity is considered as part of the financial control framework for essential spend. This activity may result in the Council entering long term arrangements and whilst this represents a significant challenge in terms of forward budget-setting commitments, it is necessary if the Council is to obtain value for money from its strategic contracting and similar arrangements for future years.
<b><u>Property/Other</u></b>	
14.	N/A
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
15.	N/A

<b><u>Other Legal Implications:</u></b>	
16.	N/A
<b>RISK MANAGEMENT IMPLICATIONS</b>	
17.	N/A
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
18.	N/A
<b>KEY DECISION?</b>	N/A
<b>WARDS/COMMUNITIES AFFECTED:</b>	Not Applicable
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>Appendices</b>	
1.	Overview of Strategic Procurement Activity Projects

**Documents In Members' Rooms**

1.	N/A
<b>Equality Impact Assessment</b>	
<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</b>	N/A
<b>Data Protection Impact Assessment</b>	
<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.</b>	N/A
<b>Other Background Documents</b>	
<b>Other Background documents available for inspection at: N/A</b>	
<b>Title of Background Paper(s)</b>	<b>None</b>