

	<p align="center"><b>Cabinet</b> 14 November 2022</p>
	<p align="center"><b>Report from the Corporate Director Governance</b></p>
<p align="center"><b>Annual Procurement Strategy Report 2021-22</b></p>	

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
<b>No. of Appendices:</b>	One Appendix 1 Annual Procurement Strategy 2021-22
<b>Background Papers:</b>	N/A
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Rajesh Shori Head of Procurement 020 8937 1598 <a href="mailto:rajesh.shori@brent.gov.uk">rajesh.shori@brent.gov.uk</a>

## 1.0 Purpose of the Report

- 1.1 To provide Cabinet with the Annual Procurement Strategy Report 2021/22, showing the progress made since Cabinet Approval in October 2020 across the five pillars of the Procurement Strategy 2020-2023, which is aligned with the remaining term of the Borough Plan 2019 – 2023.

## 2.0 Recommendations for Cabinet

- 2.1 Cabinet is asked to review and comment on the Annual Procurement Strategy report 21/22 as set out in Appendix 1.

## 3.0 Annual Procurement Strategy Report 2020-21.

- 3.1 This Annual Procurement Strategy report sets out the work that was already in motion prior to and subsequently since Cabinet agreement of the Procurement Strategy in October 2020.
- 3.2 The Procurement Strategy aligned to Brent Council's strategic themes builds further on Brent's commitment to support Community Wealth Building and reviving the local economy.

3.3 It comprises of five pillars, which will be central to delivering better procurement of goods, services and works contracts over the next three years. The five core Pillars are:

- Active Procurement
- Social Value and Ethical policy
- Sustainability
- Circular Economy
- Community Wealth building

3.4 It also sets out how the Council will promote effective procurement across the Borough, by having regard to local employment and skills shortage, social value, localisation and ensuring wherever possible contracts are Small and Medium Enterprise (SME) friendly.

3.5 The report considers each of the pillars, setting out what are the key KPI/ Outcomes that we are looking to achieve, followed by the progress made against each of the stages within the Pillar.

### 3.6 **Active Procurement**

3.6.1 Please refer to pages 4 to 12 of the Annual Procurement Strategy for further detail. Active Procurement consists of four main areas of focus, Active Communication, Learning, Analysis and Contract Management. Highlighted below is a summary of each step.

3.6.2 Active Communication: Engaged widely across Directorates to highlight how working together will deliver the pillars of the strategy bringing together the various pieces of the work conducted under each pillar into this annual report.

3.6.3 Active Learning and Development: Working with Directorates and Members on knowledge share events, engaging with the local supplier base to make participation in our procurement process easier to understand.

3.6.4 Active Analysis: A significant effort in dissecting how we spend our money has identified the following. In financial year 2021-22 Brent has spent c£440m across a variety of areas from supporting our vulnerable adults, young people and children to regenerating key areas, providing affordable housing and ensuring our footways and highways are maintained to an appropriate level.

The table below splits out our third party spend per directorate.

Department Name	Total Spend 21-22:
Community Wellbeing	£169m
Regeneration & Environment	£145m
Children & Young People	£52m
Chief Executive (LHRA Fin &ACE)	£40m
Customer Digital Services	£35M
Total	£441m

The analysis then goes through further detail on the main categories of spend and highlights how much of our local authority spend is with local Brent based suppliers. This currently stands at £70m per annum.

3..6.5 Active Contract Management: The procurement Team have been working with directorates to create a contracts register of all known contracts. Aligning spend data showing actual in year spend against contracted spend.

Procurement have been actively working with all its stakeholders across the council in building a comprehensive contracts register and our register currently stands at 400 contracts. The vast majority of the database is made of contracts that have followed a procurement process conducted by the Procurement team or the team have been involved in an advisory capacity and hence have knowledge of these contract awards

The register highlights when contracts are coming to an end and Procurement have commenced an exercise identifying all contracts that are due to end by March 2024, working with stakeholders across the Directorates to understand our future plans and how best to see if there are opportunities to extract any efficiencies.

### 3.7 Social Value and Ethical Policy.

3.7.1 Please refer to pages 13 -30 of the Annual Procurement Strategy for the detail but highlighted below is a summary of the key areas.

3.7.2 Procurement have been collating information from the submissions received from suppliers who have been awarded contracts based in part from the benefits they will bring over and above to the community through their Social Value submissions.

3.7.3 The table below sets out how suppliers are supporting the Council priorities.

3.7.4 The breakdown confirms that our suppliers are delivering social value across the priorities in the borough plan. The suppliers have set out the financial value they are willing to pass back to the council if they do not deliver the Social Value committed as part of the contract, which equates to £1.28m of Social Value looking to be delivered through our procurements for FY 21-22.

3.7.5 Breakdown of SV pillar Total value all years Percentage:

1. Strong foundations	£281k - 27%
2. Every opportunity to succeed	£467k- 38%
3. A future built for everyone, an economy fit for all	£195k - 24%
4. A cleaner, more considerate Brent	£217k - 7%
5. A borough where we can all feel safe, secure, happy and healthy	£125k - 4%
Total commitment among 21 received files	£1.28m - 100%

### **3.8 Sustainability**

- 3.8.1 Please refer to pages 31-32 for the detail but highlighted below is a summary of the key areas
- 3.8.2 Brent now have a Procurement Sustainability Policy to align to our commitment to the Green agenda. The annual direct spend on goods and services is over £380 million, so the scope to influence is significant and far-reaching. Improving environmental sustainability throughout our supply chain is an essential component of our commitment to reduce our environmental impact and lead by example.
- 3.8.3 The policy's aim is to stretch across all aspects of sustainability and includes Brent's commitment to support Fairtrade and help suppliers with support to their understanding so they can deliver sustainable goods and services within their own organisation and across their supply chains.
- 3.8.4 The Procurement team have worked across the council to agree a set of principles and an initial range of key performance indicators to understand how the environmental impact will be mitigated which forms part of the policy.
- 3.8.5 Some of the Sustainability KPI's and Outcomes will be captured in the Social Value capture template under the priority - A more cleaner considerate Brent. Where there are specific KPI's / Outcomes that fall outside of this we are ensuring these are included in future Annual Procurement Strategy reports.
- 3.8.6 Sustainable procurement practices is an area that boroughs both sub-regionally in West London and in London as a whole are considering as part of their efforts to tackle the climate and ecological emergency. We are part of a sub-regional working group, working with other West London Alliance Boroughs to create a unified set of policies across the sub-region – therefore making it easier for suppliers to understand their requirements for bidding for services in West London, and ensure that West London Alliance boroughs are committed to similar ambitions and aims.

### **3.9 Circular Economy.**

- 3.9.1 Please refer to pages 33-34 of the Annual Procurement Strategy for the detail but highlighted below is a summary of the key areas
- 3.9.2 The creation of the Procurement Sustainability policy underpins the need for Brent to move towards a low carbon, circular economy. This will involve a radical shift away from our current linear economy and 'throwaway culture' where products are made used disposed to one in which resources and products are kept in use for as long as possible. Brent is well placed to enhance its low carbon circular economy over the next 10 years as it is already amongst the top London boroughs with the highest rates of employment in this sector.
- 3.9.3 There are around 860 businesses in the borough involved in the circular economy. We will aspire to continue to build this sector and support this economic model of operation as a key mechanism for tackling the climate and

ecological emergency. This will also be at the centre of green economic recovery efforts following the COVID-19 pandemic and aid the transition away from our current linear economy.

3.9.4 Within our tenders we will start to include quality questions specific supporting circular economy principles so Suppliers that are bidding for tenders will be required to explain what happens at the end of the product life. They will need to detail how they will support the circular economy principles to avoid waste by arranging for products to be re-used, recycled or upcycled.

3.9.5 By leading by example and championing the importance of a reduction in the environmental impact of our supply chain, it is hoped to have a positive impact within the council and community, and to encourage other organisations to do the same and adopt new sustainability procurement practices.

### **3.10 Community Wealth building**

3.10.1 Please refer to pages 35-37 for the detail but highlighted below is a summary of the key areas

3.10.2 Procurement have specific KPI's to help support and develop our links with the local supplier base and ensure all our suppliers based in London pay their staff the London Living Wage and in the last financial year surpassed all the KPI's set.

3.10.3 Spend with our local supplier base is a key focus for Brent and the strategy is looking to increase our spend year on year as we progress the various pillars of the strategy. Currently approximately £70m of our third party spend is conducted with local suppliers registered within a Brent postcode. This is across over 1376 local suppliers with the top 50 local suppliers making up 69% of that spend mostly across social care.

3.10.4 The goal is to understand at a micro level the make-up of Brent businesses by ward. Review the type of suppliers we need against what we have and identify developing opportunities for new suppliers where we lack those skills and ability to spend more locally.

3.10.5 Under the Active Procurement pillar the analysis shows through our procurements we have achieved the targets agreed for the last financial year with local suppliers either being awarded contracts directly or be used within the supply chain of larger organisations.

### **3.11 Next Steps.**

#### **3.11.1 Active Procurement Pillar**

The deliverables of each part of the pillar remain but during 2022/23 financial year we will continue to focus on building our understanding of our spend data and start to look at focussing on developing relationships with key suppliers.

Active Analysis: Continue to build on developing our knowledge of third party spend. Work with Oracle Cloud implementation to put mechanisms in place to ensure we are capturing our third party spend in the most effective way allowing Procurement to extract the data to further support intelligence led decision making with particular focus on tail spend.

Target Date March 2023

Active Contract Management: Continue building and sharing the intelligence gathered from the Contracts Register so the Council can proactively look at using the data where contracts will be expiring by March 24 and agree the appropriate methodology of how any savings will be captured and realised.

Target Date Q3 2022.

### 3.11.2 **Social Value and Ethical Pillar**

Building on the work already set out, Procurement will continue to work across each of the Directorates ensuring that we explore every opportunity to be more innovative and creative in the types of social value we can deliver through our contracts and feeding back on successes and lessons learnt with further training and knowledge share sessions.

Target Date: Q4 2023

Brent's Social Value Commitments: Develop and share the list of possible opportunities Brent would be looking to extract from our procurements as part of Brent's Social Value Commitments in addition to the suggested indicators already part of the Social Value and Ethical Policy.

Target Date March 2023.

### 3.11.3 **Sustainability Pillar**

Highlight and report on what specific Sustainability criteria is being measured through our procurements.

Target date March 2023

Continue to be part of the wider sub regional group supporting ensuring we are aligned and following best practice.

Target Date: Ongoing

### 3.11.4 **Circular Economy Pillar**

Conduct further training and knowledge shares across the Directorates.

Target Date: Ongoing

Identify the types of suppliers that operate within the Circular economy in Brent which could support forthcoming procurements.

Target Date: March 2023.

Identify specific procurements that would realise Circular Economy benefits for the borough and report on the progress made on delivering procurements with Circular Economy benefits.

Target Date: March 2023

### **3.11.5 Community Wealth building Pillar**

Complete as far as practicable the gap analysis identified. Understand at a micro level the make-up of Brent businesses by ward. Review the type of suppliers we need against what we have.

Target Date: March 2023.

Continue on building on the work already taking place and move to reporting specifically on the number of opportunities that have been created for local suppliers within Brent.

Target date – Ongoing.

## **4.0 Alternative Options Considered**

4.1 Not applicable

## **5.0 Financial Implications**

5.1 There are no specific financial implications in accepting the recommendations in this report.

## **6.0 Legal Implications**

6.1 This report seeks Cabinet's review and comment on the Annual Procurement Strategy report. The Procurement Strategy must comply with and be delivered in accordance with all applicable UK legislation and guidance, to include the Public Contract Regulations 2015, the Public Services (Social Value) Act 2012 and the Equality Act 2010.

6.2 Officers in Legal Services will continue to provide support and guidance in the implementation of the Procurement Strategy and any necessary amendments to contract and tender documents.

## **7.0 Equality Implications**

7.1 The Procurement Strategy is designed to help promote equality and Officers believe that there are no adverse equality implications

**8.0 Any Other Implications (HR, Property, Environmental Sustainability - where necessary)**

8.1 Not applicable

**9.0 Proposed Consultation with Ward Members and Stakeholders**

9.1 Not applicable

**Report sign off:**

***Debra Norman***

Corporate Director Governance