



# **Corporate Procurement Strategy 2020 - 2024**

# **Welcome to Durham County Council's second iteration of it's Procurement Strategy**



# Our strategy is ambitious

It defines how we will be successful within a challenging and ever-changing public procurement environment.

Our Objectives and Action Plans have been devised to drive a holistic approach to procurement ensuring we take account of our responsibilities for the economic, social and environmental betterment of County Durham.

Our Strategy sits within a structure of ever-increasing collaboration both Locally, Regionally and Nationally but cannot be delivered without the support of our Officers, Members and the Community of County Durham. By working together, our widening participation through procurement activity can positively impact the delivery of not only our County Durham Plan and local growth but procurement innovation across the Country.



**Darren Knowd**

Chief Procurement Officer, Durham County Council

Darren leads a team of twenty-three procurement staff responsible for all procurement activity at Durham County Council. In 2016 Darren was awarded the Cabinet Office's first ever award for Social Value Leadership for an Organisation. He is Chair of the Local Government Association's National Advisory Group for Local Government Procurement and is the Chair of the National Social Value Taskforce.

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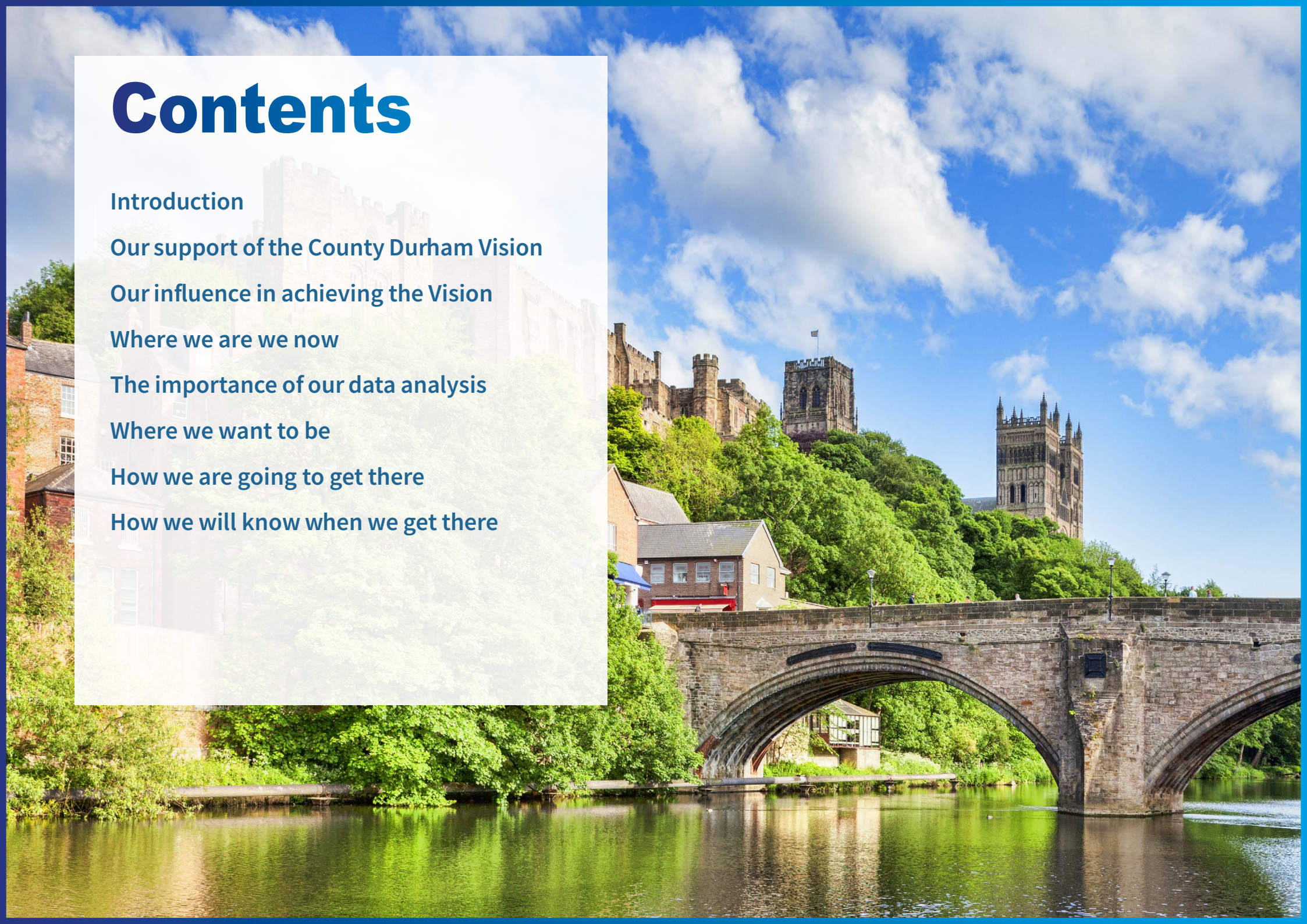
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# Introduction

This is the second iteration of Durham County Council's Procurement Strategy. The strategy sets out our vision and priorities for the next four years incorporating the latest government procurement legislation, our local and national drivers and our Council initiatives.

Our strategy aims to provide officers, elected members, suppliers and the public with an understanding of the context of the Council's procurement activity, and to set the direction this will take over a three-year period.

Within this strategy we will set out key action plans on how we will provide our commissioning and procurement activities collaboratively and in an economically, environmentally and socially responsible manner, achieving value for money on behalf of the Council and its key stakeholders.



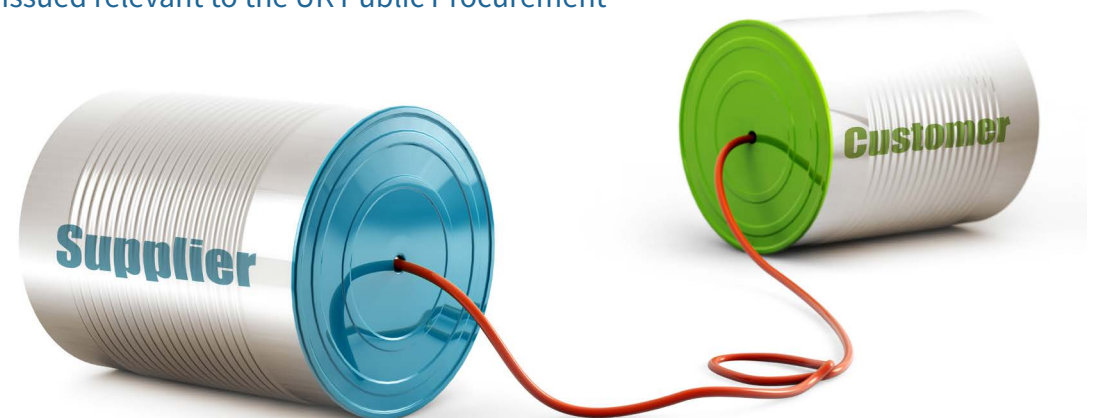
# What is procurement

**Procurement is the process through which an organisation establishes contracts for goods, works, services and utilities.**

Procurement starts with an identified need, and seeks to put in place a contract, or contracts, which effectively meet that need. This involves research, planning and market engagement, the conducting of procurement exercises such as tenders and quotations, the formal award of contracts, and the management and monitoring of contracts once in place.

Public procurement is governed by a legal and regulatory framework which is aimed at promoting cross-border trade and economic competition. Failure to adhere to public procurement law can expose the Council to costly legal challenges. In that context, this strategy is intended to support compliance with the Council's Contract Procedure Rules, the UK Public Contracts Regulations 2015, and the fundamental procurement principles of transparency, equal treatment, non-discrimination and mutual recognition derived from the Treaty on the Functioning of the European Union.

It is to be noted that due to the UK formally leaving the EU on 31 January 2020, the current EU Public Procurement Directives and UK Public Procurement Regulations will continue to apply during the transition period until 31 December 2020. This strategy will be updated following any further guidance issued relevant to the UK Public Procurement Regulations which will apply from 1 January 2021.



# Our support of the County Durham Vision

## County Durham Vision 2035

Our planning framework runs a ‘golden thread’ through the organisation from high-level strategic plans, through service plans and ultimately to teams and individuals. It focuses our resource onto the things that matter to us and is supported by our performance management framework through which we measure our progress.

The County Durham Vision 2035, developed with partners and residents, sets out the shared long-term ambitions for the county. It is structured around three externally focused results-based ambitions of ‘**more and better jobs**’, ‘**long and independent lives**’ and ‘**connected communities**’.

The vision informs all our strategies and plans, and its three ambitions are accompanied by a fourth element containing the council’s own improvement agenda, an excellent council.

All strategies and plans are monitored in line with our performance management framework.



# Our influence in achieving the Vision

How the Corporate Procurement Strategy has a key role in helping the Council deliver the ambitions.

The County Durham Vision 2035 sets out three externally focused results-based ambitions for the county of **‘more and better jobs’**, **‘long and independent lives’** and **‘connected communities’**.

The Corporate Procurement Strategy plays an indirect role in the support of these three outward facing objectives. We have outlined through our action plans and targeted outcomes key areas that fall within the confines of the Public Contract Regulations 2015 where we can aim to support the achievement of the Vision. However, we must be vigilant and ensure that in our support of the ambitions we do not compromise the integrity of our processes and maintain our legal framework obligations of undertaking fair, open and transparent procurement activity.

In support of the Vision it is clear we can have a direct influence through our work in procurement addressing the Council’s own improvement agenda in delivering our fourth element of being an excellent council.



**Addressing the key deliverables for being an excellent council we have developed our procurement strategy to support the drive of**

### **Managing resources effectively**

We will maintain a balanced budget, to help achieve our outcomes and meet service demand. We will minimise our impact as an organisation on the environment. We will be financially innovative, considering commercial opportunities, new models of service delivery and true partnership opportunities.

### **Creating a workforce for the future**

We will have the right people, with the right skills, in the right place, at the right time and at the right cost to deliver high quality services and to build a council for the future.

### **Designing our services round the customer**

Putting the customer at the heart of everything we do and being responsive to customers' needs by providing them with the services they want in the way they want to access them.

### **Using data and technology more effectively**

We will use digital technologies to improve our services and operate more efficiently, using data more intelligently to better understand customer behaviour, manage demand and proactively deliver benefits to customers.



# Our drivers and influences

To support the development of our Procurement Strategy we have considered the key national, regional and local drivers and influences from a strategy, policy and partner perspective.

This has shaped our current position and future vision.



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## **LGA National Procurement Strategy**

The Local Government Association (LGA) published the National Procurement Strategy (NPS) in 2018 which building on the reflective learning from the 2014 strategy identified three key themes for prioritisation; showing leadership, behaving commercially and achieving community benefits.

Our procurement strategy has been developed based on consideration of the themes, key strategic areas and enablers identified in the NPS in the context of our local and regional priorities.

In addition, the Strategy acknowledges the findings and suggested action of the Local government procurement: fraud and corruption risk review, in line with the commitments identified in the Anti-Corruption Strategy 2017-2022.

## **Durham Vision 2035**

Durham County Council have proposed a vision to provide a shared understanding of what everyone wants County Durham to look like in 15 years' time. This is to provide direction to key public, private and voluntary sector organisations which make up the County Durham Partnership enabling them to work together to improve the quality of life of our residents. A shared understanding of the issues we face and our vision for the future will help organisations work together, removing boundaries and co-delivering services for the benefit of our residents.

## **Climate Change Emergency Plan**

On 20th February 2019, Durham County Council declared a Climate Emergency in recognition that unless emergency action is taken, global warming will continue on its current trajectory toward 3-0c with disastrous consequences. The action plan identified a number of targets and key actions for the Council to tackle its contribution. This included immediately adopting a new Durham County Council target of 60% [carbon reduction] by 2030 making significant progress towards making Durham County Council and County Durham carbon neutral taking into account both production and consumption emissions.

## County Durham Plan

All councils are required to have a plan for development in their area known as a Local Plan. Ours is called the County Durham Plan. The plan presents our vision for potential housing, jobs and the environment until 2035 as well as the transport, schools and healthcare to support it. It's based on evidence about the county, alongside opportunities and challenges identified by residents and businesses during consultations. The plan aims to:

- Continue the economic growth and investment in the county
- Secure more and better jobs in County Durha
- Address the causes of climate change and adapt to its affects
- Create and enhance vibrant communities for all of our towns and villages
- Provide a wide choice of quality homes to meet everyone's needs and ensure they're built where people want to live, reducing the need to travel
- Secure the infrastructure to support new development and to relieve congestion and improve air quality
- Protect the natural and historic environment

## NEPO and Regional Partners

The Council works closely with NEPO (North-East Purchasing Organisation), on a sub-regional joint procurement basis with neighbouring authorities, and in collaboration with, or on behalf of, a range of other local and regional public sector partners including blue light organisations, academy schools, the NHS, and town and parish councils. One of our key objectives is to enhance and grow the relationships and collaborative work with our partners.



## Inspire

Inspire is our transformation programme, which is all about us working differently and better to improve the services we provide our customers. It's also about making the most of our buildings and providing the best environment, such as our office accommodation and technology, to enable us to achieve this. In order to achieve this, the Council has launched our "Inspire" Transformation programmes and projects to drive significant change and innovation through the Council, to help us provide the very best outcomes with the resources available. The programme is based on three interlinking themes: Inspiring People, Inspiring Places and Inspiring Change. The Council have also created an Inspire Team which will work closely with teams across the Council to develop and advise how we can work smarter and more effectively to help achieve our goals.



## **Brexit**

Following a UK-wide referendum in June 2016, in which 52% voted to leave and 48% voted to remain in the EU, the British government formally announced the country's withdrawal in March 2017, beginning the Brexit process. The UK formally left the EU on 31 January 2020 to begin a transition period, but there is still much discussion required and months of negotiation to come about the future relationship, trade agreements and legislation.

The current EU Public Procurement Directives and UK Public Contract Regulations 2015 will continue to apply during the transition period, however following the negotiation period new rules and legislation affecting public procurement will likely apply and will require embedding into the Durham Council procurement strategy.

## **Our Development Partners**

To support the growth of County Durham the Council engages with public, private and third sector organisations that work in partnership to support the challenges that effect our County and Community. Working with our partners we aim to continue to create jobs and economic wealth, supporting ambitious invest plans that will support and open up pathways into employment through education and skills ensuring we attract, support and retain working people whilst offering a good quality of life for our residents.

## **Equality and Diversity**

We are committed to promoting equality and diversity as an employer, in the services we provide, in partnerships, and in the decisions we make. Our Procurement Strategy and our approach to procurement activity reflects this.

Our aim is to ensure that people are treated fairly and with respect. We have legal responsibilities relating to equality, that we ensure are in place as part of our procurement activity, but we see these as the minimum requirement. We also understand the wider benefits of improving everyone's quality of life and our social responsibility which can be influenced by our objectives and action plans.

## Ethical Business Charter, Social Value and Local Wealth Creation

In support of the Council's Procurement Strategy we are to develop a corporate wide Ethical Business Charter.

The Council and its partners, suppliers and stakeholders will operate in accordance with the values outlined in the Charter ensuring that organisations that work with us commit to act in full compliance with the applicable laws and our values and ethical principles. The Charter will be influenced by and form key links to our Equality and Diversity Policies. Work is currently on-going on our Ethical Business Charter with our aim to introduce the Charter into our business activities in the Autumn of 2020.

In addition, the Council has developed a proposal to improve the social value and local wealth building outcomes for our community in support of the Council Plan and the response to the COVID-19 outbreak of 2020 via restoration and recovery objectives. The Council recognises the impact that COVID-19 has had on its communities and local economy and has responded well with a series of measures to offer short-term support to both people and businesses.

In consideration of its strong asset base, future development opportunities and an annual £500 million procurement spend, it will be imperative that new initiatives are developed to maximise the value of every pound spent, to work with developers, suppliers and our partners to create and develop opportunities for local economic opportunities, local wealth building and retention as well as social value outcomes. A new project is proposed with ten initiatives, which will enable the Council and its local partners to increase collective local spending, support SMEs and local businesses, improve outcomes with social enterprises, resulting in money remaining in the local economy and recirculating creating employment opportunities and stronger more sustainable communities. The Corporate Procurement Strategy and future procurement delivery is imperative to support this project.

# Where we are now

## About us

The Corporate Procurement Team consists of twenty-four procurement professionals with staff Chartered Institute of Procurement and Supply (CIPS) qualified with a vast amount of experience and knowledge.

The team operates a Category Management approach ensuring a cross Council holistic view of our major spend areas to ensure a value for money, joined up approach to our procurement of goods, services and works. We operate across four key strategic categories:

- Commercial and Corporate Services
- Public Health and Social Care
- Facilities Management
- Construction

## What is Category Management?

Category Management is a strategic approach to procurement allowing us to segment our spend and contractual requirements into areas which contain similar or related service provisions, enabling us to focus opportunities for consolidation and efficiency.

This approach allows us a more detailed understanding of the market, products, suppliers and the supply chain that effects our spend profile through a focussed and organised resource. This in-depth level of understanding, structure and mapping of the category specific contract spend allows us to consider the environmental, social and political factors to help us manage risk more effectively for the Council.



## Our supporting activity

Although our primary focus is to ensure that the Council has the appropriate contractual and service area provision to allow the delivery of its core functions there are a number of supporting activities which the Procurement Team lead on and are intrinsic to the success of our Strategy:

- Contract Management
- Contract Procedure Rules, Law and Policy
- Harmonised Documentation
- Supplier Engagement
- Procurement Training Programmes
- Procurement Processes, Systems and Integration
- Commercialisation and Income Generation
- Social Value

Key to our Contract Management approach and understanding our impact on our local communities is our work on Spend Data, Analysis and Data Intelligence.

The level of data we record, and monitor is used to evidence that our actions and impacts are supportive of our Local and National Drivers. For example, using spend analysis at Tier 1, granular data from DNA checks at Tier 2 and 3 allow us to investigate opportunities for companies to manufacture or supply locally thus reducing the dependency on off-shoring or out of County supply routes allowing us to further support and develop our local supply base through design of a 'make strategy' in contract opportunities.

# The importance of data analysis

## Current Performance

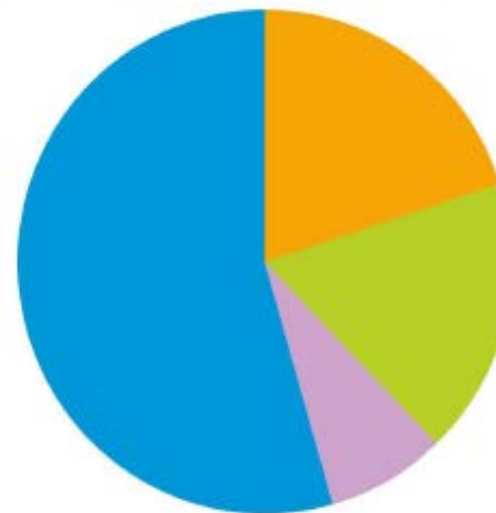
We monitor ten performance indicators linked to our procurement activity which are tracked over a Financial Year.

Procurement Performance	2018 - 2019	2019 - 2020	% Variance
Total procurement processes completed 1	1380	1412	+2.32

Completed Procurement Activities 2019-2020 by category



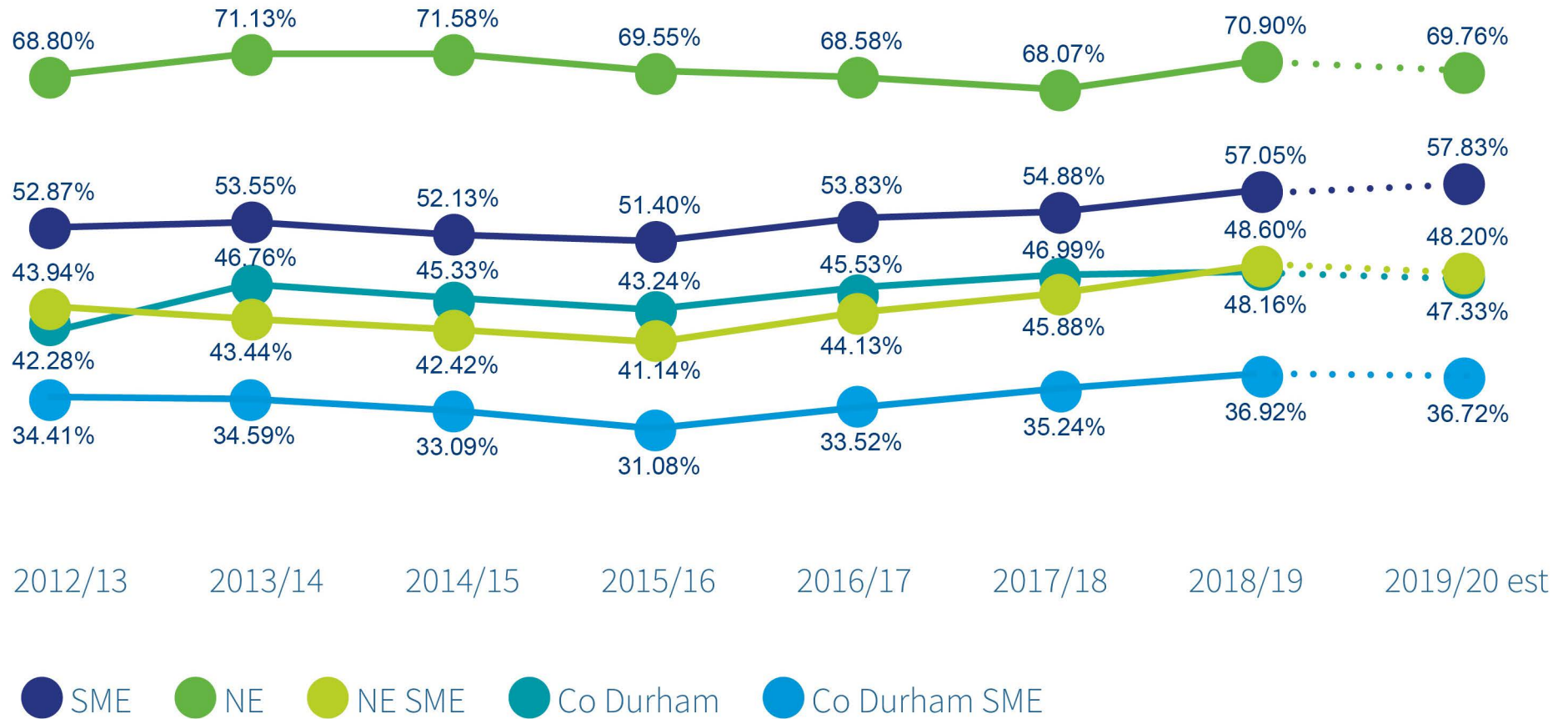
Annual Contract Spend (£m) 2019-2020 by category



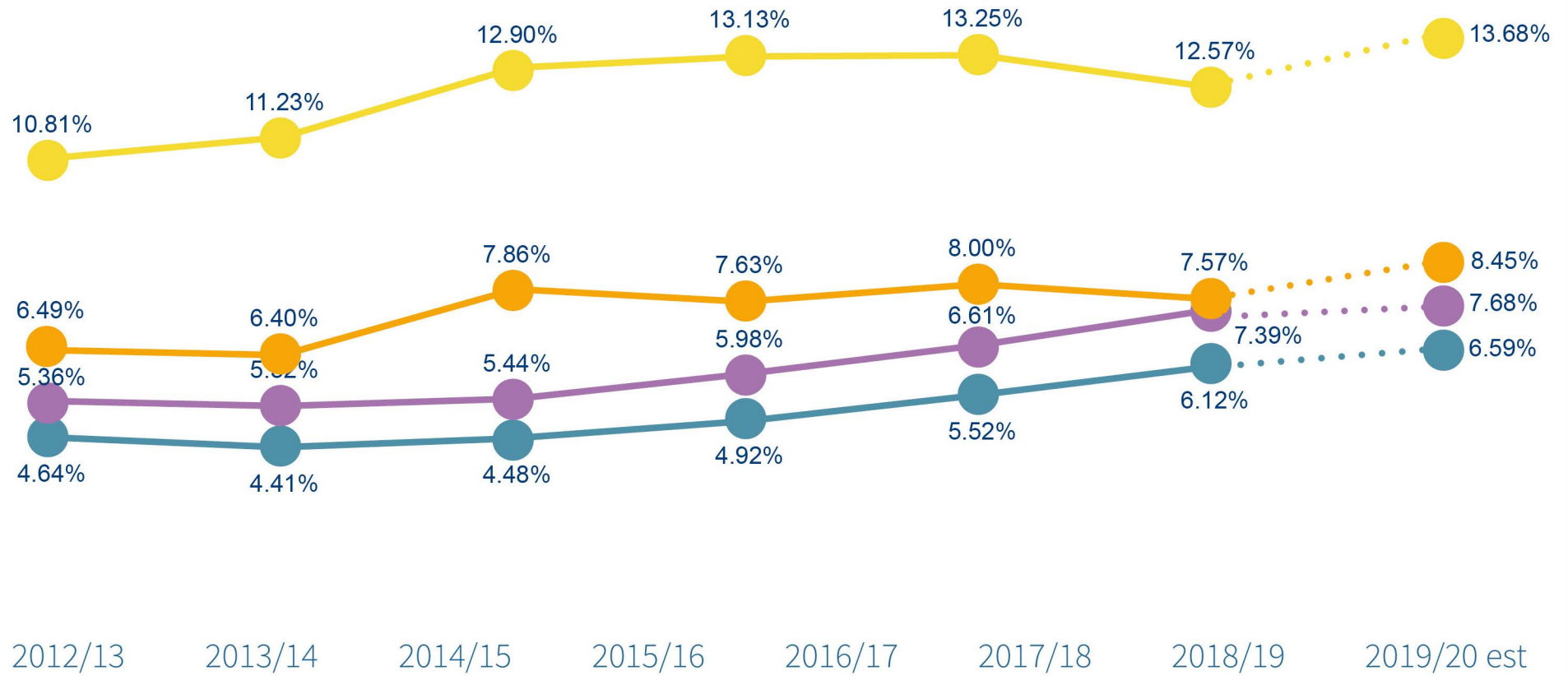
<b>Spend Performance</b>		<b>2018 - 2019</b>	<b>2019 - 2020</b>	<b>% Variance</b>
Total Spend	2	£487,351,683	£532,515,504	+ 9.26
Spend by Supplier Sector	3			
Private Sector		£390,855,737	£422,285,786	+ 8.04
Public Sector		£35,224,801	£39,547,637	+12.27
Third Sector		£61,271,145	£70,682,082	+15.36
Private Sector % age		80.20%	79.30%	- 0.90
Public Sector % age		7.23%	7.43%	+ 0.20
Budget Achievement New measurement indicator established. No previous data.	4	12.57%	13.27	+ 0.70

<b>Spend Performance</b>		<b>2018 - 2019</b>	<b>2019 - 2020</b>	<b>% Variance</b>
Total Spend		£487,351,683	£532,515,504	+ 9.26
Spend by organisation / area				
SME total spend		57.05%	57.71%	0.66
NE total spend	5	70.90%	68.62%	- 2.28
NE SME spend	6	48.60%	47.47%	- 1.13
County Durham total spend	7	48.16%	46.41%	- 1.75
County Durham SME spend	8	36.92%	36.26%	- 0.66
Third Sector total spend		12.57%	13.27%	+ 0.70
Third Sector SME spend		7.57%	8.13%	0.56%
County Durham Third Sector spend	9	7.39%	7.42%	0.03%
County Durham Third Sector SME spend	10	6.12%	6.38%	0.26%

## Local and Sector Spend (SME)



## Local and Sector Spend (3rd Sector)



● Third Sector 
 ● Third Sector SME 
 ● Co Durham Third Sector 
 ● Co Durham Third Sector SME

## Key benchmark comparisons

The government is committed to 33% of central government procurement spend going to small and medium-sized enterprises (SMEs), directly or via the supply chain, by 2022.

### **In our latest recorded figures Durham County Council's direct SME procurement spend was 57.71%**

The governments FY18-19 (latest figures) 'Total Spend with SME's' as a percentage is 25.7%, a 2% increase on the previous year.

### **This was a 0.66% increase on our direct SME procurement spend on the previous year**

NEPO member authorities spend over £2.68bn per year with suppliers. 19.87% of this is Durham County Council spend.

### **Durham County Council's regular third-party procurement spend profile is around £500 million**

In 2017/18 60.00% of total spend by NEPO member authorities was with North East suppliers.

### **During the same period Durham County Council's spend with North East suppliers was 70.90%**

Of the 2017/18 NEPO Member Authorities North East supplier spend, 65% of spend was with SME's.

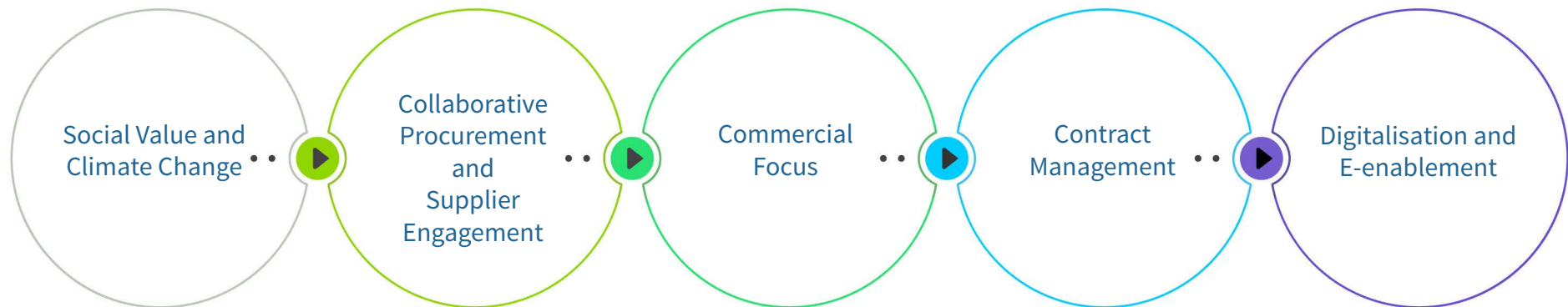
### **Of Durham County Council's 70.90% spend with North East suppliers, 48.60% was with SME's**

# Where we want to be

## Our Procurement Vision

Our vision is to ensure that we carry out all commissioning and procurement activities collaboratively and in an economically, environmentally and socially responsible manner achieving value for money on behalf of the Council and its key stakeholders, making purchasing decisions that promote the long term interests of the communities we represent.

We can achieve our procurement vision through the delivery of five key priority areas



## Social Value and Climate Change

To recognise our responsibility to carry out procurement activities in an economically, environmentally and socially responsible manner.

We have a strong reputation as one of the leading authorities in this area with our Social Value Strategy outlining our future commitments including addressing the current climate change emergency and supporting the Council's target of reducing carbon by 2030.

## Digitalisation and E-enablement

To make better use of available and emerging technology to streamline and improve processes across the procurement lifecycle from business case development and initial market intelligence gathering through to ongoing contract management.



reducing  
our carbon  
footprint:

- 1.
- 2.
- 3.



## Collaborative Procurement and Supplier Engagement

To work closely with NEPO, on a sub-regional joint procurement basis with neighbouring authorities, and in collaboration with, or on behalf of, a range of local and regional public sector partners including blue light organisations, academy schools, the NHS, & town and parish Councils.

Ensuring we engage with the supply base at local, regional and national level is important if the potential benefits of competitive procurement are to be realised.

Effective engagement working with NEPO, ensures potential suppliers understand how to access opportunities, and effectively bid for them.

This will include ensuring suppliers in rural areas of the County are given adequate support to engage with the Council to be able to access contract opportunities.



## Commercial Focus

To act as a provider of procurement services to a range of clients, both internal and external. The Council is embracing the commercial agenda and procurement occupies a prominent position on the Council's Commercial Services site. The site details the full range of Council activities available on a commercial basis.

## Contract Management

To increase the quality, effectiveness and standard of contract management across the Council and ensure a consistent and effective approach is taken.

This will be achieved by developing a mandatory interactive training programme for contract managers that will be delivered online through the learning and development portal. The purpose of which will be to provide contract managers with the necessary skills to effectively understand and carry out their legal obligations. The training will focus on managing contract terms and conditions, change control, effective monitoring of KPI's and deliverables, adherence to deadlines, management and mitigation of risk, spend control and the development of supplier relationships.

In addition to the training, a range of tools will be developed to provide additional support, advice and guidance which will ensure efficiencies, best practice, and a consistent approach to managing contracts across all services.

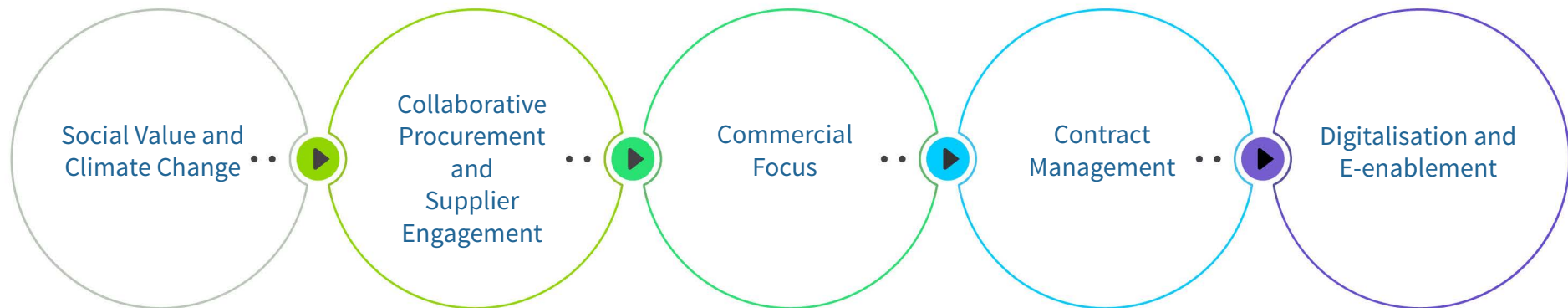


# How we are going to get there

## Our Action Plan

The action plan is divided into our five key priority objectives with actions identified to deliver the outcome. Each action will have a delivery date and a period of review to monitor our progress. The completion of the actions to achieve each outcome will deliver our overall objective. The action plan will be reviewed regularly to reflect upon progress, consider emerging priorities and new drivers or influences.

We can achieve our procurement vision through the delivery of five key priority areas



## Social Value and Climate Change

In line with our commitment to delivering The Public Services (Social Value) Act 2012 and our own Corporate targets we will make consideration of social value in all tender processes becoming a lead Authority in the Social Value movement.

Outcome	Action	Priority	Review	Lead Officer	Resources
1 Adopt National TOMs (Themes, Outcomes and Measures) Framework 2020 as award criteria for all procurement processes over OJEU value	Include TOMs instruction and assessment criteria as standard in procurement documentation	<6 Month	Quarterly	Strategic Category Manager(s)	Within existing
		6-12 Month	Bi-annually	Strategic Category Manager(s) and Procurement Officer(s)	Within existing
2 Include an aspect of Social Value consideration in all procurement processes	Develop alternative award criteria to allow consideration of SV in procurement exercises	<6 Month	Quarterly	Strategic Category Manager(s)	Within existing
	Develop contractual clauses and supporting remedies to ensure SV is delivered	6-12 Month	Bi-annually	Strategic Category Manager(s)	Within existing
3 Strive to maximise the Council's percentage of spend with Co. Durham and NE SME's	Implement new procedures within the CPR's to encourage local involvement	6-12 Month	Annually	Strategic Category Manager(s)	Within existing
	Work with NEPO to educate local SME's on public procurement developing a supportive Regional approach	<6 Month	Quarterly	Strategic Category Manager(s)	Within existing
	Work with Business Durham to educate local Durham SME's on public procurement	6-12 Month	Bi-annually	Strategic Category Manager(s) and Procurement Officer(s)	Within existing

<b>Outcome</b>	<b>Action</b>	<b>Priority</b>	<b>Review</b>	<b>Lead Officer</b>	<b>Resources</b>
4 Strive to maximise the Council's percentage of spend with Co. Durham and NE VCSE's & 3rd Sector	Implement regular engagement sessions with key Durham based VCSE & 3rd Sector community representatives including relevant Council Officers	6-12 Month	Bi-annually	Strategic Category Manager(s) and Procurement Officer(s)	Within existing
	Work with NEPO to educate local VCSE's & 3rd Sector on public procurement developing a supportive Regional approach	<6 Month	Quarterly	Strategic Category Manager(s)	Within existing
	Work with Business Durham to educate local Durham VCSE's & 3rd Sector on public procurement	6-12 Month	Bi-annually	Strategic Category Manager(s) and Procurement Officer(s)	Within existing
	Work with key partners including Business Durham, NEPO & NE Chamber of Commerce to ensure rural organisations are supported to access contract opportunities for the Council & the wider Public Sector	12-24 Month	Bi-annually	Strategic Category Manager(s) and Procurement Officer(s)	Within existing
5 Support the Council's carbon reduction programme and climate emergency response through improved and considered procurement activity	Consider the carbon implications (at specification development stage) as a key strategic driver for every procurement process including but not limited to; Single Use Plastics, reduced logistics and sustainable sourcing	6-12 Month	Bi-annually	Strategic Category Manager(s) and Procurement Officer(s)	Within existing
	Develop specific criteria (including utilisation of TOMs) to enable carbon reduction and climate change to be considered as part of the contract award process	12-24 Month	Bi-annually	Strategic Category Manager(s) and Procurement Officer(s)	Within existing
	Work with key departments including the Sustainability and Climate Change Team to develop and support contracts for alternative energy sourcing	12-24 Month	Bi-annually	Strategic Category Manager(s) and Procurement Officer(s)	Within existing
	Support the ULEV working group to develop an EV direction and supporting infrastructure programme to accelerate the move to electric vehicles	12-24 Month	Bi-annually	Strategic Category Manager(s) and Procurement Officer(s)	Within existing
6 Support the Council's commitment to equality, diversity and inclusion	Ensure appropriate information is requested within tender documentation to ensure compliance with the Equality Act 2010 and key Council inclusion policies	<6 Month	Quarterly	Strategic Category Manager(s)	Within existing
	Develop and utilise award criteria (TOMs) to support Disability Confident and Stonewall employment	12-24 Month	Bi-annually	Strategic Category Manager(s)	Within existing

## Collaborative Procurement and Supplier Engagement

In line with our commitment to delivering The Public Services (Social Value) Act 2012 and our own Corporate targets we will make consideration of social value in all tender processes becoming a lead Authority in the Social Value movement.

Outcome	Action	Priority	Review	Lead Officer	Resources
7 Strive to increase the engagement of Durham's procurement team with collaborative partners and solutions	Increase Procurement Officer engagement within NEPO & Regional Partners including key partners in the NHS/Care Sector	6-12 Month	Bi-annually	Strategic Category Manager(s)	Within existing
	Increase Procurement Officer and Strategic Category Manager's engagement with National Partners including National Public Buying Organisations (PBO)	12-24 Month	Bi-annually	Strategic Category Manager(s) and Procurement Officer(s)	Within existing
	Aim to increase Procurement Officers knowledge base through exposure to the National Procurement arena and increased training opportunities	12-24 Month	Bi-annually	Strategic Category Manager(s) and Procurement Officer(s)	Additional required
	Ensure Procurement Officers adequately review available framework opportunities as part of a sourcing strategy for procurement delivery	<6 Month	Quarterly	Strategic Category Manager(s)	Within existing
8 Establish new or alternative procurement/project delivery vehicles to maximise the delivery of Durham projects	Seek training opportunities to understand alternative procurement/project vehicles including SPV's, Development Agreements, Innovation solutions, CCG collaborative delivery & offsite construction solutions	12-24 Month	Bi-annually	Strategic Category Manager(s)	Additional required
	Increase in early involvement within Project Teams of major Projects to advise on potential delivery mechanisms	<6 Month	Bi-annually	Chief Procurement Officer	Within existing

<b>Outcome</b>	<b>Action</b>	<b>Priority</b>	<b>Review</b>	<b>Lead Officer</b>	<b>Resources</b>
9 Strive to maximise the Council's percentage of spend with Co. Durham organisations	Support Business Durham to develop regular training sessions/programmes for Durham based organisations on public sector bid writing	6-12 Month	Bi-annually	Strategic Category Manager(s) and Procurement Officer(s)	Additional required
	Work with NEPO to ensure Regional support includes Durham based sessions including sufficient coordinating & advertising to encourage Durham supply base engagement	6-12 Month	Quarterly	Strategic Category Manager(s)	Within existing
	Work with key partners including Business Durham, NEPO and NE Chamber of Commerce to ensure rural Durham organisations are supported to access contract opportunities for the Council and the wider Public Sector	12-24 Month	Bi-annually	Strategic Category Manager(s) and Procurement Officer(s)	Within existing
			Bi-annually	Strategic Category Manager(s) and Procurement Officer(s)	Within existing
10 Make the Durham procurement team accessible to our local/regional supply base	Produce a 'How to do Business Guide' giving clear instruction of how to engage with the procurement team and our contract opportunities	6-12 Month	Annually	Strategic Category Manager(s) and Procurement Officer(s)	Within existing
	Produce appropriate information to publish on the DCC website to introduce the procurement team and the activities we undertake	12-24 Month	Bi-annually	Strategic Category Manager(s) and Procurement Officer(s)	Within existing
	Ensure active support of local and regional initiatives which allows access of the supply chain to key procurement personnel	6-12 Month	Bi-annually	Strategic Category Manager(s) and Procurement Officer(s)	Within existing
	In collaboration with Audit, Fraud and Risk Team; ensure documentation and market engagement activity builds an anti-fraud and corruption culture through the work undertaken; ensuring openness & transparency as part of procurement process at all times.	6-12 Month	Bi-annually	Strategic Category Manager(s) and Procurement Officer(s)	Within existing & support from Audit, Fraud & Risk
	Increase the number of market engagement sessions / pre-procurement activity to engage the market prior to contract opportunities being made available	12-24 Month	Annually	Strategic Category Manager(s) and Procurement Officer(s)	Additional required

## Commercial Focus

The Council's focus on developing commercial revenue is in line with National Government requirements to generate income that will replace the funds no longer available from the funding formula.

Outcome	Action	Priority	Review	Lead Officer	Resources
11 To ensure data transparency in line with regulatory, national and regional requirements	To publish Durham County Council's contracts register and all spend over £500 in line with regulatory requirements	<1 Month	Monthly	Strategic Category Manager and Procurement Analyst	Within existing Within existing
12 Support the Council's carbon reduction programme and climate emergency response through improved and considered procurement activity that will enhance the commercial activity at the Council	To work with key departments to establish appropriate procurement routes/contracts that can and will enhance income that are related to energy, alternative energy and other appropriate innovative solutions	6-12 Month	Bi-annually	Strategic Category Manager and Procurement Officer(s)	Within existing
	To engage with the Low Carbon and Energy team to establish a category board to address all opportunities	6-12 Month	Annually	Strategic Category Manager(s)	Within existing
13 Further enhance the income generation of the Council via all appropriate procurement routes	Review corporate contracts to determine whether income generation is to be considered in contract renewals or establishing of new contracts	6-12 Month	Bi-annually	Strategic Category Manager(s), Procurement Analyst & Procurement Officer(s)	Within existing
	Review and consider new opportunities to generate income via Service Level Agreements (SLA) Projects and/or increased SLA provision	12-24 Month	Monthly	Strategic Category Manager(s) and Procurement Manager)	Within existing
	Review and consider opportunities to generate income from external procurement activity	12-24 Month	Bi-annually	Strategic Category Manager(s) and Procurement Manager)	Within existing
	To monitor and collect relevant rebates relating to all corporate contracts	<3 Month	Bi-annually	Strategic Category Manager, Procurement Analyst and Support Officer(s)	Within existing



<b>Outcome</b>	<b>Action</b>	<b>Priority</b>	<b>Review</b>	<b>Lead Officer</b>	<b>Resources</b>
14 To maintain a level in excess of 90% of all School SLAs to ensure budget requirements of the department are achieved	Develop the use of contractors Social Value commitments to support Schools unable to access Social Value opportunities	6-12 Month	Bi-annually	Strategic Category Manager(s), Strategic Schools Account Manager	Additional required
	Establish regular focus groups to allow more understanding of how DCC can improve the procurement offering	12-24 Month	Bi-annually	Strategic Category Manager(s) and Procurement Manager	Additional required
	To establish regular attendance at school business managers meetings.	6-12 Month	Bi-annually	Strategic Category Manager, Strategic Schools Account Manager & Procurement Manager	Within existing
15 Develop an SLA managed package with appropriate supporting functions to compete in the procurement SLA market	To meet with schools and SLA partners to develop and encourage better use of the contracts on offer through coordinated and managed engagement	6-12 Month	Quarterly	Strategic Category Manager and Strategic Schools Account Manager	Additional required
	To develop and encourage use of the Procurement Catalogue and Website to enhance the SLA offering	6-12 Month	Bi-annually	Strategic Category Manager, Procurement Analyst and Procurement Officer(s)	Additional required
	To deliver procurement training to allow schools and SLA partners to develop a better understanding of how procurement operates in the public dimension	12-24 Month	Quarterly	Strategic Category Manager(s) Procurement Officer(s)	Additional required
	To continue to deliver and develop better benchmarking services to allow schools and academies to better understand how they could improve on spend and deliver savings	12-24 Month	Quarterly	Strategic Category Manager, Strategic Schools Account Manager and Procurement Officer(s)	Additional required
	To attend Regional and National events to showcase and compete with market competitors for SLA procurement contracts	12-24 Month	Bi-annually	Strategic Category Manager, Strategic Schools Account Manager & Procurement Manager	Additional required
16 To ensure ethical standards of Corporate Procurement are maintained	To ensure each Corporate Procurement team member is trained and regularly vetted on ethical standards within the CIPS Corporate Ethical Procurement and Supply professional standards.	12 Month	Annually	Strategic Category Manager(s) & Procurement Manager	Additional required

# Contract Management

To increase the quality effectiveness and standard of contract management across the Council and ensure a consistent and effective approach is taken.

Outcome	Action	Priority	Review	Lead Officer	Resources
17 Increase the quality, effectiveness and standard of contract management across the Council	Design and develop an appropriate mandatory online training programme for contract managers to enable them to fulfil their role effectively acknowledging key aspects of contract management including fraud awareness and financial accountability.	>6 Month	Quarterly	Strategic Category Manager, Procurement Officer, Corporate Procurement Graduate Apprentice	Support from HR, Councils eLearning Provider or external resource
	Engage with colleagues from Risk, Legal Services and existing contract managers within the Council to allow them to feed existing best practice and legal perspective into the training programme.	>6 Month	Quarterly	Strategic Category Manager, Procurement Officer, Corporate Procurement Graduate Apprentice	Within existing, support from experienced contract managers and Legal & Risk Management Team
	Seek approval and sign off the training programme.	6-12 Month	Quarterly	Strategic Category Manager, Procurement Officer, Corporate Procurement Graduate Apprentice	Within existing
	Pilot the training programme and review feedback making amendments if required.	6-12 Month	Quarterly	Strategic Category Manager, Procurement Officer, Corporate Procurement Graduate Apprentice	HR support and contract managers within the Council
	Launch the online training through Durham Learning Development portal.	>12 Month	Quarterly	Strategic Category Manager, Procurement Officer, Corporate Procurement Graduate Apprentice	Within existing
	Create an internal process for identifying new and existing contract managers and ensure they access the online training at the appropriate point.	6-12 Month	Quarterly	Strategic Category Manager, Procurement Officer, Corporate Procurement Graduate Apprentice	Within existing

<b>Outcome</b>	<b>Action</b>	<b>Priority</b>	<b>Review</b>	<b>Lead Officer</b>	<b>Resources</b>
17 Increase the quality, effectiveness and standard of contract management across the Council.  <i>continued</i>	Review the training (including user feedback) to identify any updates/changes that may be required managing the content of the training.	>12 Month	Annually	Strategic Category Manager, Procurement Officer, Corporate Procurement Graduate Apprentice	Within existing
	Ensure contract managers are informed of any updates/changes.	>12 Month	Annually	Strategic Category Manager, Procurement Officer, Corporate Procurement Graduate Apprentice	Within existing
	Consider the commercial opportunity for an external facing version of the training programme.	>18 Month	Annually	Strategic Category Manager, Procurement Officer, Corporate Procurement Graduate Apprentice	Within existing
18 Ensure a consistent and effective approach to contract management across the Council.	Develop a suite of documents for recording, monitoring and managing contracts.	6-12 Month	Quarterly	Strategic Category Manager, Procurement Officer, Corporate Procurement Graduate Apprentice	Within existing working with contract managers within the Council
	Design and develop a bespoke, regional Procurement system that will include a module for contract management. All contract management activity will be stored within this system.	12-18 Month	Quarterly	Strategic Category Manager, Procurement Officer, Corporate Procurement Graduate Apprentice	Within resource
	Configure the system locally.	18-24 Month	Quarterly	Strategic Category Manager, Procurement Officer, Corporate Procurement Graduate Apprentice	Additional required from IT Services
	Test, train, pilot and roll out the Procurement system.	18-24 Month	Quarterly	Strategic Category Manager, Procurement Officer, Corporate Procurement Graduate Apprentice	Additional required
	Design, develop and provide easy access to advice and guidance document.	6-12 Month	Quarterly	Strategic Category Manager, Procurement Officer, Corporate Procurement Graduate Apprentice	Within existing

Outcome	Action	Priority	Review	Lead Officer	Resources
19 Improved standard of contract management and consistent approach	Monitor the completion rate of the mandatory contract management programme.	6-12 Month	Quarterly	Strategic Category Manager, Procurement Officer, Corporate Procurement Graduate Apprentice	Within existing
	Access reports from the online procurement system to evidence contract management activity.	12-24 Month	Quarterly	Strategic Category Manager, Procurement Officer, Corporate Procurement Graduate Apprentice	Within existing
	Work with Internal Audit on recommendations/ compliance.	>12 Month	Quarterly	Strategic Category Manager, Procurement Officer, Corporate Procurement Graduate Apprentice	Within existing and Internal Audit

## Digitalisation and E-enablement

To make better use of available and emerging technology to streamline and improve processes across the procurement lifecycle from business case development and initial market intelligence gathering through to ongoing contract management.

Outcome	Action	Priority	Review	Lead Officer	Resources
<p>20 Seek to improve the following areas through the E' enablement and digitisation of procurement processes:</p> <ul style="list-style-type: none"> <li>• Market intelligence</li> <li>• Data sharing</li> <li>• Information is shared in an efficient and immediate manner (COUNT - Collect Once Use a Number of Times)</li> <li>• Supplier records, mapping/ demographics</li> <li>• Interrogation and analysis of Spend</li> <li>• Visibility of other council data</li> <li>• Compliance with legal processes and procedures</li> <li>• Improved and consistent procurement practice</li> <li>• Improve monitoring and planning</li> <li>• End to end accountability</li> <li>• Improved engagement from services in procurement projects</li> </ul>	Map the current top-level processes and procedures for each stage of the procurement lifecycle to obtain a clear understanding of current practices, processes and procedures	>12 Month	Quarterly	Strategic Category Manager/ Procurement Officer/Support Officer	Within existing, support from internal colleagues
	Investigate what opportunities are available within 3rd party systems and current in-house applications.	12-18 Month	Quarterly	Strategic Category Manager/ Procurement Officer/Support Officer	Within existing support from colleagues in ICT and regional partners
	Review and analyse options and agree the direction	12-24 Month	Quarterly	Strategic Category Manager/ Procurement Officer/Support Officer	Within existing, with support from colleagues in ICT and regional partners
	Source or develop, configure/implement systems to replace manual or existing systems, processes and procedures	12-24 Month	Quarterly	Strategic Category Manager/ Procurement Officer/Support Officer	Within existing, with support from colleagues in ICT and regional partners

# How will we know when we get there

## Strategic Alignment

This Strategy has been designed to support the delivery of our County Durham Vision by undertaking and completing the actions within our plan. We will support the achievement of our key objectives improving our KPI performance **'supporting our vision'**, **'more and better jobs'**, **'long and independent lives'**, **'connected communities'** delivering **'an excellent council'** for the residents of County Durham.

To ensure the delivery of our commitments we will assess our procurement performance by implementing the following monitoring processes which will be important to us in our assessment of performance:

## Monitoring and Reporting

Within our action plans we have set out twenty outcomes which will be used to inform our assessment of performance through achievement of the actions identified. Each action has identified a delivery period, priority status, lead officer responsibility and whether the action can be achieved within our current resource.

Each quarter a report will be produced outlining progress on the actions identified in the action plan and whether the outcome is on target to be achieved over the financial year. Each quarter, each action will be reviewed and be attributed a green/amber/red rating on whether it has been achieved/achieved in part/ or not achieved. A key-note section has been added to allow a brief written description on the position of the action. Once all actions attributable to an Outcome have been achieved then the outcome will be colour rated to reflect full achievement of the outcome.



**An excellent council**  
**County Durham Vision 2035**



## Action Plan Reporting Framework Reporting Period: Quarter 2

This table identifies the performance reporting model that will be presented in each quarterly review. The structure of the model will allow progress to be tracked upon submission of each report. Once an Outcome has been achieved the assessment of that action will cease for future reports with the information highlighted at the stage of achievement.

<b>Social Value and Climate Change</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Outcome</b>
<p>1 Include TOMS instruction and assessment criteria as standard in procurement documentation</p> <p>Key Notes: TOMS instruction and criteria is now standard in all procurement template documentation (01.06.2020)</p>	achieved	achieved			Adopt National TOMS (Themes, Outcomes and Measures) Framework 2020 as award criteria for all procurement processes over OJEU value
<p>2 Include a minimum award threshold of 10% when utilising the TOMS Framework</p> <p>Key Notes: CPO agreement that inclusion of TOMS requires minimum 10% criterion</p>		achieved			
<p>3 Include TOMS instruction and assessment criteria as stInclude an aspect of Social Value consideration in all procurement processes</p> <p>Key Notes: Production of pre-procurement sourcing review documentation in progress.</p>	ongoing	achieved			Include an aspect of Social Value consideration in all procurement processes
<p>4 Develop contractual clauses and supporting remedies to ensure SV is delivered</p> <p>Key Notes: Work ongoing with Legal services on a project-by-project basis</p>					

Outcome	Action	Priority	Review	Lead Officer	Resources
19 Improved standard of contract management and consistent approach	Monitor the completion rate of the mandatory contract management programme.	6-12 Month	Quarterly	Strategic Category Manager, Procurement Officer, Corporate Procurement Graduate Apprentice	Within existing
	Access reports from the online procurement system to evidence contract management activity.	12-24 Month	Quarterly	Strategic Category Manager, Procurement Officer, Corporate Procurement Graduate Apprentice	Within existing
	Work with Internal Audit on recommendations/ compliance.	>12 Month	Quarterly	Strategic Category Manager, Procurement Officer, Corporate Procurement Graduate Apprentice	Within existing and Internal Audit



## Governance

The Chief Procurement Officer and Procurement Management Team will be responsible for the delivery of the Action Plan. Progress on this will be reported on a quarterly basis. A summary report of the Action Plan identifying progress against Outcomes will be reported to the 'Corporate Finance Management Team' on a bi-annual basis with a full KPI measured performance report issued at the end of the Financial Year. At each identified reporting stage, the Chief Procurement Officer has the opportunity to challenge the current actions identified and introduce new actions based on the current position of the Council's Drivers or UK legislative programme. This will also allow any new influences on the Council or in UK procurement law to be considered. Any amendments will be actioned and updated in line with the version control process contained within the strategy.

## Reporting Periods

Report	Issued to	Estimated Period
Quarter 1	Chief Procurement Officer	July 2020
Quarter 2	Chief Procurement Officer	October 2020
Half Year Summary Corporate Procurement Performance Review	Head of Finance and Commercialisation	October 2020
Quarter 3	Chief Procurement Officer	January 2021
Quarter 4	Chief Procurement Officer	April 2021
Annual Corporate Procurement Performance Report	Head of Finance and Commercialisation	April 2021

## Our targeted performance

Our overall aim is to support the economic, environmental and social aspects of the Council Vision by completing our actions, delivering on our outcomes and improving our KPI performance. To support the monitoring process, below outlines the targeted growth/decline performance areas of ten identified KPI's. These will be assessed on an annual basis to evaluate whether the actions are supporting the drive to improve on the targeted performance areas.

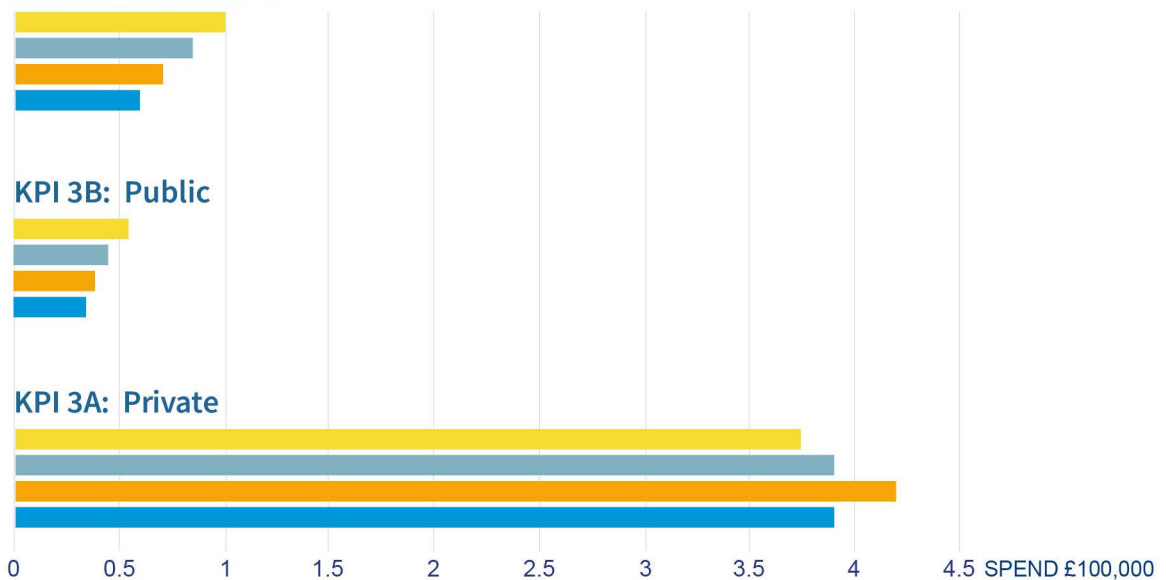
# KPI Expected Growth Targets

1. Budget Achievement
2. North East Total Spend
3. North East SME Total Spend
4. Co. Durham Total Spend
5. Co. Durham SME Total Spend
6. Co. Durham 3rd Sector Total Spend
7. Co. Durham 3rd Sector SME Total Spend

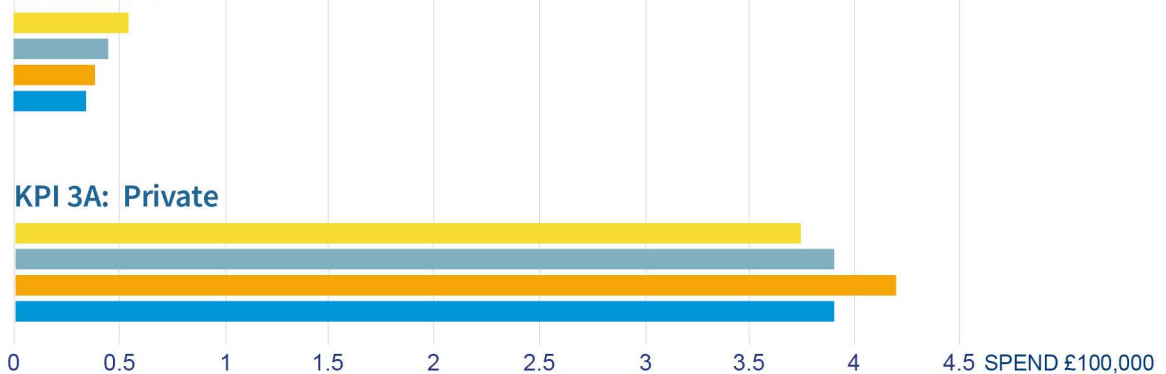
Further to the information outlined in the tables on our performance target for KPI's 5-10 is continued growth in all these areas.

Our strategy is focused on improving our relationships with our Local Communities which includes the positive increase in our spend profile although this must be delivered while maintaining our legislative commitments within the UK Procurement Regulations.

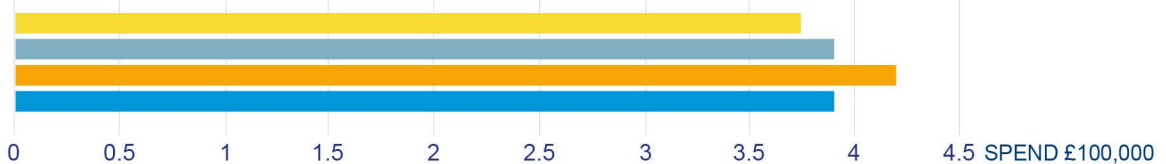
**KPI 3C: Third Sector**



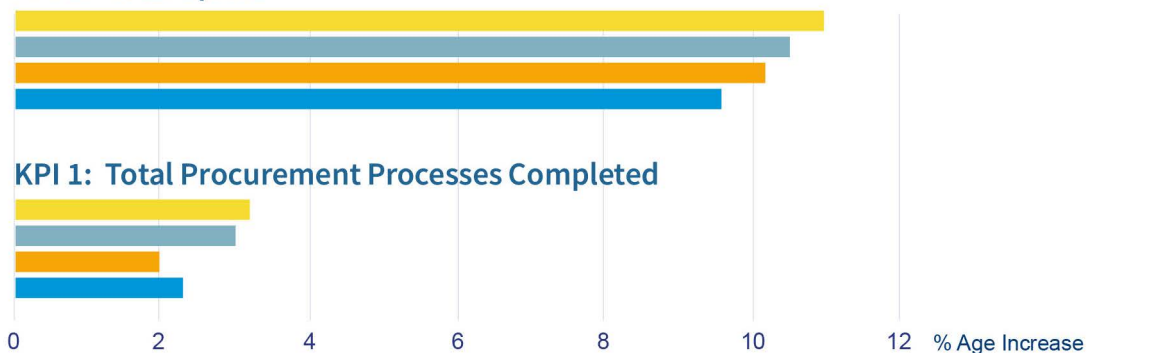
**KPI 3B: Public**



**KPI 3A: Private**



**KPI 2: Total Spend**



**KPI 1: Total Procurement Processes Completed**



■ FY 22/23 ■ FY 21/22 ■ FY 20/21 ■ FY



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