

**Agenda Item 11**  
**Report PR23/24-15**

Report to **South Downs National Park Authority Policy & Resources Committee**

Date **21 September 2023**

By **Procurement Manager**

Title of Report **Review of SDNPA Procurement Strategy Action Plan**

**Decision**

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**Recommendation: The Committee is recommended to:**

- 1. Note progress against the Procurement Strategy Action Plan during Years 1 and 2.**
  - 2. Approve the revised Procurement Strategy Action Plan Year 3 for Sept 2023-Sept 2024.**
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**1. Introduction**

- 1.1 SDNPA's P&R Committee approved the Authority's Procurement Strategy 2021-2026 at the meeting of the P&R Committee in September 2021.
- 1.2 The Procurement Strategy describes what SDNPA aims to achieve when procuring works, goods and services, and the mechanisms and processes used to achieve those.
- 1.3 The Procurement Strategy contains an outline Action Plan covering five years, together with a detailed Action Plan for the first 12 months.
- 1.4 This report summarises the progress against the Procurement Strategy Action Plan during years 1 and 2 and proposes an action plan for year 3 of the Strategy. A progress report would normally have been brought to the committee in September 2022 to report on progress in year 1 of the action plan, however due to operational and resourcing issues there has been a delay in reporting to Members.
- 1.5 Whilst substantive work on the Action Plan did not commence until January 2023 it is not expected this delay will impact the overall delivery of the 5-year strategy. Actions which were not able to take place during years 1 and 2 have been incorporated into years 3, 4 and 5 of the Action Plan. The, now fully staffed, Procurement Team is focussed on delivering on the actions in the Procurement Strategy during years 3-5.

**2. Policy Context**

- 2.1 Effective procurement makes a significant contribution to achieving organisational success. By aligning the function with key objectives contained within the Corporate Plan, procurement processes allow Officers working towards the high-level targets to achieve the best possible outcomes, through the application of early and appropriate market research, the correct type of specifications, and the use of appropriate evaluation criteria.

2.2 The Procurement Bill, which will reform the existing Public Contract Regulations, is currently going through Parliament, and the new legislation is expected to come into force in October 2024, training will be provided to all public sector organisations to support them in implementing the changes. Benefits of the new legislation will include a simpler more flexible procurement system, helping SMEs and social enterprises to compete for and win more public contracts, and embedding transparency throughout the commercial lifecycle, making it easier to do business with the public sector.

### **3. Progress on the Action Plan during Years 1 and 2**

3.1 The Outline Action Plan for years 1 and 2 set out that the focus would be on:

- Improving information to suppliers on forthcoming tenders
- Investigating and trialling various approaches to improving sustainability in our supply chain

3.2 Due to the issues mentioned in paragraph 1.4, work was only able to be progressed to improve information to suppliers during this period. The investigating and trialling of approaches to improve sustainability will be incorporated into actions during years 3-5.

3.3 The Procurement Strategy Action Plan for Year 1 contained the following actions to support improving information to suppliers:

- Embed programmed procurement in the budget process
- Embed programmed procurement in the project process
- Publish programmed future opportunities on portals and website as the information becomes available
- Involve procurement in development of South Downs Enterprise Partnership

Below is an update on the progress of each of these actions.

3.4 Embed programmed procurement in the budget process: Planned procurement is now incorporated into the budget setting process and discussed at budget holder meetings, to ensure that any planned spend against Corporate Plan objectives is captured. Budget holders are advised of current contracts and their renewal dates to ensure these are scheduled into the process. A new online forthcoming procurement form is completed by budget holders and/or contract managers for each piece of planned procurement, both at budget time and as they arise throughout the year. This enables the Procurement Team to plan for this and ensure early involvement in researching the market and in the development of specifications.

3.5 Embed programmed procurement in the project process: The new project process is being trialled and will imminently be going live. The Procurement function has worked with the Performance and Projects Team to ensure that any required procurement is considered and recorded at the project submission stage. A form will be completed online and sent to procurement so that we can be involved at the outset, to give the best opportunity to gain value for money in line with SDNPA's objectives and contribute to the success of each project, ensuring any environmental, social and economic outcomes have been fully incorporated at the outset.

3.6 Publish programmed future opportunities on portal and website as the information becomes available: The information for suppliers on SDNPA's website has been enhanced this year. Suppliers can now access information with one click from the homepage and obtain information on a number of helpful topics, including the tendering process, current tendering opportunities, future tendering opportunities, approved contractor list for countryside works (and how to apply), payment information for suppliers, tips for bidders and social value in tendering. Suppliers can click through from the website directly to SDNPA's In-tend

e-procurement portal where all current and forthcoming tenders are published. The embedding of procurement in the budget and project processes outlined above means that the forthcoming tender's information on the portal can be kept fully up to date with all opportunities as they arise.

- 3.7 Involve procurement in the development of the South Downs Enterprise Partnership (SDEP). SDEP was the working title of [Our South Downs](#), which is a community created by SDNPA to support businesses in and around the South Downs National Park in their pursuit of sustainability. Membership of the network is free and provides a number of benefits and resources, including support for businesses working towards net zero. Procurement has been working alongside the Sustainable Business Lead and the Nature Based Solutions Manager to collaborate in sharing information of benefit to both Our South Downs Members and SDNPA. By sharing information about Our South Downs on the SDNPA procurement portal, and about tendering opportunities on the Our South Downs website, SDNPA will be both assisting local businesses in bidding for commissions, and in providing resources which will help them to become more sustainable.

#### **4. Procurement Strategy Action Plan Year 3 for Sept 2023-Sept 2024**

- 4.1 The Procurement Strategy including a proposed Action Plan Year 3 for 2023-24 is set out in **Appendix I**. The proposed Action Plan Year 3 aims to ensure the continued alignment of procurement processes with SDNPA's Corporate Plan and will include further development of procurement processes, to ensure that social value and sustainability are embedded over the next 12 months. This will include the outline action that was originally proposed to be undertaken in year 1-2. Guidance will also be produced to support any new procedures as part of the procurement process.
- 4.2 SDNPA's Procurement Team will also be undertaking learning and development on the forthcoming Procurement Bill. The training, to be delivered by the Government Commercial College, is expected to be undertaken in the 6 months leading up to the legislation coming into force. As part of this process, officers will also review relevant SDNPA policies and procedures to ensure these are in compliance with the new legislation.
- 4.3 These actions will also inform the work to be undertaken during years 4 and 5 on the development of a Sustainable Procurement Strategy for approval in 2026.

#### **5. Options and cost implications**

- 5.1 The implementation of the new social value evaluation criteria is key to ensuring the SDNPA can properly monitor social value outcomes through the procurement process. Proportionate sustainability criteria is also an important mechanism in supporting the SDNPA's Climate Action targets in the Corporate Plan.
- 5.2 Training for key stakeholders will be necessary in order to become familiar with the new legislation. The Government Commercial College will be providing three levels of training for key stakeholders over the coming months: "Knowledge Drops" (short on-demand presentations) for those needing a general level of awareness, "Self-guided e-learning" for those needing a comprehensive knowledge and understanding (culminating in the award of a Practitioner Certificate), and "Deep dive webinars" – a three-day intensive course for a those who need to become experts in operating within the new regime (three-day intensive course). This training will be funded by the Cabinet Office. Access to the Government Commercial College has been requested officers are awaiting confirmation.
- 5.3 The development of the Sustainable Procurement Strategy for approval in 2026 will require some baseline information to measure Scope 3 emissions of current suppliers to enable us to measure the new strategy in terms of environmental sustainability once implemented. Some research will be required on the best way to capture this information. Following on from the outcomes of the research, there may be associated costs in capturing the required

information. These costs are currently unknown but should be available for inclusion in the Action Plan review in September 2024.

5.4 The action plan will be delivered by the SDNPA Procurement Team whose personnel have sufficient skills to implement the actions and develop the future Sustainable Procurement Strategy.

## 6. Next steps

6.1 Should the proposed Action Plan Year 3 be approved work will continue to implement the Procurement Strategy.

## 7. Other implications

Implication	Yes*/No
Will further decisions be required by another committee/full authority?	A progress review and proposed Action Plan Year 4 will be considered by P&R Committee in September 2024. A Sustainable Procurement Strategy will be considered by P&R Committee in 2026.
Does the proposal raise any Resource implications?	Please see Section 5 above.
How does the proposal represent Value for Money?	The development of the Sustainable Procurement Strategy in the Action Plan aims to improve value for money across the organisation, not only in terms of savings but towards social, environmental and economic goals embedded in the Corporate Plan.
Which PMP Outcomes/ Corporate plan objectives does this deliver against	Procurement is a strategic function which supports the delivery of all outcomes and objectives in the PMP and Corporate Plan.
Links to other projects or partner organisations	Government Commercial College, Cabinet Office, any companies/organisations who might bid for contracts with the SDNPA.
How does this decision contribute to the Authority's climate change objectives	The Action Plan Year 3 objectives aim to ensure that any procurement processes take into account the objectives within the Climate Change strategy.
Are there any Social Value implications arising from the proposal?	Task 2 in the Action Plan directly relates to improving social value within SDNPA contracts. The Public Services (Social Value) Act 2012 applies to all contracts over GPA Thresholds, however we apply Social Value criteria to all lower value contracts where relevant and proportionate to the contract. The updated criteria in the Action Plan aims to ensure that we are better able to monitor the delivery of social value promised in bids.
Have you taken regard of the South Downs National Park Authority's equality duty as contained within the Equality Act 2010?	Yes, taking regard of the Authority's equality duty is an integral part of the procurement process.

<b>Implication</b>	<b>Yes*/No</b>
Are there any Human Rights implications arising from the proposal?	None within the Action Plan however the selection process within any tendering exercise will examine the bidding companies' compliance with the associated laws.
Are there any Crime & Disorder implications arising from the proposal?	None within the Action Plan however the selection process within any tendering exercise will examine the bidding companies' compliance with the associated laws.
Are there any Health & Safety implications arising from the proposal?	None within the Action Plan however the selection process within any tendering exercise will examine the bidding companies' compliance with the associated laws.
Are there any Data Protection implications?	None within the Action Plan however the selection process within any tendering exercise will examine the bidding companies' compliance with the associated laws.

## **8. Risks Associated with the Proposed Decision**

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation</b>
Failure to comply with the new Procurement legislation	Unlikely	3	Ensure procurement staff are trained within the new legislation at the deep dive level that the Government Commercial College are providing Ensure staff are aware of the new legislation and all procurement spend goes through the Procurement Team.
Not gaining access to the Government Commercial College training	Unlikely	2	Should SDNPA not gain access to the Government Commercial College training, this would be sought through our existing Legal Services contractor from BHCC.
Implementing criteria which requires bidders to submit complex sustainability information could exclude smaller suppliers from bidding or impact disproportionately on the cost/quality of what we buy.	Possible	4	Ensuring the sustainability requirements are proportionate to that of the contract and therefore do not exclude suppliers from being able to submit a proposal.  Prior engagement with Suppliers to ensure the requirements will not be a barrier.
Implementing criteria which requires bidders to submit complex social value	Possible	4	Ensuring the social value requirements are proportionate to that of the contract and therefore do not exclude suppliers from being able to submit a proposal.

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information could exclude smaller suppliers from bidding or impact disproportionately on the cost/quality of what we buy.			Prior engagement with Suppliers to ensure the requirements will not be a barrier.

## **HAYLEY MADGWICK**

### **Procurement Manager**

#### **South Downs National Park Authority**

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Appendices I. Procurement Strategy with proposed Action Plan Year 3

SDNPA Consultees Chief Executive; Director of Countryside Policy and Management; Director of Planning; Chief Finance Officer; Monitoring Officer; Legal Services, Head of Finance and Corporate Services

External Consultees None

Background Documents None

# South Downs National Park Authority

## Procurement Strategy 2021-2026

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Version 1.1

<b>Review date</b>	September 2026
<b>Responsibility</b>	Procurement Manager
<b>Created</b>	September 2021
<b>Approved by</b>	SDNPA

## DOCUMENT AMENDMENT HISTORY

<b>Version No.</b>	<b>Originator of change</b>	<b>Date of change</b>	<b>Change Description</b>
1.1	Hayley Madgwick	15/8/23	Draft of updated strategy containing Action Plan for Yr 3: 2023-2024, for approval by P&R Committee
1.0	N/A	30/9/21	Strategy approved by P&R Committee
0.01	Alan Brough	16/08/21	First draft of Strategy template sent to SMT for review



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## 1. Introduction and background

- 1.1 SDNPA procures goods, services and works from outside bodies to the value of between £5m and £6m each year. The Procurement Strategy provides a vision for what procurement can achieve, and the methods that will be used to deliver the vision.
- 1.2 SDNPA is established as a 'lean' organisation; one that is comfortable with outsourcing and working with partners and this is reflected in both what we procure and how we run procurement.
- 1.3 Our Procurement Strategy is important to help demonstrate how we and our partners are delivering the PMP and how the SDNPA is delivering our purposes and duty which are:

**Purpose 1:** *To conserve and enhance the natural beauty, wildlife and cultural heritage of the area*

**Purpose 2:** *To promote opportunities for the understanding and enjoyment of the special qualities of the National Park by the public*

**Duty:** *To seek to foster the social and economic well being of the local communities within the National Park in pursuit of our purposes.*

- 1.4 This is through achieving best value for SDNPA in everything we purchase, which is core to everything we do. It is also ensuring that we buy from organisations, who by their actions, add capital to the environment, equality, social and cultural value.

## **2. Our vision for Procurement**

- 2.1 Procurement is firstly about delivering best value for SDNPA in every purchase we make.
- 2.2 SDNPA will be as accessible to contractors and suppliers as any public sector organisation can be.
- 2.3 Wherever we can, SDNPA will use procurement to meet wider environmental, social and economic goals in the community.
- 2.4 SDNPA will only deal with suppliers who trade ethically, abide by the laws of their country and have regard to equalities.
- 2.5 SDNPA will treat suppliers and contractors fairly and with respect. We will always seek to learn from the knowledge and expertise of our suppliers and contractors.
- 2.6 SDNPA will manage the risks associated with procurement. We will understand the risks involved and seek appropriate ways of sharing risk with suppliers and contractors.

### **3. Value For Money in Procurement**

- 3.1 Value for money in procurement terms, is not the lowest price. It is procuring the right product, on the right terms, at the right price, using a total cost approach to evaluate all the costs associated with the good or service being procured over the lifetime of the contract.
- 3.2 To procure the right product, SDNPA will produce specifications for procurement, which will include details of the product, location and timescale for each contract.
- 3.3 SDNPA will engage specialists to design and manage major contracts, where we do not have the expertise in-house to do so.
- 3.4 SDNPA acknowledges that the supplier community is a major source of expertise on the supplies, services and works procured by SDNPA, and that using suppliers' expertise can increase value for money. We acknowledge this by;
  - Consulting with suppliers before finalising specifications,
  - Making specifications outcome based, and allowing suppliers to tell us the best way to deliver the outcomes.
- 3.5 SDNPA will seek competitive bids for all significant purchases and will assess those using quality / price ratios. The ratio of price to quality will be determined on an individual contract basis, by assessing the potential value of each.
- 3.6 SDNPA will seek to maximise value during the term of the contract, by active contract management, continuous improvement and building business relationships with long-term contractors.
- 3.7 In each succeeding contract, SDNPA will learn the lessons from the previous contract, building on what went well and remedying identified weaknesses.

#### **4. SDNPA as an accessible customer**

- 4.1 SDNPA will provide clear, unambiguous specifications for the purchase we are intending to make. The specification will, where possible, be outcome based and will allow the supplier to use their skills and knowledge to provide the optimum solution.
- 4.2 Market testing or sounding will be undertaken by SDNPA on any novel aspects of a specification before it is released for tender. This will help to ensure that it is deliverable and doesn't contain any unnecessary requirements.
- 4.3 Suppliers will be given as much advance notice of potential tendering opportunities as SDNPA can realistically provide. Advance opportunities will be advertised on the SDNPA website, and through national portals for high value contracts.
- 4.4 Contract opportunities will normally be advertised through the SDNPA website. Suppliers who register with the SDNPA Procurement portal can receive notifications when relevant tenders are advertised. When contract opportunities with a value of over £25,000 are advertised, the notice will also appear on Contract Finder, the public procurement portal for England. In practice, many opportunities with a lower value are also placed on Contract Finder.
- 4.5 SDNPA procurement systems are fully electronic and are accessible free of charge to suppliers. Suppliers have the opportunity to ask questions during the tender process, and will upload their tender response electronically.
- 4.6 Other than for general due diligence, SDNPA will not ask suppliers to provide information that is not relevant or proportional to a specific contract.

## **5. Environmental and Social Goals**

- 5.1 As part of the preparation of specifications for tenders, we will consider the environmental and social implications of the purchase we are proposing and make improvements where we can.
- 5.2 The approach we take to checking the environmental and social credentials of suppliers will be proportionate to the value of the contract, to ensure that this does not impact on the accessibility of SDNPA contracts. We understand that providing this information, particularly when it is tailored to individual contracts, is expensive, particularly for smaller organisations.
- 5.3 SDNPA will make wide use of social value clauses within significant contracts and will include social value within the criteria for evaluation of tenders.
- 5.4 SDNPA will build links with local suppliers who share our environmental and social goals, informing and equipping them to bid for SDNPA and other public sector contracts.
- 5.5 We will develop a more detailed sustainable procurement policy over the next twenty-four months and this will be incorporated into the SDNPA Procurement Strategy from 2023 onwards.

## **6. Ethical Trading**

- 6.1 SDNPA intends only to trade with suppliers and contractors who respect the environment, comply with the laws of their own countries, respect human rights and reject modern slavery, and trade fairly themselves. This means respecting their own sub-contractors and suppliers and not engaging in fraud, bribery or corruption.
- 6.2 All procurement staff in SDNPA will hold the CIPS Ethical Procurement and Supply Certificate and this will be updated on a yearly basis. This will help us identify any issues with non-ethical behaviour in our supply chains.
- 6.3 SDNPA will expect suppliers not only to behave ethically in their own operations but to take active steps to ensure that ethical practice is maintained through their supply chain.

## **7. How SDNPA Treats our Suppliers**

- 7.1 SDNPA will provide suppliers with a clear specification of work at the outset of the contract and will make sure that suppliers understand what is expected of them.
- 7.2 SDNPA will nominate a 'contract owner' for each contract awarded. This person will provide a single point of contact within the organisations for contractors seeking assistance or further information.
- 7.3 SDNPA will endeavour to answer any requests for further information from a contractor promptly,
- 7.4 SDNPA will agree a schedule of payments with suppliers at the beginning of the contract. SDNPA will make stage payments in all but the shortest term contracts, and will link those to clear and measurable deliverables within the contract.
- 7.5 For SME's when a payment is triggered within the contract, SDNPA will aim to place the funds in the contractor's bank account within 10 days.
- 7.6 At the end of each contract, SDNPA will ask suppliers for their views on their experience of SDNPA as a client and ask suppliers to score our performance. Those scores will form part of SDNPA's overall performance reporting.
- 7.7 Where suppliers have submitted a bid for an SDNPA contract and not been successful, SDNPA will inform them of the award decision promptly and will include information on how we reached the decision. Unsuccessful bidders will be able to access additional feedback on their bid, on request.



## **8. Managing Risks in Procurement**

- 8.1 SDNPA will carry out due diligence on suppliers as part of the procurement process. In carrying out this process we will not discriminate against smaller sized suppliers as long as they have the resources to complete the contract they are bidding for.
- 8.2 SDNPA will not discriminate against newer suppliers and will take alternative evidence of financial viability to previous year's accounts where necessary. SDNPA will always try to be open to giving new suppliers the opportunity to trade with us.
- 8.3 In construction contracts, SDNPA will seek to use SOR / Bill of Quantities and one of the recognised contract forms (JCT / NEC) to establish a basis for risk sharing, rather than transferring all risk to the contractor by way of fixed price contracts.
- 8.4 SDNPA will not expect suppliers / contractors to carry unrealistic levels of insurance cover and will seek to tailor our requirements to the insurance risk of a particular activity.

## 9. Development of annual Action Plan

- 9.1 We will develop an **annual action plan** detailing the initiatives and actions that we will undertake in each financial year to strengthen our achievement of the procurement vision for the SDNPA. This will also be reviewed every September to plan for the following year.
- 9.2 We will review this Procurement Strategy at least every five years, or at such times as it becomes necessary to update it.

## 10. References

Public Contracts Regulations 2015

[The Public Contracts Regulations 2015 \(legislation.gov.uk\)](https://www.legislation.gov.uk/uksi/2015/1017/contents/made)

Public Services (Social Value) Act 2012

[Public Services \(Social Value\) Act 2012 \(legislation.gov.uk\)](https://www.legislation.gov.uk/ukpga/2012/22/contents)

SDNPA Contract Standing Orders

[SDNPA Contract Standing Orders](#)

## 11. Appendix 1: Outline Action Plan

- The **South Downs National Park Authority Procurement Action Plan** will be reviewed annually by the Senior Procurement Officer and released on 30 September each year. Performance against the strategy and action plans will be reported to Policy and Resources Committee on an annual basis, using a set of key indicators.
- In **Years 1-2**, our focus was on improving information to suppliers on forthcoming tenders.
- In **Year 3**, our focus will be on improving sustainability in our supply chain, and reviewing our process to take into account the emerging legislation enacted as a result of the Procurement Bill.
- In **Years 4-5**, we will draft for approval in 2026 the Sustainable Procurement Strategy and ensure our procurement policies and procedures remain fit for the future.

Our proposed Action Plan from **October 2023-September 2024** is detailed below.

	Task	By when
1	Work with contract managers and other SDNPA officers to ensure that every tender specification considers sustainability criteria which are relevant and proportionate to the contract.	Sept 2024
2	Implement new social value evaluation criteria in the tendering process, which will increase SDNPA's ability to achieve and monitor social value outcomes.	March 2024
3	Ensure that the Procurement Team and key internal stakeholders receive appropriate <a href="#">training on the Procurement Bill</a> as it becomes available.	The date for this training has not been announced, but it is expected it to be rolled out 6 months before the legislation is brought into force in October 2024.
4	Review and update policies or procedures, including guidance, as required as part of the procurement process to ensure compliance with the new legislation.	September/October 2024