

**KNOWSLEY COUNCIL RESPONSIBLE PROCUREMENT STRATEGY**

**2022 - 2026**

1. Introduction

In March 2022, the Council adopted a new Council Plan 2022-2025 with the vision of “supporting Knowsley’s people and communities to thrive”. This plan represents the Council’s contribution to the ongoing delivery of the wider strategy for the Borough – Knowsley 2030 – underpinned by the Knowsley Better Together approach. The plan outlines three key priorities:

* **Effective Support for those in Need** – ensuring that all Knowsley residents are able to access the support and services they need.
* **Inclusive Growth and Skills** – ensuring that all of Knowsley’s communities are able to share in the opportunities from local economic growth.
* **Achieving Net Zero 2040** – ensuring that the Council plays a leading role in local action to address the Climate Emergency

The aim of this new procurement strategy is therefore to set out how the Council will carry out its procurement responsibilities within this strategic context. It also aims to build on the achievements under the previous procurement strategy adopted in 2016, by delivering savings, supporting the local economy, and delivering wider social and environmental benefits to the communities of Knowsley, through procurement activity.

In 2021 a review commenced regarding the delivery of the Council’s procurement function, this has reflected the local challenges it had faced, including recruitment, also taking into account the changing national context of the National Procurement Policy Statement, and Green Paper on Transforming Public Procurement. This strategy has been framed to be consistent with the ongoing response to these broader issues.

What is Responsible Procurement?

Responsible Procurement is the act of sourcing services, supplies, and/or works in a way that takes into account ethical and sustainable considerations, including: economic, social, labour, and environmental factors, whilst always aiming to procure and act in a way that is morally right, open, fair, and transparent.

Responsible Public Procurement:

* Is about improving the quality and cost effectiveness of delivering public services to citizens
* Is a mechanism to challenge current service arrangements and find new models for service delivery
* Will achieve better realised savings that can be channelled back into priority services
* Can achieve added Social Value as well as wider added value benefits to citizens through effective use of supply chains
* Ensures that our partners deliver best value
* Uses our professionalism and planning to help prevent financial loss to the Council and support our services and reputation

Why is Responsible Procurement Important?

Local government has a total revenue budget of c.£70 billion[[1]](#footnote-1) per annum, with Knowsley Council spending approximately in the region of £180m per annum on procured supplies, services, and works. It is critical that value for money and savings are at the forefront of commissioning and procurement practice.

The Council recognises that procurement decisions can have a major socio-economic and environmental implication, both locally and globally, now and for future generations. In addition, it also recognises that these decisions have a significant impact on the delivery of the Council’s Strategic Objectives and the achievement of the best outcomes for the Borough’s residents. The associated procurement activity is critical to ensuring that not only is best value being obtained, but that public money is spent in a way that protects both people and the environment and is vital to:

* Furthering Sustainable development
* Stimulating innovation
* Avoiding unnecessary costs

The Council recognises its responsibility to take a robust approach to ethical and sustainability issues, especially around modern slavery and human trafficking, which it is absolutely committed to preventing within its supply chains.

2. Strategic Influence on Public Procurement

There is a complex and multi-layered influence on our procurement activity through global, national, regional, and local policies and legislation. Our Procurement Strategy is designed to provide clarity as to how we will embed this strategic context into what we do. The diagram below is not exhaustive but gives an indication of the strategic context in which we operate.

3. Our Strategy

Responsible Procurement Strategy 2022-2026

This 2022-2026 strategy aims to build on previous successes and looks to the Procurement Team to provide leadership by:

* Engaging regionally and nationally to understand areas of good practice
* Engaging with our strategic suppliers
* Advancing our activities around ethical and sustainable behaviours, especially around Modern Slavery and the protection of the environment
* Re-affirming our commitment to considering the social, economic, and environmental consequences of what is procured at all stages of the commissioning life-cycle

This strategy reflects and builds on the three key priorities set out in the National Procurement Strategy for Local Government in England (NPS) 2022:

* Showing Leadership
* Behaving Commercially
* Achieving Community Benefit

The Council will continue to promote the three key priorities set out in the National Procurement Policy Statement:

* Social Value
* Commercial and procurement delivery
* Skills and capability for procurement

And ensure that its procurement activity supports the delivery of the Council Priorities and any objectives required by new procurement legislation.

This Strategy identifies four objectives which will underpin all of our activity over the next four years:

* Behaving Commercially,
* Supporting Communities,
* Strengthening Compliance, and
* Working Collaboratively

Objectives

Objective 1: Behaving Commercially

By adopting a wide range of approaches, as necessary, we will continue to:

* Ensure we work to maximise the outcomes for, and value for money spent / received
* Support the delivery of savings
* Undertake appropriate procurement activity for the risks involved
* Maintain (if not increase) spend with local organisations
* Work collaboratively across the Liverpool City Region and the wider Local Government Community

We will also further progress:

* Analysis and identification of spend
* Conducting early market engagements
* Ensuring suppliers improve on their delivery of social value commitments
* Driving efficiencies from the Council’s contractual bases by promotion of a planned approach to:
	+ Managing risk
	+ Compliance
	+ Contract reviews
	+ Commercial management, and
	+ Supplier Relationship Management

Objective 2: Supporting Communities

There are a number of activities that we will continue to perform to give local suppliers and Small to Medium Enterprises (SMEs) the best possible opportunity to supply and provide services to the Council. These activities will also ensure local communities benefit from Council spend.

We will continue to:

* Ensure both financial and non-financial outcomes are promised and delivered by bidders
* Embrace e-procurement
* Where appropriate and available, procure requirements in line with current best practice standards and technical and quality specifications, including [Government Buying Standards](https://www.gov.uk/government/collections/sustainable-procurement-the-government-buying-standards-gbs)
* Require compliance with labour and sustainability requirements

We will advance and further improve:

* A more robust approach to inclusion of Social Value in all procurement activity (where relevant and proportionate) through our [Social Value Procurement Framework](https://www.knowsley.gov.uk/business/procurement-and-contracting/social-value)
* Making the delivery of Social Value a Key Performance Indicator in contracts
* Engaging face to face with our stakeholders through events, drop in sessions, meet the buyer sessions, and training
* Our identification of spend
* How contract management of Social Value outcomes is undertaken to ensure delivery
* How suppliers demonstrate their commitment to improving ethical and sustainability practices locally and globally, and uphold the core expectations set out in Annex 1 to this strategy, and how they will address the additional expectations, where relevant and proportionate, as set out in this annex.
* Our proactive work to ensure that all supplies, works and services procured are sourced ethically and sustainably, throughout the supply chain, for e.g. through procurement activity, contract management, risk assessments, action plans, investigations, and audits

Objective 3: Working Collaboratively

We already collaborate across the Liverpool City Region and within the borough including with health organisations, and value the fact that we are “better together”. We will advance on our activities to undertake:

* More effective collaboration within the borough and across the Liverpool City Region and the North West by engaging with other public bodies in the borough and the wider region, including “anchor institutions”
* Better delivery of a wider range of outcomes across the Liverpool City Region and the North West
* Better assurance that collaboration still supports our communities through the effective use of procurement tools and techniques and through active engagement with our clients and suppliers.

We will continue with:

* Supplier relationship management
* Engaging with suppliers and markets to further drive innovation and collaborative work across the region.

Objective 4: Strengthening Compliance

Procurement is rarely “black and white”, therefore we adopt a risk-based approach to ensure that we do not let the rules that focus on values stifle innovation and creativity.

We will maximise the opportunities for innovation by:

* Ensuring we provide an appropriate amount of structure
* Allowing for flexibility and agility of approach based around risk first
* Ensuring simplicity and speed to market
* Providing training to staff and suppliers on various aspects of the procurement cycle, social value, ethics, and sustainability to ensure we work collaboratively to tackle compliance
* Ensuring suppliers comply with specifications, standards required of them, and compliance with core expectations set out in Annex 1 to this strategy, and how they will address the additional expectations, where relevant and proportionate, as set out in this annex
* Continuously updating our anti-fraud and corruption processes in line with national guidance and best practice
* Collaborating with partners and wider groups to protect against fraud and corruption
* Conducting robust data analysis so we can manage, plan, monitor, and report on our and our partner’s suppliers activity
* Use data to inform our strategic procurement and collaborative approach

4. Our Success

The Corporate Procurement Team will take ownership of this strategy however, as procurement activity is undertake both within Services, and the Corporate Procurement Team, the delivery of this strategy is a Council-wide responsibility.

As with any strategy it will be important to measure progress against targets and measures to enable our success. This needs to be designed in a way that ensures robustness and transparency without being overly bureaucratic and burdensome.

* The **LGA National Procurement Strategy for Local Government Toolkit**  provides a useful baseline position from which to monitor and manage the success. This toolkit has been developed to establish maturity levels in each of the key areas of the National Procurement Strategy for Local Government in England 2022, to set our objectives against them and then to assess our progress against those objectives.
* **Key Performance management data** is set out in the Procurement Service Plan and is reported quarterly. This will include metrics such as savings, social value, local spend and compliance. However, the first year is predominantly setting the baseline.
* **Feedback** is encouraged from internal and external stakeholders so the procurement process can be adapted and continuously improved.

5. Expectations

Annex 1: Core Supplier Expectations

**Core Expectations**

Knowsley Council expects all suppliers (and their sub-contractors) to:

* Not engage in criminal conduct or activity;
* Comply with labour and environmental laws;
* Adopt and conduct their trading activities in accordance with the [Ethical Trading Initiative (ETI) Base Code](https://www.ethicaltrade.org/eti-base-code), which is based on the International Labour Organisations (ILO) internationally recognised [Code of Labour Standards](https://www.ilo.org/global/standards/lang--en/index.htm);
* Confirm commitments as set out in the [Co-operative Party Charter Against Modern Slavery](https://party.coop/local/councillors/modern-slavery-charter/);
* Ensure workers are aware they may join a trade union and are not to be treated unfairly for belonging to one;
* Confirm their commitments to and adopt and conduct their business and trading activities as set out in the [Unite Construction Charter](https://www.star-procurement.gov.uk/About-us/Docs/STAR-Construction-Charter.pdf) (where operating in the construction sector);
* Comply with labour and other appropriate laws (e.g. The Equality Act 2010);
* Not engage in human rights abuses;
* Not engage in environmental abuses;
* Provide fair payment for supplies, works and services through the supply chain;
* Provide workers with fair wages;
* Not to blacklist workers;
* Act ethically and sustainably in how they manage and operate their business, including the provision of services, manufacture and/or delivery of supplies, or provision of works;

**Additional Expectations**

Knowsley Council expects, where relevant and proportionate, and where referenced in specifications, suppliers (and their sub-contractors) to:

* Provide their services, manufacture and/or delivery of supplies, or provision of works that are accredited to recognised standards (or at least match the requirements of relevant accreditations without actually being accredited) across ethical considerations, for e.g.:
	+ [International](https://www.iso.org/home.html), [European](https://www.en-standard.eu/store/?gclid=EAIaIQobChMIxtrio_HT3wIV7r3tCh0AjgkNEAAYASAAEgJiGPD_BwE), or [British](https://www.bsigroup.com/en-GB/) Standards;
	+ [EMAS](http://ec.europa.eu/environment/emas/index_en.htm);
	+ Good agricultural standards and practices ([GlobalG.A.P](https://www.globalgap.org/uk_en/));
	+ Consumer facing standards (e.g. [Fairtrade](http://www.fairtrade.org.uk), [Rainforest Alliance](http://www.rainforest-alliance.org), [Tea Sourcing Partnership](http://www.ethicalteapartnership.org/));
	+ Furniture ([FSC](http://www.fsc-uk.org/en-uk) and [PEFC](https://www.pefc.co.uk/));
	+ Social accountability [SA8000](http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&PageID=1689));

We also expect where relevant, all suppliers (and their sub-contractors) to work with us to:

* Contribute to the Councils ambition of being net zero be 2030 helping to create a more sustainable City Region, UK, and globe by creating a lower carbon supply chain;

6. Useful Links

Annex 2: Useful Links

**General Links**

Knowsley 2030 Strategy

Knowsley Council Plan 2022-2025

[Social Value Procurement Framework](https://www.knowsley.gov.uk/business/procurement-and-contracting/social-value)

**Labour Standards**

[Ethical Trading Initiative (ETI) Base Code](https://www.ethicaltrade.org/eti-base-code)

[Co-operative Party Charter Against Modern Slavery](https://party.coop/local/councillors/modern-slavery-charter/)

International Labour Organisations (ILO) internationally recognised [Code of Labour Standards](https://www.ilo.org/global/standards/lang--en/index.htm)

[Unite Construction Charter](https://www.star-procurement.gov.uk/About-us/Docs/STAR-Construction-Charter.pdf)

**Technical Standards**

[British](https://www.bsigroup.com/en-GB/) Technical Standards

[European](https://www.en-standard.eu/store/?gclid=EAIaIQobChMIxtrio_HT3wIV7r3tCh0AjgkNEAAYASAAEgJiGPD_BwE) Technical Standards

[International](https://www.iso.org/home.html) Technical Standards

[EMAS](http://ec.europa.eu/environment/emas/index_en.htm)

Good agricultural standards and practices ([GlobalG.A.P](https://www.globalgap.org/uk_en/))

Furniture ([FSC](http://www.fsc-uk.org/en-uk) and [PEFC](https://www.pefc.co.uk/))

Consumer Facing Standards

[Fairtrade](http://www.fairtrade.org.uk)

[Rainforest Alliance](http://www.rainforest-alliance.org)

[Tea Sourcing Partnership](http://www.ethicalteapartnership.org/)

Social accountability [SA8000](http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&PageID=1689)

**GM Sustainability & Ethical Priorities**

[Knowsley Council’s Climate Emergency Action Plan](https://www.knowsley.gov.uk/knowsleycouncil/media/Documents/CLIMATE-EMERGENCY-ACTION-PLAN.pdf)

[Liverpool City Region Pathway to Net Zero](https://www.liverpoolcityregion-ca.gov.uk/what-we-do/energy-environment/pathway-to-net-zero/)

**Version Control**

| **Version** | **Amendments / Changes / Updates** | **Made By** | **Published** |
| --- | --- | --- | --- |
| **1** | Original | Michael Sellors | December 2022 |

1. National Procurement Strategy for Local Government in England 2022 | Local Government Association [↑](#footnote-ref-1)