

<b>Contains Confidential or Exempt Information</b>	<b>NO</b>
<b>Title</b>	Commercial Strategy 2023 – 2027
<b>Responsible Officer(s)</b>	Emily Hill – Strategic Director, Resources
<b>Author(s)</b>	Zamil Ahmed – Assistant Director, Commercial Hub
<b>Portfolio(s)</b>	Councillor Steve Donnelly, Cabinet Member for Inclusive Economy
<b>For Consideration By</b>	Cabinet
<b>Date to be Considered</b>	8 November 2023
<b>Implementation Date if Not Called In</b>	20 November 2023
<b>Affected Wards</b>	ALL
<b>Keywords/Index</b>	Commercial strategy, procurement strategy, procurement, contract management, social value

**Purpose of Report:**

To seek Cabinet authority to approve the new Commercial Strategy 2023-2027.

The report sets out proposal for the introduction of a new Commercial Strategy and our vision and ambition for achieving greater commercial, social and economic value from our commissioning, procurement and contracting activities. Based on a framework of four core imperatives, the strategy sets out our ambition to explore innovative commercial contracting models, develop collaborative partnerships and work with the community and voluntary sector to drive positive change for our residents, businesses, and wider stakeholders.

**1. Recommendations**

That Cabinet:

1. Approves the Commercial Strategy 2023-2027 and the objectives it seeks to achieve.
2. Authorise the Strategic Director of Resource to fully implement the objectives detailed within the strategy.

## **2. Reason for Decision and Options Considered**

- 2.1 The council spends over £390 million each year on third party services contracts through competitive tendering as well as from multitude of approved Government and national purchasing consortiums.
- 2.2 The Commercial Strategy sets out our vision and ambition for achieving greater commercial, social and economic value from our commissioning, procurement and contracting activities. Based on a framework of four core imperatives, our commercial strategy sets out our ambition to explore innovative commercial contracting models, develop collaborative partnerships and work with the community and voluntary sector to drive positive change for our residents, businesses, and wider stakeholders.
- 2.3 In preparation of the forthcoming Procurement Act (the Act) expected later in the year and to be fully implemented by October 2024, the proposed commercial strategy reflects the changes that will be necessary to ensure the council meets the new requirements of the Act. The National Procurement Policy Statement is already making additional demands on all public bodies in respect of social value, climate change and effective contract management.
- 2.4 The Commercial Strategy 2023-2027 takes all these factors into account through its advocacy of innovation, a meaningful approach to social value, conscientious sourcing and improving the Council's procurement and contract management capacity and capability.
- 2.5 Some aspects of the strategy are already coming into effect:
- A new e-tendering system is being implemented that will in due course support the development of Ealing's contract management capabilities and develop its associated supplier relationship management.
  - The new e-portal will also provide improved access for smaller and local businesses and voluntary and community sector organisations to contracting opportunities with the council.
  - The Social Value process is being continually developed and now provides many more ways in which bidders can commit to and deliver activities that will support communities and contribute to Ealing's Net Zero Carbon Targets.
  - Make or buy is now a key part of any new procurement's options appraisal process in response to the council's commitment to its Public Service Guarantee.
- 2.6 The strategy will build on these achievements and continue to secure tangible benefits into the future for the borough's residents and businesses alike.

## **3. Governance and Implementation**

- 3.1 The implementation of strategy's objectives detailed under each of the four themes will be progressed through Joint Contracts Board, which includes membership of senior officers from across the council.

#### **4. Options Considered**

- 4.1 The council could choose not to have a commercial strategy and continue with its current approach. However, the lack of clear direction aligned to Council Plan priorities will limit the council's ability to maximise best value from its third-party expenditure, including social and environmental benefits from its purchasing power and commercial trading relationships.

#### **5. Financial**

- 5.1 There are no direct financial implications arising from this report. Any financial pressures arising from the Act, will be considered on a case-by-case basis through the governance of the Joint Contracts Board.
- 5.2 The financial implications of specific contracts and procurements will be considered on a case-by-case basis and with relevant considerations to any agreed savings targets as part of the medium term financial planning process.
- 5.3 With regard to the Real Living Wage (formerly LLW), the council has made significant investments in contracts to secure adoption and any further cost pressures will be considered as part of the future Medium Term Financial Strategy.

#### **6. Legal**

- 6.1 Contracts over applicable thresholds need to be procured in compliance with the Public Contracts Regulations 2015 or the Concession Contracts Regulations 2016. All of the council's contracts need to be procured in compliance with the council's Contract Procedure Rules. The Procurement Act will have a significant impact on all aspects of the procurement and lifecycle of contracts when it comes into force.

#### **7. Value For Money**

- 7.1 Proposed strategy give strong guidance on routes to market and evaluation principles, all geared to ensuring that procurements are executed in such a way as to secure best value for money.
- 7.2 Contract Procedure Rules, through some of their streamlined procedures, also secure better value for money by reducing the demand on resources to achieve the desired outcomes.

#### **8. Sustainability Impact Appraisal**

- 8.1 Sustainability Impact Appraisal will form part of the commercial strategy for each contract and subject to the council's appropriate decision-making process.

## **9. Risk Management**

- 9.1 Not implementing a commercial strategy risks the council not meeting its wider best value duties including complying with changes introduced to public procurement practices as well as more recent local council procurement policies and procedures.

## **10. Community Safety**

- 10.1 No direct impact is expected from this report.

## **11. Links to the 3 Key Priorities for the Borough**

- 11.1 Implementation of the commercial strategy will contribute to the delivery of administration's commitments under the three key priorities: creating good jobs, fighting inequality, and tackling the climate crisis.

## **12. Equalities, Human Rights and Community Cohesion**

- 12.1 A full equalities impact assessment is not required and has not been carried out.

## **13. Staffing/Workforce and Accommodation implications**

- 13.1 There are no direct staffing/workforce implications arising from this report.

## **14. Property and Assets**

- 14.1 There are no direct property implications arising from this report.

## **15. Consultation**

- 15.1 Consultation has been carried out through the council's Joint Contracts Board, which includes senior officer representation from each Directorate.

## **16. Timetable for Implementation**

- 16.1 The commercial strategy will come into effect as soon as it is approved and call in expired. Objectives detailed under each of the four core imperatives will be progressed through Joint Contracts Board over the term of the strategy.

## **17. Appendices**

Appendix 1: Commercial Strategy 2023 – 2027

## **18. Background Information**

- 18.1 None.

## Consultation

Name of consultee	Post held	Date sent to consultee	Date response received	Comments appear in paragraph:
<b>Internal</b>				
CLlr Steve Donnelly	Cabinet Member for Inclusive Economy			Throughout
Emily Hill	Strategic Director, Resources			Throughout
Alice Rowland	Head of Legal (Commercial)			Section 6
Kevin Kilburn	Assistant Director, Strategic Finance			Section 7
<b>External</b>				
Not applicable				

## Report History

<b>Decision type:</b>	<b>Urgency item?</b>
Key decision	Yes
Report no.:	Report author and contact for queries:
	Zamil Ahmed, Assistant Director - Commercial Hub 0203 574 8977