

# MAKING SPEND MATTER

## Frequently Asked Questions 2

### Strategic Procurement Plans



# INTRODUCTION

## About Making Spend Matter

The **Making Spend Matter Transfer Network**<sup>1</sup> is one of 23 transfer networks funded through the **URBACT Programme**<sup>2</sup>. Generally, the transfer networks are seeking to transfer an **URBACT identified piece of Good Practice**<sup>3</sup> associated with integrated urban development to other cities across Europe.

In the case of Making Spend Matter, the identified good practice is around the process of public procurement, and in particular, a methodology called spend analysis, which enables cities to measure where their procurement spend goes and subsequently work in cooperation with other partners and the market to progress the way in which they undertake procurement policy and practice.

The spend analysis good practice has been developed by the City of Preston in the United Kingdom over the course of the last seven years. Since 2018, Preston has sought to transfer the principles and practice of the methodology to six other cities: Pamplona (Spain), Vila Nova De Famalicão (Portugal), Schaerbeek (Belgium), Kavala (Greece), Bistrița (Romania), and Koszalin (Poland).

## About the Making Spend Matter Toolkit

The Making Spend Matter Toolkit ([www.preston.gov.uk/makingspendmattertoolkit](http://www.preston.gov.uk/makingspendmattertoolkit)) brings together guidance and learning from the network to enable other public organisations and cities to start / continue their own strategic procurement journey. The Toolkit comprises four parts:

- The first part explains how public organisations can take a more strategic approach to public procurement to help them deliver positive impact on their communities, economy and environment.
- The second part provides a spend analysis tool produced by CLES (a national organisation for local economies in the UK), and a guide (produced by

Making Spend Matter partners) to help cities analyse their procurement spend in terms of geography, sector and with different types of suppliers, and interpret their findings to help inform where changes can be made to procurement processes.

- The third part provides tips and guidance through a series of Frequently Asked Questions (FAQs) and infographics on a range of topics including from how to develop a strategic approach to public procurement, increase your engagement with Small and Medium-sized Enterprises (SMEs), embed social and environmental criteria and measure the wider impact of your procurement activities.
- The fourth part provides practical examples on the topics highlighted in parts two and three and other activities which partners engaged in during the lifetime of the Transfer Network.

## About Bespoke Support and FAQs

As part of the activities of Making Spend Matter, each of the partners has had the opportunity to request bespoke support from the Lead Partner (Preston) and the Experts involved in facilitating the activities of the Network. The bespoke support is designed to be on a topic that goes beyond the core transfer of spend analysis and explores in more detail an element of the good practice and its scope to be applied and adapted in a different context.

The City of Schaerbeek requested a bespoke support session on the topic of creating a Strategic Procurement Plan for Schaerbeek and we explored why it is important to create such a plan, the process for creating such a plan, and the next steps in developing one for Schaerbeek.

As the session was bespoke for Schaerbeek, our other Making Spend Matter partners did not attend. They, and other cities, however, may be interested themselves in developing a Strategic Procurement Plan. This document therefore provides responses to a series of Frequently Asked Questions (FAQs) about Strategic Procurement Plans, which will be common to any city.

<sup>1</sup> [www.urbact.eu/making-spend-matter](http://www.urbact.eu/making-spend-matter)

<sup>2</sup> [www.urbact.eu/](http://www.urbact.eu/)

<sup>3</sup> [www.urbact.eu/good-practices/home](http://www.urbact.eu/good-practices/home)

## Question 1

### What is a Strategic Procurement Plan?

Strategic Procurement Plans are known as different things in different countries and cities. They can also be known as (amongst others) Procurement Strategies, Procurement Plans, Sustainable Procurement Policies, and Procurement Statements. In essence they are all the same thing – they set out how a city is going to approach the process of procurement from a legal perspective, a practical perspective, and a strategic perspective. They also often outline the goods and services which a municipality will be buying over a specific time-period.

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## Question 2

### What does the word ‘Strategic’ mean?

Since the amendments to the EU Procurement Directives in 2014, Member States, regions, and cities have been encouraged not to just use procurement as a mechanism for buying goods and services, but also to use it as a lever to address wider economic, social and environmental challenges. A ‘strategic’ approach is the realisation of such encouragement, so using procurement as a means of creating jobs or mitigating environmental concerns, for example. It means using procurement to address the challenges a city may face.

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## Question 3

### Why does creating a Strategic Procurement Plan matter?

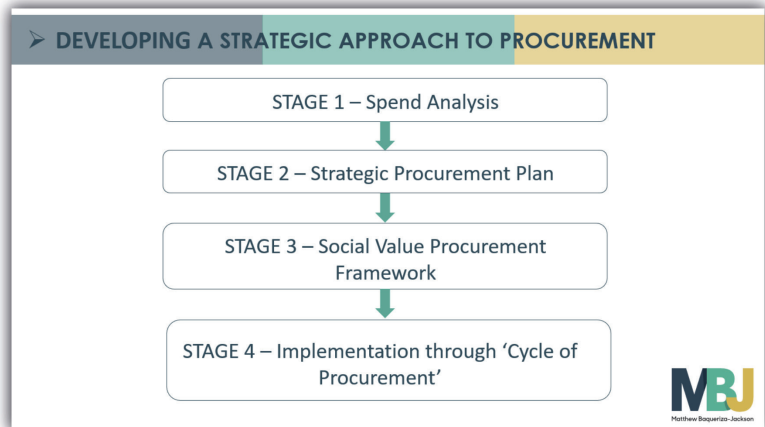
Countries and cities across Europe face many economic, social and environmental challenges. These challenges can be global, such as that of climate change or migration; they can be Pan-Europe, such as that of youth unemployment; and they can be regional or local, such as that of poor skills and qualifications. All of these challenges are things that have been historically addressed through regeneration or other types of projects. However, given changing levels of budgets for such activities, procurement can be viewed as part of the response to such challenges, and as such a Strategic Procurement Plan, provides the means of detailing how procurement will respond to such challenges, alongside other process activities.

### Question 4

## What does a ‘Strategic’ approach to Procurement look like?

The process of procurement is not just about buying a good, service or work. It is a much longer process that moves through several stages and which means that the actual purchase is not isolated. A ‘strategic’ approach to procurement would require the completion of each of the stages outlined in diagram 1, with the production of the Strategic Procurement Plan just being one aspect. It links procurement inherently to wider city and municipality strategy.

Diagram 1



### Question 5

## Why is it important to develop a Strategic Procurement Plan?

There are a number of reasons why it is important for municipalities to develop a Strategic Procurement Plan. These are European, national, and local reasons and include:

- **It demonstrates an adherence to relevant legislation:** a Strategic Procurement Plan will include a description of the frame for it, including how it is shaped by the European Procurement Directives and National Level Procurement Law;
- **It promotes the importance of the function of procurement:** all too often, procurement is not seen as a core function of municipalities. It is integral, however, and developing a Strategic Procurement Plan promotes its importance as a central and corporate function;
- **It links procurement to wider challenges:** a Strategic Procurement Plan will outline the wider economic, social, and environmental challenges which a city is looking to address;
- **It enables procurement to be undertaken in a systematic manner:** it means that all procurers and buyers are utilising a universal approach that is common and framed within an individual strategy;
- **It enables municipalities to plan for the future:** a Strategic Procurement Plan will also include a list of upcoming procurement opportunities along with values and timeframes. It enables procurers to work effectively with those designing goods and services;
- **It enables local businesses to be more aware:** businesses will not always be aware of the types of goods and services a municipality buys – a Strategic Procurement Plan and a forward plan of upcoming opportunities can help raise this awareness.

### Question 6

## Who needs to be involved in developing a Strategic Procurement Plan?

A range of stakeholders should be involved in the development of a Strategic Procurement Plan including:

- The Mayor of the City or another Political Representative;
- The person with responsibility for overarching City Strategy;
- Individuals with knowledge around policy challenges, such as unemployment and climate change;
- The Director or Head of Procurement;
- Those with responsibility for buying particular goods and services;
- Those with responsibility for monitoring.

The individuals outlined above will have different levels of importance as the process progresses. For example, it will be important to engage the Mayor at the outset of the process, but not necessarily throughout, whereas the person with responsibility for overarching City Strategy may be involved throughout to ensure coherence with wider strategy.

### Question 7

## What are the sections of a Strategic Procurement Plan?

A Strategic Procurement Plan will normally consist of five sections as outlined in diagram 2:

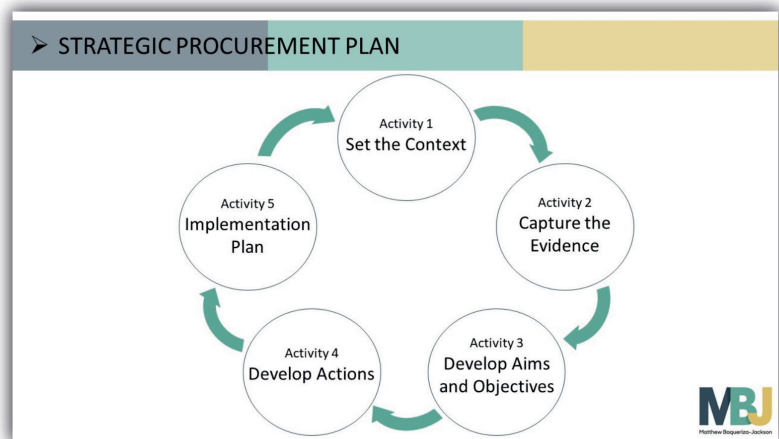
**Section 1** will set the context to the Plan. In particular, it will detail:

- The legislative context around EU Procurement Directives and National Level Law;
- The linkages to wider strategy including City and Economic Development Strategy;
- The stakeholders who the Plan is for and to whom it applies;
- A critique of the existing approach to procurement – SWOT Analysis.

**Section 2** will detail evidence about procurement including:

- The amount which is spent on an annual basis buying goods and services;
- The findings of any spend analysis undertaken around geography, nature and sectors of spend;
- The findings of and wider impact analysis of the outcomes procurement is currently contributing towards;
- Information about current procedures and thresholds.

Diagram 2



Question 7 continued on page 6...

**Section 3** will detail the overarching aims of the Strategic Procurement Plan. These could be, for example, ‘to increase spend with SMEs’ or ‘to engage with business prior to going to the market’ or ‘to reduce the use of single-use plastics by suppliers’. The aims should be informed by the context from section 1 and the evidence from activity 2.

**Section 4** will detail the actions which the municipality will undertake in order to meet the aims of the Strategic Procurement Plan. These may include activities such as holding meet the market events, or creating a Social Value Procurement Framework, or developing questions around the environmental credentials of suppliers.

**Section 5** will detail an implementation plan for the Strategic Procurement Plan and will include information about timeframes, resources, partners, and measures of success.

**Question 8**

**What happens after the Strategic Procurement Plan is produced?**

The most important stage of producing a Strategic Procurement Plan is probably after it has been produced and that is in terms of implementing it. There are a number of activities which municipalities can undertake to ensure effective implementation:

- First, they could create a Social Value Procurement Framework as detailed in stage 3 of diagram 1 in response to Question 4. This would relate to the overarching outcomes which the city is seeking to achieve and would set out: questions that could be asked during procurement; activities that suppliers could undertake to realise outcomes, means of evaluating responses, measures for monitoring impact during delivery.
- Second, they could practically implement the Plan and Framework internally as detailed in stage 4 of diagram 1 in response to Question 4. This would include activities such as providing social value training or setting weightings in procurement exercises around social outcomes or working cross-departmentally. All of the activities would be detailed in Section 4 of the Strategic Procurement Plan as detailed in the response to Question 7.
- Third, they could practically implement the Plan and Framework externally as detailed in stage 4 of diagram 1 in response to Question 4. This would include activities such as the provision of information around upcoming opportunities and meet the buyer events, for example. Again, the activities would link to the actions of the Strategic Procurement Plan.



Making Spend Matter is a network of 7 European cities, funded through the URBACT III Programme and the European Regional Development Fund, exploring how spend analysis can be used as an evidence base to improve public procurement and deliver wider benefits to communities and places.