Central Support Services

Nest Procurement Strategy 2024/2025

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Key document details

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Nest Procurement Strategy 2024 /2025

Introduction

The purpose of this strategy document is to set out a vision for how we will procure goods and service within Nest Corporation and how this will be supported by Nest's Commercial Procurement team and the wider organisation.

Nest Strategy

From a standing start Nest has become one of the largest pension schemes in the UK, it is constantly evolving its offer to members. As part of this evolution Nest is reviewing its long-term purpose and the associated Corporate Strategy with a view to developing further in its aim to become a purpose led organisation, that stands for what it believes in and positively impacts society.

Procurement Strategy

Given the work being undertaken on Nest's Strategic purpose this document sets out Nest's Procurement strategy for the period FY 2024 /2025. It is recognised that the context in which Nest operates is evolving and that this Procurement Strategy and the associated Procurement Policy will need to be regularly reviewed /updated to ensure consistency with the emerging Corporate Strategy.

Procurement Organisation

The current corporate approach is to provide a central team of procurement professionals within the Commercial Procurement function who provide support to all business areas of Nest other than the Commercial Management team whose remit is the management of materially outsourced contracts.

Commercial and Procurement Function Operating Model

The Commercial Procurement function provides services across the organisation with the exception of the exclusion noted above and supports a spend of circa £16 M per annum on goods and services. It aims to be an agile, high quality, fit-for-purpose Corporate Commercial and Procurement Service, to support Nest effectively in the delivery of its aims and objectives. To achieve this the service:

- will continue to consider members' interests in conjunction with stakeholders when formulating procurement strategies.
- will further develop its knowledge of the key sectors of the marketplace from which Nest procures its goods and services.
- will continue to seek to consider members interests and obtaining value for money when developing individual procurement strategies.

- will focus on what needs to be done and then do it well.
- will comply with all applicable public sector rules, regulations and principles.
- will endeavour to ensure that our internal clients find the procurement process easy to understand and to do, within the constraints imposed by Nest Procurement Policies and Public sector Procurement regulations.
- will seek to ensure it delivers a positive experience for our internal clients.
- will continue to regularly review its processes, learn from experience and utilise feedback to improve its service.
- will apply the principles of non-discrimination, equality and transparency.
- will ensure that Social, Economic and Environmental factors are taken into consideration.

Spend data.

The Commercial Procurement team supports the expenditure of circa £16M per annum (23/24 figure) on non-pay external goods and services. (This figure excludes the Contract for Tata Consulting Services for Scheme Administration). Our Strategic Suppliers are listed on the Nest Corporation website (see the link below) these Contracts cover a range of Financial, IT and Consultancy services.

https://www.nestpensions.org.uk/schemeweb/nest/nestcorporation/how-nest-is-run/procurement.html

OBJECTIVES FOR 2024 /2025

Objective 1 Managing the change arising from the Procurement Act 2023

FY year 2024 /2025 will bring a significant change in the procurement landscape with the introduction of the New Procurement Regulations through the Procurement Act 2023. It is expected that these will come into effect on 28th October 2024.

In preparation for this change the team will:

- Develop its expertise in the changed processes and legal obligations driven by the new regulations.
- Develop a strategy to communicate regularly to the business the key regulatory changes which alter the current procurement process and timelines.
- Identify any key risks which have the potential to significantly affect the organisation.

- Review with stakeholders the current and planned commercial opportunities and assess the benefits, risks and impacts the changes will have on their upcoming and future requirements.

- Identify any changes that may be needed to systems and work with the owners to develop solutions.

- Develop any internal training material, consider means of delivery and ensure effective delivery.

- Ensure that Nest's Procurement policies are updated as necessary to reflect the new Procurement regulations.

- Ensure the relevant people within the team attend the Mandatory Government Training

Objective 2 Continuity of Service

Ensure that "business as usual" is not adversely impacted by the upcoming changes and to ensure consistent delivery of a quality service by

- Managing workloads and engaging proactively with stakeholders so that they understand any impacts on their procurement exercise and reach mutually acceptable solutions.

- Monitoring service delivery standards and identify any short-term solutions to minimise the impact on the business.

- Identify any resourcing implications and if necessary, propose solutions.

Objective 3 To be a learning team.

- To carry out regular reviews with our internal stakeholders to ensure that we understand their needs, priorities, timeframes and their expectations of the service they require from the Commercial Procurement team. Also to make stakeholders aware of our requirements from them to ensure effective delivery of their needs together with any resourcing issues the team may have, which would impact their plans.

- To regularly review lessons learned/ customer feedback and make any associated changes to processes and documentation.

- Identify any significant barriers to improvement and develop solutions to overcome them.

- To identify and develop any technology/tools that will add to the efficiency of team and the quality-of-service delivery.

- The commercial team is a member of two Forums (The Regulators Forum which is made up of other Regulator organisations like Nest and the Department of Work and Pensions Commercial Forum) where we exchange knowledge, information and best practice.

Objective 4 Review Performance Metrics

To regularly review its current performance metrics to ensure that they deliver meaningful information for our stakeholders, meet the team's needs and that they are fit purpose. Following each review to develop any new metrics considered necessary to align with the outcomes emerging from the review of Nest's purpose and changes in procurement legislation.

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