

The Borough Council of Newcastle-Under-Lyme

Procurement Strategy

2022 - 2025



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1 Introduction

- 1.1 The importance of effective procurement has never been greater for local government. The demand for public services is increasing, while resources are drastically reducing. The pressure to find greater efficiencies and improve productivity is driving councils to look for different ways to deliver better outcomes for local people.
- 1.2 This strategy sets out our vision for procurement and our priorities for the next 3 years to 2025, incorporating the latest government procurement legislation and initiatives, and the Council's priorities, aims and objectives. It is a statement of the procurement commitments of the Borough Council.
- 1.3 We aim to provide quality services that are responsive to the needs of our community and deliver optimum value for money. It is also important that the strategy reflects both our compliance obligations and our procurement aspirations.
- 1.4 Over the term of Borough Council's 'Medium Term Financial Strategy' we estimate spend in the region of £22.850m on goods, services across our general fund. This is a significant investment of public funds and we clearly have a responsibility to make sure this spending represents value for money.
- 1.5 A strategy by itself will not lead to effective procurement; it is the commitment of our Members, senior managers and staff carrying out procurement activity, which is key to its success.

2 What Is Procurement?

- 2.1 Procurement is the process of acquiring goods, services and works, covering both acquisition from suppliers and in-house providers, inclusive of the adoption and integration of Corporate Social Responsibility (CSR) principles into procurement processes and decision. The process spans the whole cycle from identification of needs through to the end of a contract or the end of the useful life of an asset. It involves options appraisal and the critical 'make or buy' decision, which may result in the provision of services in-house or through other supply arrangements.

3 Why Is Procurement Important?

- 3.1 The impact of procurement is far greater than just the definition of a 'process' and our vision, aims and objectives set out in this strategy detail the contribution that effective procurement arrangements can make to a range of socio-economic agendas. These include a successful local economy, a thriving voluntary sector, community empowerment, environmental, sustainable and ethical issues, and value for money.
- 3.2 Good procurement is essential to ensure good public services, from buying works, goods and services that work as they are supposed to, to achieving savings that can be reinvested in front-line services.
- 3.3 Local Government spends over £55 billion a year procuring a wide range of works, goods and services, from everyday items such as pens and paper, to major construction projects. All those who, as taxpayers and housing rent payers, use and fund public services have the right to expect government to meet the highest professional standards when it procures on their behalf.

4 Our Vision for Procurement

- 4.1 Our vision for procurement over the term of this strategy is to demonstrate value for money through the effective procurement of goods, services and works on a whole life basis in terms of generating sustainable benefits to the community and Council, whilst minimising impacts to the environment.

5 Strategic Procurement Aims

- 5.1 Our strategic procurement aims are summarised as follows:

Showing Leadership

A strategic approach to procurement should be at the heart of thinking for our councilors and decision makers because procurement is not merely about ensuring compliance. There is an ever-growing need to engage with service leads and procurement representatives on high value, high risk procurements to drive innovation, generate savings, and identify opportunities for income generation whilst ensuring sustainable procurement practices.

Behaving Commercially

We need to improve public sector commissioning and procurement to increase the effectiveness and efficiency of government. This means improving the skills of our leaders and managers, both members and officers, so their teams can design service provision, influence external parties, and shape and manage markets to get the best outcomes. This can be done by creating commercial opportunities, managing contracts and supplier relationships and risk management.

Delivering the Corporate Strategy and Service Priorities

It is important that we ensure procurement activity supports the delivery of the Borough Council's strategic and operational priorities, with relentless focus on value for money and financial performance, as well as wider strategic aims. Having effective sustainable procurement practice embedded within our processes will help ensure that procurement is recognised as being vital to the delivery of our corporate objectives

Achieving Community Benefits

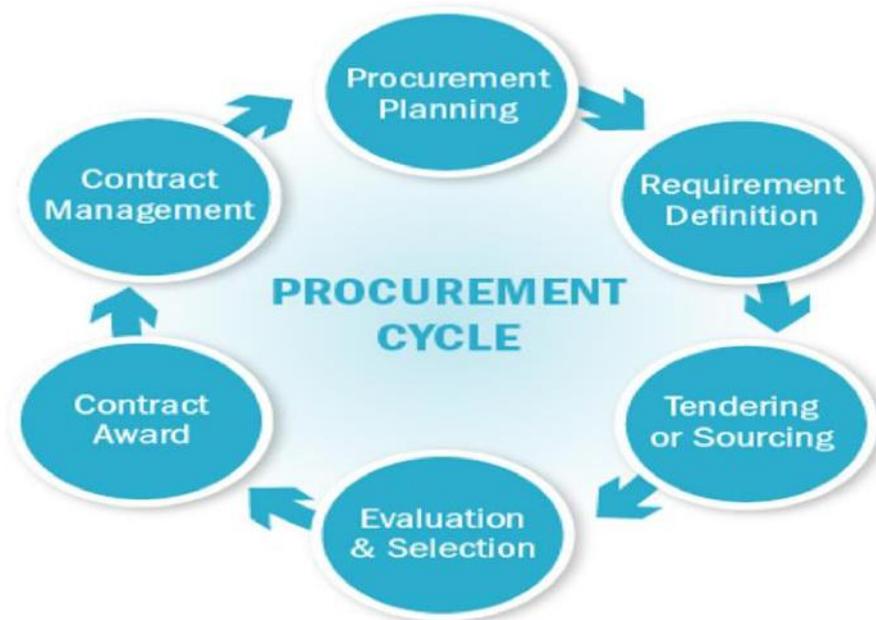
We can use procurement to achieve wider financial and non-financial outcomes, including improving the local economy, wellbeing of individuals and communities, social and economic issues such as reducing CO₂ emissions and an improved sustainable environment.

- 5.2 The success of this strategy will depend on the implementation and effectiveness of the following key principles and actions:

- Political and management endorsement and support;
- Council-wide recognition of the importance of the role of procurement in delivering improvement and efficiency;
- Improved commercial awareness of those involved in procurement activities;
- Improved forward planning by service areas;
- Improved awareness of the benefits sustainable procurement has on climate change and

- carbon reduction;
- Adequate resourcing and prioritisation of projects;
- Adequate support from key internal functions throughout the procurement cycle;
- Continued development of procurement capacity and capability within services, and encouragement of continuous improvement;
- Identification, allocation and continuous management of risk;
- Management of performance shortfalls and adequate tools to tackle poor performance;
- Continuity of knowledge throughout the procurement phases and the delivery of regular and effective training.

6 The Procurement Cycle and Process



- 6.1 Effective procurement forms a continuous cycle of action and improvement, from identification of needs through to review of delivery and achievement of outcomes and includes procurement and contract management activity. The stages are interdependent – each stage builds on the previous ones. The outcome for the procurement exercise may not be known at the outset and this may result in a grant being awarded, provision remaining in-house or a fully tendered procurement.
- 6.2 This strategy is aimed at promoting effective sustainable procurement across all services and should be read in conjunction with our Contract Procedure Rules, Financial Regulations and the Council’s Sustainable Procurement Guidance 2022-25. During 2022, we will develop procurement guidance and training to support services and corporate procurement with the implementation of our procurement approach. All procurement activity is operated in a legal and professional manner with the highest standards of integrity, transparency, openness, accountability and fairness.
- 6.3 In the Government Green paper ‘Transforming Public Procurement’ published December 2020 there are proposals to reduce the number of procedures from the current seven to three:
- ❖ **Open Procedure** – any supplier may submit a bid for an advertised opportunity.

- ❖ **Limited Tendering Procedure** – This process is simply the ‘negotiated procedure without prior publication’ which has been renamed as the ‘limited tendering procedure.’ The application of this process would be the same, in that it is expected only to be used in cases of extreme urgency, or exceptional circumstances.

The Borough Council will need to document their analysis to demonstrate that their decisions are fully justified. The grounds for using the procedure will remain broadly unchanged from the current regulation 32 of the Public Contract Regulations, which are summarised as follows:

- Absence of tenders or suitable tenders in an advertised procurement;
- Artistic reasons, technical reasons, or exclusive rights.
- Extreme urgency;
- For the purchase of research and development goods;
- Additional purchase of goods where a change in supplier would result in technical difficulties;
- Purchase of goods on commodity markets;
- Purchase of goods on advantageous terms due to winding up or bankruptcy;
- Design contests (will be removed as the procedure will cease to exist);
- Repetition of works and services in limited circumstances.

- ❖ **Competitive flexible procedure** – The competitive flexible procedure will give procurement staff maximum flexibility to design a procurement process that meets their needs and the needs of the market. This new procedure would replace five of the existing procedures: restricted, competitive dialogue, competitive procedure with negotiation, innovation partnerships and design contests.

The procedure introduces much greater flexibility within a single process. It will allow buyers to build in stages of negotiation and deploy modern commercial tools such as reverse auctions. The procedure would be suitable for a wide range of procurements including:

- simple requirements where an initial selection stage is needed to limit the number of bidders, for example, to meet specific technical requirements to bid.
- for complex requirements where negotiations with bidders would be beneficial in helping them understand the requirements and/or in delivering better value for money and innovation;
- for procurements where the Borough Council may not want to limit the field through an initial selection stage without first evaluating the product, technology or software being offered; this would be particularly useful where a prototype or other practical demonstration is required;
- for procuring innovative products or services using a phased approach to develop the solution(s).

The competitive flexible procedure is aimed at being a dynamic tool that can be used to deliver everything from a straightforward ‘restricted’ process to a more complicated, and multi-stage ‘competitive dialogue’.

- ❖ **Framework Agreements** – a framework agreement is a particular type of contract where a council or buying organisation establishes an arrangement where a number of suppliers are accepted as competent to deliver the service and the framework specifies the terms for awarding specific contracts as required. Contracts obtained from a framework are called call-offs and the framework specifies the terms of call-offs, such as awarding directly to a single supplier or through a mini (further)-competition with (normally) all suppliers listed on

the framework. The restrictions on framework agreements are that they cannot exceed four years and the terms of a contract cannot be varied substantially from what is set out in the framework. Only authorities clearly identified as part of the framework can award contracts, though the contracts awarded can last longer than the framework itself.

❖ **Dynamic Purchasing System (DPS)** – a DPS is like a framework agreement, but it allows new suppliers to be added as potential suppliers over the duration of the arrangement and there is no limit on its application.

- 6.4 The Borough Council’s procurement activity covers a range goods, services and works. Services have a mix of specific and aligned requirements for the procurement of Goods, Services and Works contracts. Each requiring an amount of specialist commercial and procurement knowledge to ensure procurement exercises are prepared and executed compliant with local and national rules regulations and governance.
- 6.5 We will look to consider the costs of procurement when designing processes and considering the most appropriate procurement approach. The Council recognises the importance of electronic procurement (eProcurement) in delivering lower transaction costs, and we will look to optimise this approach whilst ensuring supplier groups (e.g. the voluntary sector) are not disadvantaged.
- 6.6 There remains the opportunity to consider the use of purchasing cards where and if appropriate, this should enable officers to reduce transaction costs particularly for high volume, low value and ad-hoc purchases, but must be accompanied by the introduction of a suitable Borough Council Purchasing Card Policy.

7 Legislation

- 7.1 Public procurement is a highly regulated environment governed by legislation and policies set by the UK government, nationally through statute and case law and locally by the Council’s Constitution, and other Council plans and policies. These are set out in Appendix 1.

8 Governance, Structure and Responsibilities

- 8.1 The National Procurement Strategy recommends that local authorities demonstrate political and senior officer leadership of procurement. Summarised below are the roles and responsibilities for the Borough Council.

Key Area – Engaging Senior Managers				
Refers to the corporate management team valuing and benefiting from procurement and commercial at all stages of decision-making, including early advice on major projects.				
Importance: Good procurement and commercial understanding (wherever possible, provided in-house or shared between councils) can have a decisive impact on the outcome of a project, particularly one involving innovation. It is important that senior managers engage with procurement and commercial issues from the earliest stages of the project.				
Minimum	Developing	Mature	Leader	Innovator

Senior Management regard procurement and commercial issues as purely operational matters.	The council is exploring the best approach to obtaining procurement and commercial input into decision-making.	Senior managers engaged with procurement and commercial issues, routinely taking advice at key decision points.	Council demonstrating better results from early procurement and commercial advice on projects.	Council procurement and commercial advice valued by leaders of combined authority/group of council's projects or in connection with an innovative project.
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(Source: National Procurement strategy)

8.2 Outlined below are the roles and responsibilities for procurement within the Borough Council of Newcastle-under-Lyme.

Members' roles in procurement

8.3 The Cabinet Member for Finance, Town Centre's & Growth – Deputy Leader has a responsible for overseeing procurement activity in procurements that are key decisions as set out in the Borough Council's Constitution.

- The Cabinet is responsible for approving the Council's Procurement Strategy.
- Statutory Officers Group is responsible for monitoring compliance with the Contract Procedure Rules, holding Heads of Service to account.
- Procurement activity requiring more detailed member involvement includes:
 - Making key decisions in the procurement process for major projects.
 - Where a new service or a substantially varied service is being considered.
 - High public interest.
 - Significant reputational or financial risk.
 - Significant risk of failing to meet legislative requirements.

Executive Management Team

8.4 The Chief Executive and Executive Managers are responsible for:

- Management of the strategy and to review progress against the implementation of the actions.
- Strategic leadership and governance of procurement.
- Ensuring the Procurement Strategy aligns with corporate objectives.
- Overseeing the arrangements for procurement and to ensure they are operating effectively.
- Ensuring value for money and risk management are considered as part of any procurement activity.
- Ensuring equality and sustainability are considered at each stage of the procurement process.

Operational Managers and Other Relevant Staff

8.5 Heads of Service, Business Managers, project managers, corporate purchasing and their support staff are responsible as part of a devolved structure, for:

- Each relevant Head of Service and Business manager is responsible for ensuring that the

staff in their areas have the right level of skills to deliver effective procurement, and will also monitor all procurement activity in their services.

- For specific, high risk, complex and higher value contracts, project teams may be formed to ensure that technical, legal and commercial issues are considered, using the Borough Council's appropriate project management framework.
- It is the responsibility of the relevant Business Manager / Contract / Project Manager to identify and develop business requirements and ensure adequate budget is in place or obtained in line with the Borough Council's Financial Procedure Rules.
- It is the responsibility of the relevant Business Manager / Contract / Project Manager to seek the support of the Borough Council's legal team in a timely manner to ensure that formal contracts are available for exchange at the award stage of the procurement process. This includes but not limited to a review of any call off terms when utilising a compliant framework.
- Staff involved directly with the purchase of goods, services and works must ensure they comply with this strategy, the Public Procurement Regulations 2015, and the Council's Contract Procedure Rules and Financial Procedure Rules.
- Conducting relationships with suppliers and the Council in an ethical and appropriate manner to ensure they promote their employer in a positive way.
- Obtaining appropriate approval to proceed with a procurement exercise, ensuring adequate approved budget provision is in place.
- Preparing and developing the scope and specification (inclusive of sustainability and carbon reduction as part) of the purchasing requirement, working with corporate procurement for advice and guidance where necessary, to ensure the scope and specification is not written to favour any one business or group of companies.
- It is incumbent on the council to ensure all contracts clearly state the roles and responsibilities of both the Council and Supplier imposed on them by the General Data Protection Regulation 2016 and the Data Protection Act 2018 in relation to the basis on which we process the personal data we collect.

Corporate Procurement

8.6 The duties of corporate procurement are to maintain procurement guidance in line with best practice, and to monitor procurement activity across the Council, including:

- Coordinating this procurement strategy on behalf of the Borough Council, and leading on the implementation of the procurement aims.
- Providing assistance and advice to contract owners in the control and management of contracts.
- Development and maintenance of procurement documentation and web pages to publicise procurement processes, information and advice to potential suppliers and staff; to comply with transparency requirements.
- Development of modern and efficient procurement processes to deliver savings in transactional processes.
- Providing assistance to contract owners in the planning and co-ordination of improvement of current contracts, business continuity, exit strategies and where applicable post contract appraisals and reviews.
- Ensuring the procurement process eliminates the potential for fraud and favoritism towards any supplier.
- Supplier analysis to identify supplier base, spend per supplier, spend per service / activity.
- Coordinate and monitor the Council Contracts Register and Procurement Pipeline to allow

improved advanced planning for procurement and contract management activity.

- Facilitating and supporting the embedding of sustainable procurement as part of officer decisions.
- Organising training for staff, to include specific procurement training, induction and Contract Procedure Rules, and use of the procurement portal and related processes.

9 Value for Money (VFM)

9.1 Value for money does not mean the lowest cost. There are many aspects to achieving VFM through the procurement process; mainly to select a procurement model that is proportionate to the value and risk of individual contracts.

9.2 It also requires a proportionate approach to the evaluation of cost and quality; where the costs can be broadly predetermined there will be a higher weighting towards quality.

9.3 VFM is not just about price, there are a wide range of other considerations that may be taken into account when assessing VFM, including for example, quality relevant and appropriate to the specifics of the contract; social value in terms of community experience and outcomes and whole life value.

10 Sustainable Procurement

10.1 Sustainable Procurement is 'a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment'. Sustainability is therefore an important consideration when making procurement decisions. It ensures that we consider the environmental impact of procurement decisions.

10.2 We are committed to making our spending decisions in a way that delivers both value for money on a whole life cycle basis, and achieving wider economic, social and environmental benefits. The Council's sustainable procurement policy structure will support and enable progress towards the Council's vision for the borough to be Carbon Neutral by 2030.

10.3 We are committed to achieving these aims and we will:

- Promote and embed best practice for sustainable procurement across all service areas.
- Where appropriate, require our suppliers and contractors to reduce the impact of goods, works and services by considering whole life costs; and the carbon impacts associated with goods works and services.
- Require information from potential suppliers on how they will help us to progress our environmental objectives as part of the delivery of a contract.
- Regularly review consumption of goods and services, especially those that have specific impact on the environment, and take measures to prioritise alternative recycled methods and materials that are non-polluting and environmentally friendly.
- Ensure that, where appropriate and allowable, sustainability criteria are part of the supplier evaluation process and are used in the award of contracts. Such factors might include the carbon footprint being a measure of the impact the Council activities have on the amount of carbon dioxide (CO₂) produced through the burning of fossil fuels, inclusive of supply streams associated with the provision of goods and services the Council consumes and uses.

- Utilise where necessary the Building Research Establishment Environmental Assessment Method (BREEAM) as appropriate to deliver sustainable construction, refurbishment and maintenance projects, whilst considering viability and affordability.
- Under the biodiversity duty, which is part of the Natural Environment and Rural Communities Act, public authorities must show regard for conserving biodiversity in all their actions. A public authority can be: a local authority or a local planning authority. The Borough Council will fulfil obligations under the Biodiversity duty as part of our Corporate Biodiversity requirements.

- 10.4 The Council in line with the UK Government Procurement Policy Note (PPN) 06/21 – ‘Taking Account of Carbon Reduction Plans in the Procurement of Major Government Contracts’ will look to the need that environmental considerations and carbon reduction will be a factor. The Council will look to its providers as part of relevant future contracts for the provision of their Carbon Reduction Plan. This may include, but is not limited to:
- Contracts which have a direct impact on the environment in the delivery of the contract;
 - Contracts which require the use of buildings by staff engaged in the delivery of the contract;
 - Contracts which require the transportation of goods or people used in the delivery of the contract;
 - Contracts which require the use of natural resources in the delivery of the contract.
- 10.5 Following the publication of the Local Government Association – Sustainable Procurement – Delivering Local Economic, Social and Environmental Priorities (Toolkit for commissioners, practitioners and contract managers), officers will look to utilise the toolkit in support of delivering ‘sustainable procurement’ at the Borough Council. The toolkit is intended for all councils and may be navigated to suit particular roles and requirements. It is designed to highlight key principles which all relevant stakeholders should apply, together with some detail on specific environmental and social topics.

11 Social Value

- 11.1 The Public Services (Social Value) Act 2012 requires us to consider how the services we procure might improve the economic, social and environmental well-being of the area. It is defined as improving economic, social and environmental wellbeing from public sector contracts over and above the delivery of the services directly required at no extra cost. Used properly, additional social value can be beneficial to both suppliers and councils and represent a joint effort to exploit maximum value from procurement.
- 11.2 Our Social Value in Procurement Policy Statement is attached at Appendix 2 and sets out our approach to ensure that all resources are used wisely and that we protect and enhance the economy and environment whilst ensuring the efficient use of resources and delivery of value for money.

12 Supporting the Local Economy

- 12.1 We recognise that there are significant advantages of engaging with small local businesses, for both the Borough Council and the local economy. We are committed to using procurement processes that ensure such businesses, trades and suppliers – including Small or Medium-size Enterprises (SME’s) and Micro Enterprises (ME’s) – have at least equal if not enhanced access to council procurement opportunities.

12.2 All procurement activity will aim to benefit the local economy and employment opportunities for local residents wherever possible and allowed to. We will encourage local businesses to actively participate in our procurement opportunities. Corporate procurement will jointly (with neighbouring authorities) through local events such as 'Meet the Buyers' meetings assist local SME's and Sole Traders with any queries and issues they may have regarding our tendering process to help simplify them where possible.

13 Ethical Procurement

13.1 Ethical procurement considers the impact of environmental, sustainable, economic and social factors along with price and quality. We must be aware and look out for signs of unacceptable practices in the supply chain such as modern slavery, fraud and corruption.

13.2 The Council has an opportunity to influence the equality agenda with suppliers through its procurement processes. The Council is committed to ensuring that major suppliers and contractors have established equality and diversity values and policies, and work constructively work to implement these. To achieve this, the Borough Council will:

- Ensure our appointed contractors share, and help deliver, equality objectives;
- Look to develop ways to monitor the equality performance of our key suppliers and provide assistance if and where required.

13.3 The Council will ensure through its procurement processes that all its suppliers comply fully with the Modern Slavery Act 2015 wherever it applies. Further to this we will:

- Challenge any abnormally low-cost tenders to ensure they do not rely upon any potential contractor practicing modern slavery.
- Publicise our whistle-blowing system for staff to blow the whistle on any suspected examples of modern slavery.
- Require our contractors to adopt a whistle-blowing policy, which enables their staff to blow the whistle on any suspected examples of modern slavery.
- Regularly review our contracted spending to identify any potential issues with modern slavery.
- Highlight to our suppliers any risks identified concerning modern slavery and refer them to the relevant agencies to be addressed.
- Refer for investigation via the National Crime Agency's national referral mechanism any of our contractors identified as a cause for concern regarding modern slavery.

13.4 Any supplier awarded a contract who later is found to be or has been in breach of the Modern Slavery Act 2015 may have their contract terminated.

13.5 The Council will ensure that appropriate contracts include provisions for crime and disorder reduction and that procurement arrangements do not have an adverse impact on community safety issues.

13.6 The Council will ensure that effective health and safety mechanisms are in place through our procurement practice and our suppliers.

14 Management of Risk

14.1 Risk management is an integral part of a procurement process and must be considered at the

planning stage of any procurement process. We will identify the risks associated with all major procurement activity and the contingencies for service disruption in each project and how these are to be mitigated and managed.

- 14.2 For any high financial value, high risk or high profile procurement and which also involves significant risk including staff transfer; or significant potential for reputational or financial risks we will utilise the Borough Council's established project management methodology throughout a projects life to ensure it delivers the project objectives and outcomes. Risks and issues register(s) relating to the procurement will be set up and regularly monitored by the project team.

15 Managing Contracts and Supplier Relationships

- 15.1 Contract and relationship management refers to the effective management and control of contracts from their planning inception until their completion by the appointed contractor(s). It covers the supported policies, procedures and systems needed to undertake it, together with broader issues from the identification and minimisation of risk, successful and timely delivery of outcomes and performance, effective control of cost and variations, and the maintenance of clear communications and operational relationships with contractors.
- 15.2 Heads of Service & their Business Managers will act as contract managers and are responsible for, and will be proactive in relation to, managing contracts and performance in order to ensure that positive output and outcomes are maximised, cost variations are minimised and any issues in relation to the delivery of the contract are appropriately addressed at the earliest opportunity.

16 Business Continuity

- 16.1 Business continuity is the process of preparing for and responding to a disaster, event or situation that could have a serious impact on the delivery of services. For high-risk procurements, the suppliers will be required to submit a business continuity plan as part of the tender submission. All key suppliers will be required as part of (longer-term – two or more years) contract management to provide an annual update of their business continuity plans. This is the responsibility of Heads of Service & their Business Managers, and will be monitored for compliance by corporate procurement.

17 Measuring Performance

- 17.1 During 2022 we will develop key performance measures to enable effective monitoring of the strategy and procurement practices. This may include:
- Procurement savings targets, to be developed in support of the financial strategy;
 - Value for money benchmarking;
 - Compliance with policy and procedures such as PO compliance, number/proportion of exemptions and waivers, compliance with approval delegations, bypassing contract tendering thresholds.

Legislation, Council policy and procedure rules relating to procurement

Public procurement is a highly regulated environment governed by legislation and policies set by the UK government, nationally through statute and case law and locally by the Council's Constitution, and other Council plans and policies. These are listed below:

UK Procurement Directives and Public Contract Regulations (PCR) 2015

The Brexit transition period concluded on 1 January 2021. This means the UK is no longer a member of the EU, and is now a member of the World Trade Organisation's (WTO) Government Procurement Agreement (GPA).

- From 1 January 2021, the new e-tender service 'Find a Tender' replaced the Official Journal of the European Union in the UK for above threshold tenders.
- The existing UK government portals – Contracts Finder, Public Contracts Scotland, Sell2Wales and eTendersNI – will remain in operation and will be unchanged.

The Public Contracts Regulations 2015 came into force in February 2015. Failure to adhere to The Public Contracts Regulations 2015 can result in the Council becoming subject to Court action or enforcement action, with potentially significant financial and reputational damage.

<https://www.legislation.gov.uk/ukxi/2015/102/contents/made> **Local**

Government Transparency Code 2015

The Transparency Code requires the Council to publish details of every invitation to tender for contracts with a value that exceeds £5,000. We must also publish details of any contracts, commissioned activity, purchase order, framework agreement or any other legally enforceable agreement with a value that exceeds £5,000.

<https://www.gov.uk/government/publications/local-government-transparency-code-2015>

The Public Services (Social Value) Act 2012

This act places a duty on local authorities, at the 'pre-procurement' phase of procuring services to consider how and what is being procured might improve the economic, social and environmental well-being in their community; and how they might secure that improvement in the procurement process itself as long as such action is relevant to what is being procured, and is considered to be proportionate. This applies to all public services contracts with only an element of goods or works. It does not apply to public works contracts or public supply (goods) contracts.

<https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources>

Community Right to Challenge (Localism) Act 2012

This act enables “relevant bodies”, for example voluntary and community groups, employees or Parish Councils, to challenge to take over local services that they think they can run differently or better. The right enables a relevant body to submit an expression of interest (EOI) to a relevant authority to provide or assist in providing a relevant service.

<https://www.gov.uk/government/publications/community-right-to-challenge-statutoryguidance>

Freedom of Information Act 2000

This act provides people with the right to access to information held by public bodies. This with the government’s transparency agenda has consequences for those contracting with the partners where the financial details of contracts awarded may be made public.

<https://www.legislation.gov.uk/ukpga/2000/36/contents> **Data**

Protection Legislation

The General Data Protection Regulation 2016 and the Data Protection Act 2018 sets out the basis on which we process the personal data we collect. Any contract must clearly set out the roles and responsibilities of the council and the contractor, and require the contractor to comply with Data Protection legislation and indemnify the council against any claim.

<https://www.legislation.gov.uk/ukpga/2018/12/contents/enacted>

Contract Procedure Rules, Financial Procedure Rules and Scheme of Delegation

As part of its corporate governance arrangements the Council must ensure that there are adequate controls, procedures and standard documentation in place to satisfy the need to meet probity, propriety and transparency tests. The Contract Procedure Rules, Financial Regulations and Scheme of Delegation fulfil this requirement and they are part of the approved Constitution. They must be observed by both Members and Officers within the procurement process.

Other Council plans and policies

The Council’s procurement strategy is aligned to the commitments made in other Council plans and policies:

- Annual Plan
- Sustainable Environment Strategy and Action Plan
- Risk Management strategy
- Medium Term Financial Strategy
- Capital Strategy
- Assets Management Strategy

Social Value in Procurement Policy Statement

Introduction

As revitalisation and growth takes place we will support and encourage local procurement activity, to help small businesses and social enterprises to access larger customers and encourage large organisations in the public and private sectors to develop local supply chains. As well as helping business survival and growth this activity will provide employment opportunities for local people, thus supporting inclusion. We will encourage social value to be incorporated into local procurement activity, with the inclusion of local authority contracts and spend.

This policy statement outlines the approach that will be taken in order to ensure that all resources are used wisely, that we protect and enhance the environment whilst ensuring the efficient use of resources and delivery of value for money.

There is no 'one size fits all' model for achieving social value, it is an area where we are learning about how best to achieve and evidence it. This policy will continue to be informed by national developments and our own learning.

What is Social Value?

The Public Services (Social Value) Act 2012 requires us to consider how the services we procure might improve the economic, social and environmental well-being of the area. It is defined as improving economic, social and environmental wellbeing from public sector contracts over and above the delivery of the services directly required at no extra cost. Used properly, additional social value can be beneficial to both suppliers and councils and represent a joint effort to exploit maximum value from procurement.

Definitions of Economic, Social and Environmental Outcomes

Economic outcomes: providing contributions to the local economy and economic growth that supports social outcomes. Retaining, re-circulating and leveraging funds in local areas – a wider contribution to skills, tackling unemployment and maintaining employment.

Social outcomes: contributing to a vibrant and healthy community. Community based actions. Equality, diversity, cohesion and inclusion – local relationships, partnerships and people.

Environmental outcomes: relate to protecting, promoting and enhancing the environment. Supporting local activities to improve the environment.

Aims of the Policy

We aim to ensure that our expenditure is utilised in ways that most benefit our local communities. We will:

- Encourage a diverse base of suppliers: Promoting supplier diversity; including the participation of SME's and 3rd sector organisations, and local suppliers in general.
- Promoting fair employment practices: Ensuring workforce equality and diversity in supply chains.

- Community Benefits: Maximising opportunities for local organisations to participate in our supply chains and encouraging suppliers to make a social contribution to the local area.
- Ethical sourcing practices: Ensuring compliance with UK, EU and international standards, promoting fair trade and fair pricing policies, tackling corruption and compliance with the Modern Slavery Act.
- Promoting greater environmental sustainability: Minimising waste and pollution, supporting carbon reduction initiatives, include Carbon Neutral Borough 2030 and Single Use Plastic, furthering energy efficiency and other sustainability programmes.
- Improving council economic sustainability: Engaging businesses in delivery of additional social value will have a range of direct and indirect economic benefits to the Council. This includes improving viability of SMEs in the borough, providing additional support to third party providers to ensure better community benefits, and resulting in the eventual reduction in costs to the Council of providing services.
- Encouraging participation: Engaging and encouraging user and employee involvement in service design and delivery.