

The Borough Council of Newcastle-Under-Lyme

Procurement Strategy

2022 - 2025



Contents

Section	Description	Page Number
1	Introduction	3
2	What Is Procurement?	3
3	Why Is Procurement Important?	3
4	Our Vision For Procurement	3
5	Strategic Procurement Aims	4
6	The Procurement Cycle and Process	5
7	Legislation	7
8	Governance, Structure and Responsibilities	7
9	Value for Money (VFM)	10
10	Social Value	10
11	Sustainable Procurement	10
12	Supporting the Local Economy	11
13	Ethical Procurement	12
14	Management of Risk	12
15	Managing Contracts and Supplier Relationships	13
16	Business Continuity	13
17	Measuring Performance	13
Appendix 1	Legislation, Council policy and procedure rules relating to procurement	14
Appendix 2	Social Value in Procurement Policy	16
Appendix 3	Procurement Action Plan 2022-25	18

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 more strategic approach to procurement should be at the heart of thinking for our councillors and decisions 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.

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.

Achieving Community Benefits

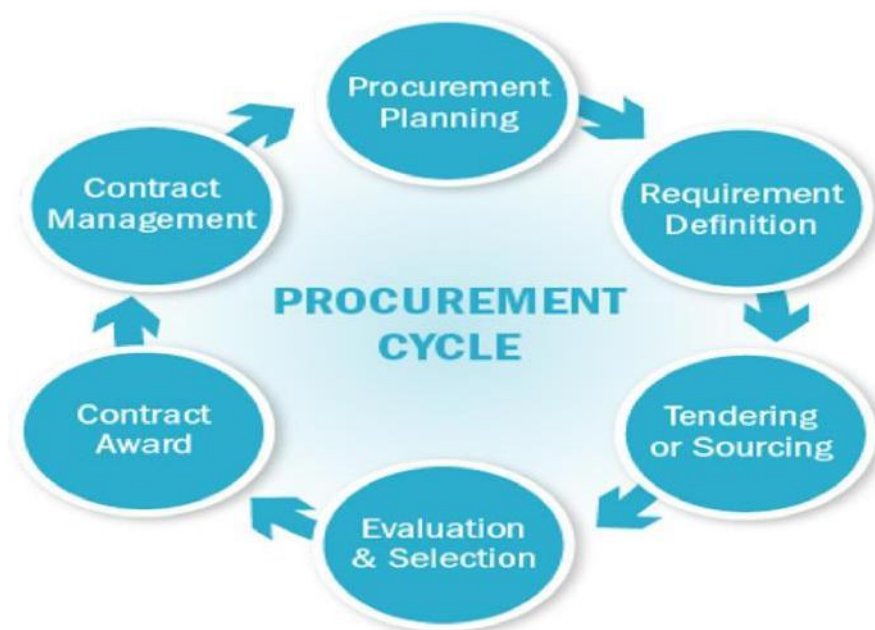
We can use procurement to achieve wider financial and non-financial outcomes, including improving the local economy, wellbeing of individuals and communities, social value and an improved sustainable environment.

- 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 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.
---	--	---	--	--

(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 Social Value

10.1 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.

10.2 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.

11 Sustainable Procurement

11.1 Sustainability is an important consideration when making procurement decisions. It ensures that we consider the environmental impact of procurement decisions.

11.2 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.

11.3 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.

11.4 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.

11.5 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.

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 project's 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/uksi/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.

PROCUREMENT ACTION PLAN (2022/25)

APPENDIX 3.

1. ORGANISATION

Ensure we maintain corporate support and establish a long term commitment from both members and officers at all levels to improve the profile of Procurement within the Borough of Newcastle-under-Lyme. We will review any shortfalls and continue to focus on the objectives that support the National Procurement Strategy for local government and the Borough Council's strategic priorities, to realise economic social and environmental benefits for Newcastle-under-Lyme.

Position Statement	Key task and or issue/s	Objectives	Timescales	Lead Officer
1.1 Requirement to draft a new procurement strategy for 2022 -25.	Current procurement strategy and action plan ends in December 2021.	Draft new procurement strategy incorporating:	October 2021	CP
1.2 The Procurement Strategy once approved is adopted and endorsed by members and officers at all levels.	Procurement Strategy should be embedded in all major procurement decisions.	To communicate and ensure Corporate recognition for procurement practices and procedures.	Cabinet by November 2022	EMT/ CP

2. PARTNERSHIPS, COLLABORATION & FRAMEWORK AGREEMENTS

Deliver consistent and better quality services that meet the identified needs of individuals and groups within the Borough of Newcastle-under-Lyme and develop mixed economy, through strategic partnerships, framework agreements and collaboration with a range of public, private and voluntary suppliers.

Position Statement	Key task and or issue/s	Objectives	Timescales	Lead Officer
2.1 Corporate procurement continue to work with the Newcastle Partnerships team to identify commissioning opportunities, manage and monitor spend, and support ongoing contract management.	Ongoing opportunities to share and participate in procurement and collaboration work streams both internally and externally.	Deliver opportunities for market engagement, commissioning and procurement compliance from standardised processes and ongoing contract management.	Throughout the term of the procurement strategy.	NPM / CP
2.2 The Council has and continues to be willing to participate in partnerships (from both a commissioning and procurement perspective) with neighbouring Councils, Partners and Voluntary	Identification of project areas and like spend offering suitable partnering opportunities. Partnerships require commitment from both parties to manage and negotiate effectively.	To continue to work with existing partners & identify new resourceful partnership groups developing beneficial services. Participation in regional commissioning and procurement group activity, explore opportunities for partnership sourcing and collaboration where	Throughout the term of the procurement strategy.	NPM / CP

Sector Organisations.	A range of Voluntary Sector Bodies exist within the local community, explore how we promote and utilise these as part of commissioning and procurement processes.	beneficial to all stakeholders alike. Understand the range of voluntary services available, the best fit within the Council and promote such services within the appropriate directorate.	Throughout the term of the procurement strategy. Throughout the term of the procurement strategy.	NPM / NC&LP / CP
2.3 The Council is party to various framework agreements.	Continue to investigate and identify additional potential areas of spend that might benefit from the use of compliant framework agreements.	To explore the feasibility of using new framework agreements. To identify the potential costs, benefits and savings in using such frameworks. Explore opportunities for greater collaboration with both partner organisations and neighbouring Councils from both a commissioning and procurement perspective.	Ongoing throughout the term of the procurement strategy.	NPM / NC&LP / CP

3. PROCUREMENT MANAGEMENT INFORMATION

Ensure we have a robust financial system forming a solid platform for future innovation. Maximise the cost effectiveness of Best Practice Procurement Processes by minimising administrative processes in a consistent manner and so adding value across the Council.

Position Statement	Key Issues	Objectives	Timescales	Lead Officer
3.1 Contract information currently disparate and requires significant officer time to maintain.	Contracts register/data base is time intensive to update and maintain and does not offer timely alerts where contracts are due for review, expiry and/or require renewal.	Explore, identify and cost possible supportive software to address the key issues identified.	March 2022	CP / HF&S1510

4. **VALUE FOR MONEY**

To ensure and maintain a procurement process that is clear and focused in the first instance on achieving value for money.

Position Statement	Key Issues	Objectives	Timescales	Lead Officer
4.1 The Borough Council can ensure value for money by the application of controls and consistent standards across the authority.	The Council is experiencing a wide range of changes as part of the 'One Council' programme which will have a likely to impact on the number and range of officers supporting future procurements, identifying specific training and simplification of processes.	To ensure that procurement is appropriately managed in a legal, ethical and transparent manner, whilst embodying the Council's core values.	June 2022	CP / HLGS
4.2 Corporate procurement provides a range of services from advice to undertaking the full procurement process to Departments requiring Goods and Services specific to their profession.	Consistency is required in terms of corporate standards and approach to procurement. Corporate procurement resources are finite and will be involved particularly in Strategic projects or those that are professionally challenging. Each financial year a schedule of projects will be established and agreed, accepting that this is fluid.	To ensure that procurement resources are deployed effectively and that systems are in place to deliver value for money.	Ongoing throughout the term of the procurement strategy.	CP / HLGS
4.3 The cost of goods, services and works includes the supplier selection, acquisition, contract management and all life cycle costs. By reviewing strategic procurement, the Council will be in a position of greater strength and reduce process costs.	The Council must consider how best to rationalise suppliers and therefore reduce processing costs. Central corporate contracts should offer a variety of strategic benefits, but must be managed carefully. Opportunities to take advantage of the Council purchasing leverage and that of collaborative purchases should not be missed.	To reduce the cost of the procurement process and obtain Best Value on all procured goods, works and services.	Ongoing throughout the term of the procurement strategy.	CP / HoS / BM

5. **SUPPLIER DEVELOPMENT**

Promote Newcastle-under-Lyme as a preferred customer. Focus on supplier development, supply chain management and promote the opportunity for businesses and SME's to trade with the Council.

Position Statement	Key Issues	Objectives	Timescales	Lead Officer

<p>5.1 We recognise that there are significant advantages of engaging with small local businesses, for both the Borough Council and the local economy.</p>	<p>Many Small or Medium-size Enterprises (SME's), Micro Enterprises (ME's) or Social Enterprises (SE) often do not understand the public sector system or documents.</p>	<p>We are committed to using procurement processes that ensure such businesses, trades and suppliers – including SME's, ME's and SE – have at least equal if not enhanced access to council procurement opportunities.</p> <p>Following a review of the Council's standard procurement documents and templates, look to simplify and publish to support greater engagement by SME's, ME's and SE.</p> <p>Consider the introduction of help and advice sessions, Meet the Buyer, or pre-clarification meetings with potential bidders.</p>	<p>Ongoing throughout the term of the procurement strategy and linked to relevant procurement exercises.</p>	<p>CP / HoS / BM / BDO</p>
<p>5.2 Compliance, openness and transparency is aimed at creating a level playing field for any compliant and relatively skilled bidder as part of the Council's procurement processes.</p>	<p>The level of contracts / spend with local providers (within the Borough) is low and accounts (2020/21) for only 6.3% of the Council's total spend.</p>	<p>To explore and identify opportunities of increasing the level of spend with local SME's, ME's and SE which might include:</p> <ul style="list-style-type: none"> • Possible use of dynamic purchasing systems; • Re-introduction of preferred local supplier lists for a range of low value category spend; • Senior management agreement to allow (where possible) for low value spend to be targeted to local providers; • Improved notification of Council low value contract opportunities. 	<p>Ongoing throughout the term of the procurement strategy and linked to relevant procurement exercises.</p>	<p>CP / HoS / BM</p>

6. **MODERNISATION OF PROCUREMENT & COMMERCIALISATION**

Seek innovation and new approaches across both internal and external environments to achieve continuous improvement.

Position Statement	Key Issues	Objectives	Timescales	Lead Officer
<p>6.1 Develop a more commercially focused procurement culture.</p>	<p>Officer focus on traditional transactional procurement.</p>	<p>Share and take advantage of the expertise of others, working to identify future opportunities for new income streams and possible savings linked to selected procurement exercises.</p>	<p>Ongoing throughout the term of the procurement strategy.</p>	<p>CP</p>

6.2 Enabling innovation.	Encourage a culture where competition and innovation may offer wider benefits.	Look for and where possible embrace opportunities for income generation within the Borough Council's contracts.	Ongoing throughout the term of the procurement strategy.	EMT / CP
6.3 Encourage and allow preliminary market consultation between buyers and suppliers, which should facilitate better specifications, better outcomes and shorter procurement times	Training, development of documentation, market engagement, publication of prior information notices (where permissible).	To stimulate market interest in Borough Council contracts and encourage supplier engagement.	Ongoing throughout the term of the procurement strategy and linked to relevant procurement exercises.	CP / HoS / BM
6.4 Delivering sustainable procurement initiatives and considering the environmental impact of procurement decisions in line with Council's vision for the borough to be Carbon Neutral by 2030.	Require our suppliers and contractors to reduce the impact of goods, works and services by considering whole life costs; and the carbon impacts, footprints associated with goods works and services provided on behalf of the Council.	Ensure 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.	Ongoing throughout the term of the procurement strategy and linked to relevant procurement exercises.	CP / HoS / BM

7. CONTROLS, STANDARDS AND MANAGEMENT OF RISK

Ensure compliance with Councils Contract Procedure Rules, Financial Regulations and relevant Legislation, covering procurement and contracting.

Position Statement	Key Issues	Objectives	Timescales	Lead Officer
7.1 Council Contract Procedure Rules exist to provide compliance and provide direction for officers across the Council.	Ongoing reviews and updates are undertaken and changes communicated to HoS & BM however by its nature the procedure rules contain a considerable amount of detail which need to be	<ul style="list-style-type: none"> Continue to review, update and simplify where possible; Publish in a more focused manner e.g. by section; 	Annual reviews and updates are undertaken.	CP / HoS / BM



	provided to officers in a more manageable application.	<ul style="list-style-type: none"> Identify key common areas/subject matter for officers undertaken regular procurement and publish/communicate; Identify with HoS & BM their key staff involved in procurement, determine any shortfalls in knowledge and provide training/familiarisation with the rules. 		
7.2 Ensure that risk is appropriately managed.	Procurement remains legal, ethical and transparent. Risk and value of strategic high value high risk procurements should be mapped and monitored.	<ul style="list-style-type: none"> Encourage transparent and equitable procurement process – via audit, publication of policies and appropriate training. Look to improve risk management and contract management in strategic high value high risk procurements by the introduction of guidance developed from work on the risk management strategy. In particular, that risk assessment is included from the start of procurement and contracting processes. 	Ongoing throughout the term of the procurement strategy. May 2022	CP / HoS / BM CP / RMO
7.3 Documentation in support of all procurement processes are standardised and are accessible to all officers involved in undertaking and delivering procurement projects.	Concerns raised on the relevance of the content of such documents and a reluctance by officers to use such or modify accordingly. An external independent third party review will be undertaken of the Borough Council's standard templates.	The aim of the third party review is to further standardise the fleet of Council templates, where possible simplify and establish training in support of their use.	June 2022	CP / HLGS

8. PERFORMANCE MANAGEMENT

Create, implement and monitor Key Performance Indicators to highlight continuous improvement and performance benefits against targets within the authority.

Position Statement	Key Issues	Objectives	Timescales	Lead Officer
8.1 Not all procurements at £25,000 and above are supported by the publication of a contract notice and	None compliance with Public Contract Regulations 2015. There is an expectation if recommendation contained	Re-publish the requirements for the need for the formal publication and closure of contract notices on the Contracts Finder website.	January 2022	CP / HoS / BM

subsequent contract award notice on the Contracts Finder website.	in the Governments Green paper 'Transforming Public Procurement' that monitoring and reporting requirements will increase.	Monitor and report the number of non-compliances. Monitor the outcomes and reporting requirements of Governments Green paper and support the dissemination of requirements and subsequent compliant reporting.		
8.2 The Council has experienced an increase in officer requests for exceptions to Council contract procedure rules.	Not all requests are completed correctly and compliantly in that they do not always provide for example appropriate clauses in relation	To further formalise, ensure compliance and monitor the volume of exceptions to Council contract procedure rules being requested.	February 2022	CP
8.3 The percentage spend with local provider remains low.	Opportunities in supporting local businesses (SME's, ME's and SE) are being missed as is the support in maintaining the local pound within the borough and improving Social Value.	To explore and identify opportunities of increasing the level of spend with local SME's, ME's and SE which might include as covered in 5.2 above.	Ongoing throughout the term of the procurement strategy.	CP / HoS / BM
8.4 Strategic contract monitoring and tender compliance to the Council's specification/s of requirements are monitored and reviewed by relevant client officers / services areas.	There is no internally published overview of annual performance of the Borough Council s strategic high risk, high value contracts and suppliers.	Seek to introduce an annual review of strategic high risk, high value contracts providing an overview of delivery against the Council's specification of requirements reported against a red, amber, green rating.	Annually throughout the term of the procurement strategy.	CP / HoS / BM

9. TRAINING

Develop procurement skills across the organisation to support the implementation of procurement policy and strategy.

Position Statement	Key Issues	Objectives	Timescales	Lead Officer
9.1 As part of the Council's devolved procurement structure there are a number of officers engaged in either delivering and/or supporting the procurement of Goods, Works, and	Officers need the appropriate information, resources and training to support them in the delivery of this work.	<ul style="list-style-type: none"> Identify those officers by service area undertaking such duties; Assess any knowledge / experience shortfalls, develop and deliver supporting training and/or familiarisation; 	March 2022	CP / HoS / BM

Services and possibly the management of contracts/contractors post award.		<ul style="list-style-type: none"> • Offer 1-2-1 help and support in the delivery of compliant procurement outcomes. 		
---	--	---	--	--

10. SUSTAINABLE PROCUREMENT

Develop and embed sustainable procurement options linked to relevant procurement exercise that seek to support the Borough Council's Carbon Reduction Commitments.

Position Statement	Key Issues	Objectives	Timescales	Lead Officer
10.1 The Borough Council has made a commitment to be Carbon Neutral by 2030.	<p>In April 2019, the Borough Council passed a climate emergency motion. A central element of this was the aim of becoming carbon neutral with respect to the Council's own estates and activities and those related to our residents and businesses.</p> <p>The Borough Council are committed to keeping Newcastle under Lyme clean, green, attractive and sustainable. Our teams and services already undertake a huge amount of work to ensure that we honour this pledge and the delivery of sustainable procurement will be key in supporting this commitment.</p>	<ul style="list-style-type: none"> • Promote and embed best practice for sustainable procurement across all service areas. • Require information from potential suppliers on how they will help the Borough Council to progress its 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. 	Annually throughout the term of the procurement strategy.	CP / HoS / BM

		<ul style="list-style-type: none"> • 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. 		
--	--	--	--	--

Glossary of Terms:

EMT – Executive Management Team; HLGS – Head of & Governance Services; NPM – Newcastle Partnerships Manager; HR – Human Resources;
 CP – Corporate Procurement; BDO – Business Development officer; RMO – Risk Management Officer; HoS – Heads of Service;
 BM – Business Managers; NC&LP – Neighbouring Councils & Local Partners; HF&S151O – Head of Finance & Section 151 Officer;

