

Procurement Strategy and Policies

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Synopsis of report:

The report sets out the Procurement Strategy for the period 2023-2026 to support delivery of the Council's Corporate Business Plan and associated strategies.

The Strategy provides the high-level framework in which procurement operates and the aims and objectives that can be achieved from procurement. In addition, the report provides the Procurement Policies for Social Value and Sustainable Procurement (including Carbon Reduction) and an update to the existing Procurement Policy for Modern Slavery

Recommendation(s):

The Procurement Strategy and associated policies are recommended to Council for adoption.

1. Context and background of report

- 1.1. The Council's [Corporate Business Plan 2022-2026 and the five associated Corporate Strategies](#) (Climate Change, Empowering Our Communities, Economic Development, Health and Well-being and Organisational Development) set out the strategic ambition and direction of travel for the Council. To achieve this ambition, the Council will need to procure goods, works and services from third-party suppliers.
- 1.2. It is therefore timely to review the strategy and policies related to procurement, to ensure alignment with the corporate business plan 2022-2026 and to adopt these as an organisation.
- 1.3. The Council invested in additional staff resources to form the Corporate Procurement Team during 2018/19 after it was recognised that additional corporate resource was required to improve procurement skills and quality of tendering contract opportunities across the organisation and improve contract compliance.
- 1.4. The team support buying managers across the organisation to adhere to the Public Contract Regulations 2015 and Contract Standing Orders by offering support and advice for lower value contracts and co-ordinating high value and/or complex procurement projects end to end.
- 1.5. A procurement toolkit is available to provide a step-by-step guide to procurement, resources and templates for buying managers and is available to all staff on the intranet (Staff Home)

2. Report and, where applicable, options considered and recommended

- 2.1. Procurement covers the full lifecycle of buying activities, starting with identification of needs and determining the buying approach, through to evaluation of the supplier offers, purchasing the goods, services or works and the subsequent supplier contract management.
- 2.2. Procurement is not just about buying goods, works and services at the lowest prices but is an important tool through which the Council can harness and deliver wider social, economic, and environmental outcomes through the supply chain.
- 2.3. Runnymede Borough Council's Procurement Strategy (the Strategy) serves to provide a framework to:
 - support delivery of the Corporate Business Plan 2022-2026
 - improve outcomes and secure value for money through the effective procurement of goods, works and services whilst also generating added-value social, economic and environmental benefits (termed 'Social Value').
 - facilitate compliant procurement of effective and high-quality goods, services and works.
 - improve proactive planning and implementation of procurement exercises either as standalone projects or as an integrated activity within a broader project.
 - ensure appropriate and proportionate controls, systems and standards to manage procurement risks and to comply with legal requirements.
 - communicate our procurement framework to potential suppliers to support the tender process and articulate how our contracts can support delivery of our corporate aims and objectives and wider social, economic and environmental outcomes.
- 2.4. The Strategy sets out how procurement can support delivery of the corporate business plan and associated corporate strategies, and the outcomes and deliverables intended to be achieved by 2026. In addition, the strategy describes how procurement can contribute to key themes of social value, environmental sustainability and carbon reduction, fair working practices, equality and diversity, data protection and GDPR. The Council already has in place policies for Modern Slavery, Equality and Diversity, Data Protection and GDPR. Policies have been developed for Social Value and Sustainable Procurement and are presented here for adoption.
- 2.5. As the strategy will be a publicly available document, this is an opportunity to state the Council's expectations of suppliers and how they can contribute to and support the objectives and aims of the Corporate Business Plan 2022-2026. As such, a link to this document will be included as standard in tender information packs. Potential suppliers will be asked to demonstrate within their tender submissions alongside technical quality assessment, how they propose to meet relevant criteria which could include reducing carbon emissions, improving the natural environment, supporting the local economy and economic development, supporting local people and empowering communities.
- 2.6. The Procurement Policy for Social Value has been developed to provide buying managers with a framework to consider and implement during the tendering of

contract opportunities in order to maximise the opportunity for social value outcomes. The Local Government Association's National Themes Outcomes and Measures (TOMs) for Social Value¹ and Cabinet Office's Social Value Model as set out in PPN06/20² have been used as identified best practice to secure and measure social value.

- 2.7. The Procurement Policy for Sustainable Procurement is complementary and additional to the Social Value Policy to specifically address environmental, climate change and carbon reduction outcomes in detail. This policy has been developed from Surrey County Council's Sustainable Procurement policy³ with the additional requirements set by the Cabinet Office in Procurement Policy Note 06/21 Carbon Reduction in the supply chain⁴
- 2.8. The Procurement Policy for Modern Slavery, previously adopted in 2020 alongside the Council's [Modern Slavery and Human Trafficking Statement](#), has been reviewed and updated following the release from the Cabinet Office of Procurement Policy Note 02/23 Update to Tackling Modern Slavery in Supply Chains (PPN 02/23).

3. Policy framework implications

- 3.1. The Procurement Strategy and associated Policies have been developed to align to the Corporate Business Plan 2022-2026
- 3.2. Specific objectives are included in the Chief Executive's Service Area Plan for 2023/24 to support delivery of the aims and objectives within the strategy.

4. Resource implications/Value for Money (where applicable)

- 4.1. There are no direct staffing resource implications from the adoption of this Procurement Strategy and related procurement policies.
- 4.2. The Corporate Procurement Team will be responsible for dissemination to officers of the Strategy and Policies and future monitoring and review of the impact they make. In addition, the procurement toolkit will be updated to provide templates and resources to support the changes that will be required as a result of implementation. This can be delivered within the current Corporate Procurement resource.
- 4.3. All officers across the Council are required to adhere to the policies, processes and procedures when procuring goods/works/services and this will continue to be the case.
- 4.4. It is anticipated that achievement of social value from contracts will contribute positively to achievement of wider economic development, community interests and social outcomes within the Borough.

¹ [Social value – achieving community benefits | Local Government Association](#)

² [Procurement Policy Note 06/20 – taking account of social value in the award of central government contracts - GOV.UK \(www.gov.uk\)](#)

³ [Environmentally Sustainable Procurement Policy - Surrey County Council \(surreycc.gov.uk\)](#)

⁴ [Procurement Policy Note 06/21: Taking account of Carbon Reduction Plans in the procurement of major government contracts - GOV.UK \(www.gov.uk\)](#)

5. Legal implications

- 5.1. The regulatory framework that legislates public sector procurement is laid down in the Public Contract Regulations 2015 (the 2015 Regulations). The strategy and policies document relevant additional legislation that also impacts on procurement (Public Services (Social Value) Act 2012, Modern Slavery Act 2015, National Minimum Wage Act 1998, Equality Act 2010, Data Protection Act 2018)
- 5.2. In addition, whilst the Local Government Act 1988 lays out more generally governance arrangements for local authorities, interpretation of Section 17 prohibits local authorities from reserving contracts, whatever their value, to local suppliers, SMEs and voluntary, community and social enterprises (VCSEs).
- 5.3. During the term of the strategy, the introduction of the Procurement Bill during 2023/34 will reform the UK's public procurement regime and lead to new and updated legislation. This will have a significant impact on our current procurement processes and procedures and change will be required to be implemented within six months of the Bill being passed.
- 5.4. This will impact on procurement processes and procedures contained within the procurement toolkit and Contract Standing Orders, which will be reviewed in light of any changes in legislation, rather than impact on the overarching strategy and policies presented here.

6. Equality implications

- 6.1. Public Sector procurement is bound by the legislation in the 2015 Regulations and specifically the principles of openness, fair treatment and transparency. The Strategy specifically addresses equality and diversity in the intended outcomes and deliverables.
- 6.2. Equality implications associated with individual contract requirements would be considered at time of specification preparation and be reported when seeking approval for the procurement route and estimated total contract value at the appropriate Committee.
- 6.3. Consideration of Equalities Impact Assessments has been built into Procurement guidance available to Officers on Staff Home pages.

7. Environmental/Sustainability/Biodiversity implications

- 7.1. This has been considered for this report and no negative implications identified directly associated with the adoption of the proposed Strategy and Policies. Adopting the proposed Strategy and Policies will bring opportunities for positive environmental outcomes.
- 7.2. Adoption of the Procurement Policy for Sustainable Procurement will significantly support achievement of the Council's Climate Change Strategy and the aim for the Council's operations to be net zero by 2030 and for the Borough to achieve net zero by 2050.
- 7.3. Implications associated with individual contract requirements would be considered at time of specification preparation and be reported when seeking approval for the procurement route and estimated total contract value at the appropriate Committee.

8. Timetable for Implementation

- 8.1. Following agreement of the Strategy and Policies and formal adoption at Council, these will be implemented in the new financial year alongside updates to the Procurement Toolkit and training for buying managers.

9. Conclusions

- 9.1. Committee is asked to consider the proposed Procurement Strategy and Procurement Policies for Social Value and Sustainable Procurement and updated Procurement Policy for Modern Slavery.

(To recommend to full Council)

Background papers