

POLICY AND RESOURCES COMMITTEE

PART I

Amendments to Contract Procedure Rules (CED/DCES/DoF)

Summary

1.0 Summary

The report details the new Procurement Strategy to support the Council Corporate Framework.

The Strategy has been written to ensure that Procurement supports the Council's key objectives.

The Procurement Strategy is centred on key Procurement Strategic aims and sets out how the Council can deliver Social Value through its procurement either through economic, community or environmental considerations.

The Procurement Strategy sets out its commitments to Social Value through Appendix A and how it will measure itself in Appendix B within the Strategy. The Strategy also references the Council's recent Climate and Sustainability Impact tool.

It should be noted that the Government is currently undertaking a review of Public Sector Procurement and the intention is for changes to be undertaken in 2024. The National Procurement Policy has been published and this procurement strategy reflects the aims of that policy.

The Consultation for this Strategy has been conducted across all services within the Council with close working with the Sustainability team. The Council's Procurement Strategy was last updated in April 2013.

The recommendation of the Procurement Strategy attached at Appendix 1 for adoption by the Council.

Details

The Council spends a significant proportion of its annual budget on externally purchased goods, services and works. 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 ways to deliver better outcomes for local people.

This strategy sets out Three Rivers District Council's vision for procurement and priorities to support the Corporate Framework. This incorporates the latest government procurement legislation and initiatives with the Council undertaking a watching brief in the event of any further change. The Council's strategy also sets out the Council's commitment to Sustainable Procurement from an environmental and social perspective.

This Procurement Strategy will encompass the need to support the Council's key objective's of the new Council Framework:

The Council aims to provide quality services that are responsive to the needs of the community and deliver optimum best value. It is also important that the strategy reflects both our compliance obligations and our procurement aspirations.

This strategy, by itself, will not lead to effective procurement; it is the commitment of everyone within the Council carrying out procurement activity which is key to successful procurement.

Options and Reasons for Recommendations

The current published Procurement Strategy is out of date (2013). The new Procurement Strategy reflects the Council objectives, places sustainability and social value at its core and reflects the National Government objectives.

Policy/Budget Reference and Implications

The recommendations in this report are within the Council's agreed policy and budgets. There is no impact to Council Budgets and the strategy is reflective of government policy.

No Council Performance Indicators are affected as a consequence of adopting these rules.

Financial Implications

There are no Financial Implications as a consequence of this contract. There are no Budget implications.

Legal Implications

The legal implications is addressed under risk.

Equal Opportunities Implications

There is no impact to Equalities, Human Rights and Data Protection from this report and no impact assessment was required.

Staffing Implications

There are no staffing implications as a consequence of adopting these rules.

Environmental Implications

The options around Environmental and Sustainable considerations are embedded within this strategy. These options are core to the strategy and reflect the Council Framework.

Community Safety Implications

There are no Community Safety implications as a consequence of adopting these rules.

Public Health implications

There are no Public Health implications as a consequence of adopting these rules.

Customer Services Centre Implications

There are no Customer Services Centre implications as a consequence of adopting these rules.

Communications and Website Implications

The Council's website will be required to be updated with the new strategy published. The strategy could be art-worked to fit into the Council's branding.

Risk and Health & Safety Implications

The Council has agreed its risk management strategy which can be found on the website at <http://www.threerivers.gov.uk>. In addition, the risks of the proposals in the report have also been assessed against the Council's duties under Health and Safety legislation relating to employees, visitors and persons affected by our operations. The risk management implications of this report are detailed below.

The following table provides specific detail of the risks.

Nature of risk	Consequence	Suggested Control Measures	Response	Risk Rating
Legislative Risk	Procurement Law changes in 2024 or there is an amendment to the National Procurement Policy	The revised strategy complies with the National Procurement Policy requirements. The Council will retain a watching brief and amend if required. The principal of the Strategy will remain.	Treat	1
Adoption	Procurements are made without the Officers considering the Strategy and the Council's Commitments as shown in the Strategy	<ul style="list-style-type: none"> - the revised Contract Procedure Rules approved in May 2022 addresses Social Value in detail with the risks of an unsuccessful procurement largely mitigated. - For large procurements, a strategy should be written that reflects and identifies the Social Value measures in place. - Revised evaluation models around the National TOMs framework (as stated in the Strategy) - Further training and fully detailed within the Procurement Toolkit. Measures in contracts are reported and managed. - Annual Review of Procurement activity to highlight the Strategy success and future opportunities. 	Treat	6
Transparency	Thresholds do not encourage Officers to advertise or Frameworks are used.	- Place adverts and engage with Suppliers in the Communities. Encourage transparency for opportunities in the Council. Hold Event days. Publish Pipeline and Contract Register	Treat	3
Evaluation Models	Procurements are not specific in identifying Social Value measures and Evaluation model is Generic	Build Specific Evaluation models for Social Value and ensure these are linked to Measures and deliverables in Contracts. Provide Training and explain the National TOMS Framework.	Treat	6

The above risks are scored using the matrix below. The Council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood scores 6 or less.

Very Likely ----- Likelihood ----- ▼ Remote	Low 4	High 8	Very High 12	Very High 16
	Low 3	Medium 6	High 9	Very High 12
	Low 2	Low 4	Medium 6	High 8
	Low 1	Low 2	Low 3	Low 4
Impact ----- Low -----> Unacceptable				

Impact Score
 4 (Catastrophic)
 3 (Critical)
 2 (Significant)
 1 (Marginal)

Likelihood Score
 4 (Very Likely (≥80%))
 3 (Likely (21-79%))
 2 (Unlikely (6-20%))
 1 (Remote (≤5%))

In the officers’ opinion none of the new risks above, were they to come about, would seriously prejudice the achievement of the Strategic Plan and are therefore operational risks. Effectiveness of the management of operational risks is reviewed by the Audit Committee annually.

Recommendation

That the Procurement Strategy is approved and adopted by the Council.

APPENDICES / ATTACHMENTS

Procurement Strategy



Procurement Strategy

2023 - 2026

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Ver. 2	21 st December 2022	Incorporating Climate and Sustainability Impact Tool
Ver. 3	17 th May 2023	Review following CMT – New Corporate Framework included
Ver. 4	17 th November 2023	Added - Climate and Sustainability Impact Assessment – Appendix C

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1. Foreword - Introduction

The Council spends a significant proportion of its annual budget on externally purchased goods, services and works. 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 ways to deliver better outcomes for local people.

This strategy sets out Three Rivers District Council's vision for procurement and our priorities to support the Corporate Framework up to 2026. This incorporates the latest government procurement legislation and initiatives with the Council undertaking a watching brief in the event of any further change. The Council's strategy also sets out the Council's commitment to Sustainable Procurement from an environmental and social perspective.

This Procurement Strategy will encompass the need to support the Council's Objectives to:

- Provide responsive and responsible local leadership.
- Expand our position as a great place to do business.
- Support and enable sustainable communities.
- Achieve net carbon zero and be climate resilient.

The Council aims to provide quality services that are responsive to the needs of our community and deliver optimum best value. It is also important that the strategy reflects both our compliance obligations and our procurement aspirations.

This strategy, by itself, will not lead to effective procurement; it is the commitment of everyone within the Council carrying out procurement activity which will be key to successful procurement.

The Council is committed to:

- Achieving best value through all of its procurement activities;
- ensuring that paying above the National Living Wage remains an integral part of our commitment and we will continue to ensure that our contracted staff are treated fairly;
- ensuring that the Council has regard to and takes steps to mitigate any negative environmental impacts of any goods, services and works contracts procured and supports the principles to achieve a Net Carbon Zero Council by 2030;
- ensuring that local businesses particularly Small and Medium Enterprises and third sector organisations have visibility and can participate in the Council's contracting processes;
- ensuring that the Council operates a transparent procurement process with contract opportunities visible to businesses ensuring that businesses are encouraged to participate to supply the council;
- ensure that our procurements deliver added social value benefits at little or no additional cost to the Council;

Our achievements

The Council has a long standing view that effective procurement plays an important part in achieving its goals and objectives, whether this is in relation to significant individual projects or the many minor projects that contribute to our success. The Council has achieved significant benefits and value through the undertaking successful procurement. These include;

- Leisure Facilities Management Contract which incorporates William Penn Leisure Centre (Mill End), the redevelopment of South Oxhey Leisure Centre at Gosforth Lane and Rickmansworth Golf Course incorporating the Fairway Inn.
- TRDC has provided a new energy efficient building for the waste and recycling teams which includes an air source heat pump, LED lighting, radiant heating – which supply heat directly to the whole building – solar panels and two electric vehicle charging points providing four chargers. Electric Vehicles are utilised. In addition, to support local ecology, the building has been surrounded by bird boxes, bat boxes, an otter holt and log piles for insects - all created from waste materials. Fruit trees have also been planted throughout the site.

The Council has innovated to support its impact on the community:

- Parks and Open Spaces – Green flags delivered for its parks
- Leavesden Country Park Project – community involvement, through the friends of Leavesden Country Park training to perform tasks such as visitor observations and delivery of key elements in the management plan to activity sessions on the heritage and history to engage the community, along with family fun days.
- Play areas – Full public consultation is inbuilt as part of the tender process. Social value is delivered benefiting the local community including local supply chain opportunities, creating jobs, improving skills, providing work experience opportunities, supporting local volunteering opportunities, supporting local charities and community groups and organisations, improving environmental conditions.

The Council has been innovative in identifying opportunities:

- A Shared Service with Watford Borough Council for the provision of back-office functions including Finance, Revenues and Benefits, ICT Support, Human Resources and Procurement. This includes collaborative joint procurement across these disciplines.

Considering the most appropriate Procurement Routes for complex requirements:

- Leavesden Country Park Project – used procurement strategy for each element of the project including the project management. Adapted the tender documents and specification to suit each element of the project such as Artists for the sculpture trail, building of Leavesden HIVE, street furniture, restoration works at East Lane Cemetery and conservation works. This was a complex and multi contractor project over a number of years.
- LCP – heritage trail tender – Adapting the procurement route to ensure that this was a two stage approach, with public consultation on workshops and separate consultations on designs, to the public were involved before awarding the contract. This ensured that the community's expectations and artist's final pieces, were exactly what was required.

The Council has ensured that sustainability is integral to our procurement process. We have ensured that procurement activities are undertaken by well-informed Council officers with support from professional procurement staff, providing specialist support and advice. The Council has recently

developed a Climate and Sustainability Impact tool to assist in the procurement process allowing full business case assessments and aiding suppliers wishing to tender.

Waste strategy plans form part of our tender requirements when engaging contractors for regeneration projects, helping minimise any waste produced. The delivery of the plan is actioned and monitored via weight certificates from landfill sites.

We advertise our low value contracts, on Delta (which is published by Journals and in Contracts Finder), to ensure that we specifically attract local suppliers, Small Medium Enterprises (SMEs) and third sector organisations to the Council's contracting opportunities.

We also publish our procurement pipeline and contract register to allow visibility of contracts where sub- contacting may be on offer.

The aim of Three Rivers District Council is to consider Best Value through our statutory procurement obligations. We recognise that goods and services delivered by local businesses and the third sector support and boost the local economy and in some cases may reduce the economic and environmental impact and costs associated with transportation.

Delivering value for money through procurement can ensure Three Rivers District Council objectives and ensure it can deliver its priorities in accordance with the Corporate Framework.

2. What is Procurement?

Procurement is the process of acquiring, goods, works and services, covering both acquisition from third parties and in-house providers. 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.

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 issues and value for money. 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 ploughed back into front-line services. Local Government spends over £60billion a year, with the Council's external spend approximately £40m, procuring a wide range of works, goods and services, from everyday items such as pens and paper, to major infrastructure projects.

2.1 National Procurement Policy

The Government is developing major legislative reforms for public procurement (set out in its Green Paper on Transforming Public Procurement) which will deliver a new regulatory regime that better meets the needs of the UK following leaving the EU in January 2020. Whilst there is no immediate change to the procurement rules the current green paper will likely implement change in 2024, the key elements in the National Procurement Policy will be to ensure that public procurement should be leveraged to support priority national and local outcomes for the public benefit. The three key themes are:

- Social Value
- Commercial and Delivery
- Skills and Capacity for Procurement

The National Procurement Policy sets out the national priorities that all contracting authorities should have regard to in their procurement where it is relevant to the subject matter of the contract and it is proportionate to do so.

The Council's procurement strategy ensures that the Council is in a position to deliver on the key themes of the Government's policy. The Council will continue to review the information and guidance received from government and ensure that we revise this procurement strategy in line with any future new rules that may impact on how we procure the Council's contracting requirements.

3. The Council's Strategic Procurement Aims

The Council's strategic procurement aims are shown below:

1. Enhance value: Although the core function of a procurement process is to secure a contract to provide goods, services or works, this also provides opportunities for the council to secure additional social and community value. Through all procurement activity the council will seek to enhance the value of the contract through securing commitments and contributions that will provide additional benefit to the community of Three Rivers.
2. Deliver sustainably: The council has declared both a Climate and Ecological Emergency and has a commitment to be net carbon zero by 2030 and improve the bio-diversity of the District. Sustainability and responding to these emergencies and commitments is not just the

responsibility of directly managed council services, but must be embedded and delivered in all of our contracts and third party arrangements. Through procurement we will ensure that all of our contracts support the council in meeting these commitments.

3. Drive Innovation: Working with a variety of sectors (commercial, local, environmental and sustainability) provides the council with opportunities to seek innovation and new ways to deliver our services. Through procurement we will aim to drive innovation in our service delivery through procuring outcomes rather than inputs and being open to new ideas and opportunities.
4. Be commercial: Being commercial through procurement means that the council will look to deliver efficiencies through effective procurement, strategically assessing the council's requirements and identifying the most efficient and effective procurement and contracting approach to deliver the required outcomes and best value. Working with and in partnership with the commercial sector requires the council to think commercially, to understand the drivers of commercial organizations and know how to work with them to ensure that all parties achieve their desired outcomes.
5. Ensure compliance: All procurement activity must be conducted in accordance with the law and the council's contract procedure rules.

4. Social Value

The Public Services (Social Value) Act 2012 requires the Council 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. The Council has committed to ensure that social value criteria is stated in each evaluation model and outcomes can be recorded to enable the social benefit to be measured.

Social value forms a key deliverable of the Council's key Sustainable Procurement goals and is set out in the next section. Social Value directly links to the four themes to be delivered under the Council's Corporate Framework.

4.1 Sustainable Procurement

Sustainability is an important consideration when making procurement decisions. It ensures that we consider the environmental and social impact of procurement decisions. The Council is 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.

Sustainable Procurement enables the Council to significantly improve our contracting approach and change the way we engage with the market.

Whilst there are situations where contracting with a 'big' supplier to deliver a service will provide better control and process efficiencies, we also recognise that contracting with smaller, medium size organisations can enhance quality of service and provide better options for service users.

It is for this reason that we are strengthening our commitment to work more closely with local and SME suppliers and seek to deliver more innovative solutions through this approach. The Council has developed a Climate and Sustainability impact tool to aid the procurement process to be completed in all relevant tender applications and can be found at Appendix C.

Sustainable Procurement focuses on three main themes - environmental, economic and social sustainable developments.

Appendix A provides detail of the Council's commitments to Sustainable Procurement.

4.2 Best Value

Local authorities have a duty under the Local Government Act 1999 to obtain Best Value. Best Value does not mean the lowest cost. There are many aspects to achieving best value through the procurement process. The Council achieves this by performing benchmarking exercises, lessons learned exercises, market engagement and reviewing delivery to inform the specifications and requirements. The final evaluation model will determine how each element defines the measure of best value by the Council including meeting appropriate specifications, standards and delivery timescales as well as consideration for sustainable solutions (detailed in appendix A). The final model will provide a relevant weighting per quality questions vs price elements for evaluation purposes.

4.3 Best Value, Sustainability and Social Value

The Council is committed to take into account, in a manner consistent with Best Value and our statutory procurement obligations, our duty to promote or improve the social, economic or environmental well-being of our communities within our contracting process.

It is recognised that some technologies or approaches may cost more to buy than less environmentally efficient alternatives. Nonetheless with whole-life consideration, it may be more cost effective to buy such products and services.

As environmental efficiency is always an integral part of our requirements, we believe that it is fully consistent with the principles of Best Value to pay a bit more if necessary to obtain these benefits.

Therefore, when we identify a need for a product or service we will seek to incorporate sustainability requirements that are consistent with this strategy to the extent that it is relevant and proportionate to the subject matter of the contract. It will form part of the Most Economically Advantageous Tender (MEAT) evaluation process.

The purpose of a construction contract may be refurbished homes or a new corporate development. However, the project can create local job opportunities or provide local training. The legacy of the project is therefore an improved physical and social infrastructure. When considering service provision, we will seek to award contracts based on overall value (including Social Value) in line with the Public Services (Social Value) Act 2012.

The Council is a long standing advocate of the National Living Wage (NLW) and will ensure that its Contractors and Supply Chain will adhere and pay this as a minimum.

4.4 Environmental Procurement

Our vision for long term environmental sustainability in Three Rivers forms part of the Councils Corporate Framework. The Council is increasingly placing environmental sustainability and its potential for improvements in quality of life at the heart its vision for the future of all its residents. Three Rivers District Council has an Environmental Target of Net Carbon Neutrality by 2030.

High quality green open space; public realm green infrastructure; efficient waste services with a variety of recycling options; healthy, walkable streets; clean energy; and measures to address fuel poverty play an important role in fostering civic pride and sense of belonging amongst the residents and businesses of Three Rivers.

Over the years the Council has used its contracting activities to lead by example in the delivery of environmental sustainability objectives, particularly in terms of the types of vehicles we procure and deploy for the delivery of the Council's essential services: we have continued to develop a robust procurement approach that allows us to increase the take-up of emerging fuel technology that is clean, efficient and one which improves air quality within the District. This is shown in the initiatives developed at Batchworth Depot.

Our construction procurements focus on ensuring waste recycling on construction sites and use of energy efficient products to deliver less energy consuming buildings. There is a continue review of its infrastructure to deliver energy efficient schemes shown in the Server Room Air Conditioning upgrade at Three Rivers House. This has resulted in a cost reduction of 80% (£16,000) and a reduction of 59,000 kwh per annum. This is now a very energy efficient environment for the cooling of our servers. The Council has installed Air Source Heat Pumps to Three Rivers House in 2023 to further reduce its carbon.

This strategy builds on our achievements in this area with particular emphasis on green energy procurement. The Council also has a significant commercial and industrial portfolio with a strategy to ensure that those properties gain the relevant EPC standard prior to being leased to tenants.

- Using renewable resources and preserving un-renewable ones
- Reducing, reusing and recycling, with particular reference to plastics, and with a focus on re-use
- Reducing CO2 emissions, including measurement of whole life or embodied CO2 where practicable, taking into account manufacture, transport and disposal.
- If avoidance of CO2 is impossible, mitigation measures need to be agreed as part of the contract
- Diverting from landfill and incineration as far as practically possible
- Proactively sourcing low carbon and green energy
- Using "whole life" costing where practicable, taking account of the cost of disposal and decommissioning
- Purchasing sustainable timber products
- Adopting food and agriculture practices that enhance the health and welfare of people and animals, such as seasonal, local food; organically grown/raised; Fairtrade; and red tractor.
- Minimising negative impact of freight associated with the Council's procurement and contracting activities.
- Minimising biodiversity and ecological damage [such as through choices of pesticides/ herbicides/ composts and ensuring products and services have a net zero biodiversity impact, or net gain.]
- Reducing water consumption
- Choosing products with an appropriate lifespan [e.g. for phones, some are designed to be supported for 5 years plus (iPhones), while others are more like 3 years], which are durable, repairable, and are recyclable at end of use.
- The Council will lead, encourage and work with organisations submitting tenders to identify and understand emissions to eradicate these emissions by 2030 in accordance with the Council's aims.

These all contribute to a greener and brighter future and creating a diverse, happy and healthy town.

It should be noted that any Procurement may need to respond and be compliant with any changing outputs of the Environment Act 2021 with the Council ensuring a watching brief on developments.

4.5 Supporting the Local Economy

A key opportunity for the Council, as part of our commitments to obtain maximum value from contracted services and our wider spend with external organisations, is to strongly focus on securing enhanced contractual benefits for the local area, economy and for the health and wellbeing of our residents.

We aim to achieve more from our expenditure on services. As such we will, within the boundaries of regulatory requirement, be innovative in considering what economic benefits can be delivered through our contracting activities.

The Council recognises that there are significant advantages of engaging with small local businesses, for both the Council and the local economy. This is recognised in the Council's Objectives. The Council is committed to using procurement processes that encourage such businesses to compete for opportunities. Whilst UK Procurement Regulations preclude the Council from any explicit local buying policies through openness, fairness and transparency, the Council will procure in a manner that benefits the local economy. The Council has committed to advertising all contracts over £25k to Procurement Threshold and with a commitment to seek quotations from local suppliers for spend below £25k.

The Council will publish its Contract Register and procurement pipeline quarterly to ensure that there is a visibility of contract awards and future procurements. The council is committed to engage with the local market and to advertise future opportunities.

- Promoting social innovation
- Making payment on time to our suppliers
- Supporting local employment
- Encouraging local suppliers into the supply chain
- Looking to improve regeneration and integration of our local community
- Employment and skills initiatives including apprenticeships
- Procuring healthy and sustainable food

The Council defines "local" as Three Rivers, the South West Herts neighbouring boroughs and within 10 miles of the borough.

4.6 Procuring Ethically and Responsibly

The Modern Slavery Act which came into force in October 2015 further highlights the need to tackle unfair treatment of contracted staff across the whole spectrum of an organisation's supply chain.

The Council has, in the past, delivered on our equalities duties and have been proactive in ensuring that workers' rights are preserved as part of the procurement of new contracts and when a decision is made to in-source a service.

The Council will build on these achievements and take account of emerging issues and legislative demands in this area. The Council will also assess firing and rehiring employment practices as part of this process.

- Fulfilling our public sector equality duty
- Ethical practices such as Fair Trade

- Diversity (community, supplier and workforce)
- Paying the National Living Wage
- Tackling Modern Slavery and Human Trafficking

4.7 Management of Risk

Risk management is an integral part of a procurement process and must be considered at the planning stage of any procurement process. The Council 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. Mandatory Council policies need to be addressed within each procurement including policies such as cyber security, meeting national living wage and procurement compliance.

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 our 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.

4.8 Managing Contracts and Supplier Relationships

Contract and relationship management refers to the effective management and control of all 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. Buyers and contract managers 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.

4.9 Legal Considerations

The Council must adhere to the UK Public Contracts Regulations in its procurement activities. The Council has also developed its own Contract Procedure Rules which set out procedures, timescales, and rules for procurement and is part of the Council's Constitution. The key principles of the rules underpinning procurement activities are as follows:

- Fair and Equal Treatment
- Non-discriminatory
- Proportionality
- Transparency
- Mutual Recognition

The Council shall have regard to the principles in the procurement process and will continue to ensure all elements are met.

When the UK left the EU in January 2020 it made a commitment that there would be no immediate change to the procurement rules. Currently the government has produced a green paper on procurement that will likely implement change in 2024. The Council will continue to review emerging

information and directives and ensure that we revise our practices in line with any new rules that may impact our Contract Procedure Rules.

4.10 Strategy Success

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 forward planning by service areas;
- 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, 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.

5. Conclusions

This strategy sets out how procurement will support the Council in achieving its corporate vision in line with the Corporate Priorities through its tendering exercises and contract management.

It sets out procurement objectives taking into consideration the National Procurement Policy to achieve best value in this period of financial austerity for local government.

It highlights the Council's responsibilities and commitment to residents and that local businesses have the knowledge and tools to enable them to supply to the Council.

It ensures the council remains compliant with the Public Contracts Regulations 2015 as amended.

This strategy has been put in place to ensure that procurement continues to support the Council in achieving its objectives to 2023.

Appendix B sets out how the Council intends to measure itself to demonstrate success in achieving this Procurement Strategy.

Appendix A – Procurement Commitments (Sustainability)

Environmental Procurement

It is important that the council define clear environmental benefits in our procurement in a way that is practicable and proportionate to the value and complexity of each individual contract. The Council will use its Climate and Sustainability Impact Tool to aid the procurement process and provide transparency on environmental procurement as part of using the tool.

The outputs and outcomes that we set and agree with our suppliers will be realistic and we will be proactive with regards to how we track our progress, making sure that the outcomes are realised and captured through robust contract management.

Our commitments in this area:

- For Construction, Contractors will be required to re-use a certain percentage of the materials found on site. Disposal to landfill should be the last resort option.
- Where cleaning services and products are sourced, the contractual requirement will be for the use of biodegradable and plant-based products, fully-recyclable packaging, and/or the use of alternative cleaning methods, such as steam-cleaning to be employed. Alternatives would only be considered whereby the above would be justified to be unreasonable.
- The Council will encourage reduced packaging for products and the use of recycled and recyclable packaging over less desirable alternatives such as polystyrene.
- The Council will seek to minimise and ultimately bring to an end the use of plastics at the earliest opportunity.
- The Council will strictly prohibit all avoidable plastic, disposable, and non-recyclable catering materials for Council operations. Energy efficient products will reduce the carbon intensity of the local authority's functions through decreased energy consumption.
- The Council will actively consider the energy consumption, [embodied energy,] emissions levels, and other vital energy related sourcing requirements when we procure equipment and devices.
- The Council will also ensure electronic waste is minimised and, when produced, disposed of in a way that maximises re-use and/or recycling.
- Consideration will be given to products which are more durable and repairable, so do not need to be replaced as frequently, improving cost effectiveness and reducing the amount of material going to landfill and energy from waste. We believe it is worthwhile spending more on a product that will last and remain effective for appreciably longer.
- For our vehicle procurements, we will prioritize the procurement of zero emission vehicles. In the event that operational, technical or financial reasons prevent the purchase of zero emission vehicles an exemption will be sought and the Council will ensure vehicles used with lower levels of pollution, either through their manufacture, usage or disposal. This could relate to the actual vehicles meeting the relevant emission standards but also with specific reference to the fuel technology deployed for operating the vehicles
- Our approach for energy procurement will be to secure 100% of our total consumption from renewable sources as part of the procurement process and ensure that we maintain sustained growth of 'green' electricity in our energy contracts.
- The reduction of the frequency of delivery of purchased products by suppliers supplying to the

Council will have positive impact on air quality in the District. To this end, we will work with our suppliers to ensure that delivery schedules are reduced to the lowest possible frequencies.

- We will encourage suppliers to adopt processes and procedures to reduce their environmental impact, for example through certification to independent environmental accreditation schemes such as ISO14001, BES6001, others as relevant, including emerging standards, or their equivalent, where relevant and proportionate.

Procuring for Social Value (Everyone)

A key opportunity for the Council, as part of our commitments to obtain maximum value from contracted services and our wider spend with external organisations, is to strongly focus on securing enhanced contractual benefits for the local area, economy and for the health and wellbeing of our residents.

We aim to achieve more from our expenditure on services. As such we will, within the boundaries of regulatory requirement, be innovative in considering what economic benefits can be delivered through our contracting activities.

Our commitments in this area:

- We will consider the size of contract and assess if it can be split into smaller lots to make it more accessible to smaller and local businesses and the third sector without necessarily increasing costs or reducing quality control.
- For works and services contracts, we consider their capacity to provide jobs and training opportunities for local people. Where relevant, we will ask suppliers about their proposals for using local suppliers, their methods for achieving them and the expected results. The results will be included as targets within the contract.
- We will promote economic regeneration through active communication with local suppliers to support their access to information on business opportunities, how to do business with the Council and identifying who is responsible for different spend categories. The gateway for local suppliers to accessing contract opportunities is through various local, regional and national advertising portals.
- The Council will ensure that the Council's e-tendering system has links to relevant portals that would allow easy access to our contracts.
- As far as it is practicable to do, the Council will advertise contracts above the £25K threshold via our e-tendering system. Some contracts, by their nature are better packaged as relatively large contracts either because of their complexity or as part of securing efficiencies. Where this is the case, large suppliers will be encouraged to sub contract elements to local businesses and the third sector. Where the delivery of a service contract requires a supplier to have or to establish a local base for delivery, the supplier will be expected to demonstrate as part of the selection process that they will not only establish a local base but that they will also be encouraged to recruit locally.
- The Council will actively seek to secure jobs, skills training and apprenticeships opportunities for our residents through our supply chain. In particular, where appropriate, contracting expenditure with a threshold of £1M and extends beyond 12 months, and contracts with a significant workforce element will be required to deliver a minimum of one apprentice place, skills training, work placement or work experience for local students.
- The Council will continue to support our business community and third sector by organising and participating in workshops and other supplier engagement events to familiarise potential

suppliers with Council requirements and procurement processes.

Procuring Ethically and Responsibly

The Modern Slavery Act which came into force in October 2015 further highlights the need to tackle unfair treatment of contracted staff across the whole spectrum of an organisation's supply chain.

The Council has, in the past, delivered on our equalities duties and have been proactive in ensuring that workers' rights are preserved as part of the procurement of new contracts and when a decision is made to in-source a service.

The Council will build on these achievements and take account of emerging issues and legislative demands in this area. The Council will also assess hire and fire as part of this process.

Our Commitments in this area:

- The Council will ensure that our procurement activities supports the Councils ethos of valuing diversity and that our contracted services are accessible to everyone whatever their circumstances.
- will use innovative approaches to support local priorities, creating greater opportunity and prosperity for narrowing economic, environmental and health inequality; we will evaluate the impact of our projects and use what have learned to improve and further develop our services.
- Where the Council makes a decision to either renew its contracts or outsource any of its services to the private or voluntary sector, we will consider workforce issues and human rights with a view to deal with them on a case by case basis as allowed under UK procurement, local government and other relevant legislation.
- Specifically, we will seek to address the issues below.
- We require our suppliers to offer wages and benefits that as a minimum meet relevant industry benchmarks and nationally required standards and to consider pay and workforce conditions in its services and works contracts in a manner consistent with Best Value ensuring that pay rates are at least equivalent to the National Living Wage. The Council does not advocate the practice of hire and fire employers.
- Will promote the use of Fair Trade (and equivalent) products within our contracts and specifically for catering services delivered within the Council owned premises where Fair Trade (and equivalent) products will be solely served.
- Businesses with an annual turnover as that stipulated by the government, will be required to show that they have complied with the fundamental requirements of the Modern Slavery Act (2015) or risk facing exclusion at the qualification stage of a tender exercise. This will be in addition to existing requirements on equalities and non-discrimination of workforce.
- Our contract managers will ensure that annual Slavery and Human Trafficking Statements of our contracted suppliers are submitted and checked.
- We will promote consideration of Trade Union recognition as part of the operation of our contracted services and there will be early consultation with relevant Trade Unions before we embark on the procurement of outsourced services to ensure that issues such as the transfer and treatment of staff under TUPE as well as terms & conditions, including pay, training and pension provision are fairly negotiated.
- The Council will also require its suppliers to establish a whistleblowing process that allows contracted staff to report concerns about how their employer deals with workforce matters in

their workplace, particularly if the issue being reported is widespread within the organisation.

Appendix B – Measurement of Procurement Success

The following metrics will be benchmarked by the Council to demonstrate success of this Procurement Strategy:

- **Assessment of Spend under Contract (against the Council’s Contract Register)**
- **Publication of the Procurement Route adopted by the Council for Contracts awarded (advertised, framework, quote) as stated within the Contract Procedure Rules**
- **Procurement Exemptions (Number and Value)**
- **Financial Performance – Savings (Cashable & Non Cashable)**
- **Social Value Commitment (See below)**
- **Move to Net Carbon Zero (measured – as part of our Sustainability strategy)**

For our Sustainable Procurement metrics, the Council will record and report on the following:

Environmental Procurement

Our procurement activities and each procurement projects would be expected to have specific targets against these measures:

- **% of FSC timber used in a given product**
- **% of material recycled or utilised on site**
- **% reduction in water consumption**
- **Energy saved (KWh) comparing product A to B**
- **Reduction in carbon emissions (tonnes) – as part of the council’s Sustainability Strategy.**
- **Whole life cost (including disposal)**
- **Whole life energy consumption / CO2 emissions**

Social Value

Our procurement activities and each procurement projects would be expected to have specific targets against these measures.

- **Number and percentage of local people employed on the contract**
- **Number and percentage of local people offered training and apprenticeships**
- **Amount and percentage of spending with local subcontractors**
- **Amount and percentage of direct spend with local suppliers**
- **Amount and percentage of direct spend with Small and Medium Size Enterprises**
- **Amount and percentage spend of direct spend with the third sector**
- **We will expect all our contracts to be paying as a minimum NLW**

Three Rivers District Council will review and adopt the National TOMS Framework for Social Value and build this evaluation criteria into its procurement.

These commitments will be delivered as Key Performance Indicators within the Contract.

See typical categories and social values below:

TOMs Theme	TOMs Outcomes	Client's Priority Rating 10 (highest) - 1 (lowest) All columns to be completed
Jobs: Promote Local Skills and Employment	More local people in employment	
	More opportunities for disadvantaged people	
	Improved skills for local people	
	Improved employability of young people	
Growth: Supporting Growth of Responsible Regional Business	More opportunities for SMEs and VCSEs	
	Improving staff wellbeing and mental health	
	Ethical Procurement is Promoted	
	Social value embedded in the supply chain	
Social: Healthier, Safer, and more Resilient Communities	Crime is reduced	
	Creating a healthier community	
	More working with the community	
Environment: Decarbonising and Safeguarding our World	Carbon emissions are reduced	
	Air Pollution is Reduced	
Innovation: Promoting Social Innovation	Social innovation to support responsible business	
	Addressing needs and priorities as identified by stakeholders	
	Social innovation to enable healthier safer and more resilient communities	
	Social innovation to safeguard the environment and respond to the climate change	