

# **Procurement Strategy**

**2021 – 2024**

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## 1 Introduction

- 1.1 The importance of effective procurement has never been greater for local government. The demand for public services is increasing, while resources are drastically reducing. The pressure to find greater efficiencies and improve productivity is driving councils to look for different ways to deliver better outcomes for local people.
- 1.2 This strategy sets out our vision for procurement and our priorities for the next 3 years to 2024, 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 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 next two to three years we estimate the Council will spend in the region of **£163m** on goods, services and works across our general fund and housing services. This is a significant investment of public funds and we clearly have a responsibility to make sure this spending represents value for money.

Projected Revenue and Capital Expenditure on goods, services and works:

Directorate	Forecast 2021/22 £m	Forecast 2022/23 £m	Forecast 2023/24 £m	Total £m
Housing & Communities	47.2	32.9	25.2	105.3
Development & Place	1.3	0.9	0.6	2.8
External Operations	16.0	14.3	13.6	43.9
Internal Operations	4.0	3.8	3.5	11.3
Totals	68.5	51.9	42.9	163.3

- 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. 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 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 £60billion a year procuring a wide range of works, goods and services, from everyday items such as pens and paper, to major construction projects such as schools and hospitals. 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 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 teams 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 Council's strategic and operational priorities, with relentless focus on value for money and financial performance, as well as wider strategic aims.

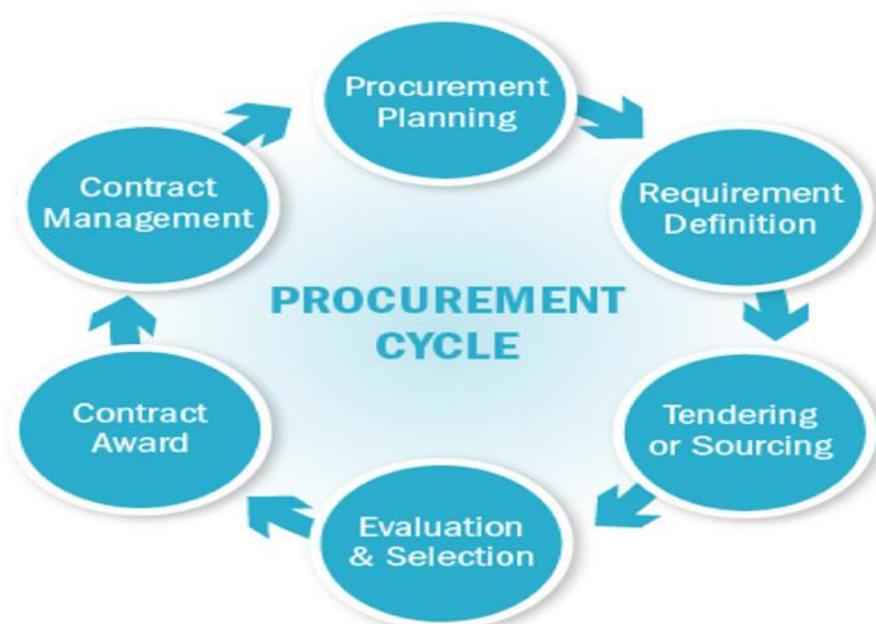
### **Achieving Community Benefits**

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 improved environment.

- 5.2 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;
- 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 inter-dependent – 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 and Financial Procedure Rules. During 2021 we will develop procurement guidance and training to support services and the procurement team 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 There are several types of procurement procedures we can currently use, these are

described below:

- **Open Procedure** – any supplier may submit a bid for an advertised opportunity.
- **Restricted Procedure** – any supplier may express an interest to participate in this procedure, but only those suppliers who pass a pre-selections process may submit bids
- **Competitive negotiated procedure** – any supplier may express an interest to participate but only those who pass a pre-selection process may submit an initial bid and then to negotiate.
- **Competitive dialogue** – any supplier may express an interest to participate but only those who pass a pre-selection process may enter into dialogue over possible solutions to a requirement (following the dialogue stage a minimum of 3 bids must be invited).
- **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-competition with all suppliers. 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 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 which are detailed below:

- **The Competitive Flexible Procedure:** which would be consistent with the general principles of procurement, minimal detailed rules, advertised at the start and at award (consistent with the more comprehensive transparency proposals), permitting buying teams greater flexibility to design an appropriate process including opportunities to negotiate and innovate.
- **The Open Procedure:** which would retain the existing process for more routine, 'off the shelf' purchases.
- **The Limited tendering procedure:** Similar to the competitive procedure without publication, gateway criteria to its use to be retained (urgency etc.) but to introduce a new 'crisis' criteria (see below); introducing mandatory contract award notice (consistent with greater transparency requirements)

6.5 The Procurement Strategy will need to be reviewed and updated as new legislative

requirements such as the above are introduced.

- 6.6 The 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.
- 6.7 We will 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 optimise this approach whilst ensuring supplier groups (e.g. the voluntary sector) are not disadvantaged.
- 6.8 Purchasing cards will be used where and if appropriate, in line with the Purchasing Card Policy, to reduce transaction costs particularly for high volume, low value and ad-hoc purchases.

## 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 Council.

<b>Key Area – Engaging Senior Managers</b>				
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.				
<b>Importance:</b> Good procurement and commercial (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 the procurement and commercial issues from the earliest stages of the project.				
<b>Minimum</b>	<b>Developing</b>	<b>Mature</b>	<b>Leader</b>	<b>Innovator</b>
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 Somerset West and Taunton Council.

## **Members' roles in procurement**

- 8.3 Members are responsible for overseeing procurement activity and direct involvement in procurements that are key decisions as set out in the Constitution.
- The Executive is responsible for approving the Council's Procurement Strategy.
  - Audit Governance and Standards Committee is responsible for monitoring compliance with the Contract Procedure Rules, holding leadership and management 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.

## **Senior Management Team**

- 8.4 The Chief Executive and Directors 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 Operational managers, project managers, purchasing and procuring officers, and their support staff are responsible for:
- Each relevant operational 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 are formed to ensure that technical, legal and commercial issues are considered, using the project management framework.
  - It is the responsibility of the Contract / Project manager to identify and develop business requirements and ensure adequate budget is in place or obtained in line with Financial Procedure Rules.
  - 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 of the purchasing requirement, working with procurement team 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

### **Procurement Team**

8.6 The duties of the procurement team 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 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 plans, information and advice to potential suppliers and staff; to comply with transparency requirements.
- Development 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 post contract appraisals and reviews.
- Ensuring the procurement process eliminates the potential for fraud and favouritism 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.
- 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 District 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.
  - 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.
  - Fulfil obligations under the Biodiversity duty as part of our Corporate Biodiversity requirements.

## **12 Supporting the Local Economy**

- 12.1 We recognise that there are significant advantages of engaging with small local businesses, for both the 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. The procurement team will through local events such as Meet the Buyers meetings where we can 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, 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 will actively engage with the requirements of the Corporate Equalities Action Plan. The Council is committed to ensuring that major suppliers and contractors share our equality and diversity vision and values, and work to implement these. To achieve this, the Council will:

- Ensure our appointed contractors share, and help deliver, our equality objectives;
- Provide templates, guidance and training on equalities for procurement staff;
- Develop ways to monitor the equality performance of our key suppliers and provide assistance 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 practising modern slavery.
- Highlight to our suppliers that contracted workers are free to join a trade union and are not to be treated unfairly for belonging to one.
- 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.
- 13.7 The Council will ensure compliance with the code of practice on handling workforce matters in contracts.

## **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 project management methodology throughout a projects life to ensure it delivers the project objectives and outcomes. Risks and issues register(s) relating to the procurement will be set up and regularly monitored by the project team.

## **15 Managing Contracts and Supplier Relationships**

- 15.1 Contract and relationship management refers to the effective management and control of 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.
- 15.2 Buyers and contract managers 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 contract management to provide an annual update of their business continuity plans. This is the responsibility of contract managers, and will be monitored for compliance by the Procurement Team.

## **17 Measuring Performance**

- 17.1 During 2021 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.

### Version Control

Version	Date	Purpose	Changes	Originated	Authorised
1	February 2021	New document		PES	SMT 3/3/2021

## **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.
- Initially there was no immediate changes to procurement policies, however the government has the power to introduce new or temporary procurement legislation

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

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

### **Local Government Transparency Code 2015**

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

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

### **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-statutory-guidance>

## **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 Procedure Rules 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.

<https://democracy.somersetwestandtaunton.gov.uk/ieListDocuments.aspx?CId=331&MIId=2523&Ver=4>

## **Other Council plans and policies**

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

Corporate Strategy and Annual Plan  
Carbon Neutrality and Climate Resilience Strategy and Action Plan  
Risk Management strategy  
Financial Strategy  
Capital 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 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.

- Meeting targeted and recruitment and training needs: Offering a range of apprenticeships, training and skills development opportunities as well as employment opportunities.
- 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 District 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 district, 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.