

Harlow Council Procurement Strategy 2020

HARLOW



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Harlow
Council
Working together for Harlow

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1. INTRODUCTION

The Council has a duty to secure best value and continuous improvement in the way that functions are carried out, having regard to a combination of efficiency, economy, and effectiveness. Effective procurement is crucial in securing high quality, best value public services and the Government has highlighted that the development of a clear procurement strategy is a key step towards achieving best value and delivering demanding efficiency targets.

Since the last Strategy was adopted in 2018, a number of new external influences have been taken into account, including: Climate Change, UK Anti-Corruption Strategy 2017- 2022 (Year 1 Update); and more recently the Coronavirus (COVID 19) pandemic.

Procurement is defined as: *"the process of acquiring goods, works and services, covering both acquisitions from third parties and from in-house providers. The process spans the whole cycle from identification of needs, through to the end of a services contract or the end of the useful life of an asset. It involves options appraisals and the critical 'make or buy' decisions which may result in the provision of services in-house in appropriate circumstances.*

Procurement is an important tool in a Local Authority's toolkit through which to deliver its wider social, economic, and environmental aims; and not just about buying goods, works and services at the lowest prices.

We ("the Council") need to ensure that we are providing value for money for all our stakeholders. At the same time we are committed to providing quality services and forming good relationships with our Suppliers.

With decreasing resources procurement has an even greater role to play. It plays a key role in making savings and efficiencies across the Council. The ability to do more for less will be essential to make further savings across the Council, whilst maintaining high quality services.

The Procurement Strategy ("the Strategy") has been developed with the Council's vision in mind "*Working Together for Harlow*" and to promote the close working relationships it has with the town's residents, its Suppliers and organisations that wish to work with us.

The Strategy recognise the **National Procurement Strategy for Local Government (2018)** ‘**Delivering the Ambitions**’ and the ‘key themes’ and ‘enables’ that reflects local government’s priorities until 2022. These are:

Key Themes	The Enablers
<ul style="list-style-type: none"> • Showing leadership • Behaving commercially • Achieving community benefits 	<ul style="list-style-type: none"> • Developing talent • Exploiting digital technology • Enabling innovation • Embedding change

The Strategy provides the Framework in the way in which procurement take place at the Council and supports the Council’s the five priorities and three principles, which are:

Corporate Priorities	Corporate Principles
<ul style="list-style-type: none"> • More and Better Housing • Regeneration and a Thriving Economy • Wellbeing and Social Inclusion • A Clean and Green Environment • Successful Children and Young People 	<ul style="list-style-type: none"> • Being the Community Leader • Sound Resource Management • Equalities and Fairness

When an Officer procures goods, works, or services they will consider the corporate priorities and principles and ask questions such as: *Can the voluntary or community sector be involved in this procurement? Can this project boost the local economy? What is the environmental impact of this procurement? How does Harlow residents want this delivered? What value add can be extracted from the process? What consultation is required? How will the Council’s equalities duty be met and furthered during and as a result of the process?*

The Strategy will help us to meet our duty to demonstrate value for money in service delivery whilst ensuring that the Council’s aspirations can be met. In so doing, Officers shall:

- Strive to obtain and secure value for money and where possible deliver savings and efficiencies from all goods, works and services required by the Council.
- Ensure the procurement of goods, works and services are open, fair, ethical, lawful, and transparent.
- Deliver procurement excellence through the identification of new and innovative solutions for service delivery; and

- Listen, advise, and share knowledge and procurement experiences and expertise.

2. THE COUNCIL'S PROCURMENT OBJECTIVES

The Council spend on goods, works and services are procured within the context of Contracts Standing Orders (CSOs), the policies of the Council and all relevant UK and EU legislation.

For the duration of this Strategy the Council will apply the following procurement objectives to meet the operational and strategic needs of the Council:

- Ensure compliance with our Statutory procurement obligations;
- Continue to improve access to the Council's contracts; and where possible collaborate with other public sector bodies/organisations;
- Continue to promote the role procurement as an efficient and effective way to deliver value for money services;
- Embed the principles of continuous improvement within our procurement methods and processes.

3. WHO IS THE STRATEGY FOR?

Council Members	To guide, challenge and review the way procurement is applied at the Council
Senior Management Board	To manage their Service area in compliance with the principles and actions in the Strategy
Corporate Procurement	To support the Council's goals and objectives by implementing the Strategy across the Council
Key Stakeholders e.g. residents, contracting organisations, voluntary sector	To inform and give an understanding of the direction of procurement at the Council and its requirements.

4. GOVERNANCE EXPECTATION

The Council's Governance Expectation sets out, as far as it is able to do so under law how the Council will expect its Suppliers to act. The matters listed below and the extent to which they will be applied to any procurement must be proportionate and relevant to the contract.

General Data Protection Regulation 2016/679 (GDPR): The Council is committed to ensuring that personal data is processed, stored, or shared as securely as possible and only for those purposes for which the personal data is collected. During the pre-contract process data collection and processing is identified and scoped. Data required for the purposes of all settled contracts are subject to enforceable contract terms as provided for under Articles 17 and Article 28 to Article 36 and Recitals 81 to 83 and relevant amendments or additions to the GDPR in force from time to time.

Modern Slavery Act 2015 (MSA): The Council is committed to doing what it can to combat slavery and prevent human trafficking within its business and supply chain. The Council's aspiration is to have a positive impact on the fair and safe working conditions of those working directly or indirectly for us and we expect our suppliers/contractors/partners to share our vision. The Council also acknowledges its duty to notify the Secretary of State of suspected victims of slavery or human trafficking in accordance with s.52 MSA and the Modern Slavery Act 2015 (Duty to Notify) Regulations 2015. A Modern Slavery Act statement is published on the Council's website and reviewed annually.

Due Diligence: The Council will use all endeavours to ensure that all suppliers have in place policies and procedures that address any workers legitimate concerns pursuant to governing legislation e.g. Health and Safety issues, Whistleblowing, Trade Union membership; and where appropriate include proportionate contract clauses in the Council's terms and conditions.

Living Wage: Every Council employee earns at least the Living Wage. The Council's vision is much wider and encourages all its Suppliers to pay the Living Wage through the procurement process.

Apprenticeship & Local Employment: The Council will encourage the employment of apprentices, local labour, employment and training opportunities through the procurement process and contract management.

Zero Hours Contracts: The Council will refuse (to the extent the law allows) the appointment of contractors who make use of zero hours contracts.

Ethics: The Council will promote ethical behaviour and encourage Suppliers to use Fair Trade products, minimise the harm caused by trade and encourage good practice, recognise

Trade Unions, and seek to make a positive contribution to the local community through the procurement process and its contracts.

Equalities Duty: The Council will promote and further equality of opportunity in line with public sector guidance.

Contract Management: Effective procurement is measured by the outcomes and not by the completion of the process. Contracts must be effectively managed throughout their life and at expiry to ensure that all benefits identified in the procurement process are delivered. The Council will expand its skills base in contract management and apply Key Performance Indicators to measure performance. Contracts with a duration of 12 months or greater, or an aggregate value of £50,000 or more shall be subject to a formal post contract review.

Climate Change: The Council's Climate Change Strategy has set targets to (amongst others) reduce the Council's Carbon Footprint and reduce the use of single use plastic, requiring inclusion of specific performance measures when procuring goods, works or services

5. OPERATIONAL GOVERNANCE

The statutory framework and rules for procurement are set out in Contract Standing Orders (CSOs) and the Financial Regulations, which forms part of the Council Constitution. The roles and responsibilities are also set out in these documents. Compliance with the Strategy is compulsory.

A core part of the Council's corporate governance is risk management. In the context of procurement it is about ensuring procurement at the Council is delivered within a consistent structure, and that the Council makes decisions based upon a process that explicitly defines and supports better decision-making. This is achieved by better management of the risks involved in procurement and their impact upon the Council. Risks will be added to service risk registers or (where appropriate) the Corporate Risk Register and reviewed regularly.

The Strategy is supported by Procurement Guidance documents and toolkit, which provides details of the systems, procedures and actions required to meet the requirements of this Strategy. To support this, the Corporate Procurement Team will ensure that the Procurement

Guidance Documents (which set out in more detail how CSOs are to be applied) will be implemented through practical advice and guidance.

6. RESPONSIBILITY

In all their dealings, Councillors and Officers will preserve the highest standards of honesty, integrity, impartiality, and objectivity in accordance with the Council's Constitution, Financial Regulations, Contract Standing Orders and Member's and Employee's Code of Conduct.

Where the procurement involves the potential transfer of an employee (TUPE), the Council shall take every care to ensure the transfer is handled in accordance with the advice and guidance published by the Department for Business Innovation and Skills (Labour Market).

All goods, works and services commissioned by the Council will operate within the requirements of the Council's Child and Adult Safeguarding Policy and meet the relevant legislative standards.

Heads of Service are responsible for procurement planning, decisions, and the day to day activities in their Service areas in conjunction with the Corporate Procurement Team. The Head of Service shall designate an appropriately qualified and experienced Officer ("the Contract Manager") to manage and monitor contracts to ensure that the contract is fully implemented.

The **Corporate Procurement Team** is responsible for providing a comprehensive procurement service, technical expertise, advice, guidance, and support, seeking where appropriate specialist legal advice and guidance on all aspects of procurement law and practice from the Council's Legal Services. The Team will implement and monitor the Council procurement activities.

All procurement exercises involving expenditure of £5k and greater (this includes goods, works and services subject to EU Procurement regulations) are subject to the advice and guidance of Corporate Procurement.

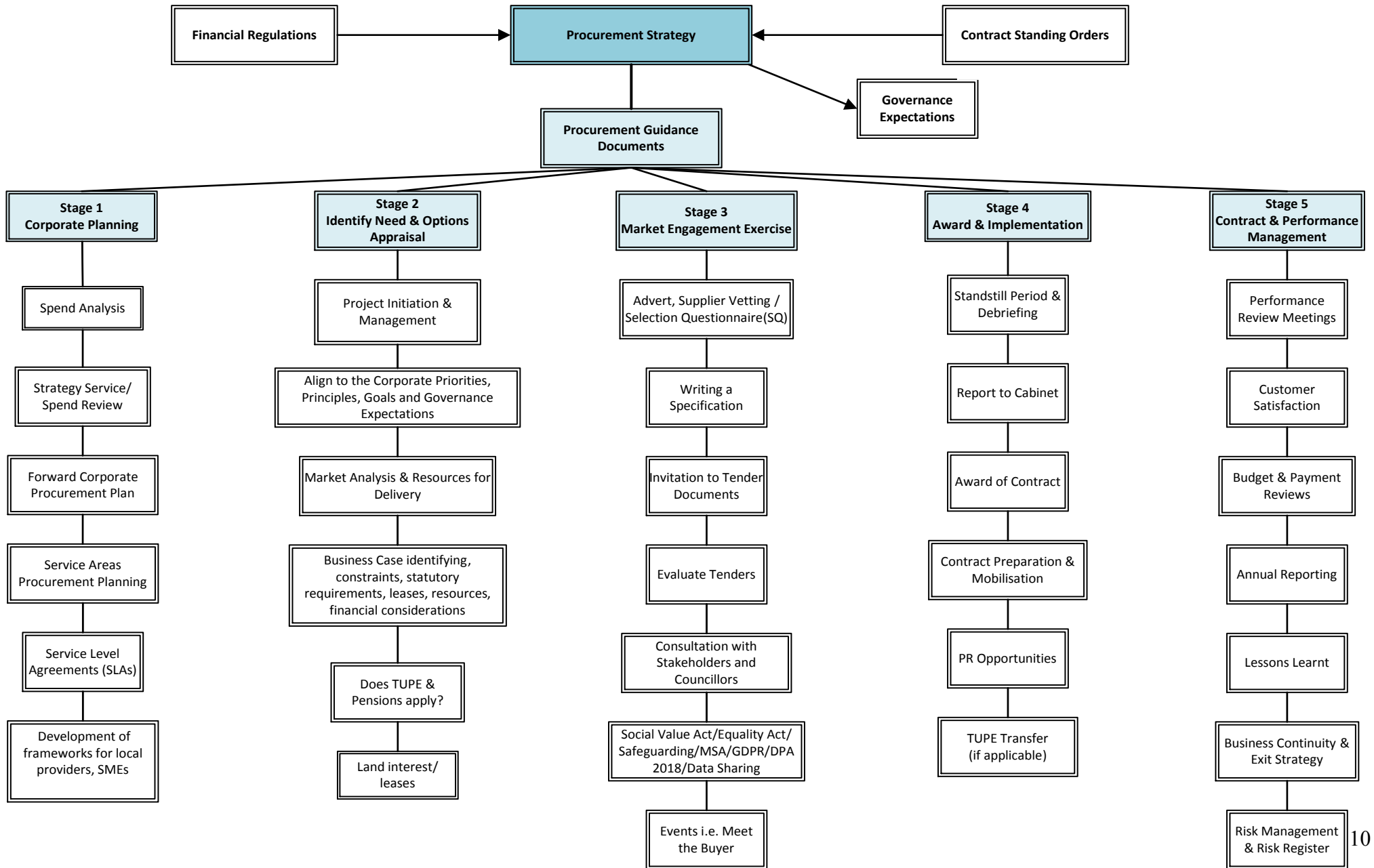
The Strategy is a 'living' document that will be updated at regular intervals in accordance with Council policy or through statutory amendments.

7. THE PROCESS

The Strategy will be delivered by reference to the key stages of the procurement (“the Procurement Framework”) outlined at **Appendix 1**, which embraces the Council’s vision. The Strategy applies to all procurements from routine low value to high value and complex projects.

The Council’s procurement activity is governed by the legislation set out in **Appendix 2**.

APPENDIX 1 – THE PROCUREMENT FRAMEWORK



APPENDIX 2 - LEGISLATION

The Council's procurement activity is governed by legislation including the following (this is not an exhaustive list):

Public Contracts Directive 2014/24/EU Introduces changes that will provide a more modern, flexible, and commercial approach to procurement. The Directives were implemented into national law through the Public Contracts Regulations 2015.

Concessions Directive 2014/23/EU: Procedures for the award of works and services concessions contracts

Public Contracts Regulations 2015: Introduce Major changes to the way the public sector procures goods and services. The changes to simplify the approach to procurement across all public sector authorities to enable small businesses to gain better and direct access to the public sector market and include:

- The removal of Pre-Qualification Questionnaire (PQQ) for low value contracts for the supplies and services; and a single and standardised SQ (for the public sector) for above the European Union threshold.
- Promoting the payment of invoices with 30 days and these terms incorporated into the contract conditions; and late payment of invoices to first tier suppliers to be published annually.

The Concessions Contracts Regulations 2016: Procedures for the award of concession contracts

Public Services (Social Value) Act 2012: The Act requires social, environmental, and economic factors to be taken into account. Only factors relevant and proportionate to the subject of the proposed contract can be considered.

Localism Act 2011: A set of rights for communities. These are:

- Community right to challenge - allows voluntary and community groups, parish councils or two or more members of local authority staff to express an interest in running a service currently commissioned or delivered by a local authority.

- Community right to bid - allows communities to nominate buildings and land that they consider to be of value to the community, to be included on a local authority-maintained list.

Equality Act (2010): Creates an umbrella for all equality and diversity legislation. In 2011, the Act introduced a Public Sector Equality Duty which required public bodies to consider how decisions and services may impact upon different groups in the community. Mechanisms are in place to ensure that Suppliers and the Council comply with Equality Act 2010 and the Public Sector Equality duty.

Local Government Transparency Code 2015: This places an obligation on Local Authorities to publish details of any contracts, commissioned activity, purchases orders, agreements and any other legally enforceable agreement with a value that exceeds £5,000.

Modern Slavery Act (MSA) 2015: The Act is the first of its kind in Europe and received Royal Assent on 26 March 2015. The Act consolidates slavery and trafficking offences and introduces tougher penalties and sentencing rules. Through the provision “Transparency in Supply Chains”, the Act seeks to address the role of businesses in preventing modern slavery from occurring in their supply chains and organisations. Specified public authorities (including the police and local authorities) have “a duty to notify” the Secretary of State of any individual encountered in England and Wales who they believe is a suspected victim of slavery or human trafficking.

Safeguarding: Harlow Council does not have a statutory responsibility for the protection of children (this lies with Essex County Council) but is obliged to perform certain functions that will help safeguard and promote the welfare of children in the area.

Sections 27 and 47 of the Children Act 1989 and Sections 10, 11 and 13 of the Children Act 2004 place a duty on public bodies, including District Councils, to make arrangements to promote co-operation between the authority and its partners in respect of Safeguarding matters; ensure that their functions are discharged with regard to the need to Safeguard and promote the welfare of children and young people and to participate in the work of local Safeguarding Children Boards.

Essex County Council also has a statutory responsibility to safeguard adults with care and support needs and Harlow Council therefore aligns its functions and processes to the Southend Essex and Thurrock Safeguarding Adults Guidelines.

Contracted services are required to evidence that they have robust safeguarding policies and procedures in place, and these will be monitored regularly by the contract manager.

Harlow's Contracts Standing Orders (CSOs) & Financial Regulations: CSOs are a requirement of Section 135 of the Local Government Act 1972. All procurement is undertaken within the Council's regulatory framework as set out in the Constitution, Contract Standing Orders and Financial Regulations.