

BASILDON BOROUGH COUNCIL

PROCUREMENT STRATEGY

“Procuring Opportunity”

Objectives:

- **Sustainability**
- **A Commercial Approach to Deliver Value for Money**
- **Promoting access to contract opportunities**
- **Enabling agility through innovation**



INTRODUCTION

This Council's Procurement Strategy (the Strategy) clarifies the overall direction and vision for providing value for money through the purchase of goods and services using the procurement function at Basildon Borough Council (the Council).

In December 2007, the Council adopted its Corporate Procurement Strategy 2008-2012, setting out five strategic objectives and associated aims:

- 1. Provide direction and a framework for procurement activities;**
- 2. Develop council wide knowledge of the procurement process**
- 3. Increase accountability for responsible spending;**
- 4. Strengthen central oversight and guidance of procurement**
- 5. Promote fair and effective relationships with external suppliers, including local suppliers.**

Over the last four years, the Council has been successfully demonstrating continuous improvement within these objectives through a dedicated corporate procurement team working within revised governance procedures, providing dedicated training, encouraging engagement, building internal and external relationships, implementing category management towards greater corporate spending analysis, rationalising suppliers and increased contract management with performance monitoring.

External reviews and assessments of the devolved procurement function have revealed that the Council is advanced in its approach to procurement, has adopted best practice and the actions undertaken have significantly contributed to improved and streamlined processes, wider compliance, delivering value for money Council services whilst producing savings towards the council's efficiency targets.

The Council has undertaken initiatives to support and develop our local businesses and small to medium enterprises through the tendering process. Procurement activities are developed with due regard to the impact on businesses and shaped appropriately. Provision of local business forums has increased supplier engagement with training sessions and workshops dedicated to assisting local businesses either to secure work with the Council or with the private sector. These initiatives have received good feedback from the business community.

However, the current economic outlook means that councils are working harder than ever to maximise the benefits from every taxpayer pound that is spent, balancing value for money against local growth. Third party procurement expenditure is the second largest expenditure item in a local authority's accounts behind staff costs and is a prime candidate for contributing to the financial reductions that all local authorities are required to make. These savings cannot be achieved with the Council working on its own, solely through improved processes and governance frameworks. Collaborative working between authorities and other sectors combined with smarter engagement with key suppliers and markets could also yield significant cashable savings.

Local Government requires a new commercialism, which recognises from the outset the diversity of local choice underpinned by a mixed economy of service delivery models which make councils so unique. At the same time it also recognises that the world has changed too. Suppliers and markets are now global and are adept at market conditioning. The resource used to procure or commission on behalf of the council needs to use insight

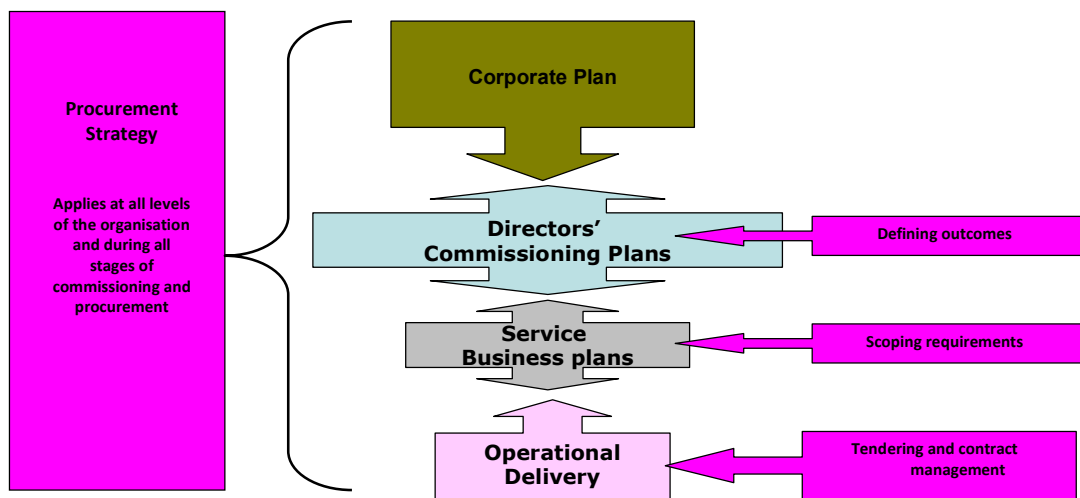
data, reviewing demand management and detailed spend analysis. It also needs to focus on outcome based specifications and building a full understanding of markets and suppliers. This will allow the correct delivery model to be sought deriving the required outcomes at an appropriate cost.

EXECUTIVE SUMMARY:

In the Council's Corporate Plan 'Creating Opportunity', the Leader's Foreword demonstrates that local government is a changing environment but the Council remains committed to create opportunity underpinned by five promises that form the basis of the plan and everything the Council will do over the next five years.

The first two of these five promises will be to provide value for money and get the basic right – this is the day job. Achieving these two will give us the headroom to tackle the next three that will really change our borough and create the opportunity we want for our local people. These three promises focus on demanding good public services from our partner organisations, supporting and developing the local economy, and positively transforming our borough.

The Council's procurement activities should be flexible to reflect and promote the Council's Corporate Plan, objectives and promises. The Council seeks to secure commitment to good procurement practice across all organisational levels.



Through the review of the Council's Procurement Strategy, the strategic objectives have been refreshed and updated ensuring these support and help deliver the five promises whilst remaining relevant to achieve efficient and effective procurement. For 2013-16, these will be:

- 1. Sustainability**
- 2. A Commercial Approach to Deliver Value for Money**
- 3. Promoting access to contract opportunities**
- 4. Enabling agility through innovation**

In delivering against each Objective, the Council's Values of Fairness, Integrity and Innovation will act as a guide on what would be the 'right' and reasonable thing to do.

Each of these objectives is also underpinned with examples on what we have done, areas and outcomes for increased focus and enablers on how these will be promoted and embedded together with best practice and legislative requirements; these will continue to build upon the aims and objectives under the previous strategy where appropriate. It is also important to recognise that the governance arrangements in place at the Council have been fundamental in the achievements through the procurement function to date and must not be comprised, but built upon and enhanced to ensure relevant and streamlined supporting transformation and new ways of working.



Councillor Turner
Deputy Leader, Cabinet Member for
Procurement
Basildon Borough Council



COMMISSIONING COUNCIL:

Commissioning is the process for deciding how to use the total resources available in order to improve outcomes in the most efficient, effective, equitable and sustainable way.

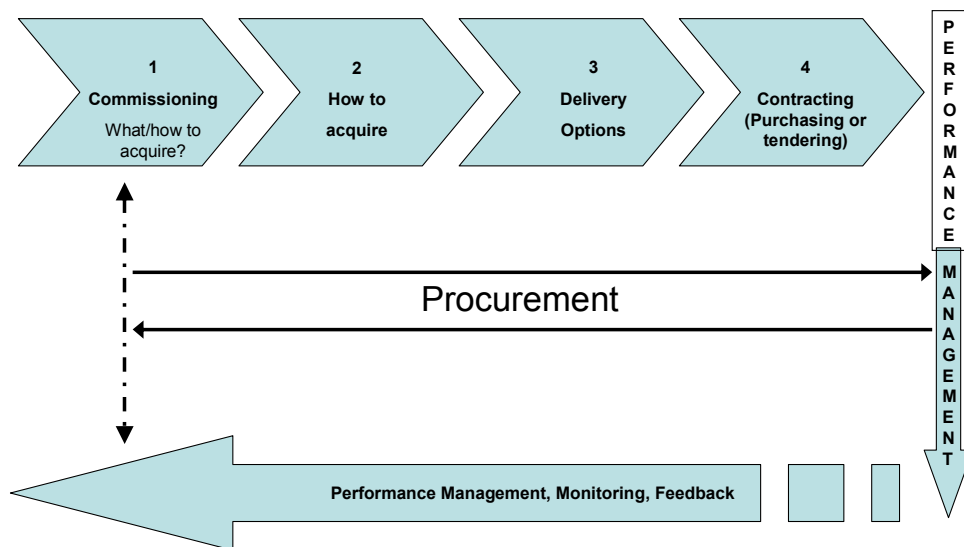
The Council is adopting robust approaches to decide on, and deliver the right outcomes and services by the right providers using the right processes. This is achieved through more selective and intelligent commissioning based on an aligned understanding of customer needs, simplified, standardised ways of working, and a supply chain that is efficient and effective responding to meet demand in a flexible way.

The supply chain will consist of an integrated network of customers, community groups, voluntary sector, other public sector bodies and private sector organisations alongside the Council itself.

Enhanced procurement and contract management practices are integral to embed effective commissioning and demand management approaches across the organisation.

To ensure the Council remains agile in its approach to Commissioning, the procurement strategy will be flexible according to the works, goods or services being sought and driven by the underlying business case and desired outcomes. It will also directly support the Council's pledge to 'Create Opportunity' for its community.

The table below sets out key phases of the procurement cycle:



Category Management will continue to be used to identify areas of spend where savings could be made to the Council's third party expenditure. Demand management will be used to review the way the Council is using its resources and together with a commissioning approach, all possible methods of delivery will be considered. The focus will be on outcomes rather than on prescriptive inputs and outputs.

This approach will be influential as one part of the process by which the Council delivers and demonstrates Value for Money, which is one of its five promises.

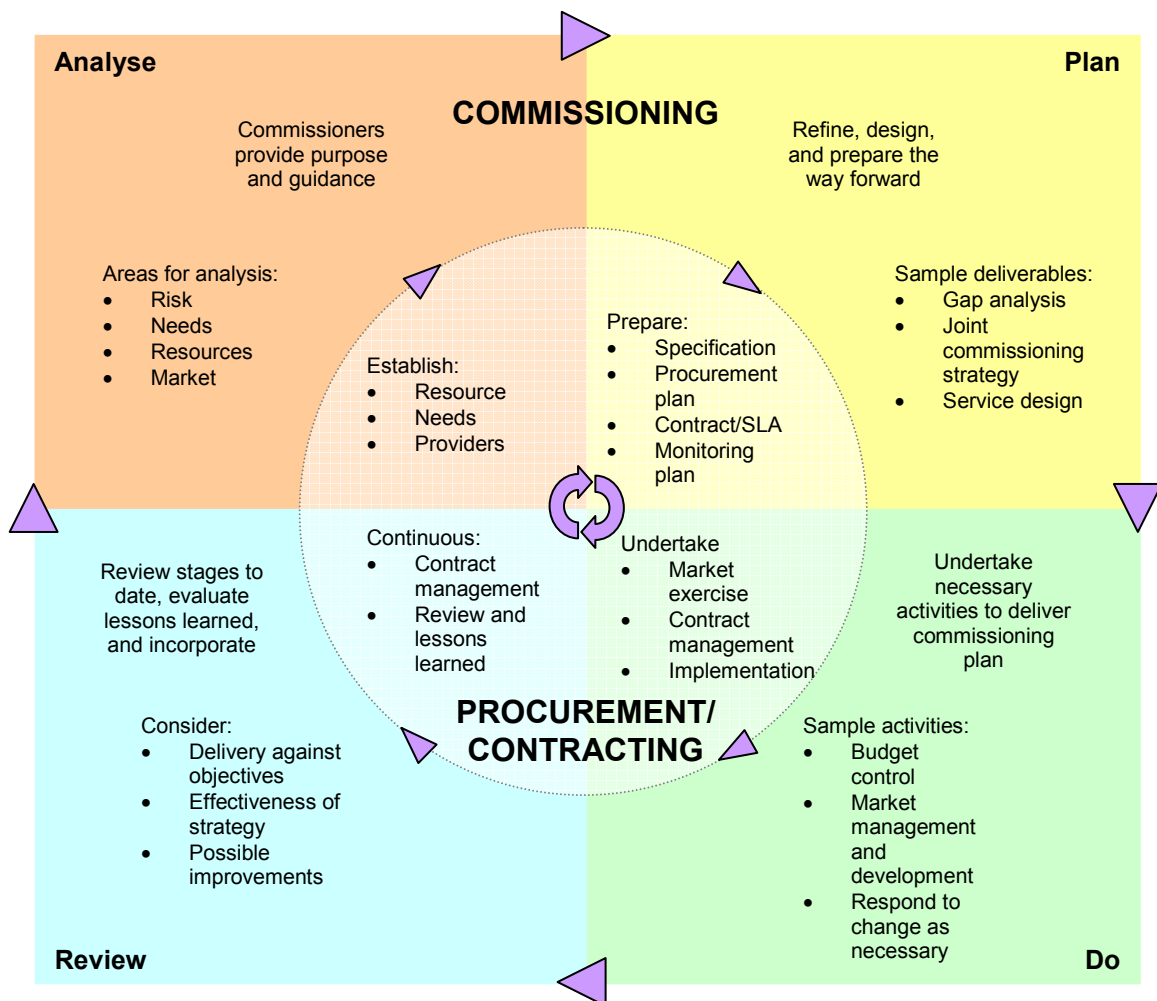
Kieran Carrigan
Commissioning Director for Resourcing and Section 151 Officer

ROLES AND RESPONSIBILITIES IN PROCUREMENT – EVERYONE’S RESPONSIBLE

The procurement function is an important part of Good Governance as well as providing value for money and sustainable services to enable the Council to create opportunity. Whilst ‘procurement’ falls within the remit of the Deputy Leader of the Council and Commissioning Resourcing, the day-to-day transactional procurement activities are devolved throughout the Council. The Procurement Team promote and drive improvements that impact the whole process. A consistent but innovative, agile and flexible approach will be adopted across the Council complying with all applicable regulations and in keeping with the Council’s corporate objectives.

The importance of the role of all Services and their employees cannot be underestimated and each procurement exercise should follow the appropriate level of project management methodology to ensure that the maximum benefits are obtained through the procurement cycle at the Council. This will also be used by members through Cabinet Member and Scrutiny functions.

Commissioning and procurement are complementary activities. Through commissioning, the Council defines the outcomes required to deliver the Five Promises. Through procurement, the Council then secures the delivery of those outcomes and management of contracts in accordance with the objectives set out in this strategy. The diagram below, based upon the “procurement cycle,” illustrates the interplay between commissioning and procurement during key stages. It is necessary to undertake reviews between key stages to ensure that the business case for an activity is still sound.



Category Management is a strategic approach complementing the procurement cycle. It works by taking an organisation-wide view of spend and grouping spend on similar products or services into appropriate categories. It is about taking a project management approach to buying goods and services that is structured, measurable and drives continuous improvement.

For category management to succeed, to avoid unnecessary spend and reduce duplication of resources, services must work together across departments, with leads being appointed for the corporate category identified. Category mandates will be used to identify these areas.

OBJECTIVES: The Way Forward For Procurement At The Council

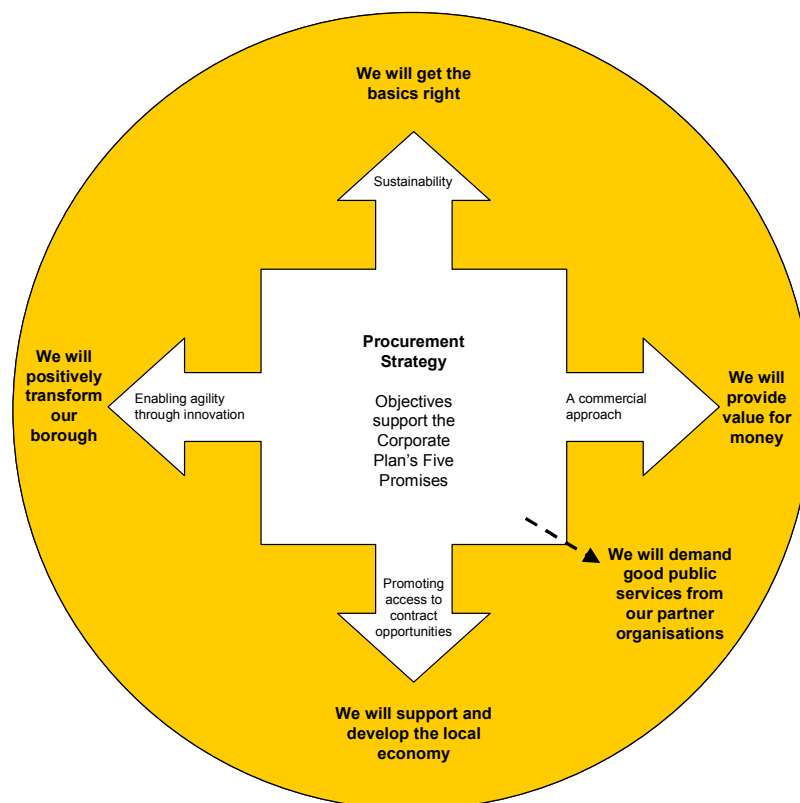
During the refresh of the Strategy the revised objectives have been developed to support the corporate promises together with continuing established good practice focussing on outcomes, and identifying areas which requiring further development. The outcomes for each objective are described and outlined below. A bi-annual performance report will be developed detailing the progress of the organisation as a consequence of this Strategy and will be reported to the relevant Scrutiny Committee.

Policy Statement on Social Value through Procurement

As required by the **Public Services (Social Value) Act 2012** the Council considers economic, social and environmental impacts of all relevant service contracts. The Council also considers these factors in all appropriate contracts, and expects and requires its partners, contractors, and suppliers to make a coherent and meaningful contribution to its priority outcomes. These priority outcomes are set out in the Council's Five Promises:

1. We will get the basics right.
2. We will provide value for money.
3. We will demand good public services from our partner organisations.
4. We will support and develop the local economy.
5. We will positively transform our borough.

The objectives underpinning this Strategy will be embedded across the Council and will support and promote all Five Promises, although four of those promises are more closely linked with this strategy and have been developed into the four strategic objectives. The objectives apply to all procurement across the Council, not just contracts that go through a tender process. Objectives have been matched with four of the Five Promises, but the objectives are cross-cutting and may assist the Council in delivering multiple promises.



CONVEYING THE COUNCIL'S VALUES

In delivering against each Objective the Council's Values of Fairness, Integrity and Innovation will act as a guide on what would be the 'right' and reasonable thing to do.

Everyone involved in the Council's procurement and contracting activities (from employees to elected Members to contractors and suppliers) is accountable for the manner in which they use Council resources, including whether the spend is in accordance with the Council's Corporate Plan and Promises, as well as this Procurement Strategy and the Council's Governance Framework.

The Committee on Standards in Public Life recently revised the descriptions under the Nolan Principles of Public Life and the Council acknowledges and will respond to the requirements of its contractors to ensure that the principles are equally being observed.

Policy Statement on Equalities in Procurement

The Council's duties under the Equality Act 2010 form a core component of its procurement activities, for individual contracts and for its overall strategic direction. Procurement activity is one way in which the Council can promote equality and diversity by ensuring suppliers, contractors, and their agents provide goods and services that do not discriminate against people in any way. In this way the Council can attempt to eliminate unlawful discrimination, promote equality of opportunity, and foster good relations between people of different groups through good procurement practice. In every procurement activity, procuring officers must consider:

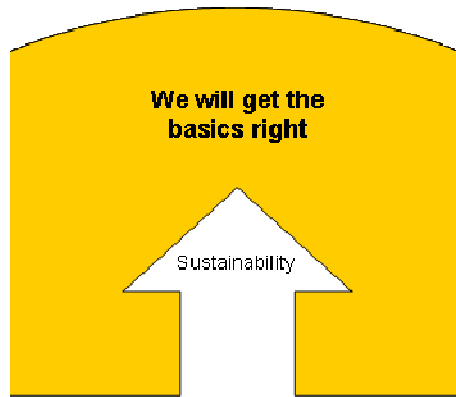
- How service users will be affected (whether positively or negatively based on the protected characteristics) by the delivery of the service
- How the procurement approach for that activity will affect the market
- Any contractual equality related safeguards required
- Added value that could be achieved.

From a strategic perspective, the Council must consider the impact of its procurement and contracting activities and, where appropriate and achievable, take steps to improve access to its contracting opportunities and to use its procurement activities to provide additional benefits to the community. Good practice in this area will assist the Council in delivering its Promises to the community.

OBJECTIVE 1: SUSTAINABILITY - Through Getting The Basics Right

The Council will:

- **apply good governance considerations;**
- **maintain quality and whole life costing;**
- **provide assurance that contracts will be sustainable; to**
- **deliver well-being outcomes intended.**



We have done – continuing Outcomes:

- Procured efficient and sustainable contracts
- Considered quality as well as cost
- Increased management and monitoring of performance through contractual terms and relationships
- Realised added value from contracts
- Improved robust governance without increasing red tape
- Incorporated new guidance ensuring up to date best practice

Outcomes for increased focus – support the Council to:

- Increase awareness and consideration of whole-life cost
- Introduce demand management
- Consider different delivery models
- Undertake pre-competition engagement when necessary
- Implement relevant generic and individual KPIs – through scrutiny
- Enhance contract and performance management from business case development to review and sign off

Enablers – the Council must:

- Consider all statutory responsibilities
- Demonstrate VFM in accordance with criteria
- Further improve performance management
- Produce contract management framework
- Implement enhanced and relevant KPIs
- Further improve communication across Council services
- Plan projects with relevant considerations and setting outcomes at the outset

There can be an impulse to buy as cheaply as possible. However, this only takes into account a part of the picture. Procurement activities must be sustainable and take a longer view (whole life costing) in order to be efficient and sustainable. Purchasing the cheapest product or service available may make an initial favourable impression on the bottom line, but factoring in additional contract management resources, repair costs, contract variations to account for additional requirements, and a need to replace an unsustainably cheap product or service more frequently shows a different picture, therefore defeating the value for money objective.

If the Council wishes to have a stable supply base and ensure service delivery, it must allow its contractors and suppliers to earn a reasonable profit. When conducting tenders, the Council will establish pricing methodologies that encourage reasonable and sustainable bids. Abnormally low prices will be investigated and, where long-term deliverability cannot be confirmed, eliminated from consideration.

A duty to focus on maximising social, environmental and economic value – will apply to all services contracts. The imposed duty is not new for Basildon with experience on considering how what is proposed to be procured might improve the well-being of the area and how consultation will be undertaken.

Added social value from contracts can be obtained supporting the Council's 5 Promises through apprenticeships, back to work programmes, skills training for women, targets by reducing waste.

Smart thinking is required at various stages of the commissioning process, but it needs to be thought about early on and ensuring the right considerations are taken account of. It must be objective and justifiable. Proper planning and services working together will ensure this.

Once a need for a service has been identified it is important to review and challenge current service provision where it already exists to ensure continued value for money through effective and efficient delivery. Considerations for existing and new service requirements should include:

- The outcomes to be delivered.
- Whether the current model delivers value for money.
- How is the service used? (This will link to Customer Insight profiling within the Customer Experience programme).
- Is there scope to collaborate with others?
- How effective is the market?
- Does the market offer competition, choice and diversity?
- How will the contract or provision be designed to meet future changes in need?
- How can specifications be designed to enable the Council to secure service improvements and efficiencies?
- How can outcomes be measured and contract performance managed?

The Council's procurement activities, insofar as possible, should encourage sustainable practices in terms of financial, environmental, and social considerations.

Application of good governance to procurement and contract management will ensure that the Council's statutory functions such as encouraging equality and safe guarding children are also observed through our suppliers.

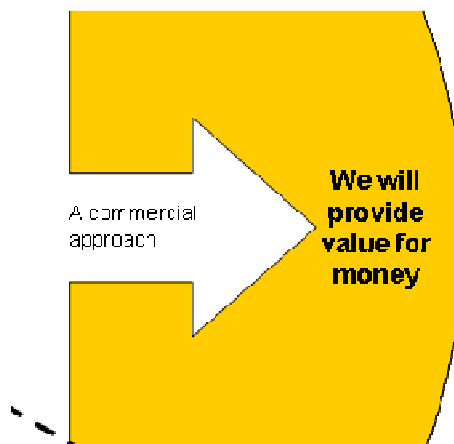
Contract management arrangements across the Council are being revised to ensure consistency in the approach. The Corporate Procurement Team have recently been involved in setting relevant Key Performance Indicators (KPIs) and scoping review meetings for contract performance monitoring. Existing skills within the dedicated team and across the Council are also being developed through training programmes.

Promoting service user involvement aims to result in high quality services reflecting user need, the Council will continue to involve tenants and leaseholders, residents, businesses, community groups and forums where consultation is felt appropriate to inform needs assessment, build knowledge and providing feedback into quality processes and performance. Councillors will continue to be involved through the scrutiny function, shaping and monitoring performance.

OBJECTIVE 2: A COMMERCIAL APPROACH TO DELIVER VALUE FOR MONEY:

The Council will:

- **essential to ensure that every penny of local tax payers money is spent getting the best deal for local people;**
- **align procurement activity to identified strategic outcomes and priorities;**
- **embed robust contract and performance management through active supplier engagement; and**
- **consider what outcomes the Council seeks from the contracts and the cost.**



We have done – continuing Outcomes:

- Devised outcome-based specifications
- Introduced category management
- Targeted spend reviews and challenged spend
- Understood the corporate context
- Balanced quality and price
- Advised on the suitability of frameworks
- Collaborated where appropriate

Outcomes for increased focus – support the Council to:

- Embed stronger contract management
- Increase focus on payment mechanisms as delivery incentive
- Introduce market engagement and commercialism
- Challenge market conditioning
- Increase collaboration across sectors
- Involve third sector irrespective of size or set up

Enablers – the Council must:

- Consider different delivery models and maximise opportunities to produce income
- Develop existing skills and transfer knowledge
- Assess effective use of frameworks including direct awards ensuring value for money is demonstrated

In order to meet the financial challenges facing the Council, a robust commercial approach to procurement is essential. All Council expenditure must be in support of identified Council priorities. Budgetary underspend, procurement and contract efficiencies must be captured for reallocation or contribution to corporate saving targets.

Resources must be identified and earmarked, not just for contractual payments, but for proper contract planning and management. Lack of forward planning can lead to rushed decisions on contract requirements and procurement approaches with opportunities for added value through contracts being lost. This can, in turn, lead to contracts not being fit for purpose.

Allowing sufficient time to plan will give the Council the opportunity to develop flexible contract terms that can evolve with the service and allow efficiencies to be identified and realised and opportunities to be maximised. Enhanced communication across services and advance planning also allows the Council to consider appropriate delivery methods, whether utilising an existing arrangement, embarking upon a collaborative procurement with other authorities, undertaking a tender solely for the Council, or whether the Council needs to relinquish contractual control and employ the community through grant funding.

When undertaking procurement activities, careful consideration must go into setting appropriate price and quality criteria. The price criteria should seek to achieve a balance between keeping costs as low as possible for the Council while allowing the contractor or supplier to achieve a sustainable margin. Quality criteria should review the key parts of the contract to be delivered. Minimum requirements should be stated as contractual requirements to ensure that the contract delivers as required. Contract terms must consider how the Council can encourage and reward excellent performance and properly management and influence sub-standard performance. The Council will consider payment by results models and, where appropriate, incorporate these into contract terms.

Transformation improvements will involve important considerations, weighing up affordability and added social values though decision making to ensure value for money is being achieved.

The Council must also consider ways to maximise opportunities through its procurement. For example, in appropriate cases the Council could set up frameworks for use by other authorities or build scope into contracts for the Council to provide services to other authorities under a service level agreement.

In some instances, the Council may wish to review and cease spending in a particular area but understand that another sector, including voluntary organisations may wish to deliver these to the community and residents of the Borough. Where appropriate, the Council will work with other sectors using its knowledge or skills facilitating different delivery models.

Category management and supplier engagement aid the Council's approach to engaging with the market, which will include:

- Developing a deeper understanding of key markets;
- Engaging with and shaping the market
- Encouraging supplier diversity;
- Working in partnership with suppliers; and

- Brokering a dialogue between market suppliers and service users.

An increased focus on “commercialism” including, for example:

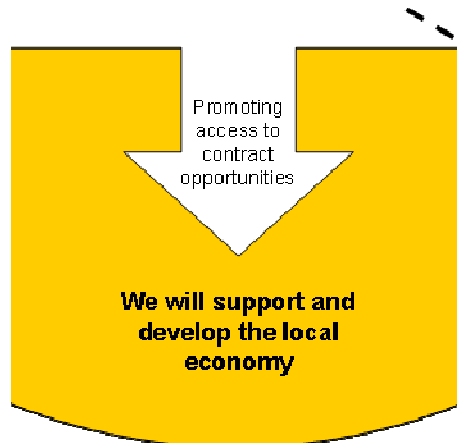
- defining the need or outcome
- looking at the way the Council spends money, through enhanced demand management
- having confidence in what we know and do well but challenging practices and thinking
- recognising the private sector does not always know best but will seek to maximise income and profits – but questioning why this should only apply to the private sector
- reviewing how we structure our service requirements
- challenging and reducing rates and spend through robust supplier engagement
- becoming more outcome focused – payment on delivery not just a monthly sum, through payment by results models and enhanced payment mechanisms

Training opportunities and skills analysis will assist in achieving a commercial Council. The in-house Corporate Procurement Team and other service areas have demonstrated through advice to services and supplier engagement that commercialism skills exist but the Council must develop these further across services.

OBJECTIVE 3: PROMOTING ACCESS TO CONTRACT OPPORTUNITIES - To Help Support And Develop The Local Economy

The Council will:

- review procurement routes
- further engage with local businesses and third sector
- continue to ensure that processes are proportionate; and
- make its contracting opportunities accessible and understandable.



We have done – continuing outcomes:

- Delivered tender training workshops for local companies in partnership with Economic Development
- Benefitted companies obtaining work from Council as well as growing business and growth by working with private sector
- Introduced a supplier charter
- Provided robust feedback from tendering to enable business to improve bids
- Implemented a risk-based approach to contracts
- Planned to avoid downstream complications

Outcomes for increased focus – support the Council to:

- Introduce Fair Payment Charters
- Signpost subcontracting opportunities
- Further streamline tendering procedures in line with guidance
- Take a corporate view of contract packaging
- Promote Public Social Value requirements for lower value contracts
- Give more consideration to frameworks and all sectors
- Continue to work with Economic Development in line with the Council's strategy

Enablers – the Council must:

- Embed advance plan for early considerations
- Ensure relevant to the Council
- Take realistic view of risk
- Utilise skills and experiences within the Council

As part of the Corporate Procurement Strategy set in 2007, the Council identified the importance of working with and supporting local business and that there was a need to upskill local businesses with information about public sector tendering. The Council is pleased to note that many of the types of initiatives adopted by the Council are cited as best practice by the Federation of Small Businesses in its recent “Local Procurement: Making the most of small businesses” report. However, the Council recognises that additional improvements are possible and will build upon its existing practices to continue to reduce barriers to contracting opportunities, whether at the Council or elsewhere.

The Corporate Procurement Team has, in partnership with Economic Development, delivered a highly successful series of tendering workshops. In these workshops, local businesses learn transferable skills for tendering across the public sector as well as private sector and have the opportunity to ask questions of the Council’s Corporate Procurement Team. The workshops have benefitted companies by helping them understand how to find opportunities and get work from Council and other public bodies as well as growing business by working with private sector. These workshops will continue.

Other initiatives have included attendance at Meet the Buyer events, working with the Federation of Small Business to deliver information regarding Council contract opportunities directly to the mailboxes of Essex businesses, providing, developing a Supplier Guide booklet available on the Council’s website, and introducing a Supplier Charter in relevant contracts that includes Council aspirations for supply chain, training, and employment in the Borough. The Charter also explains to our contractors how we will deal fairly with them. The Council publishes its register of major contracts, allowing businesses to use this freely accessible resource to create their own forward plan of tendering opportunities based on contractual end dates as well as offering the opportunity to identify major contractors where relevant supply chain opportunities may be available.

A one-size-fits-all approach does not work in commissioning and procurement. The Council’s procedures are tailored dependent upon values, subject matter, and risk. Unintended consequences of not making the process suitable for the requirement can include increasing market costs in responding to opportunities, thereby increasing costs of service delivery and barring capable suppliers from bidding. The Council takes a risk-based view of procurement. It does not use arbitrary turnover figures as qualifying criteria – where these criteria are used, they are necessary and proportionate to the size and risk of the contract. The Council also considers, and will continue to consider, the packaging of contracts to increase accessibility.

Businesses invest significant time and resources in responding to tender opportunities. Unfortunately, there is often only one possible successful bidder. The Council provides meaningful feedback to businesses on every tender, ensuring that they do gain some benefits from participating in the process. The feedback provided allows organisations to review their bid performance, learn from the experience, and improve for the next opportunity.

Where appropriate, procurements are structured to incorporate added social value and to seek contractors’ views on how social value can be maximised. This practice will continue and is in fact required by the Public Services (Social Value) Act 2012.

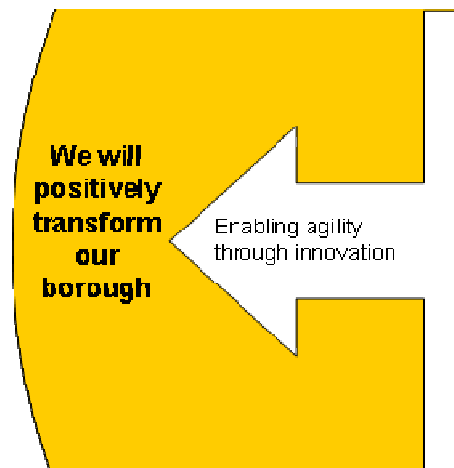
Where there is an open call for tenders or written quotations are sought, officers will personally notify at least two local business where relevant businesses can be identified. The Council will use supplier open days where appropriate to maximise understanding of specific contract opportunities and the associated processes.

The supply chain providing services to the community is not limited to businesses. The focus nationally and locally is putting greater emphasis on the role of individuals, communities and third Sector organisations in designing and delivering solutions for themselves. The barriers which previously existed for SMEs could have equally applied to Third Sector and the Council will work, where appropriate to do so, with representatives through early engagement, being realistic about the time to respond, flexible approaches to allow innovation and creativity, recognition of local social impact in the tender process, and creating a more streamlined and proportionate tender process.

OBJECTIVE 4: ENABLING AGILITY THROUGH INNOVATION - To Assist Transformation of The Borough

The Council will:

- ensure that its overall procurement framework is not an obstacle;
- provide a flexible, yet robust, approach to support an Agile Council in commissioning outcomes



We have done – continuing outcomes:

- Provided a procurement service that is recognised as innovative (e.g. training local companies, use of VEATs)
- Adopted a flexible approach within robust governance procedures
- Provided considerations, not obstacles
- Demonstrated that the Council is “risk aware” not “risk averse”
- Incorporated social clauses: back to work, community involvement, apprenticeships
- Used overview and scrutiny function to test service delivery methodologies
- Liaised with residents through tenant and leaseholder engagement

Outcomes for increased focus – support the Council to:

- Change or decommission to reinvest in different or better approaches
- Comply with the Public Services (Social Value) Act
- Respond to Community Right to Challenge – community delivering
- Deliver services most closely aligned with needs of community

Enablers – the Council must:

- Consider all statutory responsibilities
- Demonstrate VFM and ensure risk management and decisions are properly costed
- Ensure properly planned and project managed
- Convey the Values
- Increase service user involvement and consultation, including tenants, leaseholders and residents where appropriate

The Council's Procurement Framework and legislative requirements:

Public bodies are under an obligation to obtain value for money in procurement and there is a specific duty on councils to make arrangements to secure 'best value' (economy, efficiency and effectiveness) in carrying out their functions. Statutory guidance has broadened this to include economic, social and environmental value.

Public procurement rules can seem confusing and are sometimes held up as a reason for not doing more. Many of the supposed obstacles are myths – although there are some legal obligations that must be observed. Councils up and down the country, including Basildon, have already demonstrated what can be achieved when the procurement regulations are viewed as a framework for testing value for money and delivering benefits rather than as an obstacle.

Guidelines and best practice will be considered in all potential contractual opportunities to achieve the Council's ambitions for growth and economic success in the communities which it represents and serves; and explore the extent to which, whilst delivering fair and open competition, the public procurement regulatory framework can facilitate rather than hinder the delivery of social objectives.

While there are real financial, reputational, and service risks for getting things wrong (for example, fines, damage awards, and contract set asides), following established procedures and guidance will help the Council avoid costly errors that could have a significant impact on the Council's bottom line. The Council's procurement framework has been established to accomplish a balance of flexibility and best practice to allow commercial and socially beneficial contracts.

The legislation and policy surrounding public procurement are in place to promote value for money in public contracting, to adequately control risk, and to promote performance of public duties. Legal factors go far beyond the commonly known Public Contracts Regulations or European Union Directives (often referred to as "OJEU").¹

Examples of considerations (the list is by no means exhaustive) that must be factored in include:

- The Competition Act 1998
- State Aid considerations
- The Localism Act 2011 and the Community Right to Challenge
- The Public Services (Social Value) Act 2012
- The Public Contracts Regulations 2006 (as amended)
- Health and Safety requirements (various pieces of legislation)
- The Equalities Act 2010
- The Human Rights Act 1998
- Safeguarding duties with regard to children and vulnerable adults
- The Bribery Act 2010
- Local Government duties (various pieces of legislation)

The public procurement framework is in constant flux and the Council must stay alert to changes that could affect delivery methods and procedures. The Council will monitor its

¹ Note that as of May 2013, these Directives are undergoing a substantial review and revision. Changes to the Directives and other elements of the public procurement framework will be monitored and addressed on an ongoing basis.

policies and procedures to take account of changing external influences as well as lessons learned and improvements identified through experience.

Where collaborative procurement is undertaken, there must be clear governance arrangements to ensure that the Council's interests are considered and that the end product is suitable to deliver Council-led requirements.

Innovation is an integral part of the Council's procurement function. However, the Council must keep sight of risk management and fraud prevention. Passing risk onto suppliers can increase the cost of the contract and should be given careful consideration. Corporate Guidance on these matters is available within the Council.

CONCLUSION

The Council's Procurement Strategy and objectives will be promoted across the Council, with Members and Officers from all services working together to refine, improve and move the procurement function forward. All third party expenditure will be covered by the Strategy and help to procure opportunity for the Borough, as promised by the Corporate Plan. Progress against the Strategy will be periodically reported to the relevant Scrutiny Committee.