

---

## **PROCUREMENT STRATEGY**

To: **Cabinet - 21<sup>st</sup> January 2014**

Main Portfolio Area: **Business Services & Corporate and Regulatory Services**

By: **Strategic Procurement Manager**

Classification: **Unrestricted**

Ward: **All affected**

---

**Summary:** To present and seek formal approval for the revised Corporate Procurement Strategy which has been amended to address business need, alignment with corporate priorities and changes in legislative requirements, including Public Services (Social Value) Act 2012.

### **For Decision**

---

#### **1.0 Introduction and Background**

- 1.1 The first Procurement Strategy was adopted by Cabinet in March 2005 and this report contains proposals for adoption of a third edition.
- 1.2 The Corporate Procurement Strategy forms part of the procurement framework, supporting the council's Corporate Plan and is integral to other strategies and policies including but not limited to, Economic Growth and Regeneration Strategy 2013 and Equality Policy.

#### **2.0 The Current Situation**

- 2.1 The current Procurement Strategy does not reflect legislative changes and whilst supporting corporate objectives a refresh will ensure it continues to be aligned to business need, other strategies and policies. There is opportunity to enhance the focus on specific corporate objectives in light of the changes which include the Public Services (Social Value) Act 2012 and Equalities Duty and standards expected of suppliers, officers and members when involved in decision making, procurement activity and delivery of contracts.
- 2.2 The refreshed strategy is based on the following five themes:
- Strategic Objectives and aims
  - Sustainability and Social Value
  - Value for Money
  - Ethics and Probity
  - Equality and Diversity
- 2.3 The Procurement Strategy has been subject to internal and external consultation with Thanet District Council Business community, Chamber of Commerce, Federation of Small Businesses, Procurement peers within Kent and Senior Managers and purchasing officers. Feedback has been received, 3 internal responses and 4 from external sources, most of which has been very positive. This final document has been informed and amended subject to the feedback received.

### **3.0 Options**

- 3.1 Cabinet are requested to endorse the adoption of the refreshed Procurement Strategy to ensure that the document is “fit for purpose”, aligned to business need and reflects current corporate objectives and current legal obligations.
- 3.1.1 Cabinet are also requested for authority to be delegated to the Strategic Procurement Manager to amend the strategy to reflect staffing changes and add additional documents to the ‘links to other documents’ section as and when they arise to ensure the document remains current throughout its lifecycle.
- 3.2 Cabinet reject the refreshed Procurement Strategy however, the current Strategy does not take account of recent changing legislative requirements.

### **4.0 Next Steps**

- 4.1 Following endorsement the refreshed Strategy will be launched internally and externally.

### **5.0 Corporate Implications**

#### **5.1 Financial and VAT**

- 5.1.1 There are no specific financial implications arising from the implementation of the revised Corporate Procurement Strategy as much of this is already part of current practice. However, in certain circumstances, where prior consultation is deemed necessary, this may lead to a slightly longer procurement process, which may have financial implications. These will need to be identified as part of the individual procurement and commissioning exercises.
- 5.1.2 This Procurement Strategy underpins and supports compliance with Contract Standing Orders and Financial Procedure Rules.

#### **5.2 Legal**

- 5.2.1 Public procurement is the purchase of goods, works or services by public sector bodies, and the purpose of the EU procurement rules and the implementing UK legislation is to open up public procurement to EU-wide competition. They establish a legal framework governing the procedures and principles for the award of public contracts, this legal framework is intended to ensure that contracts are awarded fairly, transparently, and without discrimination on the grounds of nationality and that all potential bidders are treated equally. The EU Directives have been implemented into UK law by regulations, which came into force on 31 January 2006. Currently there are proposals out for consultation on changes to the procurement regime, but as it stands today, “bodies governed by public law” are defined in Directive 2004/18/EC. Part A services are subject to the Regulations in their entirety. Part B services are only subject to certain of the detailed rules in the Regulations. The whole procurement regime is quite complex and this Strategy is intended to guide a way through this system.

The Public Services (Social Value) Act 2012 requires contracting authorities to consider at the pre-procurement stage of any services contract and services framework agreement to which the Regulations 2006 apply:

- How what is proposed to be procured may improve the economic, social and environmental well-being of their areas.
- How the authority may act with a view to securing that improvement in conducting the process of procurement.

Again, this Strategy sets out how the Council intends to meet its legal obligations under that Act.

### 5.3 Corporate

5.3.1 The refreshed Strategy supports:

- Risk mitigation of non-compliance of procurement direct and associated legislation;
- The Corporate Plan;
- Obligations contained within the Equality Act 2010 and Public Services (Social Value) Act 2012.

5.3.2 The recommendation to adopt the refreshed strategy links directly with supporting the following corporate objectives:

- Support the growth of our economy and the number of people in work;
- Support our community and voluntary organisations;
- Make our district cleaner and greener and lead by example in environmental issues.

### 5.4 Equity and Equalities

5.4.1 Social value includes equality implications and as part of the duty to consider prior to a procurement exercise a risk log is in development to aid officers in identifying and addressing equality implications in developing the procurement documentation.

5.4.2 An Equality Impact Assessment has been undertaken and submitted to the Claire Grant, Clerk of the Equalities Group for adding to the Equality Objectives Plan which is monitored by the Corporate Equalities Group and reported to SMT.

### 6.0 Recommendation

6.1 That options 3.1 and 3.1.1 are agreed and the revised Corporate Procurement Strategy is approved.

### 7.0 Decision Making Process

7.1 This is a non-key decision.

Contact Officer:	Karen Paton, Strategic Procurement Manager
Reporting to:	Sue McGonigal, Chief Executive

### Annex List

Annex 1	Revised Corporate Procurement Strategy
---------	--

### Background Papers

Title	Details of where to access copy
<i>Regeneration and Economic Strategy 2013</i>	Electronic copy available on request from Karen Paton
Equality and Diversity Policy	<a href="http://thanet.gov.uk/publications/equality-and-diversity/equality-policy/">http://thanet.gov.uk/publications/equality-and-diversity/equality-policy/</a>
Equality Act 2010	<a href="http://www.legislation.gov.uk/ukpga/2010/15/contents">http://www.legislation.gov.uk/ukpga/2010/15/contents</a>
Public Services (Social Value) Act 2012	<a href="http://www.legislation.gov.uk/ukpga/2012/3/enacted">http://www.legislation.gov.uk/ukpga/2012/3/enacted</a>

### **Corporate Consultation Undertaken**

Finance	Sarah Martin, Financial Services Manager
Legal	Harvey Patterson, Corporate & Regulatory Services Manager
Communications	Justine Wingate, Corporate Information Manager