



**Policy, Finance &
Development
Committee**

25 March 2014

Decision

Title: **Corporate Procurement Strategy and Social Value Policy**

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1. Introduction

Following the dissolution of the collaborative working arrangement on procurement with Hinckley and Bosworth Borough Council, an interim Corporate Procurement Strategy and action plan was approved by this committee in October 2013.

This report now asks this committee to approve a fully revised strategy and a new Social Value Policy which is integral to the Corporate Procurement Strategy.

2. Recommendations

Members are asked to approve the revised Corporate Procurement Strategy and action plan (Appendix 1) and the new Social Value Policy.

3. Information

Corporate Procurement Strategy

The revised Corporate Procurement Strategy and action plan are attached at Appendix 1. The revised Action Plan arising from the strategy now comprises of eight key actions to be achieved over the next three years. Progress against delivery of these key tasks will be closely monitored and reported on an annual basis.

Key changes to the strategy include:

- The updating to comply with the statutory provisions of the Public Services (Social Value) Act 2012 (See section 2.1 of Appendix 1)
- The re-emphasis and formalising of the need to compile a Business Case for projects exceeding expenditure of £75,000 taking into consideration the following factors:
 - Identifying the current provision, relevant costs and other non-financial information

- A needs analysis, proposals for change and the measurable benefits it will deliver – financial (including whole life costs) and non-financial.
 - The economic, social and environmental well-being benefits of the proposal. This is particularly relevant with the introduction of the Social Value Policy (Appendix 2)
 - A statement of outcomes and key performance indicators that will be used to measure performance
 - A summary of identified risks and proposals for mitigation.
- The need for the procurement process to support the provision of resident or user centred services and the movement away from provision led demand.
 - The need to carry out Equality Impact Assessments where appropriate.

The methodologies and detail required to carry out the tasks above will be included in the Procurement Manual that is to be developed as part of the action plan.

In recognition of the impact that the councils' procurement activity can have on the local business community, the strategy will also be shared with Business Link and the Federation of Small Businesses.

The Finance Manager will be responsible for managing, planning and co-ordinating the delivery of the strategy and plan. Heads of Services and service managers are responsible for ensuring the strategy is followed and that all other associated rules, regulations and procedures (including the Financial Regulations and Contract Procedure Rules) are adhered to within their respective teams.

Social Value Policy

On 31st January 2013 the Public Services (Social Value) Act 2012 became fully operational.

The act places a statutory duty on authorities to consider in their procurement and commissioning processes:

- How local economic, social and environmental wellbeing may be improved by services that are to be procured.
- Whether to undertake any consultations as to matters to be considered.

At Appendix 2, a proposed Social Value Policy is set out for approval. The policy is embedded within the proposed Corporate Procurement Strategy (see section 2.1, Appendix 1).

It is proposed that the policy's obligations will apply wherever it is thought to be proportionate and practicable. For the purposes of this policy "proportionate" relates to activity in excess of £75,000.

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Implications	
Financial (PL)	CR1 Decreasing Financial Resources: The strategy will contribute to economy, efficiency and effectiveness
Risk	CR1 Decreasing Financial Resources CR2 Key Supplier/Partnership Failure CR9 Economy See Appendix 3
Equalities (KG)	All procurement undertaken requires an equality impact assessment. It is envisaged that these will be carried out for each exercise.
Legal (KG)	Legal procedures and processes are incorporated within the strategy. It is extremely important that legislation is followed in procurement otherwise the Council can be exposed to legal challenge.