

Report of the Director of Resources and Housing

Report to Executive Board

Date: 26th June 2019

Subject: New Procurement Strategy 2019 - 2024

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary of main issues

1. Leeds City Council continually seeks to improve outcomes and deliver value for money from the goods, works and services that it buys. The Council currently spends approximately £800 million externally each year, across both revenue and capital.
2. Following a period of consultation, Procurement and Commercial Services (**PACS**) has drafted the Council's procurement strategy for 2019 – 2024 (the **New Procurement Strategy**). This report sets out the key areas of the New Procurement Strategy, including a statement of the aims to be achieved through procurement.
3. The New Procurement Strategy identifies 5 key areas for procurement. It retains value for money and good governance as the foundation stones of procurement.
4. However, it also identifies the need to improve engagement with our suppliers and improve contract management, to be more commercial and to focus on social value, for example;

Stimulating the local economy

Supporting the local economy by ensuring tendering opportunities are made more attractive to local, small and medium sized enterprises and voluntary, community and faith organisations by adapting tenders to their needs, where appropriate, particularly

by dividing more opportunities up into smaller Lots which local organisations can bid for either individually or as part of a consortium.

Supporting local firms

Providing support to local small and medium sized enterprises and voluntary, community and faith organisations, by including local supply chain targets in contracts and supporting development/mentoring of local organisations.

Improving skills

Opportunities for disadvantaged workgroups are achieved by requiring our contractors to provide work experience and training opportunities to raise employees' skills through on the job training and access to professional development as befits their role to improve quality and contract outcomes.

Creating and preserving job opportunities

Continuing to create sustained local job opportunities. The latest available figures show we have created over 2,300 new apprentice and employment positions for local people in Leeds up to June 2017

Promoting better employment standards

The Council is committed to playing an active role in promoting decent work standards for its own employees and those of its contractors. The Council can use its procurements to ensure that its contractors, suppliers and service providers promote labour rights by including contractual provisions relating to anti-slavery and human trafficking, discrimination, human rights, safeguarding, training of staff, health and safety etc.

Promoting the living wage.

Leeds City Council is committed to promoting the Real Living Wage across the city by using its influence with businesses in the city to promote this initiative. Procurement can play a part in furthering this ambition. To this end we are in the process of implementing a procurement policy that explicitly encourages businesses to pay the Real Living Wage to all their employees as a minimum.

Harnessing social responsibility to meet our objectives

Social Value from procurement is a key element of the Council's wider aspirations for inclusive growth in conjunction with local communities and businesses. We will seek to improve economic, social and environmental wellbeing from our contracts, over and above the delivery of the services directly required.

Tackling climate change.

At Full Council on 27 March 2019, the Council passed a motion declaring a "Climate Emergency" which commits the Council working to make Leeds carbon neutral by 2030. The council cannot achieve this on its own and it requires a whole city approach to meet this ambitious goal. However, the council can use its procurements to reduce emissions by specifying much tighter standards in many aspects such as materials used, methods of transportation, waste management etc.

5. Much progress has been made in respect of social value through procurement over recent years, (for example a social value framework toolkit to support implementation within procurement activity of the Social Value Charter is in the process of being developed (the **Social Value Framework**)), and the New Procurement Strategy provides us with an opportunity to go further and achieve maximum social value through the council's procurement activity. There is already a positive commitment on behalf of directorates to obtain social value through their procurement activity and by increasing the coordination in our approach to social value across the Council even greater achievements can be made.
6. Moving forward PACS will work with the People's Commissioning Group, Public Health Programme Board and the Corporate Procurement Group to capture social value outcomes across the council and ensure consistency, reporting annually to the Executive Board and Corporate Governance and Audit Committee on what the impact has been.
7. These 3 new key areas (and in particular the focus on social value) aim to support the Council's wider ambitions set down in the Best Council Plan 2018-19 to 2020-21.
8. The New Procurement Strategy also identifies 4 "enablers" which need to be addressed and developed in order to support the Council's achievement of the ambitions set out in the New Procurement Strategy, and KPIs to measure and monitor progress.

Recommendations

9. Executive Board is recommended to:
 - note the contents of this report; and
 - approve the adoption of the New Procurement Strategy.
10. Executive Board is invited to note that the officer(s) responsible for implementing the adoption of the new strategy in accordance with paragraph 3.8.9 are Head of Commercial (Legal) and Procurement Manager (both Procurement and Commercial Services).

1. Purpose of this report

The purpose of this report is to seek approval for the adoption of the Council's New Procurement Strategy.

2. Background information

2.1 The Council procures a very wide range of goods, works and services, including front-line services and back-office support. The Council's spend with third parties through procurement and commissioned activity remains close to £800m per annum.

2.2 The Council's current procurement strategy has been in place since 2011. The current strategy focuses on the following key aims:

2.2.1 Efficiency: Ensuring the Council gets maximum value from every pound that is spent through best value and innovative procurement practice; a consistent approach and one council approach to commissioning; a clearly identified and practised savings strategy and the implementation of a category management approach to procurement.

2.2.2 Governance: Ensuring the Council has appropriate and proportionate controls, systems and standards to manage procurement risk and to comply with legal requirements.

2.2.3 Improvement: Seeking new ways to develop and improve the Council's procurement and commissioning activities, and exploring how those activities can deliver the council's wider strategic outcomes.

2.3 It provides for a category management approach to procurement, which concentrates on specific areas of spend throughout the council, and enables category managers to focus their time and conduct on in depth market analysis to fully understand changes in the market and leverage their procurement decisions on behalf of the whole organisation, and to support bulk buying where appropriate, in order to improve quality, savings and efficiency.

2.4 It also advocates a whole lifecycle approach, defining clear roles and responsibilities, and providing a suite of documentation which can be tailored proportionately to the risks and value of procurement activity.

2.5 Measures such as those referred to above have facilitated procurement savings in the value of approximately £30m over the term of the Council's current procurement strategy.

2.6 In addition, notwithstanding the improvements proposed to delivering additional social value through procurement (that is, value above and beyond the specific services being procured) commissioners have been able to secure very significant beneficial, social value outcomes across a wide range of procurements already. These social value outcomes are monitored by PACS and examples include:

Total expenditure in 2018/19 with local suppliers etc. equated to the following:

Local Spend (including local SMEs) 52%;

Overall SME Spend 56%; and

Leeds City Region Spend; 53%

with associated employment and skills outputs from procurement activity and planning agreements;

2.6.1 beyond delivering school places for Leeds, commissioning the projects on the Learning Places Programme created over 2,300 new apprentice and employment positions for local people in Leeds up to June 2017, and recycled or reused 99% of waste generated during the construction process;

2.6.2 the Council is committed to the Unison Ethical Care Charter and has been working towards compliance with its principles in relation to externally commissioned home care services. As such:

2.6.2.1 the Council has committed to working towards the Living Wage Foundation Living Wage by injecting an additional £0.9 million into these contracts in order for home care providers to improve basic pay. Additionally, the new home care fee included payment for staff travel time and travel costs. We estimate that this benefitted approximately 1,150 care staff;

2.6.2.2 in addition, £0.6m has been provided to enable all the providers who are contracted to deliver care within Extra Care schemes and Direct Payment recipients to pay their staff above the national minimum wage. The council's Budget for 2019/20 includes provision to enable a continuation of the improvement of terms and conditions;

2.6.2.3 Aspire, the spun out social enterprise from the Council's in-house service, in accordance with their stated aims to move towards the Real Living Wage, also pays above the minimum wage to its care staff, thereby benefitting approximately 220 additional staff;

2.6.3 a Dynamic Purchasing System (**DPS**) has been created for the Council's Employment and Skills section, which provides simple access to contracts for suppliers. The DPS is divided into categories thereby opening up opportunities to smaller, local organisations as well as new entrants to the market;

2.6.4 a collaborative and systematic approach to engaging with anchor institutions is being developed (see paragraph 3.8.8 below). Anchor institutions are those which make a significant contribution to the local economy through the services they provide, the large amount of money they spend and the number of local people they employ;

2.6.5 the Council is committed to improving engagement with and opportunities for SMEs and the third sector. As such:

2.6.5.1 the Council's terms and conditions require our supply chain to "implement such processes and measures as may be appropriate so as to ensure that, where the Contractor is proposing to sub-contract any of the Services prior to or at any time during the Contractor Period, SMEs (when compared with other potential sub-contractors) are given fair, equal and proportionate access to the sub-contracting opportunity";

- 2.6.5.2 the Council is committed to supporting the local economy by ensuring tendering opportunities are made more attractive such that local, small and medium sized enterprises and voluntary, community and faith organisations can bid for work either individually or as part of a consortium. We will also provide support to small and medium sized enterprises and voluntary, community and faith organisations, including regular market engagement sessions, training and greater publication of tendering opportunities;
- 2.6.5.3 the Council also seeks to ensure that local providers have every chance to demonstrate their local knowledge in any tender exercises, within the confines of the Public Contracts Regulations 2015 and the Council's own Contract Procedure Rules;
- 2.6.5.4 a supply chain engagement programme (YORscep) has been adopted as one of the YORhub framework ambitions. Its purpose is to open up opportunities on the framework to sub-contractors, to improve visibility of projects by sub-contractors and to reduce onerous barriers such as lengthy pre-qualification processes. This in turn should result in even greater values of expenditure being spent locally as a consequence of local SME's working on large projects, and quality opportunities becoming available to local businesses and people. YORhub also run events aimed at supporting sub-contractors – the most recent event hosted 40 contractors and around 260-300 sub-contractors;
- 2.6.6 the Council has been a signatory to the "Prompt Payment Code" since November 2009 and encourages all its contractors, suppliers and service providers to do the same. The Council is committed to paying its contractors within 30 days of invoice, however the Council endeavours to make payment within 10 days and if Purchasing Cards are used payment is made within 4 days. The Council's standard terms and conditions also oblige contractors to pay sub-contractors within 30 days of receipt of a valid invoice.
- 2.6.7 opportunities for disadvantaged workgroups are achieved by requiring our contractors to provide work experience, training or employment opportunities. We also require:
- 1) **Working conditions are safe** for example, firms must operate appropriate health and safety policies and procedures, ensure employees have the necessary training and health and safety equipment.
 - 2) **Good health is promoted**
 - 3) **Anti-slavery conditions to ensure that no suppliers** use forced, bonded or non-voluntary prison labour.
 - 4) **Working hours are not excessive** complying with national and international laws or industry standards on employee working hours
 - 5) **Wages meet at least national legal standards.**
 - 6) **Training is provided** to raise employees' skills through training and access to professional development as befits their role to improve quality
 - 7) **No discrimination is practised** in hiring such as compiling "blacklists", compensation, training, promotion, termination or retirement

- 8) **No discrimination is practised** on the grounds of race, gender, religion, disability, sexual orientation, age or otherwise
- 9) **Diversity and good workforce practices are encouraged**
- 10) **Child labour is eliminated.**
- 11) **No inhumane treatment is allowed** for example prohibit physical abuse or coercion, the threat of physical abuse, sexual or other harassment
- 12) **The right of collective bargaining and freedom of association**

2.6.8 the Council's standard terms and conditions ensuring that its contractors, suppliers and service providers promote labour rights with provisions relating to anti-slavery and human trafficking, discrimination, human rights, safeguarding, training of staff; and health and safety;

2.6.9 the Council is committed to being a leading low carbon Council where our services are delivered with minimum impact on the local and global environment – reducing greenhouse gas emissions through reduced consumption, increased recycling and adoption of zero carbon energy for transport and buildings as well as seeking to improve air quality, reduce noise and promote biodiversity. At Full Council on 27 March 2019, the Council passed a motion declaring a “Climate Emergency” which commits the Council working to make Leeds carbon neutral by 2030. In order to achieve this challenging ambition, the Council expects its suppliers to also take action to reduce emissions from their own activities and through contracts with Leeds City Council. Related procurement activity includes:

2.6.9.1 installing a 1MW solar array covering around 450 car parking spaces at Stourton park and ride, which is expected to save 415tCO₂ per annum;

2.6.9.2 procuring the installation of innovative external wall insulation into 750 council owned back to backs which should save 515tCO₂ over the whole project or 35tCO₂ in 19/20 and 480tCO₂ in 20/21;

2.6.9.3 procuring Engie Regeneration to lead a regional partnership (Better Homes Yorkshire) to install energy efficiency and renewables improvements in homes of all tenures across the Leeds City Region;

2.6.9.4 various procurements aiming to clean up Leeds air, including ANPR cameras for the clean air zone (CAZ), and undertaking a fleet replacement cycle whereby all vehicles being procured will meet CAZ (the Council now has the largest local authority electric fleet in the country);

2.6.9.5 using specific evaluation questions relating to –

- the reduction in the use of one-use plastic in packaging by contractors and instead promoting the use of recycled, recyclable, reusable or biodegradable materials; and
- the additional steps contractors will take to reduce their environmental impact generally.

2.6.9.6 introducing the district heating project in order to create a low carbon, low cost heat source; and

2.6.9.7 introducing electronic-bikes scheme further reducing carbon emissions.

3 New Procurement Strategy

3.1 The Council's existing procurement strategy focuses on value for money and good governance processes.

3.2 However, during the period of the current procurement strategy, both the Council's Best Council Plan and the Local Government Association's National Procurement Strategy for Local Government in England have been updated and published.

3.3 The Best Council Plan identifies the best city ambition of a "strong economy and a compassionate city" and the best council ambition of "an efficient and enterprising organisation". It also identifies inclusive growth as a best city priority.

3.4 The National Procurement Strategy identifies three themes for focus which its consultation has shown reflects local government's priorities for the next four years:

3.4.1 showing leadership;

3.4.2 behaving commercially; and

3.4.3 achieving community benefits.

3.5 While clearly value for money and good governance must remain the foundation stones of our procurement activity (and the Council relies on continuing procurement efficiencies to support the achievement of a balanced budget each year), it is equally clear from the Best Council Plan and the National Procurement Strategy that the Council's procurement strategy must be developed further in order to provide much greater focus on delivering maximum benefits locally from Council spending.

3.6 In developing the New Procurement Strategy, PACS has taken into account significant current procurement related issues, such as social value, and has utilised the National Procurement Strategy's self-analysis toolkit to robustly challenge the maturity level of the Council in key areas of procurement strategy in order to set appropriate targets for improvement. In doing this, PACS has consulted with commissioning/ procurement staff across the Council.

Outcomes of Review

3.7 A copy of the New Procurement Strategy is appended to this report at Appendix 1.

3.8 The following five priority areas have been identified in the New Procurement Strategy:

3.8.1 Value for money and efficiency. We will seek to ensure the Council gets maximum value from every pound that is spent through best value and innovative procurement practice; adopt a consistent corporate approach to

commissioning; adopt a clearly identified savings strategy; and continue a category management approach to procurement.

3.8.2 Governance. We will ensure compliance with the Contract Procedure Rules, the Council's Constitution and public procurement law (including the Public Contracts Regulations 2015) in order to manage procurement risk and to comply with legal requirements.

3.8.3 Social value and Living Wage. Social Value from procurement is a key element of the Council's wider aspirations for inclusive growth in conjunction with local communities and businesses. We will seek to improve economic, social and environmental wellbeing from our contracts, over and above the delivery of the services directly required.

Much progress has been made in respect of social value through procurement over recent years, for example a social value framework toolkit to support implementation within procurement activity of the Social Value Charter is in the process of being developed (the **Social Value Framework**), and the New Procurement Strategy provides us with an opportunity to go further and achieve maximum social value through the council's procurement activity. There is already a positive commitment on behalf of directorates to obtain social value through their procurement activity and by increasing the coordination in our approach to social value across the Council even greater achievements can be made. Under the New Procurement Strategy it is anticipated that PACS will be responsible for managing and delivering social value across procurement and commissioning and will provide relevant officers with social value training. PACS will report performance against KPIs to the Executive Member for Resources, and Scrutiny Board (Strategy and Resources).

Examples of increasing the emphasis on social value will include:

- improving economic benefits contractors provide to improve the lives of their employees (which may include the Real Living Wage (promoted by the Living Wage Foundation), but may also include other financial benefits such as travel expenses or pension/health contributions, or non-financial employment benefits such as flexible working etc.). Leeds City Council is committed to promoting the Real Living Wage across the city by using its influence with businesses in the city to promote this initiative. Procurement can play a part in furthering this ambition. To this end PACS are in the process of ensuring the Council's standard tender documentation explicitly encourages businesses to pay the Real Living Wage to all their employees as a minimum. Further, where there is a tie on scores following evaluation of tenders, we will reserve the right to take into account the payment of the Real Living Wage by a bidder in deciding to award a contract where quality and price is not compromised.

Working with the Centre for Local Economic Strategies we have sought to gather data from our top 300 suppliers regarding (amongst other things) employees on permanent contracts and payment of the Real Living Wage in the supply chain, through issuing an electronic survey to

the suppliers. Analysis of the responses received indicate that 62% of Leeds City Council suppliers responding pay all their staff a Real Living Wage of £9 per hour and on average 81% of responding Leeds City Council suppliers' employees were employed on a permanent basis.

However, it should be noted that there are limits on considering workforce matters in procurement and award of contracts, and requiring payment of the Real Living Wage may not be practicable in particular circumstances, for example:

- (i) where a contractor is only providing a small proportion of its services to the Council, which may result in different tiers of employees in the same organisation, if those providing services to the Council were paid more; or
- (ii) where a tender is clearly better against the published criteria of price and quality. To disbar organisations in such circumstances is likely to be illegal.

It is also necessary for the council to be mindful of the "affordability" impacts of asking our contractors to pay the Real Living Wage to all their employees as a minimum, if this is passed on as a cost to the Council in their pricing models. The financial impact of paying the Real Living Wage can be significant and therefore it may not be appropriate to pursue this initiative in all circumstances bearing in mind continuing pressures on Council budgets which occur because the Council receive no extra funding for paying the Real Living Wage rate therefore the extra resource has to be found from within existing service expenditure;

- ensuring impacts on climate change and air pollution are reduced. As stated at paragraph 2.6.11 above Leeds City Council is committed to being a leading low carbon Council and therefore all tenders will ask bidders to outline what they are doing to reduce their organisational carbon footprints. Higher value procurements will extend this to how bidders influence their supply chains to further reduce emissions.

Some tenders will contain specific scored questions regarding how the works or services will be delivered to minimise carbon emissions both during delivery and subsequent operations;

- specifying levels of expected employment from priority groups and communities;
- supporting the local economy by ensuring tendering opportunities are made more attractive to local, small and medium sized enterprises and voluntary, community and faith organisations by adapting tenders to their needs, where appropriate, particularly by dividing more opportunities up into smaller Lots which local organisations can bid for either individually or as part of a consortium. We will also provide support to local small and medium sized enterprises and voluntary, community and faith organisations, by including local supply chain

targets in contracts and supporting development/mentoring of local organisations;

- asking the question, “What else will you do for Leeds?”. Where relevant, asking such a question will allow us to take into account existing contributions that local third sector suppliers already provide to local communities (e.g. the amount of volunteer support they provide) when evaluating tenders.

3.8.4 Commercial opportunities. In many cases market development is led by the commissioning teams within directorates and, in collaboration with PACS, those teams will continue to seek new ways to develop and create commercial opportunities, not just by promoting revenue generation, but by looking at how we engage with, and influence, the marketplace and potential suppliers in order to drive innovation and develop new ideas around service delivery.

3.8.5 Supplier engagement and contract management: This is an important function which cannot be underestimated. Within the Council responsibility for contract management lies firmly within directorates and this will continue. All directorates manage their strategic supplier relationships through continuous engagement with their suppliers and ensure effective management of all contracts from beginning to end in order to control costs, obtain the quality outcomes and performance levels set out in the contract (including in respect of social value), and minimise the level of risk.

3.8.6 The New Procurement Strategy also identifies a number of “procurement enablers” which are the cross-cutting issues that we will need to address if we are to realise our ambitions. These enablers cover:

- ensuring we develop talent by supporting staff to obtain professional qualifications and apprenticeships;
- exploiting digital technology such as electronic tendering, Procure 2 Pay systems, electronic invoicing and using technology to enhance our knowledge management by accessing paper and electronic sources to build comprehensive intelligence about contracts, markets and trends;
- embracing an innovative approach across all Council procurements; and
- embedding change in the organisation by ensuring that senior managers recognise the importance of procurement and contract management, and promoting it as a way of leading and managing organisational change.

3.8.7 The New Procurement Strategy also identifies relevant KPI’s against which to measure progress towards the maturity level we expect to achieve by 2021 and 2024. These KPI’s are set out at Appendix 3 of the New Procurement Strategy.

Showing Leadership

3.8.8 The council has taken the leading role in convening partner organisations and shaping the agenda for the Leeds Anchors Network. This place based, collaborative programme is supporting action on procurement, employment and creating healthy workplaces across 9 anchors. Joint action to establish common baselines and new ambitions to collectively use these levers to better connect communities to economic opportunity and amplify the impact will complete in July. Six anchor organisations have worked together with CLES to analyse their procurement expenditure with their top 1,800 suppliers totalling £1.126 billion. Currently 48% of this expenditure is with suppliers in Leeds and 53% within West Yorkshire and 40% is spent with SMEs. Actions flowing from this include sharing best practice on procurement, joint action to stimulate more socially responsible supply chains with less leakage from the local economy and using the collective procurement weight of the Anchors to shape the market and grow suppliers.

Implementation

3.8.9 Many aspects of the New Procurement Strategy mirror the existing strategy and will not change, such as:

3.8.9.1 each directorate will remain accountable for the procurements that they undertake in order to deliver the services, and secure the outcomes, that they are responsible for;

3.8.9.2 directorates own the preparation of the specification and the evaluation criteria, and take all decisions in relation to the procurement including the proportion of the budget to be allocated to the contract, the decision to commence a procurement, and which organisation to award the contract to;

3.8.9.3 directorates will continue to mobilise and manage their contracts, having a lead role in provider engagement during the life of the contract;

3.8.9.4 PACS has a key enabling role providing a central source of expertise, advice and support, providing check and challenge as appropriate. The embedded nature of procurement support to directorates continues to grow and develop, which demonstrates the strength of the current model of support;

3.8.9.5 PACS will remain responsible for working with directorate colleagues through the use of category teams to ensure compliance with CPRs and use of the correct documentation and governance processes, consistency of approach and advice and to ensure that procurement staff have appropriate knowledge and experience in respect of the relevant category of spend;

- 3.8.9.6** PACS will continue to act as a central source of management information with respect to the council's procurement activity and performance, including spend analysis. It will be responsible for maintaining the council's electronic tender system, for publishing a register of contracts awarded and for publishing a calendar of the council's planned procurement activities;
 - 3.8.9.7 cross-council Procurement Practitioner Group and Commissioners' Procurement Group meet regularly to share issues and best practice, with training sessions organised for procurement staff and commissioners when new significant policy changes are implemented; and
 - 3.8.9.8** PACS management representatives on commissioning boards in service areas across the Council.
- 3.8.10** However, if the adoption of the New Procurement Strategy is approved by Executive Board and following call-in, actions will be required as follows:
- 3.8.10.1** Finalising updates to supporting procurement documents and CPRs. Of particular significance is the ongoing development (in consultation with third sector representatives and the People's Commissioning Strategic Group) of the Social Value Framework – within 60 days;
 - 3.8.10.2** Publishing the New Procurement Strategy and supporting documents on InSite within toolkits dedicated to procurement and category management and with key further communication as to their update on the InSite carousel - immediately;
 - 3.8.10.3** Rolling out training on the New Procurement Strategy and updated documents for relevant staff – within 60 days; and
 - 3.8.10.4** continued engagement with key stakeholders to support implementation and fine tuning - ongoing.
- 3.8.11** It is anticipated that the desired maturity levels will for the most part have been achieved within the next 2 years. However, where the desired maturity level extends beyond this, it is anticipated that these processes will be fully embedded into day-to-day working practices during the period of the New Procurement Strategy. In any event, performance and progress will be measured on an annual basis and reported to both Scrutiny Board (Strategy and Resources) and the Corporate Governance and Audit Committee.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 There has been significant consultation on the New Procurement Strategy, and Social Value Framework. In particular, consultation has taken place with the

People's Commissioning Group, Public Health Programme Board and the Corporate Procurement Group. In addition a workshop has been held to which all commissioning colleagues within directorates were invited, in order to determine the corporate maturity levels and comments from these briefings have been incorporated into the New Procurement Strategy. Further, a report as to the proposals for the New Procurement Strategy was taken to and received support from Executive Board in December 2018, and the New Procurement Strategy has also been the subject of recent reports to the Corporate Governance and Audit Committee and Scrutiny Board (Strategy and Resources).

4.1.2 There has not been any consultation with the general public on these proposals as there is no direct impact on the general public from these reviews.

4.1.3 However, it is worth noting that Adult Social Care are leading on a joint market position statement which is an important means of communicating our approach to procurement in Leeds and a review of the commissioning code of practice by Third Sector Leeds highlights the importance of continuing to have an open dialogue particularly with Leeds third sector providers about how we can best develop resilient local provider markets through the procurement strategy.

4.2 Equality and diversity / cohesion and integration

4.2.1 An equality impact assessment screening has been completed. The screening form is attached at appendix 2 and highlights the importance of screening categories and procurements for their equality impacts and responding accordingly in line with the council's equality and diversity policies.

4.2.2 The outputs from the programme include prompts and tools to support appropriate consideration of equality and diversity throughout the procurement lifecycle

4.3 Council policies and best council plan

4.3.1 The vision from the Best Council Plan is for Leeds to be a compassionate, caring city that helps all its residents benefit from the effects of the city's economic growth. These values frame the New Procurement Strategy which will seek to deliver the Council's best city and best council ambitions.

Climate Emergency

4.3.2 This is addressed comprehensively at paragraph 2.6.10 above. It is anticipated that detail guidance will be developed to support procurers in the near future.

4.4 Resources and value for money

4.4.1 The costs of delivering the programme to date have been internal staffing costs. During the proposed period of the New Procurement Strategy, the costs will continue to be internal staffing costs, however it is anticipated that the focus for achieving social value outcomes through procurement activity will move towards PACS and away from directorate staff. PACS senior management will develop proposals for a restructure and additional resource requirements to reflect this increased workload.

4.4.2 The outputs from the New Procurement Strategy include a review of the Category Team Structures and guidance/toolkits to support consideration of social value throughout the procurement process, including tools to track savings opportunities

and to support resource allocation which is proportionate to the value, risk and complexity of the relevant issue or task.

4.5 Legal implications, access to information, and call-in

- 4.5.1 There are no specific issues in this report with respect to these matters.
- 4.5.2 This decision is eligible for Call-In.
- 4.5.3 There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 4.5.4 The Council's approach to procurement satisfies all necessary legal and regulatory obligations. The template documents and toolkits will continue to be reviewed, including any refresh necessary to accommodate anticipated changes to Public Contracts Regulations 2015 due to Brexit through amended UK Public Procurement Regulations.

4.6 Risk management

- 4.6.1 Risk Management is a critical and continuous process, and appropriate risk assessments will be undertaken, reviewed and managed throughout the procurement process to identify such issues as supply chain failure, contractor/bidder challenge and contract management (which is a fundamental aspect of the New Procurement Strategy).
- 4.6.2 We will engage with the marketplace in terms of identifying the desired outcomes, risks and issues. This permits suppliers to provide feedback on how the outcomes might be achieved, the risks and issues as they see them, along with feedback on timescales, feasibility and affordability.
- 4.6.3 Risks and issues identified will be documented in a risk registers. All risks and issues will have clear mitigating actions, appropriate owners and a review date.

5. Recommendations

- 5.1.1 Executive Board is recommended to;
 - note the contents of this report; and
 - approve the adoption of the New Procurement Strategy.
- 5.1.2 Executive Board is invited to note that the officer(s) responsible for implementing the adoption of the new strategy in accordance with paragraph 3.8.9 are Head of Commercial (Legal) and Procurement Manager (both Procurement and Commercial Services).

6. Background documents¹

None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.