



Hinckley & Bosworth
Borough Council

A Borough to be proud of

Corporate Procurement Strategy

2013 - 2016



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1. INTRODUCTION AND BACKGROUND

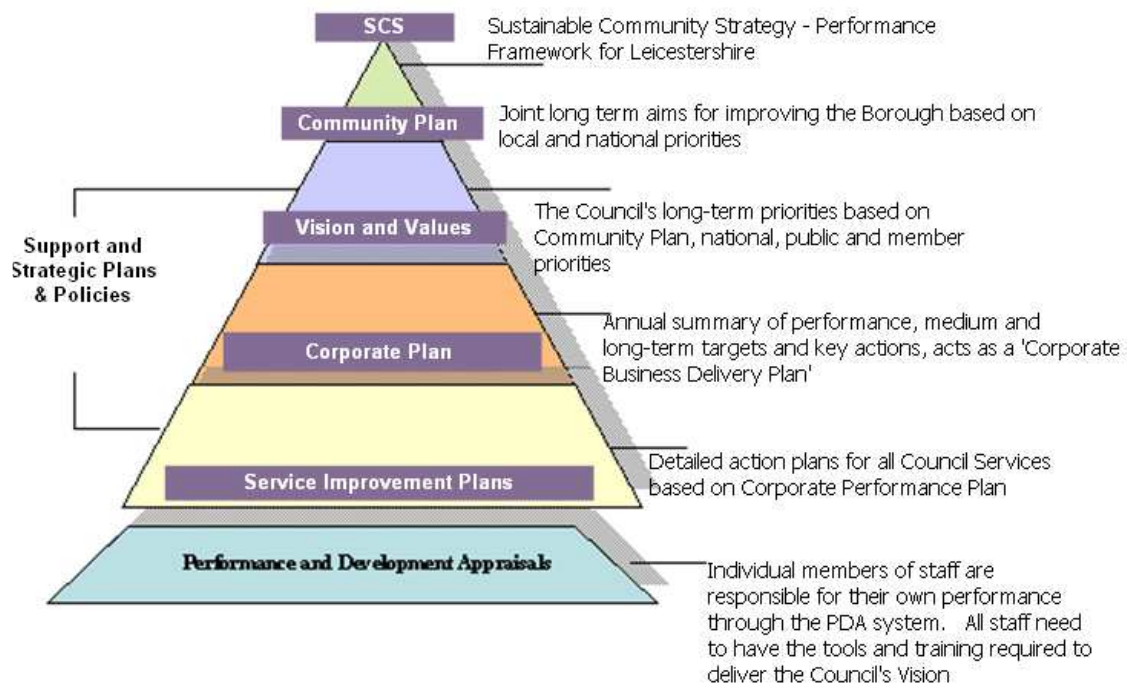
1.1 Foreword

1.1.1 Procurement is recognised as being a major factor in delivering what the Council wants to achieve on behalf of local people through its strategic objectives. The way we choose to use our spending power is a strategic decision and needs to be treated as such. This document sets out how we aim to do this set within the local context, in particular the Council's Corporate Plan, and the County's Sustainable Community Strategy.

1.1.2 The Council's Vision is to make Hinckley & Bosworth "A Borough to be proud of". Our Aims are:

- Creating a vibrant place to work and live
- Empowering communities
- Supporting individuals
- Providing value for money and pro-active services

1.1.3 The Council uses different plans and strategies at all levels of the organisation to plan and monitor the achievement of its aims. The framework is represented by the diagram set out below, and a simple explanation is given for each element.



1.1.4 During 2013 / 2014 the Council is budgeted to spend more than £10m on the procurement of goods, works and services. Recognising that HBBC is a "lean" authority, it is vital that we obtain best value from this expenditure, thereby releasing the maximum amount of resources to deliver key front line services.

1.1.5 As HBBC needs to achieve overall value for money services for its citizens, there is commitment from members and senior managers alike to the overall procurement agenda.

1.2 Background

- 1.2.1 The Byatt report “Delivering Better Services for Citizens” of 2003 noted that “good procurement can raise the quality of services for citizens, by buying goods, works and services that better meet their needs”.
- 1.2.2 The Government issued the National Procurement Strategy (NPS) in October 2003 together with a series of key milestones to be achieved over a 3-year period. HBBC achieved all relevant milestones through delivery of its first Procurement Strategy, together with its action plan.
- 1.2.3 This Procurement Strategy builds upon the foundations laid by the first Strategy and incorporates the Council’s emerging priorities and challenges, including approach to Strategic Commissioning and the Community Right to Challenge.
- 1.2.4 To support us in this agenda, the Council works closely with East Midlands Councils which is meant to help us and our partners to deliver better services by supporting our efforts to become efficient, innovative and more engaged with our citizens.
- 1.2.5 Hinckley and Bosworth Borough Council is not a high spending authority. It has a low tax base and low Council Tax level. It therefore finds itself in a difficult position of retaining a low level of Council tax and maintaining a prudent level of balances and reserves whilst facing increased costs and pressures of new and improving services.
- 1.2.6 Therefore being a lean Authority, it is vital that the Council focuses on procurement as a major opportunity to alleviate budget pressures. The HM treasury spending review (Gershon review), in 2004, set an expectation for procurement to deliver savings in cost efficiencies and cost reductions in goods and services procured. This is a continuing theme for procurement.
- 1.2.8 HBBC has a Procurement Manager (Chief Officer (Finance, Resources & Housing Repairs) who is responsible for development and implementation of this Strategy. Routine procurement continues to be devolved to service areas but within a more controlled environment. This leaves capacity for the procurement expertise to be directed at the more complex and strategic projects.

1.3 Purpose of the Strategy

- 1.3.1 This document aims to provide a framework for the full range of procurement activity carried out across the Council and ensure that procurement planning reflects the Council’s financial standards and strategic objectives. It also sets out the Council’s Efficiency Strategy and how it will continue to deliver the savings required.
- 1.3.2 This Strategy does not set out to be a Procurement Manual. A Procurement Toolkit has been separately compiled for officers’ use. This is available on the Council’s Intranet.
- 1.3.3 Procurement activity is subject to scrutiny from both internal and external challenge. It is a factor in annual Audit Plans.

1.4 Objectives

1.4.1 The objectives of this Strategy are as follows:

- to continue to evaluate and improve current procurement practices to achieve better value for money and ensure customer / client needs are met;
- to ensure procurement best practice is highlighted and used consistently throughout the Council;
- to align procurement activities with other strategies adopted by the Council and to ensure that corporate objectives are addressed;
- to ensure that current and future procurement activities are planned, monitored and reviewed effectively;
- to encourage growth in the local economy through effective engagement with local businesses;
- to develop a more sustainable environment and community;
- to identify opportunities for working with others, both in the public and private sectors, in order to widen the scope for maximising purchasing power and identifying innovation.
- to ensure that our approach to procurement sits well within the context of Local Area Agreements, the regional Community Strategy, Strategic Commissioning and the Community Right to Challenge.

1.5 Benefits

1.5.1 In taking this Strategy forward, the Council can expect to realise the following benefits:-

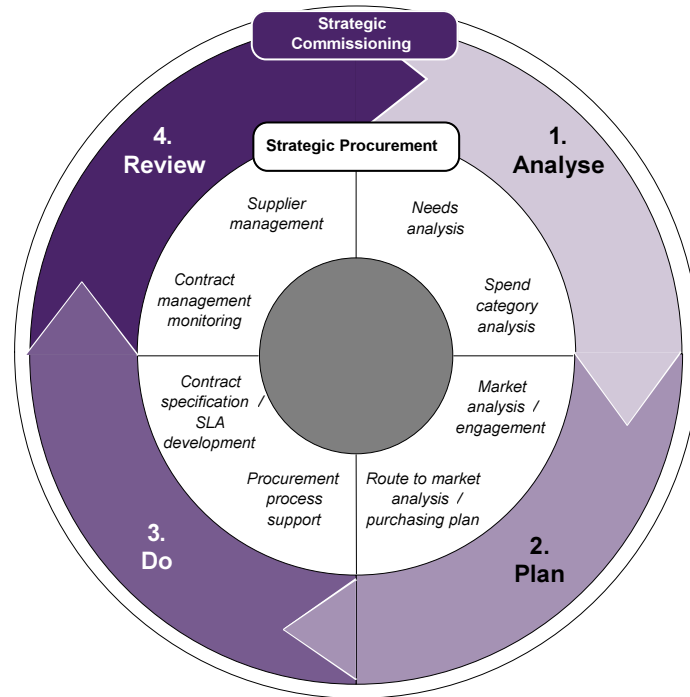
- Improved value for money;
- More efficient procurement;
- Collective understanding of expectations amongst officers and members;
- Improvements in procurement outcomes;
- Effective partnerships to be developed with suppliers / service providers;
- Improved risk management;
- Promotion of social benefits and equality of opportunity for service users, service providers and staff;
- Improved project planning and management;
- Integration with and contribution to Council's overall objectives and business delivery plans;
- Sustainable local business community.
- Reduce negative impacts on the environment

1.6 Definitions

- 1.6.1 Procurement is defined as *“the process of acquiring goods, works and services, covering both acquisition from third parties and from in-house providers. The process spans the **whole cycle** from identification of need, through to the end of a services contract or the end of a useful life of an asset.”* This Strategy further defines procurement in two categories:-
- A. **Routine Procurement** – this sets out the processes supporting routine / low cost and risk purchasing and procurement and ways of developing / improving the effectiveness of these activities.
 - B. **High Value / Strategic Procurement** – This is where procurement is planned for specific projects and needs to take account of specific issues e.g. options appraisals, tendering requirements and legislation, contract management and monitoring.
- 1.6.2 Although some aspects of good practice will be common to both types of activity, the support required and the processes adopted will differ and this has been taken account of in developing this Procurement Strategy.
- 1.6.3 Value for Money is principally defined as *“the optimum combination of whole life costs and benefits to meet the customers’ requirements”*.

1.7 Strategic Commissioning

- 1.7.1 HBBC, along with its Leicestershire partners will endeavour to take a strategic commissioning approach to delivering services. The Leicestershire Together Board has agreed a particular approach and has developed a Handbook for all partners to use, along with a supporting team.
- 1.7.2 There are many definitions of strategic commissioning but essentially it is: *“The process of identifying strategic outcomes in relation to assessed user needs, and designing and securing appropriate services to deliver these outcomes”*
- Commissioning involves:
- An **evidence based** analysis of the needs of users
 - Deciding the services that best deliver against those needs from **across the market** (private, public and voluntary)
 - Acquiring the best services and making sure they are successful through **ongoing monitoring and review**
- 1.7.3 There is clearly a strong link between strategic commissioning and strategic procurement. They both incorporate the whole cycle of how public services are delivered in a value for money way.
- 1.7.4 The four stages of Strategic Commissioning as defined by Leicestershire Together are illustrated in the diagram overleaf:



1.8 **Community Right to Challenge**

1.8.1 The Localism Act 2011 was intended to hand power to local communities, enabling them to take more control locally. One of the rights given to local communities through this legislation is The Right to Challenge which enables local communities (through a relevant body) to challenge and shape how services are delivered in their locality and importantly, seek to deliver these services.

1.8.2 The Right to Challenge therefore enables eligible groups to express an interest in running a local authority service:

- It gives them the extra time they need to be able to compete fairly in an open procurement exercise
- It provides a way of opening up public service delivery to groups and organisations other than those in the public and private sector.

1.8.3 HBBC must consider expressions of interest and, where we accept them, run a procurement exercise for the service which anyone can compete in. So, rather than a 'right to run' a public service, it is a 'right to compete' in a procurement exercise.

1.8.4 The following groups are all eligible to express an interest in bidding to run a particular HBBC service:

- a voluntary or community body;
- a body of persons or a trust which is established for charitable purposes only;
- a parish council;
- two or more employees of the relevant authority; or;
- any other person or body specified by the Secretary of State by regulations.

- 1.8.5 Expressions of interest can be submitted at any time, however if there is already a contract or agreement in place for provision of a service, the expression of interest won't be considered until the appropriate time when the current contract is due to expire.
- 1.8.6 An expression of interest must be in writing and must include
- Information about the financial resources of the 'relevant body' submitting the expression of interest, and if proposing to deliver as part of a consortium or using a sub-contractor, information about the financial resources of each member of the consortium or each sub-contractor;
 - Evidence that demonstrates that by the time of any procurement exercise the 'relevant body' will be capable of providing or assisting in providing the relevant service (or evidence that each member of the consortium or each sub-contractor will be able to do so);
 - Information about the relevant service sufficient to identify it and the geographical area to which the expression of interest relates;
 - Information about the outcomes to be achieved, in particular how it will promote or improve the social, economic or environmental well-being of the relevant authority's area, and how it will meet the needs of the service users
- 1.8.7 HBBC will need to be prepared for such expressions of interest. This will clearly involve having an open dialogue with relevant bodies, seeking to deliver more positive social outcomes through its services, which links to its obligations under the Public Services (Social Value) Act 2012.

2 ROUTINE PROCUREMENT

2.1 General Principles

- 2.1.1 Procurement of low value items by individual managers accounts for a significant proportion of the Council's expenditure when aggregated across the whole range of Council services. Whilst flexibility needs to be maintained to ensure that managers can respond to their own requirements, there needs to be sufficient co-ordination and control to allow good practices to be shared, benefits to be accrued from economies of scale, and targets and improvement to be identified and achieved.
- 2.1.2 The focus for routine procurement needs to be on outcomes i.e. meeting the Council's objectives, ensuring customer needs are satisfied, and achieving value for money.
- 2.1.3 Whilst routine procurement will remain devolved to individual departments, wherever possible, any contract requirement of the Council should therefore be aggregated and procured on a corporate basis.

2.2 Purchasing Guidelines

- 2.2.1 In terms of routine procurement, the Council's purchasing guidelines are currently contained within the Finance and Contract Procedure Rules which are both available on the Intranet.

- 2.2.2 The Finance and Contract Procedure Rules need to be reviewed annually to ensure that they continue to reflect good procurement practice and provide appropriate safeguards for the Council in any purchasing activity undertaken.
- 2.2.3 A detailed Procurement Toolkit has also been developed and this forms the basis of simple guides to best practice. These guides are for all Council employees involved in procurement at any level and are available on the Intranet.
- 2.2.4 Training is also offered to any staff involved in procurement and all members. This is delivered typically on a quarterly basis as a minimum.

2.3 Consortia and Joint Arrangements

- 2.3.1 The opportunities identified within this Strategy become more powerful when shared with other local authorities, agencies and private sector partners to identify areas of common interest. There are a number of local authorities that have joined together to share expertise, realise administrative efficiencies, and economies of scale for mutual benefit.
- 2.3.2 HBBC has already recognised the benefits of joint working and will utilise consortia arrangements (Eastern Shires Purchasing Organisation (ESPO), Government Procurement Service (GPS) etc.) where they offer a value for money solution. This will be evaluated upon both a cashable and a non cashable basis, i.e. where there are potential process savings as well as “cost per unit” savings.

2.4 E-procurement

- 2.4.1 E-procurement is more than simply automating the purchase order and invoice payment process. It is about using the technology available to improve efficiency and effectiveness of the whole supply chain.
- 2.4.2 The Council implemented an e-procurement system in 2007 which is now well embedded. We will seek to take advantage of all developments to this system to further reduce transaction costs and processing time.
- 2.4.3 The Council also implemented an e-tendering system in 2012 which will be used for all of the Council’s tenders. We will continue to identify and implement technology developments to make procurement processes as efficient as possible.

3. HIGH VALUE / STRATEGIC PROCUREMENT

3.1 General Principles

- 3.1.1 Procurements that fall within this category of procurement, tend to carry far higher risks if the project is not completed successfully e.g. a construction contract or the tendering for the provision of a key service. Strong support and guidance, therefore, needs to be in place.

3.2 Legal Framework

- 3.2.1 High Value projects are more likely to be subject to European Union (EU) procurement regulations and lack of compliance with the legal requirements can open the Council to costly legal appeal. All decisions must be transparent, objective and auditable. The EU processes specify different routes according to the type of procurement undertaken and the Council must provide clear support on the legal framework identifying as necessary how specialist legal advice can be obtained.
- 3.2.2 It is crucial that the Procurement Manager is involved in all strategic procurement projects, to ensure best practice is applied and to provide guidance and support. Managers who undertake such projects should be suitably trained.

3.3 Tender Evaluation

- 3.3.1 The Council will utilise appropriate selection criteria to be applied when awarding contracts. Criteria to take into account may include:
- price, including whole life cost;
 - quality;
 - plans for service improvements;
 - empathy with the Council's objectives and core values;
 - skills;
 - investment;
 - impact on employees innovation;
 - shared risk / reward;
 - staffing issues including TUPE arrangements;
 - environmental issues;
 - equality considerations;
 - health and safety issues.

3.4 Design and Construction Contracts

- 3.4.1 The Council will ensure its construction and design processes take account of the key elements of the Government's Guide on 'Rethinking Construction in Local Government' (Egan Report).

3.5 Partnership Working

- 3.5.1 Partnering is more about the approach undertaken than a specific method of procurement. The Council is committed to working with public, private and voluntary sector organisations to develop co-operative procurement arrangements and develop supplier effectiveness. Exploring further opportunities to work in partnership and achieve benefit from sharing resources, skills and expertise, will evidence this commitment.
- 3.5.2 Partnering is a term widely used within both the public and private sectors but although it has no commonly agreed definition it can generally be defined as *"A relationship between two (or more) organisations, which commit to working together to achieve their own and each other's objectives."*

- 3.5.3 The aim of partnering is for clients and service providers to work together to achieve best value for all parties by adopting a flexible and motivated approach unrestrained by artificial barriers and in a non-confrontational manner. The partnership must be underpinned with a formal contract, processes and procedures document in which the ethos of the partnership is captured.
- 3.5.4 Partnering principles will be applied to individual projects whenever possible and appropriate.

3.6 Project Management

- 3.6.1 Procurement undertaken in this category needs to be managed to formal project management principles, with responsibilities clearly outlined and plans must be in place setting targets, milestones, timescales and resources required for successful completion. HBBC has adopted Prince 2 as its chosen methodology, with application of the principles varying depending upon the size and nature of the procurement.

3.7 Contract Management

- 3.7.1 Project management principles apply not only to tendering processes but also to the performance of the contract once in place to ensure the desired outcomes are achieved and the Council's objectives are continually being met.
- 3.7.2 Wherever possible, challenging performance indicators (PIs) should be incorporated into contracts as a tool for managing performance, and to drive continuous improvement.
- 3.7.3 In terms of information provided by our contractors, it is vital that this is provided in a timely and accurate manner and that we are clear with the contractor about their responsibilities for data quality and how we will be checking the information they provide.
- 3.7.4 Where applicable the Council require a contractor to adopt our Data Quality Policy and / or enter into an Information Exchange Agreement.
- 3.7.5 The Council will also, where appropriate, check the information it holds with customers, partners and / or service users, in order to keep its information accurate.
- 3.7.6 The Council will seek to develop contract management tools, utilising appropriate technologies. A Contract Management Guide is available on the Intranet as part of the Procurement Toolkit.

3.8 Transformation Programme of Service Review

- 3.8.1 The Council has a Programme of Transformation, with a Manager tasked with its delivery. As part of this programme, services and strategically critical procurements may be reviewed.
- 3.8.2 In particular, services will be reviewed where:
- There is a need to improve performance on a shared or local priority.

- We are unclear whether a service is still required or whether its contribution is as effective as it could be.
- There is a clear and proven case for a new service or a different way of providing an existing service.
- There is evidence that the costs of a service are significantly out of line with comparable services in other authorities.
- There is a clear opportunity to work with other authorities to deliver common services.

3.8.3 This review will look at new and innovative ways of delivery, rather than repeating without challenge current practices. It will include researching all available delivery options in the market, including working with others and current best practice. We will also engage other organisations to learn from their good and bad experiences.

3.8.4 A transparent options appraisal exercise will be undertaken and will include the following areas for review::

- Cost;
- Service quality;
- Risk;
- Deliverability;
- Timescales;
- Funding;
- Practicality;
- Legal / Statutory requirements.

3.8.5 The options appraisal will as a minimum consider the following alternative delivery options:

- In-house provision
- Use of consortium framework contract
- Collaborative contract
- Shared Service
- Private Sector
- Voluntary Sector
- Social Enterprise
- Local Authority Company
- Joint Venture Company
- Partnering Contract
- Design, Build, Operate and Manage Contract
- Concession or Franchise
- A combination of the above

4 Leadership and Responsibility

4.1 Internal Roles

4.1.1 Currently members of staff in all of the Council's service areas carry out procurement. A Procurement Manager is in post and acts as an advisory / support resource. The Procurement Manager is also responsible for developing and reviewing the Corporate Procurement Strategy and

framework, and developing, maintaining and monitoring relevant systems, procedures and standards to ensure that corporate requirements and strategic objectives are met.

4.1.2 The Council's Managers are responsible for ensuring the Strategy is and all associated systems, procedures (including Financial Procedure Rules) are adhered to within their respective teams.

4.1.3 Clearly, HBBC will not be able to realise the full potential of procurement to improve public services without commitment from the top. The Executive Member for Finance will act as the lead on the Procurement Strategy for members.

4.2 Training and Development

4.2.1 As already identified, a substantial amount of procurement carried out within the Council is not managed or undertaken by purchasing professionals and therefore, the skills required need to be properly identified and met. This will include project and contract management skills referred to earlier as well as competency in appraising suppliers, carrying out negotiations and risk management.

4.2.2 Training is delivered by the Procurement Manager on a quarterly basis and more specialist training is to be sought by the Procurement Manager as and when required.

4.3 People Strategy

4.3.1 All actions arising from this Procurement Strategy will be developed alongside the principles of the Council's Human Resources People Strategy.

4.4 External Roles

4.4.1 The Council intends to engage fully with all sources of external support to enable delivery of this Strategy. Such sources include:

- East Midlands Councils (Regional Improvement & Efficiency Partnership)
- Leicestershire & Rutland Procurement Forum
- District Councils Network
- Other peer authorities

4.4.2 The Council needs to engage with its partners as much as possible to ensure we receive maximum support to implement the Strategy and Action Plan. We will also proactively seek out opportunities for collaboration and shared services.

4.4.3 HBBC has already engaged in this process and is working particularly with other Leicestershire authorities on a number of initiatives including:

- Revenues and Benefits
- Procurement of Virtual Mailroom Services
- Procurement of Leisure Services

5 RISK MANAGEMENT

5.1 Applying Risk Management Principles

- 5.1.1 All procurement should be subject to the identification and quantification of risk prior to contract formalisation so that risk is retained or transferred to the party who can manage the risk the most effectively. This analysis should be completed in line with the Council's Risk Management Strategy which defines the Council's agreed treatment methods of different levels of risk (risk appetite). A project risk register is to be maintained for major projects in accordance with the Risk Management Strategy.
- 5.1.2 There are many different types of risk that may exist and a tactical approach is required to ensure at least key risks are considered. At HBBC a RISK TACTICAL approach is taken to ensure key risk categories are considered. Key considerations for each risk category are provided in the Risk Management Strategy. Key risk categories are:
- Reputation
 - In Partnership
 - Support politically
 - Key staff and Management
 - Third Party Dependencies
 - Assets
 - Capital and Revenue
 - Technological
 - Impact on Environment, Customers, social / economic issues
 - Continuity
 - Advantage/Opportunity
 - Legal/Regulatory
- 5.1.3 Risks and procurement 'Lessons Learned' identified will be recorded in project / service risk registers with the necessary actions required to manage the risk.
- 5.1.4 Risk identification and assessment is also incorporated into the Service Improvement Planning process. Procurement risks should be considered as part of the Service Improvement Planning process. New or unplanned procurement activity will need to be added to service risk registers following formalisation of Service Improvement Plans.
- 5.1.5 The benefits and opportunities that may arise will need to be analysed in order to balance such opportunities against the risks. This will ensure that all aspects of the procurement are properly weighted against each other.
- 5.1.6 Reporting on the ongoing management of identified risks is carried out as part of the Council's Performance Management reporting arrangements.

5.2 Insurance

- 5.2.1 When contracting with third parties it is important to ensure that they have adequate provisions to deal with any unforeseen events. There are liabilities associated with the supply of goods or services that should be retained and insured by the supplier. As a **minimum**, any contracting third party with the Council should have the following liability insurance provision:

Public Liability Insurance

A minimum indemnity limit of **£5M** for any single event or series of events arising from the same cause.

Products Liability Insurance

A minimum indemnity limit of **£5M** for any single event or series of events arising from the same cause.

Employers Liability Insurance

A minimum indemnity limit of **£10M** for any single event or series of events arising from the same cause.

Professional Indemnity Insurance

A minimum indemnity limit of **£2M** in the aggregate for all claims made in any 12 month period of insurance.

- 5.2.2 Where a provider doesn't hold the levels of insurance as indicated above, the Council's Procurement Manager should be consulted and a risk assessment undertaken to determine the level of insurance appropriate for the contract being procured.

5.3 Health and Safety

- 5.3.1 As part of the risk identification process, health and safety considerations must be included. This relates both to ensuring the Council's Health and Safety policies and procedures are met, particularly in the supply of services, and also ensuring that items purchased meet appropriate Health and Safety requirements / standards.

6 EMPLOYMENT MATTERS

6.1 Employee Consultation

- 6.1.1 Staff will be consulted during procurement projects at all times and from the earliest opportunity and a consultation timetable will be agreed at the outset and adhered to throughout.
- 6.1.2 The views of staff on such matters will be ascertained and considered fully.
- 6.1.3 Where procurement affects staff, staff representatives will be kept informed and invited onto the relevant Project Teams and evaluation panels as

appropriate. Wherever possible, employment considerations will be built into procurement processes and contracts.

- 6.1.4 The Council is seeking to adopt the principles of a Living Wage Accredited Employer and will also consider full accreditation over the life of this strategy. Such accreditation would result in all agencies and sub-contractors that meet certain criteria being required to pay all staff on Council contracts the Living wage as a minimum.

6.2 Transfer of Employees

- 6.2.1 Where outsourcing is an option, this will be done with certain and consistent application of the Transfer of Undertakings (Protection of Employment) Regulations (TUPE).
- 6.2.2 There will be no transfer to any other organisation unless the Council is satisfied that the prospective employer is sound. The Council will not award contracts to organisations with poor track records in areas such as employment conditions. This extends to issues of equality such as sex, race, sexual orientation etc.
- 6.2.3 Where there is TUPE transfer, the Council will provide bidders with accurate and timely information on all relevant matters. Bidders will be expected to demonstrate that they understand and can manage their obligations under TUPE, with no detriment to the terms and conditions of transferred employees in connection with the transfer.
- 6.2.4 Contractors selected to provide services to the Council and to take on former staff should also have the policies that ensure good communication and consultation with the workforce on key issues following a transfer.
- 6.2.5 The Council will also seek to provide protection of the pension rights of transferring staff. The authority will expect employers to either seek admitted body status (where eligible) to the Local Government Pension Scheme or to offer membership of an alternative scheme that is certified as being broadly comparable. Negotiations to resolve the issue of pensions shall take place at an early stage in the process and shall be open and transparent.

7 SOCIAL VALUE

7.1 Sustainability

- 7.1.1 Sustainable development means that economic growth, social cohesion and environmental protection must go hand in hand.
- 7.1.2 The UK Government Sustainable Development Strategy (2005) highlighted the need to ensure that the £125 billion spend in the public sector is utilised sustainably and responsibly.
- 7.1.3 The Public Services (Social Value) act 2012 places a requirement on the public sector to consider the economic, environmental and social benefits of

their approaches to procurement **before** the process starts. They also have to consider whether they should consult on these issues.

7.1.3 All procurement shall therefore have due regard to the principles of sustainability. Environmental and social issues shall be considered at all stages of the procurement cycle, including:

- Defining the need;
- Evaluating options;
- Design and specification;
- Supplier selection;
- Tender evaluation;
- Post-contract management;
- Supplier development;

7.1.4 At the outset, the business case in each procurement project must address sustainability issues and identify whether there is scope to improve the environmental, economic and social impacts of the proposed contract. This should also include an assessment of the voluntary and social sectors ability to access the opportunity.

7.1.5 The Procurement Toolkit includes guidance as to how these factors can be included at each stage.

7.2 Green Procurement

7.2.1 The environmental impacts of procuring goods and services are deep and wide ranging. The key principles to consider are “reduce, reuse, recycle and rethink” – including thinking about whole life costs (noting in particular the cost of disposal).

7.2.2 The council adopted an Environmental (Waste Reduction Policy) Purchasing Policy in March 2010. This strategy will deliver on all of the objectives contained within the Policy.

7.2.3 The early consideration of green issues with an emphasis on whole life costing may result in a differing requirement providing better value for money. HBBC will seek to use specific tools at each key stage to assess environmental impacts, specifically invitations to tender and pre qualification questionnaires should include a requirement for potential suppliers to identify the environmental impacts of their organisations products and how they propose to minimise them. This will allow a wider consideration of the issues during which the evaluation of tenders, and may result in new ideas.

7.2.4 Questions which can be asked of major suppliers tendering for large contracts (on a risk basis) may include:

- Does the organisation have an environmental policy?
- Does the organisation have an environmental management system in place? For example, do they hold accreditation for EMAS (Eco-Management & Audit Scheme) and / or ISO14001?
- Has the organisation compiled an environmental effects register?
- Does the organisation have an environmental action plan to reduce adverse impact on the environment?

- Does the organisation have any unspent prosecution in relation to environmental legislation?
 - Identify the environmental impact of the provision of your supply/service.
- 7.2.5 The answers to the above questions can be used to consider both the environmental risk and profile risk (concerned with perceptions of those outside of the Council on what the Council 'should be doing'). The Council's own documents and procedures, e.g. the Environmental Policy and Environmental Effects Register will be used as benchmarks for scoring the suppliers' responses.
- 7.2.6 Wider costs and issues (e.g. reducing the potential for long term pollution in the local community) should be considered at the specification of requirements stage. In addition, whole-life costs* provides the means of determining if it is cost effective to invest in a more expensive product initially to reduce costs in the long run. The environmental impacts in each stage of a product or service's lifecycle need to be taken into account.
- 7.2.7 Suppliers should also be required as part of the tender process, to explain how their offer will meet or exceed the specification in regard to materials used in manufacture, reduction of energy used during manufacture. Disposal etc. for goods and the use of energy and water, generation of waste, pollution and protection of the natural environment etc. for works and services.
- 7.2.8 The Council has developed a Green Purchasing Guide that provides guidance to staff on how they can help to conserve energy and resources, and reduce waste and pollution through purchasing decisions.
- 7.2.9 The Council is recognised as being a "Fairtrade Borough". Consideration should be given to Fairtrade and general ethical procurement in all its procurement decisions.

7.3 Local Regeneration

- 7.3.1 The Council recognises that as a major buyer of goods and services, the decisions it takes in awarding contracts can have an effect on the local economy and local communities. The Council needs to balance this within the legislative framework, particularly in regard to the non-discrimination and competition requirements.
- 7.3.2 In response, the Council is committed to maximise the regeneration impacts of its procurement decisions.

To help it achieve this, the Council will need to take a number of steps, including:

- Completing an analysis of the Council's current spending patterns, which identifies how much we are spending locally, particularly in regard to small to medium enterprises (SMEs);

* Whole life costs can be defined as the total resources required for putting together, equipping, maintaining and operating a purchase such as a piece of equipment, vehicle or building. It is made up of the costs to develop, acquire, own, operate and, preferably, re-deploy or, less preferably, dispose of the equipment or property when no longer required for the purpose for which it was purchased.

- Paying our local suppliers within 10 days;
- Using the Source Leicestershire website to advertise business opportunities at all levels up to and over European Threshold values;
- Promoting the availability of our services through attendance at local business organisations' meetings such as Business Link Leicestershire / Hinckley Business Assoc / Earl Shilton Business Forum;
- Continuing to work closely with the Town Centre Partnership and the Business Improvement District (BID).

7.3.3 The Council recognises that local suppliers and indeed any SMEs are not able to compete for *every* contract opportunity. HBBC therefore needs to develop an approach to encouraging tenderers for large contracts to consider how they might work with the local supply chain to increase the local economic impact of the contract.

7.3.4 Whilst seeking to encourage growth in the local economy, the Council aims to encourage a mixed range of suppliers to compete for its contracts to help develop a varied and competitive marketplace. HBBC recognises that smaller suppliers and those in the voluntary and community sectors can often have innovative solutions to requirements. HBBC will identify any gaps in the supply base and strive to increase provision from currently under represented areas, including BME and women owned businesses.

8 EQUALITIES IN PROCUREMENT

8.1 HBBC is committed to equalities in all its activities. Any contractor / organisation working for and on behalf of the Council, or any organisation receiving grants from the Council, will need to demonstrate its compliance with all current legislation as an employer. The legislation includes:

- Equality Act 2010
- Human Rights Act 1998
- Maternity and Parental Leave etc. and the Paternity and Adoption Leave (Amendment) Regulations 2008
- Part Time Workers (Prevention of Less Favourable Treatment) Regulations 2000
- Fixed Term Workers (Prevention of Less Favourable Treatment) Regulations 2002

8.2 At the start of a tendering exercise, the Council should undertake an analysis of the effects on equality. Any findings from this analysis including any consultation results, should be factored into the procurement process. This will ensure that the Council complies with the general and specific equality duties under the legislation.

8.3 The contractor / organisation must ensure that all individuals or organisations providing, receiving or benefiting from the service are treated fairly and without discrimination, either directly or indirectly. The contractor/organisation shall not discriminate either on grounds of race, skin colour, nationality, ethnic or national origin, gender, sexual orientation, marital status, disability, age, religious belief or class, education or health.

- 8.4 At the pre-qualification stage the authority will seek information as to the general competence, track record, details of criminal offences and acts of grave misconduct in relation to equalities legislation. Contractors may be excluded from the tendering exercise if they have been convicted of a criminal offence or have committed an act of grave misconduct, and have not put appropriate measures in place to prevent a reoccurrence.
- 8.5 The following may be added as clauses in tender documents for contracts (on a risk basis):
- It is a priority of the Council's policy to use whatever opportunities are allowed by law to ensure that contractors and their agents accept a commitment to equalities;
 - The contractor and any sub contractor employed by the contractor shall adopt policies to comply with all legislation as detailed above;
 - The contractor is required to ensure that information and services are fully accessible to all sections of the community and that resources are targeted to ensure that best value is provided;
 - The contractor is required to make every effort to consult, involve and encourage the participation of local communities;
 - The contractor will undertake to build a workforce that reflects the diversity of its communities at all levels wherever possible;
 - In the event of any finding of unlawful discrimination being made against the contractor or any sub contractor employed by the contractor, during the contract period, by any court or employment tribunal, or of any adverse finding in any formal investigation by the Equalities and Human Rights Commission over the same period, the contractor shall inform the Council of this finding and shall take appropriate steps to prevent repetition of the unlawful discrimination;
 - The contractor shall provide such information as the Council may reasonably request for the purpose of assessing the contractor's compliance with the above conditions including, if requested, examples of any instructions, recruitment advertising or other literature, and detail of monitoring applicants and employees;
 - The Council will monitor performance in this area as part of Contract Management. Non-compliance will be treated as a serious breach of contract and may result in this contract being terminated and/or the contractor not being permitted to tender for future contracts.
- 8.6 The Council has an Equalities in Procurement Guide available on the Intranet as part of the Toolkit, which provides further information.

9. REVIEW

9.1 This strategy will be subject to annual reviews.