

Epsom and Ewell Borough Council



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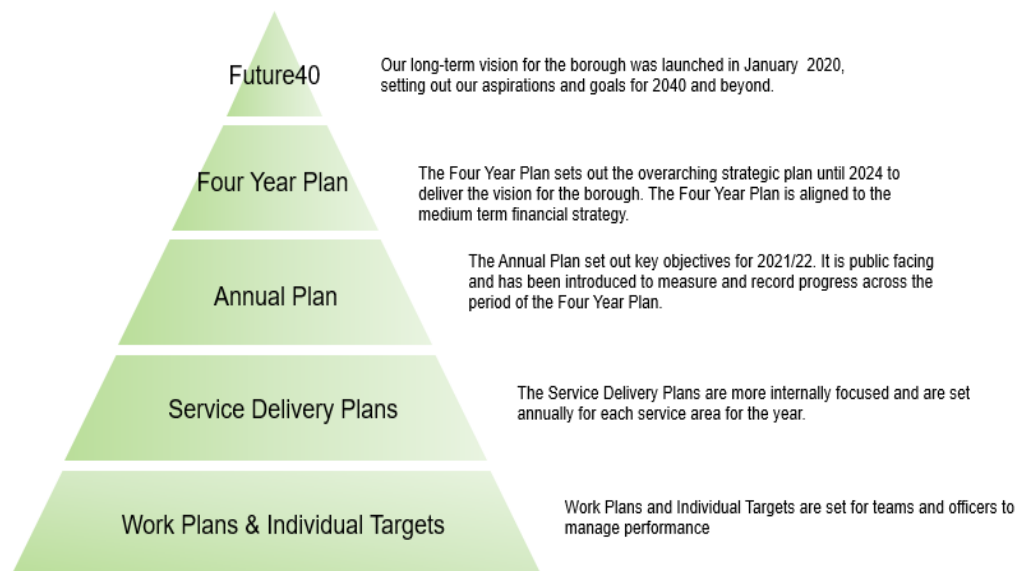
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1. Introduction:

- 1.1 Epsom and Ewell Borough Council is a medium sized Local Authority within the County of Surrey and spends approximately £14 million every year on goods, services and works through revenue and capital programs. Therefore, it is essential that this money is spent responsibly, effectively and in a way that maximises spending power whilst benefiting the Borough and its residents.
- 1.2 The Council recognises that good procurement processes have the power to transform public services and improve outcomes for its residents. Good procurement contributes to boosting our local economy, adding social value and environmental sustainability by bringing in long-term benefits to Epsom and Ewell.
- 1.3 This Strategy sets the framework in which the Council will work to deliver value for money and deliver our Future 40 vision and Four-Year Plan 2020-2024. Requirements of tendering need to be kept reasonable, manageable and proportionate to its Vision, whilst acknowledging the obligations placed upon it as a public sector organisation.
- 1.4 The Council works with a wide range of suppliers both small and large with a focus on obtaining best value for the Council.

2. Our vision:

- 2.1 Our vision and purpose are clear, as we work together to deliver cost effective, quality and innovative services that meet our priorities; keeping the borough green and vibrant; harnessing opportunity and prosperity; building a cultural and creative place; keeping residents safe and well; and being smart and connected - all delivered by an effective Council.



3. Aims and Objectives

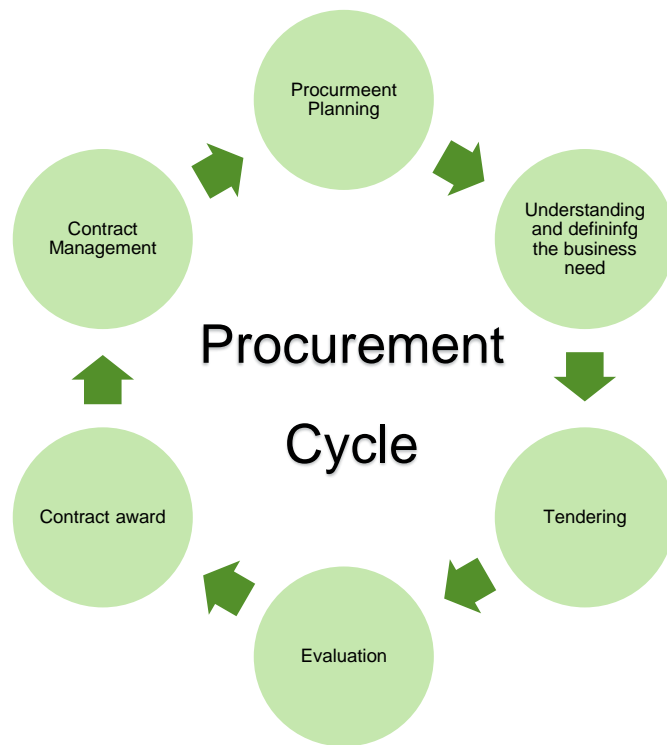
- 3.1 This strategy addresses the following areas:
- Compliance and governance
 - Value for Money (VFM) and efficiency
 - Delivering sustainable procurement
 - Embracing innovation
 - Supplier Management
 - Reducing carbon emissions in the supply chain and supporting the Councils single use plastic policy
- 3.2 The framework for public sector procurement is complex and still governed by UK and EU legislation, although this will be amended during the period of this Strategy as a result of any public sector reforms.
- 3.3 The processes to underpin the legislation are explained in the Contract Standing Orders (CSO's) and Financial regulations. These outline the rules for procuring officers to follow and clarify that all officers must comply with them.

4. We will deliver this Strategy through:

- 4.1 A common procurement process;
- 4.2 Efficiencies, cost reductions and commercially based decisions;
- 4.3 Improved contract management and supplier relationships;
- 4.4 Compliance with policies, procedures and legislation;
- 4.5 Addressing wider social objectives, in relation to equality and diversity, social enterprise and being mindful of our voluntary and community sectors;
- 4.6 Encouraging innovation;
- 4.7 Addressing climate change issues within procurement wherever possible.

5. Procurement Cycle

- 5.1 The procurement cycle identifies the key steps that officers must follow when purchasing goods and/or services. These steps ensure procurements are properly considered at each stage and that public funds are being spent in a considered and structured manner.



6. What do we mean by Procurement?

- 6.1 Procurement refers to the purchase of goods, services and works. As public procurement accounts for a significant percentage of the taxpayers' money, Local Authorities are expected to procure effectively and with adherence to procurement law to ensure a high quality of service delivery.
- 6.2 The aim of the procurement function is to provide procurement consultancy, transactional procurement services and contract management support to all service areas within the Council.
- 6.3 The procurement policy requires all public sector procurement to be based on Value For Money. This can be defined as the best mix of quality and price to achieve the desired specification. This should be achieved through competitive procedures.
- 6.4 Public sector procurement is subject to a legal framework which encourages free and open competition and value for money, in line with internationally agreed obligations and regulations.

7. Compliance and governance:

- 7.1 The Procurement Strategy is not a stand alone document . All purchasing and resulting contracts made by or on behalf of the Council must comply with:
 - The Councils Constitution, including Contract Standing Orders, Financial Regulations and relevant Council policies.
 - The Public Contract Regulations 2015 (PCR's)
 - Exiting the EU Public Procurement 2020
 - Any and all applicable statutory provisions.

- 7.2 The Council has a statutory obligation to have in place a set of Contract Standing Orders (CSO's). These Orders set out how the Council manages its spending and relates to all goods, works and services under the threshold set out by the PCR's. They ensure that prior to any expenditure Officers give proper consideration as to whether the purchase is required and that Contracts are entered into in a fair, open and transparent way. The purchasing officer must also take into consideration the Councils Financial Regulations as set out in the Constitution.
- 7.3 Where the estimated value of a contract exceeds the relevant EU Procurement Directive threshold then the EU tendering requirements set out in the Public Contracts Regulations 2015 (PCR 2015) must be complied with in conjunction with and in addition to these CSOs.
- 7.4 The Public Contracts Regulations 2015 were derived from the EU Public Contracts Directive 2014 and are domestic law. These continue to apply to public procurements in the UK even after Brexit.
- 7.5 The CSO's are published on the Councils internal and external webpages. They will be further publicised during the induction and training of new Council Officers where appropriate.

8. Supporting Sustainable Procurement:

Social Value

- 8.1 The Public Services (Social Value) Act 2012 came into force on 31st January 2013. This act requires Public Sector authorities to consider how they can use their contracts to enhance the wider wellbeing of the community. This complements existing procurement legislation and reinforces social value (SV) as part of the value for money considerations.
- 8.2 SV can be achieved by generating benefits to society and the economy and generating positive impacts on the environment and local communities via our external spend. It can be created in many ways and has wide ranging benefits.
- 8.3 The Act currently applies only to service contracts over the Procurement threshold (£189k) but shall be considered within the quality element in all procurements. Social Value forms part of a bidders commitments at tender stage and should be tailored to the subject nature of the contract being awarded.

Modern Slavery

- 8.4 The Modern Slavery Act 2015 is a UK act of Parliament designed to tackle slavery and human trafficking through the introduction of new measures. Modern Slavery is defined as slavery, servitude, forced or compulsory labour, human trafficking and exploitation.
- 8.5 The council is committed to ensuring there are no instances of modern slavery. For procurements over the procurement threshold (£189k), the Council will scrutinise all bidders for compliance with the Act. Where appropriate, modern slavery scrutiny will be carried out in under- threshold procurements.

Delivering Sustainable Procurement

- 8.6 Sustainable procurement is the process by which an organisation meets their purchasing needs in a way that achieves value for money, on a whole life basis, whilst benefitting the organisation, its customers, the wider society and economy and protecting the environment.
- 8.7 The Council seeks to address the environmental impact of all of its activities. To help do this, suppliers bidding for contract opportunities will be asked, where appropriate, to demonstrate their awareness of relevant environmental issues through their own policies.
- 8.8 Typically, sustainable procurement should follow the following principles:
- adopting social, economic and environmental factors alongside the price and quality considerations;
 - Planning ahead to manage demand, effective contract management and dealing with supply chain risks and impacts;
 - Incorporating sustainable procurement into our contracts where appropriate.

Embracing Innovation

- 8.10 In a climate of constrained budgets and an increase in demand for services, the Council must adopt innovative solutions in order to deliver its Vision. Ways in which the Council are pursuing innovation in our procurement activities are:
- Transitioning to outcome-based procurement (where appropriate) by asking many questions to a wide supplier market. Specifications must be tailored to challenging outcome-based requirements as a replacement for of the traditional standard requirements which can measured more transparently.
 - Sharing Best Practice through the Surrey Procurement Group, which was established in 2014 and is well attended by Procurement Officers from Surrey County Council, 11 Surrey District and Boroughs, local universities and the NHS. Working closely with its members, there are opportunities for shared learning and identifying potential collaborative opportunities.
 - With these possible collaborative procurements, it is recognised that better value for money can be achieved for all parties based on leverage and economies of scale. The council will actively seek opportunities to collaborate on procurements with other public sector organisation that meet the requirements of the council in terms of being commercially focused, having synergy of objectives, appropriateness to the market and timeliness.

9. Supplier Management

Economic Development

- 9.1 Epsom and Ewell Borough Council are committed to supporting local business and recognise that local businesses are the core contributors to the prosperity of the borough.
- 9.2 The Council's aim is for the Borough to remain affluent, by anticipating and responding to changes in employment and business patterns and stimulating both. To support this, the Epsom and Ewell Economic Development Strategy provides a framework for delivering sustained prosperity setting out the Council's ambitions, key priorities and related actions for the economic development across the Borough.

SME's and local Business

9.3 The Council recognises that SMEs, the voluntary and community sector and Social Enterprises are valued and responsive suppliers. They have a major part to play in sustaining the local economy, creating employment and delivering cost effective services by:

- Using the eSourcing portal (In-tend) to publish its contract opportunities;
- Advertising contracts to all those who may be interested in expressing interest;
- Engaging with local suppliers;
- Encourage and support suppliers to bid for contract opportunities, subject to tendering rules.

10. Reducing Carbon Emissions and Single Use Plastics

10.1 The council has made a commitment to reducing its carbon emissions and single use plastics through its Climate Change Action Plan (CCAP). The impact of climate change should be built into procurements where appropriate.

11. Risks

11.1 The risks are managed through the procurement pipeline and contract register.

12. Contract Management

12.1 To ensure contracts operate effectively the following will apply;

- A contract manager will monitor all contracts centrally including the publishing of all contracts on the council website;
- Performance criteria will be in place to measure adherence to contract terms and delivery;
- Contract expiry/renewal dates will be monitored centrally to ensure sufficient lead time is factored into the process;
- Provide training, guidance and support to contract managers within their services.

13. Reporting and Accountability

13.1 To monitor spend and compliance a Board to review corporate procurements will be established. In addition, to provide visibility of spend a report detailing procurement performance will be presented to the Strategic Management Team (SMT) regularly.

13.2 An annual report will be presented to the Strategy and Resources committee to provide visibility for members.

13.3 The CSO's outline clear responsibilities dependent upon the value of the procurement.

13.4 The Procurement and Contracts Manager is responsible for updating the strategy. Following this refresh the Strategy will be reviewed again and updated if required in 2024 in line with the expiration of the four-year plan.