

# Administrative Committee



Date of meeting 19 January 2023

<b>Title</b>	<i>New &amp; Revised Procurement Policies &amp; Procedures</i>
<b>Purpose of the report</b>	To make a decision
<b>Report Author</b>	Hilary Gillies, Interim Corporate Procurement Manager
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Exemption Reason</b>	N/A
<b>Corporate Priority</b>	Service delivery
<b>Recommendations</b>	<b>Committee is asked to:</b> <ol style="list-style-type: none"><li>1. Note and agree the updates to the existing Procurement Policies and Procedures</li><li>2. Review and agree the four new Procurement procedures</li><li>3. Note that it is currently not possible to implement a requested action to increase the threshold for all local procurements to £10k and agree that this will be considered at the next review of contract standing orders.</li></ol>
<b>Reason for Recommendation</b>	<i>In October 2021, the Administrative Committee approved seven new Procurement policies and procedures each with a review date of October 2022. These have been updated, amended and / or enhanced. A further four procedures have been written to further assist officers in achieving their procurement objectives. These are attached as appendices B – E for review.</i>

## 1. Summary of the report

- 1.1 This report provides an update to the Administrative Committee on revisions made to the existing seven Procurement policies and procedures.
- 1.2 These documents were approved by the Administrative Committee on 7 October 2021. Each had a review date of October 2022; they will be reviewed annually and updated where required.
- 1.3 Amendments made to the existing procedures are generally enhancements; for example, strengthening our commitment to social value, environmental

and economic sustainability, and identifying the actions that the Council carries out to improve cyber security.

- 1.4 Four additional procedures have been drafted, and the Administrative Committee is asked to approve these, so that the Corporate Procurement team can publish these on the Council's intranet and provide training for officers. For consistency, all procedures, both existing and new ones, shall have an annual review date of October.

## **2. Key issues**

- 2.1 Spelthorne Borough Council undertakes a wide range of procurement projects, ranging in size, complexity and value. These are subject to both internal and external financial and legal rules.
- 2.2 The internal rules: the Council also has its own financial regulations – the Contract Standing Orders (CSOs) – within its Constitution.
- 2.3 The CSOs stipulate internal spend thresholds and approval levels needed; they were updated as part of the update of the Council's Constitution in the summer of 2021.
- 2.4 As changes to CSOs are not planned for the foreseeable future, it has not been possible to implement a request (from the Administrative Committee in October 2021) to consider increasing the threshold from £5k to £10k for all local procurements. However, the Corporate Procurement and Economic Development teams are monitoring performance against this measure. The latest measure (for the last financial year) indicates that this is currently 20.5% of our spend.
- 2.5 CSOs stipulate that the Corporate Procurement team only needs to support procurements with a whole life contract value of £40k or more. Procurement is otherwise devolved across the organisation, and the Corporate Procurement team is resourced with 2 officers.
- 2.6 The procurement procedures are therefore an important and useful resource to enable officers to carry out a compliant procurement to achieve value for money.
- 2.7 The external rules: as a public sector organisation, the Council is subject to the Public Contract Regulations (PCR) 2015, the procurement legislation which applies to the acquisition of works, goods and services. The Regulations stipulate the processes that we are obliged to follow, relative to the type and value of the procurement.
- 2.8 The Council's Procurement procedures flow from both sets of obligations and are intended to provide support for officers undertaking procurements for their own requirements.
- 2.9 A list of current, updated procedures can be found at Appendix A. The amendments which have been made as part of the review are summarised below:

The Procurement Policy has been redrafted to reinforce the Council's commitment to social, environmental and economic sustainability in our procurements;

Procedures have been enhanced with language that imposes greater consideration of value for money in procurement exercises and considers opportunities for cashable savings in our contract management.

The Contract Management procedure has been updated to reflect consideration of cyber security risk.

The Specification template has been updated to reflect the climate emergency, and requirement for greater environmental considerations in our procurement activities.

- 2.10 Appendices B – E include the new procedures which have been drafted to provide further guidance, that is:

Appendix B – 08\_Supplier Due Diligence Checklist

Appendix C – 09\_Managing Risk

Appendix D – 10\_Drafting a Specification

Appendix E – 11\_Exemption request Procedure

### **3. Options analysis and proposal**

- 3.1 Option 1: Do nothing (**not recommended**). If the Administrative Committee chooses to 'do nothing' the enhancements to the existing procedures – which include greater focus on social, environmental and economic sustainability - would be lost.
- 3.2 Option 2: That the Committee notes and agrees the updates and revisions to the existing policies and procedures and reviews and agrees the three new procurement procedures. This option is **recommended** and allows the timely implementation of all revised and new policies, following which officer training and briefings can take place.
- 3.3 Option 3: That the Committee notes and provides feedback on the updates, revisions and new procedures. Whilst this option would allow Committee input to the documents, it would delay rollout, implementation and training, and for that reason is **not recommended**.

### **4. Financial implications**

- 4.1 There is greater emphasis on the need to achieve value for money in the updated procedures. The contract management procedure considers contract performance and the need to consider opportunities for cashable savings. Otherwise there are no financial implications.

### **5. Risk considerations**

- 5.1 Corporate Procurement has consulted with the Audit team, and in particular has included enhancements to the Supplier Due Diligence Checklist.

### **6. Procurement considerations**

- 6.1 This report considers the procurement considerations throughout.

### **7. Legal considerations**

7.1 The procedures are drafted in accordance with procurement legislation.

**8. Other considerations**

8.1 There are none.

**9. Equality and Diversity**

9.1 The existing and new procedures have been drafted to provide greater equality and diversity, in particular with regard to economic growth and social value.

**10. Sustainability/Climate Change Implications**

10.1 The existing and new procedures have been re-drafted / drafted to give greater emphasis to climate change and environmental sustainability.

**11. Timetable for implementation**

11.1 Once approved by the Administrative Committee (January 2023), the Corporate Procurement team will roll out the procedures and provide training in Q4 of 2022/23

**12. Contact**

12.1 Please contact Hilary Gillies – h.gillies@spelthorne.gov.uk

**Background papers: There are none.**

**Appendices:**

**Appendix A - LIST OF LIVE AND NEW SBC PROCUREMENT POLICIES AND PROCEDURES**

**Appendix B - 08\_SUPPLIER DUE DILIGENCE CHECKLIST**

**Appendix C - 09\_MANAGING RISK IN PROCUREMENT PROJECTS**

**Appendix D - 10\_DRAFTING A SPECIFICATION**

**Appendix E - 11\_EXEMPTION REQUESTS & EXEMPTION REPORTING**