



Notice of a public meeting of

Customer and Corporate Services Scrutiny Management Committee

- To:** Councillors Crawshaw (Chair), Fenton (Vice-Chair), Hunter, Hollyer, Kilbane, Rowley, Musson, Pearson and Mason
- Date:** Monday, 12 April 2021
- Time:** 5.30 pm
- Venue:** Remote Meeting

AGENDA

1. **Declarations of Interest**

At this point, Members are asked to declare:

- any personal interests not included on the Register of Interests
- any prejudicial interests or
- any disclosable pecuniary interests

which they may have in respect of business on this agenda.

2. **Minutes** (Pages 1 - 6)

To approve and sign the Minutes of the meeting held on 8 March 2021.

3. Public Participation

At this point in the meeting members of the public who have registered to speak can do so. Members of the public may speak on agenda items or on matters within the remit of the committee. Please note that our registration deadlines have changed to 2 working days before the meeting, in order to facilitate the management of public participation at remote meetings. The deadline for registering at this meeting is at **5.00pm on Thursday 8 April 2021**.

To register to speak please visit www.york.gov.uk/AttendCouncilMeetings to fill out an online registration form. If you have any questions about the registration form or the meeting please contact the Democracy Officer for the meeting whose details can be found at the foot of the agenda.

Webcasting of Remote Public Meetings

Please note that, subject to available resources, this remote public meeting will be webcast including any registered public speakers who have given their permission.

The remote public meeting can be viewed live and on demand at www.york.gov.uk/webcasts. During coronavirus, we've made some changes to how we're running council meetings. See our coronavirus updates (www.york.gov.uk/COVIDDemocracy) for more information on meetings and decisions.

4. Public Health Update on Covid-19

The Director of Public Health will provide an update to the Committee on Public Health in York.

5. Update on Procurement (Pages 7 - 34)

This report provides an update on how procurement works in the Council. It also informs the Committee of the proposed changes in procurement legislation following the UK's departure from the EU. Finally it outlines some proposed updates to the Social Value Policy.

6. Future of Medigold element of CYC approach to Absence Management

The report to this item is to follow.

7. Urgent Business

Any other business which the Chair considers urgent under the Local Government Act 1972.

Democracy Officer:

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For more information about any of the following please contact the Democratic Services Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports and
- For receiving reports in other formats

Contact details are set out above.

This information can be provided in your own language.

我們也用您們的語言提供這個信息 (Cantonese)

এই তথ্য আপনার নিজের ভাষায় দেয়া যেতে পারে। (Bengali)

Ta informacja może być dostarczona w twoim własnym języku. (Polish)

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

یہ معلومات آپ کی اپنی زبان (بولی) میں بھی مہیا کی جاسکتی ہیں۔ (Urdu)

 **(01904) 551550**

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eCity Of York Council

Committee Minutes

Meeting	Customer and Corporate Services Scrutiny Management Committee
Date	8 March 2021
Present	Councillors Crawshaw (Chair), Fenton (Vice-Chair), Hunter, Hollyer, Kilbane, Rowley, Musson, Pearson and Mason
Officers in Attendance	Monitoring Officer (Janie Berry); Assistant Director Public Health (Fiona Phillips); Section 151 Officer (Debbie Mitchell); Corporate Director of Economy & Place (Neil Ferris); Head of Business Intelligence and Head of Civic, Democratic & Scrutiny Services
Apologies	None

79. DECLARATIONS OF INTEREST

At this point in the meeting, the Chair invited Members to declare any personal, pecuniary or prejudicial interests, which they had not already included in their standing register of interests.

Councillor Kilbane declared a personal, non-pecuniary, interest in Minute No 83 below as a part-owner of a hospitality business and as former Chair of a Trader's Association.

80. MINUTES

Resolved: That the minutes of the last meeting of the Committee held on 8 March 2021 were approved, to be signed by the Chair as a correct record, at a later date.

81. PUBLIC PARTICIPATION

It was reported that there had been no registrations to speak at the meeting under the Council's Public Participation Scheme.

82. 2020/21 FINANCE AND PERFORMANCE MONITOR 3

Members considered the Quarter 3 Finance & Performance Monitor Report outlining the position as reported to the Executive on 11 February 2021.

In terms of the financial position, it was reported that the report did not address the potential and continuing impact of Covid 19 on income streams arising from the 3rd lockdown due to timing of publication. Nor did it reflect any additional burden stemming from the winter floods or take account of the additional support measures introduced by the Government as a result of the 3rd lockdown. All local authorities were similarly faced with financial Covid pressures and it was noted that reserves may need to be called on to balance this year's budget.

In terms of performance monitoring information, it was noted that gathering data had equally been affected by Covid 19.

The Chair asked the Section 151 Officer to provide an outline estimate of flooding costs to Members of the Committee by email when available.

Members then asked a range of questions on the report relating to various overspends, the Housing Revenue Account (HRA), the percentage of children found to obese, decreasing life expectancy, mounting costs in Adult Social Care, as well as the dedicated schools grant and universal credit.

Arising from that debate, it was suggested that more information be included in the Quarter 4 report on life expectancy and children with obesity, with a view to inviting Health & Adult Social Care Policy & Scrutiny Committee to look at those areas in more detail. More information would also be included on mitigations being undertaken to address the overspend in adult social care provision.

RESOLVED; That the report and current position be noted, as outlined in the Quarter 3 Monitoring report and the above modifications be made to information contained in the Quarter 4 report.

REASON: To keep the Committee properly informed of current financial and performance positions and provide it with an opportunity to monitor and scrutinise those positions.

{Councillor Mason joined the meeting at approximately 5.48pm during consideration of the above item}

83. COVID 19 UPDATE AND PRELIMINARY ROADMAP TO COUNCIL RECOVERY POST LOCKDOWN

Firstly, Members received their monthly update and presentation from the Assistant Director of Public Health covering the following areas:

- New cases in the last 7 days, on average the number reported being between 10-15 daily;
- Trends across all age ranges, with numbers across all currently reducing;
- Hospital admissions decreasing;;
- Weekly deaths;
- Lateral flow testing across 3 sites in York;
- Tests for returning school children in York w/c 8 March 2021;
- Vaccination progress, with 32% having had their first in York;
- Outbreak management, with plans to emerge from lockdown and wider introduction of lateral flow testing;
- Contact tracing, with York being authorised to do all local follow up contact;
- New variants and their occurrence in York

Members then asked various questions around intensive care beds, the source of Covid spread, the potential impact of schools re-opening and the availability of test stock.

Further to the above presentation and after a short adjournment, Members then received a presentation from the Corporate Director of Economy & Place outlining the Council's roadmap to recovery to fit with the 4 stages in the Government's plan, culminating in a full re-opening of all shops, facilities, hospitality etc on 21 June 2021. The roadmap would focus on safe well managed city space with outdoor seating and areas being crucial.

Members then questioned the Corporate Director on footstreets, opening up front streets outside of the city centre, managing visitors and residents safely within the city, café licences and business rates, the usage of public spaces/squares, as well as the operation of waste disposal sites and local capacity and the return to West Offices by staff and Councillors. On that latter point, Members considered it would be appropriate for the Committee to look at the options for hybrid meetings with a return to West Offices likely in part at least during the year.

RESOLVED: That

(1) the public health Covid 19 update, presentation and current position be noted.

REASON: To keep up to date with the current position relating to the impact of Covid 19 in York.

(2) the outline presentation of the Council's roadmap to recovery be noted and the Economy & Place Policy & Scrutiny Committee be asked to monitor the situation regarding the re-opening of the city centre and economy;

(3) a report be received at a future meeting of this Committee outlining potential options for operating hybrid and remote meetings in anticipation of a return (partial or otherwise) to West Offices for Councillors and staff later in the year,

REASON: To keep informed on and scrutinise the Council's recovery plans out of lockdown.

{Councillor Rowley left the meeting at 7.21pm during consideration of the above item)

84. **WORK PLAN**

Members received and considered their work plan for coming meetings, together with details of business for other Scrutiny Committees. The Chair then updated Members further on the

work plan for this Committee and identified potential further commissioned scrutiny slots, subject to final clarification. He advised Members that he would be addressing Council Management Team shortly to discuss meaningful engagement with scrutiny. There would be a Scrutiny Chairs/vice Chairs session on 17 March 2021 to initially outline potential constitutional changes affecting the scrutiny function.

Finally, the Chair outlined the next steps in relation to a review regarding an ethical disposal policy , previously agreed by the Committee. It was proposed to invite 3 or 4 Members from this Committee and Economy & Place Scrutiny & Policy Committee to gather information from other local authorities and report back to the Committee in due course.

RESOLVED: That the work plan and Chair's update be noted.

REASON: To ensure that the work of the Committee is properly managed in accordance with its work plan.

Councillor J Crawshaw, Chair
[The meeting started at 5.30 pm and finished at 7.32 pm].

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Customer and Corporate Services Scrutiny Management Committee

12th April 2021

Report of the Chief Finance Officer

Update on Procurement

Summary

1. This report provides a brief overview of how procurement works in the Council and how the service has operated during the pandemic. It also informs the Committee of the proposed changes in procurement legislation following the UK's departure from the EU and how this may impact on the Council's Procurement Strategy. Finally, it outlines some proposed updates to the Social Value Policy.
2. The Procurement Strategy (Annex 1) explains how the Council works with partners and suppliers to develop and deliver:
 - imaginative commissioning and procurement solutions
 - quality, value-for-money goods, works and services
 - broader economic, social and environmental outcomes
3. The Social Value Policy (Annex 2) sets out the Council's commitment to embedding social value into its procurement and commissioning processes, creating a supply chain that helps the Council work towards its strategic priorities.

Recommendations

Members are asked to

- a. note the information in this report
- b. consider what further information, if any, members require on procurement
- c. comment on the proposed changes to the Social Value Policy

- d. comment on the areas they wish to see included in a future Procurement Strategy

Reason: To keep members informed of procurement processes within the Council.

Background

4. At the October 2019 meeting of this Committee the Chair presented a draft work programme for the 2019/20 municipal year and the Committee agreed to request several overview reports to define what work members could focus on. It was later agreed that a report on a sustainable Procurement Strategy and Social Value Policy would be considered at the Committee's January 2020 meeting. However, due to the absence of the Chief Finance Officer during January, the item was not considered at this meeting.

Overview of procurement team and process

5. Procurement is the process of acquiring goods, works and services from third parties to deliver agreed outcomes. The process compares different services quality and prices to enable the council to select the best offer that meets its needs. The result is a contract, with a clear specification, price and a set of terms and conditions to achieve the best outcomes for residents and delivery of the Council Plan.
6. The council spends approximately £170m on goods and services during an average financial year, with around 1500 individual purchase orders raised each month. We use an average of 2,270 suppliers during the year and there are over 320 entries on the contract register at any one time. There are 417 officers across the council with delegated authority to make purchases on behalf of the council.
7. To set this in context, there are 9 members of procurement team and this includes 1 compliance officer. At the time of writing (mid March) the team were supporting 105 separate procurement exercises ranging in value from £20k (Local Plan Sustainable Transport Study) to £60m (Housing Delivery Programme).
8. York, along with most other councils in the Yorkshire & Humber area, operates a category management approach to procurement. This essentially means that the team is structured to reflect the categories of goods, works and services we buy, rather than the directorates who buy

them, ensuring a joined up approach to supplier management and expenditure across the council.

9. All councils in the region use a common system to advertise tender opportunities, called Yortender. This system allows any supplier to register on the system and receive alerts to let them know when tenders are advertised, at no cost to the supplier. It also allows us to meet the requirements of the Local Government Transparency Code as it is available for anyone to view the current contract register and tender opportunities. Training on how to use the system is available for any supplier, but priority is given to local suppliers.
10. The team provide regular training sessions, which are available to all staff and take place on a regular basis. We also offer bespoke training as and when required. A procurement toolkit, which provides advice, guidance and template documents, is available to all staff through the intranet. The team works closely with colleagues from both legal and finance to provide joined up support for front line service managers.

Procurement during the pandemic

11. At the outset of the pandemic in March 2020 a decision was made to suspend all tendering and procurement activity for a short period unless it was urgent or essential to deal with the impacts of the pandemic. This was to ensure staff resources were available to deal with urgent issues at the time and also to ensure that suppliers who were unable to tender due to the restrictions in place at the time were not disadvantaged.
12. Once the situation became more manageable, procurement activity was restarted and procurements were prioritised to ensure the backlog was cleared as quickly as possible. Procurement is now working normally with all activity resumed.
13. The procurement team worked closely with Public Health and councils across the region to source suitable personal protection equipment such as hand sanitiser, face masks, gloves, etc.

Procurement Strategy and Sustainable Procurement

14. The purpose of the procurement strategy is to ensure that the Council uses procurement effectively to deliver key priorities. The strategy guides the procurement policy and helps to ensure that it achieves value for money whilst delivering the best outcomes for residents.

15. The Council is committed to engaging with suppliers to procure and commission work, services and supplies and to develop effective procurement solutions that deliver:
 - Quality, value-for-money goods and services;
 - Positive economic, social and environmental outcomes.

16. Through the responsible procurement of goods, works and services in a socially, economically and environmentally responsible way the Council has an important role to play in:
 - Reducing environmental impacts;
 - Supporting the local economy;
 - Providing employment and training opportunities;
 - Achieving sustainability through the works, supplies and services that are procured.

17. As part of this process the Council asks its suppliers to demonstrate that they are:
 - Following good environmental practices;
 - Offering opportunities for employment and training;
 - Supporting the local economy;
 - Considering social value.

18. The Procurement Strategy includes a commitment that sustainability, fairness and the development of the local economy will be built into purchasing decisions. Economic considerations must be balanced with the need for environmental and social outcomes and must all be done within the bounds of procurement legislation.

19. Work on revising and updating the current Procurement Strategy was about to begin in early 2020 but work in this area was put on hold during the pandemic. The Government has now issued a Procurement Green Paper following the departure of the UK from the EU and therefore whilst work can restart in terms of researching current best practice and consulting with stakeholders, the strategy will not be finalised until the outcome of this green paper is known.

20. Consultation will be undertaken with current and prospective suppliers, and the local business community. A draft strategy will then be written

by officers and there will be the opportunity for members and residents to comment on this strategy before it is formally approved and adopted.

21. Climate Change Policy & Scrutiny Committee have also considered sustainable procurement at their meeting on the 10th March.

Transforming Public Procurement Green Paper

22. Government launched the Green Paper in December 2020 for consultation. The Paper forms part of a package of new procurement arrangements that are needed following the UK departure from the European Union. A new Find a Tender service has replaced the Official Journal of the European Union (OJEU) and this is where all contracts over £118k have been published since 1st January 2021.
23. The Government believes the main problems with the previous system are that the rules are complex and confusing, making it difficult for smaller companies to win business and improve public services, and that it is difficult for public bodies to exclude providers on the grounds of past poor performance.
24. The Green Paper outlines how leaving the EU provides an opportunity to design a system that works better for communities and businesses. The Government also wants public procurement to support economic recovery following the pandemic.
25. The Government proposes that the new legislation will include the following six principles, which are consistent with the UK's membership of the World Trade Organisation's (WTO) government procurement agreement (GPA):
 - a. Public good – procurement should support the delivery of strategic national priorities including economic, social, ethical, environmental and public safety
 - b. Value for money – procurement should achieve the best mix of economy, efficiency and effectiveness and achieve the intended outcome; it is not just about the lowest price
 - c. Transparency – openness that underpins accountability for public money, anticorruption, and the effectiveness of procurement
 - d. Integrity – good management, prevention of misconduct, and control in order to prevent fraud and corruption
 - e. Fair treatment of suppliers – decision-making by contracting authorities should be impartial and without conflict of interest

- f. Non-discrimination – decision-making by contracting authorities should not be discriminatory
26. Procurement teams should have regard to the Government's national priorities when conducting public procurement. These will be set out in a National Procurement Policy Statement, including:
 - a. Delivering social value including economic, social and environmental outcomes
 - b. Commercial delivery including publishing pipelines of future procurement
 - c. Commercial capability including benchmarking performance
27. The proposals outlined in the paper would replace the current 7 procurement procedures, some of which overlap and are rarely used, with 3 procedures
 - a. A new flexible procedure that gives buyers freedom to negotiate and innovate to get the best from the private, charity and social enterprise sectors
 - b. An open procedure that buyers can use for simpler, 'off the shelf' competitions
 - c. A limited tendering procedure that buyers can use in certain circumstances, such as in crisis or extreme urgency
28. The Light Touch regimes introduced in 2015 as a flexible route for health and social care procurement will be abolished.
29. The Government sees the right contract going to the right supplier as a fundamental test of an effective procurement regime. It proposes some technical changes to ensure that procurement processes achieve the best mix of quality and effectiveness for the least costs, taking account of the whole life of the contract and wider aspects.
30. The proposed changes are:
 - Clarity that buyers do not have to select the cheapest bid and that they can design evaluation criteria to include wider economic, social or environmental benefits. The green paper proposes to replace the current requirement to evaluate bids on the most 'most economically advantageous tender' (MEAT) with 'most advantageous tender' (MAT).

- Retention of the basic requirement for award criteria to be linked to the subject matter of the contract, but with provision for specific exceptions to be made by the government, which could be used to drive up standards from suppliers, for instance on prompt payment of subcontractors or environmental performance.
- Provisions for the exclusion of suppliers who have been convicted of fraud and other offences such as tax evasion, and the introduction of a centralised debarment list of organisations that have relevant convictions.
- Broadening the range of circumstances in which past poor performance can be taken into account. Currently a supplier can only be excluded if their poor performance has resulted in contract termination, damages or similar sanctions. Under the new proposals, a supplier could be excluded due to significant or persistent poor performance in a previous public contract, subject to a three-year time limit. Decisions to exclude would have to be based on evidence.

31. Over the last 20 years, the UK has been moving towards more open and electronic procurement systems, but the government believes existing systems are still too fragmented, with a lack of transparency and interoperability, meaning the UK misses out on the potential benefits of sharing data that could help provide a fuller picture of public spend; manage suppliers; prevent fraud and corruption; and make supply chains more visible. The green paper proposes:

- Legislation to require all contracting authorities to implement the Open Contracting Data Standard (OCDS). This is a free, non-proprietary, open data standard for public contracting implemented by over 30 governments globally. This would allow data to be shared across the public sector and analysed by contract and category
- Establishing a single digital platform for supplier registration so that businesses only have to submit their data once to qualify for any public sector procurement. All contracting authorities would use this data in their procurement exercises.

32. Good contract management is key to successfully delivering a contract following the completion of a procurement. To improve contract management, the government proposes reforms including:

- Tackling late payment in the public sector through giving small businesses, charities and social enterprise further down the supply chain better access to contracting authorities to raise late payment problems
- More flexibility over amendments to contracts, especially in times of crisis, and a new requirement to publish contract amendment notices, increasing transparency

Social Value Policy

33. The Public Services (Social Value) Act 2013 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits.
34. The Act is a tool to help commissioners get more value for money out of procurement. It also encourages commissioners to talk to their local provider market or community to design better services, often finding new and innovative solutions to difficult problems.
35. The Council's Social Value Policy is a way of thinking about how resources are allocated and looks behind the cost of a contract to the collective benefits the contract will deliver to the wider community.
36. The Social Value Policy sets out the Council's commitment to embedding social value into procurement and commissioning processes, creating a supply chain that helps to work towards strategic priorities.
37. The term "social value" is generally recognised as being the achievement of extra social or community benefits through procurement activity and the award of contracts. It involves thinking beyond the price of each individual contract and looking at the collective benefit to a community when a public body chooses who to award a contract to.
38. The current policy was approved by Executive in December 2018 and some recent examples of type of social value questions asked within the tender documents include:
 - *What do you offer to reduce social isolation for residents who experience difficulties in undertaking a journey? Please consider how this supports the wider health and well-being of local residents?*

- *How does your organisation provide economic benefits for the local and emerging workforce in York?*

- *Please describe how you will support the following throughout the delivery of this contract:*
 - *Opening up the supply, works, services requirements for this contract to a wide supply chain including SMEs, Third Sector*
 - *Provide fair working practices for workers (including sub-contractors) directly employed in the delivery of this care services contract (and how you will monitor and report on the fair working practices you will provide throughout the life of this contract)*
 - *Consideration of maximising access to employment opportunities and apprenticeships through advertising, recruitment and training and liaising with employment agencies, job centres and educational partnerships (i.e. schools, colleges, universities).*

39. As the policy has now been in operation for just over 2 years officers have reviewed the policy to further enhance areas such as culture and young people. Members are therefore asked to comment on the proposed changes which are shown in tracked changes on annex 2 attached to this report.

Consultation

40. There has been no consultation in the preparation of this initial overview report.

Options

41. This report is essentially for background information only.

Council Plan 2019-2023

42. This report is report is linked to the Well-paid Jobs in an Inclusive Economy, Creating Homes and a World-class Infrastructure and An Open and Effective Council priorities in the Council Plan 2019-2023.

Implications

43. There are no Financial, Human Resources, Equalities, Legal, Crime and Disorder, Information Technology, Property or other implications associated with the recommendation in this report.

Risk Management

44. There are no risks associated with the recommendation in this report.

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Report Approved Date 30.03.2021

Wards Affected: *List wards or tick box to indicate all*

All

**For further information please contact the author of the report
Annexes**

Annex 1: CYC Procurement Strategy 2017-2019

Annex 2: Updated Social Value Policy

List of abbreviations

EU European Union

OJEU Official Journal of the European Union

UK United Kingdom

WTO World Trade Organisation

GPA government procurement agreement

MEAT most economically advantageous tender

MAT most advantageous tender

OCDS Open Contracting Data Standard

SME Small / Medium Enterprise

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Procurement Strategy City of York Council 2017 - 2019

Vision

To work together with partners and suppliers to develop effective solutions that deliver quality, value for money goods and services and deliver broader economic social and environmental outcomes.

Introduction and context

This strategy sets out the Council's ambitions for procurement and the actions necessary to achieve those ambitions.

All aspects of the public sector are continuing to face challenging times due to reducing funding and increasing demand. It is therefore necessary that we use our resources effectively and that the Procurement Strategy helps to deliver the Council priorities of:

- A prosperous city for all
- A focus on front line services
- A council that listens to residents

A commitment to sustainability, fairness and the development of our local economy will be built into our purchasing decisions. We will develop a mixed economy of delivery, with the Council commissioning services from those who are best placed to deliver them effectively, whether that is the private sector or community and voluntary sectors.

Economic considerations must be balanced with the need for environmental and social outcomes and this must all be done within the bounds of procurement legislation. We can build in measurement of broader social outcomes or carbon reduction targets alongside more traditional measures of cost and quality.

The council is strengthening its relationship with local people and its communities, building on the assets and strengths within the city. The procurement strategy will need to reflect this new, evolving relationship with citizens and enable innovative solutions that capitalise on our commitment to be a One Planet Council.

Commercial Procurement will support the delivery of the Council plan by:

- Focussing expenditure on our priorities whilst ensuring that all specifications are driven by customer requirements
- Protecting vulnerable people through sourcing appropriate levels of quality goods and services
- Delivering excellent value for money
- Supporting the local economy
- Collaborating with other public sector organisations to ensure maximum benefit for York
- Protecting our local environment by ensuring we source sustainable goods and services and build carbon reduction targets into our contracts

Commissioning and Procurement

Commissioning is the local authority's cyclical activity to assess the needs of its local population for care and support services that will be arranged by the authority, then designing, delivering, monitoring and evaluating those services to ensure appropriate outcomes. Effective commissioning plays a central role in driving up quality, enabling people to meaningfully direct their own care, facilitating integrated service delivery, and making the most effective use of the available resources.

Procurement is the process we use to buy work, goods or services from external companies to deliver agreed outcomes. It includes the activities involved in establishing the fundamental requirements, sourcing activities such as market research and supplier evaluation and the negotiation of contracts.

Our commissioning and procurement activities will work in an integrated way, informed by our business intelligence, and will be actively shaped and designed by our service users and partners. Specialist commissioning skills will be augmented by specialist procurement skills to achieve the best results and outcomes for our residents.

The council's current operating model is organised around a central procurement unit which is based in the Customer and Corporate Services directorate and contracting / commissioning functions that sit within two service Directorates – Health, Housing and Adult Social Care and Children, Education and Communities. These arrangements recognise the statutory responsibilities of the Director of Children Services and the Director of Adult Social Services and reinforce accountability for outcomes in these critical service areas.

Compliance and transparency

Public procurement operates in a highly regulated environment that is governed by legislation and policies set nationally through statute and locally by the Council's Contract Procedure Rules and Financial Regulations. In addition, the Council is also required to fulfil the obligations of the Transparency Code 2015.

We will pro actively monitor compliance and will ensure transparency by publishing a contracts register. The Council is committed to being open and transparent in all aspects of procurement.

Where the aggregate contract value exceeds £500k this is a key decision and must be entered onto the Forward Plan and treated as a key decision. The Executive has delegated authority to the Director of Customer and Corporate Services to approve routine procurements, as defined in the Contract Procedure Rules. This requirement is for extensions to existing contracts as well as new procurement exercises.

The Council's procurement activity will be driven by 6 key objectives;

1. Commissioning and Procurement

We will work in an integrated way, informed by our business intelligence, and will be actively shaped and designed by our service users and partners. This strategy will link closely to the Councils Commissioning Strategy, currently being developed.

Within Social Care, personalisation is responding to individuals needs, wants and hopes rather than fitting people into existing services and ensuring that they have the means and support to live a full life and can contribute to society. Procuring compliant and cost effective services, whilst at the same time delivering choice and control for residents, creates a challenge for the Procurement Strategy. This can be overcome by engaging with stakeholders and ensuring a focus on outcomes.

2. Delivering Quality & Value for Money

We will deliver value, both financial and social, ensuring that the maximum benefit is achieved throughout the life of the contract and that whole life costs and broader social benefits are delivered throughout the procurement process.

We will manage contracts and supplier relationships to ensure the benefits of contracts are delivered throughout the lifetime of the contract.

We will not operate approved supplier lists but may, where appropriate, use framework agreements. Decisions will be taken on a case by case basis to ensure fairness and transparency to all potential providers.

3. Social, Economic & Environmental Benefits

We will use procurement to achieve social, economic and environmental outcomes, through the One Planet Council framework. We will carefully manage the risks, balancing compliance and control with the potential to innovate and achieve more significant savings and social outcomes.

We will embed the principles of the Single Equalities Act in all tenders and contracts. Our suppliers will have to support our commitment to equalities, be responsive to the needs of our communities, ensure services are accessible to all groups and appropriate to those with differing needs and commit to developing a diverse and inclusive workforce.

We will require all our suppliers to demonstrate their commitment to maintaining and promoting high ethical standards, reminding them of their duty of care in the use of public funds.

We will ensure that opportunities to promote and encourage local economic growth are built into appropriate contracts whilst ensuring compliance with legislation. When contracting with national/international suppliers we will encourage them to engage local providers in the delivery of services.

We will ensure that (where relevant to the subject matter of the contract) sustainability criteria are built into our procurements.

The requirement for payment of the Living Wage will be explicitly made in the tender documentation, and the contract conditions that are issued with the tender, where permissible within the law.

4. Developing our markets

We will work with existing and potential suppliers to ensure there is market capacity to deliver our requirements no matter what size of organisation we are procuring from. We will identify where market capacity may be weak and where new markets may need to be developed in order to deliver against our requirements.

5. Collaboration

We will collaborate with public sector partners to share best practice and seek out to maximise financial benefit and avoid duplication. CYC will explore new models of service delivery and will work with communities and suppliers to achieve this.

We will encourage a diverse range of suppliers to work with us to deliver social value and allow opportunity for suppliers without an existing relationship with us to have the same opportunity as incumbents.

6. Effective Planning

We will prepare detailed forward plans of procurement activity which will set timescales and resources to enable us to combine our own spending power, collaborate with others and engage the market and our communities to explore innovative solutions.

All of these principles will be delivered by adopting the following commercial procurement approach.

- **Demand management**

We will only buy what we really need and ensure that the level of quality we specify is good enough to do the job over time but not better than we need. We will eliminate unnecessary spend, remove waste and reduce the overall amount of money being spent on goods and services.

- **Category Management**

The Council operates a category management approach, within a centralised procurement function where commissioning activity is delivered by individual service areas.

By grouping together products and services according to their function (e.g. travel, construction etc) across the whole Council (or in collaboration with other organisations) we can manage the overall spend and maximise our buying power and achieve economies of scale.

This does not mean that we just let a small number of huge contracts but that we ensure tenders are structured in a way that provides a level playing field for all potential bidders irrespective of size.

- **Supplier Relationship Management**

We will build strong, long term, positive relationships with our suppliers across all sectors, not just when actively procuring goods and services but also when considering alternative delivery models.

We will establish strategic relationships with suppliers to ensure that both parties are delivering against the commitments within the contract and to embed continuous improvement practices throughout the contracted period and beyond. Effective engagement with suppliers will also inform future specifications to ensure we are approaching the market with requirements that meet our needs and are commercially attractive to the market, and therefore generate value for money contracts that can be successfully delivered.

Our procurement activity will be driven and informed by engagement with customers and our partner organisations.

- **Contract Management**

By managing contracts from the point of award until expiry, we will be able to ensure we get what we pay for and that suppliers perform well and consistently over time.

- **E-procurement**

The Council recognises the importance of electronic procurement in delivering lower transaction costs, improving visibility of contract opportunities to the supply market, making procurement activity visible to all and providing a clear audit trail.

All procurements over £100k are required to be conducted using the corporate procurement portal. Support is given to small businesses on how to use the portal. Purchasing cards are used for low value purchases where relevant, but the majority of spend will be commissioned via the Council's electronic purchase ordering system.

- **Personalisation**

Good commissioning is person-centred and focuses on the outcomes that people say matter most to them. It empowers people to have choice and control in their lives and over their care and support and ensures prevention and early intervention strategies improve outcomes for local people.

The Council will promote flexible, innovative person-centred models of care and ensure that there is a robust infrastructure in place to support micro-commissioning by people, through personal budgets, direct payments, Individual Service Funds and other approaches. We need to assure

ourselves that our commissioning and contracting processes demonstrably help to prevent or delay people's care and support needs and support them to achieve their personal outcomes and an improved quality of life.

- **Making it easy to do business with us**

Our supplier and contract management system enables suppliers to update their information and load copies of relevant certificates and policies (e.g. insurance and health and safety) to help simplify the tender process and remove multiple requests for the same information each time we are tendering. This will reduce the time required to tender for all suppliers but especially SMEs and VCS providers.

By providing potential suppliers with accurate information about our requirements we will simplify and coordinate procedures for doing business with the Council. We will work collaboratively to agree effective contract monitoring arrangements.

We commit to making all procurement activity fair and transparent and encourage a diverse range of providers to bid for work irrespective of size and regardless of value.

All CYC staff involved in commissioning and procurement will be trained to ensure that we have a consistent approach to all our procurement activity.

A suite of standardised documents and contracts will be developed for use across the Council to ensure consistency and to make the procurement process more accessible to suppliers.

Deliverables

We will:

- Have a rolling 12 month Procurement Plan
- Ensure value for money in all our spend on goods and services
- Continue to reduce our off contract spend
- Provide appropriate training to all relevant staff
- Build a skilled professional procurement and commissioning network – internal and external
- Actively collaborate with partners on procurement activity
- Contract with a wide range of organisations from different sectors
- Performance manage and realise the benefits of all contracts
- Improve relationships with suppliers, ensuring small businesses have the opportunity to bid for council contracts and increasing the proportion of council spend with local businesses

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Social Value Policy (Draft)

Introduction

As a council we spend £140m on goods and services each year, more than any other organisation in the city. This provides the council with significant leverage to incentivise suppliers to be more sustainable in their practices and to encourage the organisations we buy from to deliver additional social, environmental and economic benefits to the city. The term 'Social Value' has been developed to refer to the achievement of these extra benefits through procurement and commissioning. Social value is a way of thinking about how resources are allocated and looking beyond the cost of a contract to the collective benefits the contract will deliver to the wider community.

This statement sets out City of York Council's commitment to embedding social value into its procurement and commissioning processes, creating a supply chain that helps us work towards our strategic priorities. As service delivery increasingly shifts to external providers, this will become ever more important part of the council's aspiration to become a more sustainable and resilient city.

The statement will also enable us to meet our legal obligations set out in the Social Value Act (2012). The Act requires all public bodies to consider how they might improve the economic, environmental, social and cultural wellbeing of their area when buying services above the OJEU threshold, currently £181k for services and £4.5m for works.

Our social value priorities

Three key social value priorities have been identified: a thriving local economy; strong communities and a sustainable way of life. These are the foundations of the One Planet York framework, which aims to drive progress towards a more sustainable and resilient city. Within this, One Planet Council makes a commitment to put economic, environmental, social and cultural sustainability at the heart of our organisation. These high level principles have been further broken down into a number of key objectives that we wish suppliers to contribute towards. Whilst these objectives are fixed, suppliers may propose to deliver social value in any number of ways. This is to cater for the varied nature of public sector contracts; encourage innovative approaches to service delivery; and ensure that any benefits meet specific local needs. There is no "one size fits all" model and each procurement exercise needs to be dealt with on a case by case basis.

The overall aim of the policy is to reduce inequality and narrow the gap in outcomes by attracting Social Value activities that will improve the lives and life chances of York residents, alongside enhanced sustainability of the city.

To achieve this it is important local intelligence is used to maximise the impact of any social value initiatives. The Ward Profiles and JSNA information is regarded as the, public facing, core data to use in support of any social value submissions. Other credible data sources are welcome to support and inform social value submissions.

In order to ensure good quality social value submissions and transparency the following principles are required in any future tenders:

- The submission clearly delivers and against one or more social value pillars: economic; environmental; social and cultural (the submission must state which pillar/s and objective/s the organisation is referring to, from the table below)
- The submission clearly defines the social value additionality offered during the lifetime of the contract
- The submission clearly references how this delivers against specific aspects of the service specification.
- The submission clearly defines any legacy intended beyond the lifetime of the contract.
- The submission clearly defines what intelligence is being used to inform the proposal (eg/ Ward Profiles or JSNA)
- The submission clearly identifies the outputs and outcomes that will be used by both the organisation and the commissioner to both demonstrate delivery and effectiveness of the delivery
- The submission demonstrates that the proposal is realistic and achievable through track record and or proposed partnership approaches to effectively deliver. Where appropriate the tender panel will seek additional guidance from City of York Council leads across specialist areas.

The tables below set out our key objectives and provide examples of how suppliers may help us meet them. The examples and associated outcome measures are illustrative rather than exhaustive.

1) Strong Community

Objective	Examples of social value	Example outcome measures
Investing in the health and wellbeing of communities	<ul style="list-style-type: none"> • Providing health and wellbeing programmes for staff • Promoting education campaigns (for example, healthy living, debt or physical and mental health) • Providing schemes which encourage staff to cycle work 	<ul style="list-style-type: none"> • Number of employees benefitting from health and wellbeing programmes • Campaign reach • Staff behavioural change • Increase in number of staff cycling to work
Building capacity	<ul style="list-style-type: none"> • Allowing voluntary, community and faith sector organisations / community groups to make use of business premises • Providing pro bono consultancy to voluntary sector organisations e.g. marketing, digital skills, financial management, etc. • Establishing an employee volunteering scheme 	<ul style="list-style-type: none"> • Number of hours premises rented out for • Number of hours of consultancy provided • Number of employee hours volunteered
Supporting the most vulnerable residents & bringing communities together	<ul style="list-style-type: none"> • Supporting employees who are vulnerable or on low income with their childcare • Engagement with community cohesion projects • Running or supporting befriending / mentoring schemes for vulnerable adults or children and young people 	<ul style="list-style-type: none"> • Number of employees benefitting from childcare • Number of community projects supported • Number of vulnerable adults or children supported • Number of hours volunteered

Relevant One Planet Principles: Health & Wellbeing, Strong Resilient Community, A City Working Together

2) Vibrant Cultural Offer

Objectives	Examples of Social Value	Example of Outcome/output Measures
Exceptional Place	<ul style="list-style-type: none"> • Use arts and culture as a tool to engage local people in decision-making and in developing York's new shared vision and narrative • Ensure any place based developments bring arts and heritage ingredients, activity and events 	<ul style="list-style-type: none"> • Number of engagements using culture as a tool • Defined places and activities utilising additional cultural offers • Defined art commissions to enhance locations
Retaining and developing talent with children, adults and intergenerationally	<ul style="list-style-type: none"> • Enhance the connections between the cultural offer and the universities and colleges in York in order to aid talent development and enhance community cohesion • Create deliberate connections with local schools to enable enhanced encouragement and/or access to the arts • Enhance/support any community based intergenerational opportunities through the medium of art and culture. 	<ul style="list-style-type: none"> • Demonstrate establishments in York engaged with • Case studies of individual cultural engagements with outcomes • Quantity of project blogs/case studies demonstrating the cultural offer, outcomes and the impact including where appropriate quotes • Number of Schools engaged with • Demonstration of how offers are becoming more embed/sustainable to create legacy
A National Pioneer in Culture and Wellbeing – creating the most creative collaborative city.	<ul style="list-style-type: none"> • Enhance the offer through social prescribing through enabling inclusive offers through arts and heritage engagement 	<ul style="list-style-type: none"> • Case study to demonstrate how the Social Value offer has increased the opportunities to cultural engagement

	<ul style="list-style-type: none"> • Support of young people’s mental health through cultural and wellbeing commissioning • Support of an aging population through cultural and wellbeing commissioning • Support development of an effective and engaging network of artists, musicians, designers, makers and practitioners in the city to table ideas, explore possibilities and seek new collaboration • Create opportunities for take-over and participative events 	<ul style="list-style-type: none"> • Outcomes through ways to wellbeing or other tools from social prescribers • Case studies from young people or older people where there has been support through the Social Value offer. • Briefing report of how the organisation has supported enhanced cultural infrastructures in York • Briefing report of where an organisations Place has enhanced the cultural offer in York
<p>World Class Ambition and Profile:</p>	<ul style="list-style-type: none"> • Enhance international relationships where there is connection to local communities eg/ through arts, culture and heritage within ethnic minority groups of York • Support existing, developing cultural programmes and festivals in York to enhance the profile and prestige of the cultural offer 	<ul style="list-style-type: none"> • Briefing report demonstrating the approach used by the organisation to enhance international relationships through the arts and ethnic minority groups. • Case study, signed off by programme leads, demonstrating the contribution by the organisation.

3) Vibrant & Inclusive Economy

Objectives	Examples of social value	Example outcome measures
Supporting the local economy	<ul style="list-style-type: none"> • Maximising the total spend within the local supply chain • Involving SMEs, voluntary sector organisations and social enterprises within the supply chain • Providing support to new businesses, SMEs, social or green enterprises or voluntary sector organisations • Attracting inward investment into the city or wider region 	<ul style="list-style-type: none"> • % of total spend within the local supply chain • Number of SMEs etc. supported • Amount of inward investment achieved
Helping residents to get good quality jobs and ensuring we have the workforce of the future	<ul style="list-style-type: none"> • Creating new jobs within the local economy • Providing apprenticeships or work experience placements • Supporting young people to develop their skills (e.g. by providing training courses, mentoring, career guidance, talks, mock interviews, advice on CVs, etc.) • Offering curriculum support to schools • Providing training courses or workshops to improve digital literacy 	<ul style="list-style-type: none"> • Number of jobs created • Number of apprenticeships or work experience placements provided • Number of young people supported • Number of schools engaged with and / or time committed • Number of digital literacy courses offered / reach of course
Promoting equity and financial inclusion	<ul style="list-style-type: none"> • Paying the Foundation Living Wage • Providing specific employment support to vulnerable or underrepresented groups, such as the long-term unemployed, ex-offenders, or individuals with disabilities • Targeting recruitment of the one or more of the above groups 	<ul style="list-style-type: none"> • Number of vulnerable individuals receiving support • % increase in pay for lowest paid staff or reduction in the pay gap between lowest and highest paid staff members

	<ul style="list-style-type: none"> • Increasing the rate of pay for lowest-paid staff by adoption of the Foundation Living Wage • Supporting staff with additional needs by permitting flexible working • Working with schools to support children at risk of poor educational attainment or becoming NEET (not in education, employment or training), such as those in care • Providing guaranteed interview schemes for the unemployed 	<ul style="list-style-type: none"> • Number of staff with additional needs supported • Number of children engaged with
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Relevant One Planet Principles: Decent standard of living, Education & Opportunity, Fairness & Inclusion, Sustainable Food and Materials

Draft

4) Healthy Environment

Objective	Examples of social value	Example outcome measures
Minimising waste, water usage and energy consumption	<ul style="list-style-type: none"> • Reducing waste sent to landfill* • Maximising % of waste recycled* • Maximising use of renewable and/or low-carbon energy sources * • Supporting local sustainable transport initiatives • Minimising distance travelled to access services • Supporting or delivering environmental education campaigns • Maximising use of sustainable materials <p>*should be considered in relation to the entire supply chain</p>	<ul style="list-style-type: none"> • Reduction in waste sent to landfill by X% (compared to previous contract) • % of waste recycled • % reduction in energy usage (compared to previous contract) • % of energy from a renewable source • % of service users or employees travelling by sustainable modes of transport • Number / reach of environmental campaigns
Protecting and enhancing the natural environment	<ul style="list-style-type: none"> • Providing additional open space • Significant investment in trees and landscaping • Minimising the impact on air quality • Minimising noise pollution 	<ul style="list-style-type: none"> • Amount of open space provided • Spend on trees / landscaping • Reduction in noise or air pollution compared to previous contract
Supporting local and sustainable food suppliers	<ul style="list-style-type: none"> • Maximising the use of locally-sourced, sustainable and / or fair-trade food • Reducing food miles (field to fork) through the use of local suppliers 	<ul style="list-style-type: none"> • % of food products that are locally-sourced, sustainable and / or fair-trade

Relevant One Planet Principles: Zero Carbon and Sustainable Transport, Zero Waste, Land Use and Wildlife, Sustainable Food, Water and Materials

Why have we developed a social value policy?

- To maximise the value we obtain from public spending
- To reduce demand on services, by encouraging suppliers to support our strategic priorities
- To meet our legal obligations
- To help support local businesses and the voluntary sector
- To enable us to deliver social value in a manner that is consistent and measurable

What will success look like?

- An increase in the number of procurements that include social value in their specification and bid evaluation
- Social value is discussed at all meet the buyer events and throughout the pre-procurement stage
- Managers, members and suppliers are aware of what social value means and how they can help deliver it

How will we incorporate social value into the procurement process?

Separate guidance will be developed to ensure that social value is fully embedded into procurement processes. Ongoing support and training will be provided for managers and members. We will engage with suppliers, partners and other stakeholders to ensure they are fully aware of what social value means and how they can contribute. Additional guidance and support will be offered to SME's and voluntary sector organisations.

When should the policy be applied?

The policy must be considered when buying goods or services over the value of £100k, but can also apply to contracts of any value. The degree of consideration should be proportionate to the value of the contract. At least 10% of bid scoring will be allocated to social value. An exception must be sought if this is to be waived.

How has the policy been developed?

The priorities set out in this social value policy reflect the principles underpinning One Planet Council and One Planet York. Both initiatives seeks to mobilise the city towards a more sustainable, resilient and collaborative future, with a vibrant and inclusive economy, strong community and healthy environment. One Planet Council addresses this from our own internal organisational perspective, whilst One Planet York is externally-focused and concerned with mobilising the city. At the centre of the two initiatives are ten key sustainability principles:

The ten principles are:

- Decent standard of living

- Education and opportunity
- Fairness and inclusion
- Health and wellbeing
- Strong resilient community
- A city working together
- Zero carbon and sustainable transport
- Zero waste
- Land use and wildlife
- Sustainable food, water and materials

The policy promotes the council values of working together to improve and make a difference.

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