

**Customer and Corporate Services Scrutiny
Management Committee**

13 January 2020

Report of the Assistant Director – Legal & Governance

Procurement Strategy and Social Value Policy

Summary

1. This report informs the Customer and Corporate Services Policy and Scrutiny Committee of the Council's Procurement Strategy and Social Value Policy and how these are being used to deal with procurement processes for goods and services.
2. The Procurement Strategy (Annex A) explains how the Council works with partners and suppliers to develop and deliver:
 - imaginative commissioning and procurement solutions
 - quality, value-for-money goods and services
 - broader economic, social and environmental outcomes
3. The Social Value Policy (Annex B) 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.

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.

Procurement

5. 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.
6. 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.
7. 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;
 - Acting sustainably through the works, supplies and services that are procured.
8. 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.
9. 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.

Social Value Policy

10. 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.
11. 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.
12. 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.
13. 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.
14. The term "social value" is generally recognised as being the achievement of extra social or community benefits through procurement. 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.

A 'Living Wage' Organisation

15. The Council is committed to promoting the Living Wage rate as defined by the Living Wage Foundation through the contracts and agreements it awards. The Procurement Strategy notes 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.
16. The Living Wage is a voluntary hourly wage rate that employers can choose to pay their staff. The Living Wage is updated every year and The Living Wage Foundation calculates the amount based on real costs of living and sets it at a level needed to afford a basic acceptable standard of life.

Equalities Charter

17. The Council's Equalities Charter (Annex C) is an agreement between the Council and the organisations it holds contracts with. The charter is a

statement about how the Council and its suppliers will promote equality when goods, services and works are procured. It is a set of principles that both sides agree to work to.

18. Any public, private or voluntary sector organisation can use the principles of the Equalities Charter. By doing so, they are making a commitment to actively promote the values of equality and diversity, and to take action to improve their working practices if necessary.

Asset Management Strategy

19. At its meeting in September 2017 Executive agreed a Council Asset Management Strategy 2017-2022 (Annex D) that set out how the consideration of future use of assets seeks to balance social and financial value on a case by case basis. Some assets are specifically designated to deliver social outcomes through community asset transfers. Other surplus assets are disposed of in order to support programmes of service remodelling or regeneration which deliver social benefit.
20. The key principles in this strategy are:
 - a. Make best use of publicly owned assets across York
 - b. Encourage shared use of property resources
 - c. Minimise cost of occupation of land and buildings
 - d. Ensure assets comply with the Council's sustainability policies

Consultation

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

Options

22. Having considered the information provided in this report and its annexes, Members can;
 - i. Agree what further information, if any, they require on the Council's Procurement Strategy and Social Value Policy;

- ii. Request a refresh of the Procurement Strategy 2017-19 and / or the Social Value Policy.

Analysis

23. This report is essentially for background information only.

Council Plan 2019-2023

24. 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

25. 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

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

Recommendations

27. Members are asked to note the information in this report and consider whether there are any further steps they wish to take in relation to the Procurement Strategy and Social Value Policy.

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

Contact Details

Author:

Steve Entwistle

Scrutiny Officer

Tel: 01904 554279

steven.entwistle@york.gov.uk

Chief Officer Responsible for the report:

Dawn Steel,

Head of Civic and Democratic Services.

Tel: 01904 551030

dawn.steel@york.gov.uk

Report Approved Date 12/12/2019

Specialist Implications Officer(s)

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

All

For further information please contact the author of the report

Annexes

Annex A: CYC Procurement Strategy 2017-2019

Annex B: Social Value Policy

Annex C: CYC Equalities Charter

Annex D: CYC Asset management Strategy 2017-2022