



Notice of a public meeting of

Decision Session - Executive Leader (incorporating Finance & Performance)

To: Councillor Carr (Executive Member)

Date: Monday 17 July 2017

Time: 3.00pm

Venue: The Thornton Room - Ground Floor, West Offices (G039)

AGENDA

Notice to Members – Post Decision Calling In:

Members are reminded that, should they wish to call in any item* on this agenda, notice must be given to Democratic Services by **4:00pm** on **Wednesday 19 July 2017**.

*With the exception of matters that have been the subject of a previous call in, require Full Council approval or are urgent which are not subject to the call-in provisions. Any items that are called in will be considered by the Customer and Corporate Services Scrutiny Management Committee.

Written representations in respect of items on this agenda should be submitted to Democratic Services by **5:00pm** on **Thursday 13 July 2017**.

1. **Declarations of Interest**

At this point in the meeting, the Executive Member is 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 - 4)

To approve and sign the minutes of the Decision Session held on **12 June 2017**.

3. **Public Participation**

At this point in the meeting, members of the public who have registered their wish to speak at the meeting can do so. The deadline for registering is at **5.00pm on Friday 14 July 2017**.

Members of the public may register to speak on an item on the agenda or an issue within the Executive Member's remit.

Filming, Recording or Webcasting Meetings

Please note this meeting may be filmed and webcast and that includes any registered public speakers who have given their permission. This broadcast can be viewed at <http://www.york.gov.uk/webcasts>.

Residents are welcome to photograph, film or record Councillors and Officers at all meetings open to the press and public. This includes the use of social media reporting e.g. tweeting. Anyone wishing to film, record or take photos at any public meeting should contact the Democracy Officer (whose contact details are at the foot of this agenda) in advance of the meeting.

The Council's protocol on Webcasting, Filming & Recording of Meetings ensures that these practices are carried out in a manner both respectful to the conduct of the meeting and all those present. It can be viewed at: http://www.york.gov.uk/download/downloads/id/11406/protocol_f_or_webcasting_filming_and_recording_of_council_meetings_20160809.pdf or, if recorded, this will be uploaded to the website following the meeting.

4. Corporate Procurement Strategy (Pages 5 - 14)

The Council's current procurement strategy was approved by the then Cabinet in April 2012. Since that time the strategy has been kept under review to ensure it continues to comply with relevant legislation and best practice in procurement as well as supporting the Council in meeting its priorities. This report seeks the Executive Member's approval for a refreshed and revised Procurement Strategy covering the period 2017 to 2019.

5. Urgent Business

Any other business which the Executive Member 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 Officers 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)

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City of York Council

Committee Minutes

Meeting	Decision Session - Executive Leader (incorporating Finance & Performance)
Date	12 June 2017
Present	Councillor Carr

1. Declarations of Interest

At this point in the meeting, the Executive Leader was asked to declare any personal interests not included on the Register of Interests, any prejudicial interests or any disclosable pecuniary interests which he had in the business on the agenda.

The Executive Leader declared a personal interest in Agenda item 5 (Application for Community Right to Bid under the Localism Act 2011) that he had been a customer of the Royal Oak Public House, Copmanthorpe, York.

2. Minutes

To approve and sign the minutes of the Decision Session held on 15 May 2017.

Resolved: That the minutes of the Executive Leader (incorporating Finance & Performance) Decision Session held on 15 May 2017 be approved and then signed by the Executive Leader as a correct record.

3. Public Participation

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

4. Units 5 and 6, Marsden Park and Units B, C, D and F Aviator Court, Clifton Moor - Applications to remove Restrictive Covenant

The Executive Leader considered a report which set out details of two applications to lift the restrictive covenant of an office site on Clifton Moor to allow a low-cost residential development.

The Head of Asset & Property Management attended the meeting and confirmed that the applications were in accordance with the Asset Management Policy on lifting restrictive covenants on Clifton Moor and capital receipts had been agreed in accordance with the previously agreed Policy.

The Executive Leader thanked the officer for the report.

Resolved: That the Executive Leader agreed to remove the restrictive covenant on:

- a. Units 5 and 6, Marsden Park, James Nicolson Link for a capital sum of £18,400
- b. Units B, C, D and F, Aviator Court for a capital sum of £106,700

Reason: To enable the provision of apartments at reasonable cost in an area of surplus office accommodation.

5. Application for Community Right to Bid under the Localism Act 2011

The Executive Leader considered a report which presented an application to list the Royal Oak Public House, Copmanthorpe, York, as an Asset of Community Value (ACV), for consideration by the Council.

The Asset Manager, attended the meeting to summarise the report and answer questions.

The Executive Leader asked for clarifications in relation to the decision review process after approval. It was explained that, once the owner had been informed about the decision, they had 8 weeks to request a review and, if contested, it would be adjudicated by an officer that was not part of the original decision-making process.

The Executive Leader thanked the officer for his update.

Resolved: That the listing of the Royal Oak, Copmanthorpe, York, as an Asset of Community Value (ACV) be approved.

Reason: To ensure the Council meets its legislative requirements of the Localism Act 2011 and promotes community access to community facilities.

Cllr Carr, Chair

[The meeting started at 3.05 pm and finished at 3.10 pm].

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Decision Session – Executive Leader (incorporating Finance and Performance)**17 July 2017**

Report of the Deputy Chief Executive and Director of Customer & Corporate Services

Corporate Procurement Strategy**Summary**

1. The Council's current procurement strategy was approved by the then Cabinet in April 2012. Since that time the strategy has been kept under review to ensure it continues to comply with relevant legislation and best practice in procurement, as well as supporting the Council in meeting its priorities.
2. This report seeks the Executive Member's approval for a refreshed and revised procurement strategy covering the period 2017 to 2019.

Recommendation

3. The Executive Member is asked to note and approve the strategy attached at annex one to this report.

Reason: To ensure procurement is based on sound principles and continues to deliver value for money outcomes in line with the Council Plan, as well as ensuring the procurement process is robust and effective.

Background and analysis

4. The Council spends approximately £140m each year on procuring goods, works and services on behalf of our residents. All aspects of the public sector are continuing to face challenging times and in recent years the Council has had to deal with large reductions in funding, combined with a range of significant pressures. Against this challenging background, procurement opportunities can be used to maximise financial savings and deliver best value. It also provides an opportunity for the Council to use its spending power to support local businesses and grow the economy, as this is crucial to delivering our financial strategy.

5. Having a corporate procurement strategy will guide the Council's procurement policy and procedure and ensure procurement is based on sound principles. This will help to ensure value for money is achieved and that the procurement process is robust and effective.
6. The Council is committed to providing high quality outcomes and ensuring we can meet our strategic objectives. This requires us to make good decisions about how we spend Council funds. This is underpinned by the procurement strategy.
7. In times of financial challenge, effective procurement can maximise savings as well as enhancing social value by, for example, ensuring employment and skills plans are in place and including requirements to pay the living wage and by supporting the local economy.
8. Should the strategy be approved, the next step will be to develop a SMART (specific, measurable, achievable, realistic, timely) action plan to support the delivery of the strategy.

Consultation

9. The strategy has been reviewed by Council Management Team and has had input from colleagues in Adult Social Care commissioning. A task and finish group has been created to ensure the delivery of the strategy and the development of a commissioning strategy for the Council.

Options

10. No further options have been considered by officers. The updated strategy is important to support best practice procurement across the Council.

Council Plan

11. The procurement strategy demonstrates delivery of the Council Plan by focusing expenditure on key priorities, protecting vulnerable residents and delivering value for money in all council purchasing.

Implications

12. The implications are:
 - **Financial** The Procurement Strategy is designed to support the delivery of best value in all spending decisions. Agreement to the updated Strategy will continue to promote the most cost effective use of council resources.
 - **Human Resources (HR)** There are no HR implications.

- **One Planet Council / Equalities** The Procurement Strategy aims to be as inclusive as possible, ensuring opportunities to promote and encourage local growth are built into our procurement exercises. When contracting with national suppliers, we will encourage them to engage local suppliers in the delivery of services. We will also require our suppliers to demonstrate a commitment to equalities and be responsive to the needs of our communities.
- **Legal** Failure to follow appropriate procurement guidance and legislation has the potential to create significant complications for the Council. The Strategy promotes best practice and ensures clarity for officers.
- **Crime and Disorder** There are no crime and disorder implications.
- **Information Technology (IT)** There are no IT implications.
- **Property** There are no property implications.
- **Other** There are no other implications.

Risk Management

13. The key risks associated with procurement are that the Council does not get value for money from external spend or that it is challenged for non compliance with either our own internal processes or with the relevant legislation. Consistent procurement processes, effective planning and a focus on governance issues will mitigate these risks to an acceptable level.

Contact details

Author:	Chief Officer responsible for the report:		
Debbie Mitchell Corporate Finance & Commercial Procurement Manager Ext 4161	Ian Floyd Deputy Chief Executive and Director of Customer & Corporate Services		
	Report Approved	✓	Date 03/07/2017
Wards Affected: <i>All</i>			
<i>For further information please contact the author of the report</i>			

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DRAFT 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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