



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

21st March 2022

DRAFT PROCUREMENT STRATEGY 2021/24

REPORT OF THE DIRECTOR OF HUMAN RESOURCES IN CONSULTATION WITH THE CABINET MEMBER FOR CORPORATE SERVICES – CLLR MARK NORRIS

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1. PURPOSE OF THE REPORT

The purpose of this report is to:

- 1.1 Provide a copy of the updated Procurement Strategy 2021/24 for review, comment and endorsement.

2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Endorse the Strategy and be satisfied with that the direction of travel for the Procurement Service.

3. BACKGROUND

- 3.1 The ways in which local government organisations procure is changing. Whereas previously there may have been a focus on procurement delivering financial savings, there is now a shift away from the traditional price and quality evaluation towards also ensuring that economic, social, environmental and cultural well-being outcomes are considered for each procurement process. Being a public sector organisation will demand that we continue to be prudent, we must therefore look to deliver value for money but also now seek to ensure that we are delivering sustainable outcomes that benefit the communities we serve.
- 3.2 The procurement duties contained within the Draft Social Partnership and Public Procurement (Wales) Bill begin with an overarching duty on contracting authorities to seek to improve the social, economic, environmental and cultural well-being of their areas by carrying out public procurement in a socially



responsible way. This means taking action to achieve the well-being goals and the fair work goal (together, the 'socially responsible procurement goals').

3.3 Whilst ensuring that all the work that we do supports the Council's well-being objectives as set out within its Corporate Plan 2020/24, there is also a clear ambition to support the net zero ambitions of the Council.

3.4 The Procurement Strategy provided at Appendix A of this report has been completed and takes into account the new and emerging areas that the procurement process has been tasked with helping to deliver.

4. THE STRATEGIC OBJECTIVES OF THE PROCUREMENT SERVICE

STRATEGIC DIRECTION

4.1 A new Procurement Strategy 2021/24 has been drafted, and lists the following strategic themes:

THEME 1 – Ensuring we have effective governance arrangements in place that support robust commissioning and procurement decisions:

- Reviewing our standard documents to ensure they are fit for purpose and address key/current priorities.
- Ensure arrangements are embedded to implement the requirements in respect of Prescribed Contracts.
- Ensuring that the Welsh language continues to be applied throughout our processes.
- Ensure our data adds value to the procurement process.
- Put in place monitoring arrangements whereby outcomes are tracked, monitored, and reported efficiently.
 - Build the arrangements that will need to be in place to deliver an annual report that complies with the requirements placed upon us by the draft Social Partnership and Public Procurement Bill.
- Review our Internet and Intranet content to ensure it is fit for purpose.
- Ensure that the Contract Procedure Rules are reviewed and updated regularly and complied with across the organisation.
- Learning and development of Procurement staff and wider staff across the Council to ensure upskilling in commercial awareness and understanding and implementing new policies, procedures and regulations.

THEME 2 – Putting in place socially responsible procurement activities and processes that will help the Council to:

- Taking action to reduce the Council's carbon footprint associated with procured goods and services.
- Reducing the Council's use of single use plastics.
- Support the Council's initiative to have in place a fleet of Ultra Low Emitting Vehicles (ULEV's).



- Procuring locally.
- Embed ethical and fair work arrangements into our contracting processes and supply chains.
- Develop arrangements whereby the social value obtained from each contracting arrangement is maximised.

THEME 3 – For all relevant contracts, ensuring that suppliers are held to account by putting in place robust contract management arrangements, where:

- Performance is monitored, tracked and reported against the intended outcomes of the contract.
- Arrangements are in place whereby escalations in respect of performance and contract compliance can be dealt with in a fair and transparent manner.
- Contracts and contract management activities are recorded on a centrally managed system, where performance and outcomes can be tracked.

4.2 A detailed action plan accompanies the Strategy. The Action Plan will be used to track and report progress, it is a 'live' document and will be updated when new actions arise.

5. EQUALITY AND DIVERSITY IMPLICATIONS / SOCIO-ECONOMIC DUTY

5.1 There are no equality and diversity or socio-economic implications as a result of the recommendations set out in the report.

6. WELSH LANGUAGE IMPLICATIONS

6.1 There are no Welsh Language implications as a result of the recommendations set out in this report.

7. CONSULTATION / INVOLVEMENT

7.1 There are no consultation requirements emanating from the recommendations set out in the report.

8. FINANCIAL IMPLICATION(S)

8.1 Currently, there are no direct financial implications as a result of the recommendations provided within this report, but it must be noted that financial implications will likely become apparent when new initiatives are implemented – implementing carbon reducing measures across our supplychains for example.

8.2 At this stage we have no tangible method to estimate this impact.

9. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED



9.1 There are no legal or legislative implications emanating from the recommendations set out in the report.

10. LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT

10.1 The draft Procurement Strategy sets the vision for the Council's commissioning, procurement, and contract management activities over the short, medium and long term. By setting this out, it aims to demonstrate how the Council will deliver its social responsibilities as set out within the Draft Bill, support the delivery of the Council's Well-being priorities, and in doing so demonstrate how the Council contributes to the Well-being of Future Generations (Wales) Act 2015 seven national wellbeing goals when it procures.

11. CONCLUSION

10.1 The priorities for the Procurement Service have changed significantly over recent years, external drivers clearly place expectations on the procurement process to deliver change in respect of demonstrating outcomes, delivering social value and helping organisations to tackle climate change.

10.2 The Procurement Strategy sets the scene, identifies the areas that require action and includes a detailed action plan that sets out how we plan to implement.



LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

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NORRIS**

Background Papers:
None

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APPENDIX A – DRAFT STRATEGY

**RHONDDA CYNON TAF COUNTY BOROUGH
COUNCIL**

**Commissioning, Socially Responsible
Procurement & Contract Management
Strategy 2021-2024**

March 2022

Foreword

The consequences of the Covid-19 pandemic have been truly profound for our economy, our society, and our communities. With this backdrop, together with the continued uncertainty of the long-term impacts of the UK's departure from the EU, we must ensure public sector expenditure delivers even greater value in contributing to positive social, economic, environmental and cultural outcomes. Effective, sustainable procurement, and the successful delivery of contracts in respect of works, goods and services we all rely on has never been more important.

The ways in which local government organisations procure is evolving. Whereas previously there may have been a particular focus on looking towards procurement to deliver financial savings, there is now a shift away from the traditional 'price and quality evaluation' towards also ensuring that economic, social, environmental, and cultural well-being outcomes are considered for each procurement process. Being a Local Authority will demand that we continue to be prudent with public funds and therefore look to achieve 'value for money', but also now seek to include broader factors that support delivery of sustainable outcomes that benefit the communities we serve.

The procurement duties contained within the Draft Social Partnership and Public Procurement (Wales) Bill begin with an overarching duty on contracting authorities to seek to improve the social, economic, environmental and cultural well-being of their areas by carrying out public procurement in a socially responsible way. This means taking action to achieve the well-being goals and the fair work goal (together, the 'socially responsible procurement goals').

The expectations contained within the Draft Social Partnership and Public Procurement (Wales) Bill are consistent with the requirements of the Well-being of Future Generations (Wales) Act 2015.

This Strategy pulls together all of the diverse workstreams that filter through the Service, into one central place – to identify them, demonstrate how they link together and evidence how they will be delivered and monitored by a clear delivery plan.

This is a strategic document that sets the vision for the Council's commissioning, procurement, and contract management activities over the short, medium and long term. Its primary aims are to demonstrate how the Council:

- will deliver its social responsibilities as set out within the Draft Bill, support the delivery of the Council's Well-being priorities,
- contributes to the Well-being of Future Generations (Wales) Act 2015 seven national wellbeing goals when it procures.

Cllr Mark Norris
Cabinet Member for Corporate Services

1. INTRODUCTION & PURPOSE

- 1.1 Rhondda Cynon Taf County Council currently spends in the region of £250 million a year with private and third sector organisations on the goods, services and works needed to deliver public services. It is the Council's responsibility to manage this money efficiently and effectively in support of the Council's Corporate Plan Priorities and in accordance with the Regulatory Framework including the Public Contracts Regulations 2015 (as amended).
- 1.2 The **purpose** of this strategy is to set out how we are changing commissioning and procurement within the Council, to enhance our contract management arrangements and set out the vision and strategic direction necessary to deliver better outcomes for our communities.
- 1.3 This strategy is aimed at promoting effective commissioning, procurement and contract management across the whole organisation.
- 1.4 The **aims** of this strategy are to:
- Establish a clear strategic direction and priorities for change.
 - Clearly set out what we are going to do and why.
 - Identify four Key themes to support the Council's delivery of its Corporate Plan 2020-2024, and the Council's ambitions to become net zero by 2030.
- 1.5 The strategy has been developed with a full appreciation of the complex regulatory framework within which commissioning and procurement operates. It also recognises that it is an area with high risks – with potentially significant impacts on service delivery, financial management and legal compliance, as well as the overall reputation of the Council.

DEFINITIONS

- 1.6 To be clear from the outset of what the Council means when discussing the three disciplines described within this strategy, the definitions are as follows:

Definition of commissioning:

Commissioning is a set of activities by which the Council ensures that services are planned and organised to best meet the needs and demands of our communities and citizens to deliver appropriate and sustainable outcomes for now and for future generations.

It involves understanding the population need, best practice, local resources, assessing alternative delivery models and using these to plan, implement and review changes in services.

Definition of socially responsible procurement

Socially responsible public procurement is taking action when purchasing goods, services and works to achieve value for money in accordance with the principles of openness, transparency and equal treatment. Key objectives include supporting the well-being goals, and the new fair work goal, in order to improve economic, social,

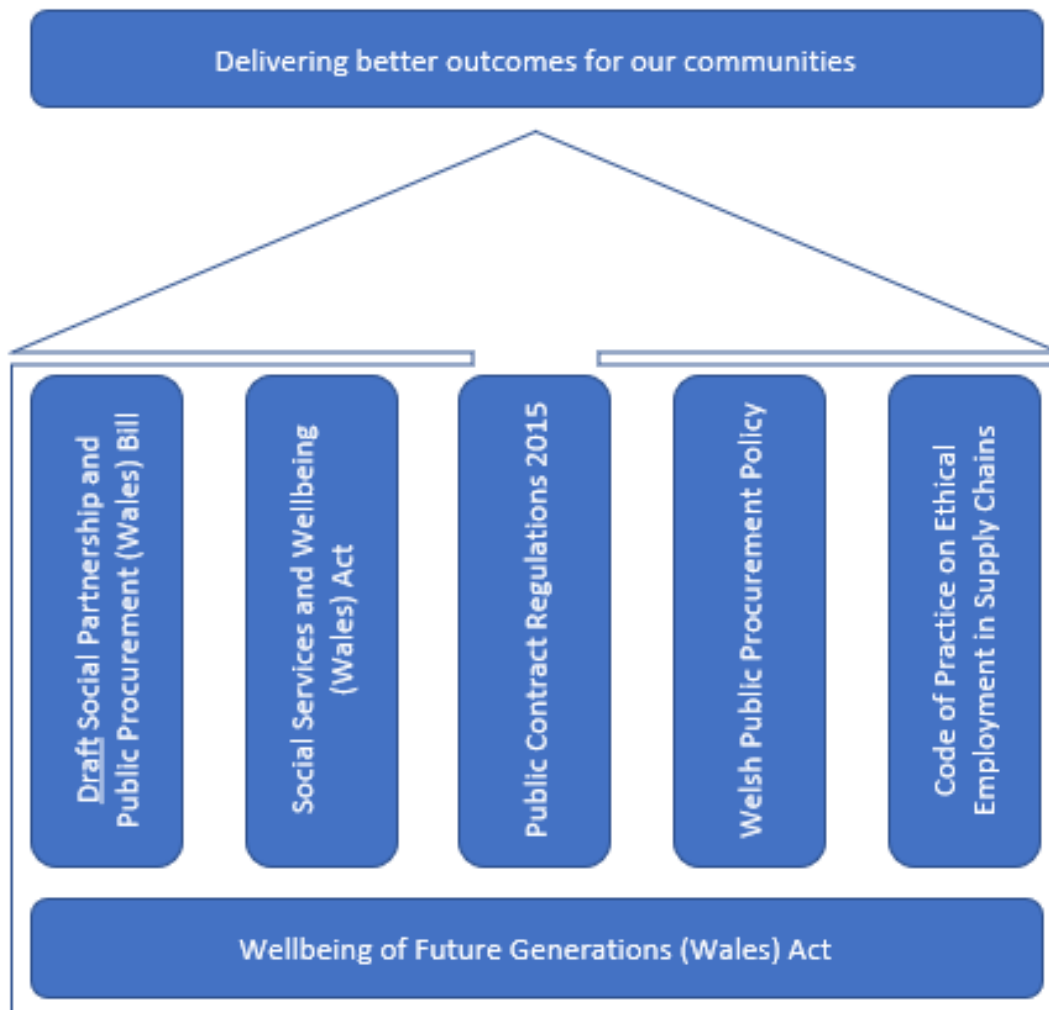
environmental and cultural well-being. These matters must be considered throughout the procurement and contract management processes.

Definition of contract management

Contract management relates to the ongoing management and monitoring of contracts entered into with providers for works, goods or services. Contract management focuses on ensuring compliance with the terms and conditions, delivery in line with the service specification and monitoring the delivery of defined outcomes as well as documenting and agreeing on any changes or amendments that may arise during its implementation, execution throughout the lifetime of the contract.

2. REGULATORY FRAMEWORK / THE NATIONAL CONTEXT

- 2.1 Commissioning and procuring in the public sector in Wales is structured around a regulatory and policy framework that aim to deliver outcomes that have been procured with openness, fairness and transparency that deliver the maximum economic, social, environmental and cultural well-being benefits to individuals and the local area.
- 2.2 To deliver these outcomes, it is essential that this Strategy combines all of these requirements into our key themes.
- 2.3 The Regulatory and Policy framework is summarised as follows:



2.4 Further details of each of the above areas is provided in Appendix A.

3. THE COUNCIL'S PRIORITIES AND WELL-BEING OBJECTIVES

3.1 The Council agreed its new corporate priorities and a new Corporate Plan for 2020-24, *'Making a Difference'* at its meeting on held on 4 March 2020. Council also agreed that these three corporate priorities would be the Council's Well-being objectives, which the Council is required to set by the Well-being of Future Generations (Wales) Act 2015.

3.2 The Council's agreed Vision, purpose and priorities are:

Vision - *For Rhondda Cynon Taf to be the best place in Wales to live, work and play, where people and businesses are independent, healthy, and prosperous.*

The Council's **purpose** and the reason why it exists is:

"To provide strong community leadership and create the environment for people and businesses to be independent, healthy and prosperous.

The Council's Corporate Priorities and Well-being Objectives are:



- 3.3 In addition to setting out the 3 Priorities of People, Places and Prosperity, the Corporate Plan identifies one of the biggest challenges the Council faces:

Our greatest challenge will be to deliver the Council's commitment to being "A netzero Green House Gas Council by 2030" which is 20 years earlier than the recommendation of the UK Committee on Climate Change. This is a challenge we are taking seriously, and we look forward to receiving the support from all local residents and businesses in working together to change the way we live our lives to achieve this aim.

HOW THE PROCUREMENT SERVICE WILL SUPPORT DELIVERY OF THE COUNCIL'S CORPORATE PLAN

- 3.4 The following strategic themes have been put in place with the aim of setting out a framework that will enable a co-ordinated approach to delivering the work of the Procurement Service:

THEME 1 – Ensuring we have effective governance arrangements in place that support robust commissioning and procurement decisions:

- Reviewing our standard documents to ensure they are fit for purpose and address key/current priorities.
- Ensure arrangements are embedded to implement the requirements in respect of Prescribed Contracts.
- Ensuring that the Welsh language continues to be applied throughout our processes.
- Ensure our data adds value to the procurement process.
- Put in place monitoring arrangements whereby outcomes are tracked, monitored, and reported efficiently.
 - Build the arrangements that will need to be in place to deliver an annual report that complies with the requirements placed upon us by the draft Social Partnership and Public Procurement Bill.
- Review our Internet and Intranet content to ensure it is fit for purpose.
- Ensure that the Contract Procedure Rules are reviewed and updated regularly and complied with across the organisation.

- Learning and development of Procurement staff and wider staff across the Council to ensure upskilling in commercial awareness and understanding and implementing new policies, procedures and regulations.

THEME 2 – Putting in place socially responsible procurement activities and processes that will help the Council to:

- Taking action to reduce the Council’s carbon footprint associated with procured goods and services.
- Reducing the Council’s use of single use plastics.
- Support the Council’s initiative to have in place a fleet of Ultra Low Emitting Vehicles (ULEV’s).
- Procuring locally.
- Embed ethical and fair work arrangements into our contracting processes and supply chains.
- Develop arrangements whereby the social value obtained from each contracting arrangement is maximised.

THEME 3 – For all relevant contracts, ensuring that suppliers are held to account by putting in place robust contract management arrangements, where:

- Performance is monitored, tracked and reported against the intended outcomes of the contract.
- Arrangements are in place whereby escalations in respect of performance and contract compliance can be dealt with in a fair and transparent manner.
- Contracts and contract management activities are recorded on a centrally managed system, where performance and outcomes can be tracked.

3.5 ***It is the intention that these strategic themes will demonstrate the alignment between the work that we deliver to the achievement of economic, social, environmental and cultural well-being outcomes for the local community – benefits that will be delivered in the short, medium and long term.***

3.6 The strategic themes listed in section 3.4 of this strategy aim to support the Council’s delivery of its Corporate Plan 2020-2024, and the Council’s ambitions to become net zero by 2030.

3.7 In support of delivering the strategic themes of this Strategy, a delivery plan has been developed that sets out what will be achieved and by when.

4. MONITORING AND REPORTING

4.1 Our progress in respect of implementing the strategic themes will be monitored against the delivery plan.

4.2 In accordance with the requirement placed upon us by the **DRAFT** Social Partnership and Public Procurement (Wales) Bill, we will publish an annual report that will summarise the work delivered for each financial year. The report will be structured around:

- Giving a summary of the work delivered during the year.

- Identifying the changes made within our governance arrangements that help deliver consistency for the service and enable efficient and effective monitoring and reporting.
- Our progress against delivering our strategic themes.
- Demonstrate how the work delivered has contributed to the principle of achieving socially responsible public procurement (with examples that are linked to the Council's well-being objectives).
- A summary of the procurements during the year that led to the award of a Prescribed contract.
- Looking forwards – setting out what is to come.

4.3 This strategy will be reviewed at least annually and should revisions be required these will be actioned with a revised copy being published on our website as soon as reasonably practicable.

Appendix A – Regulatory Framework

Draft Social Partnership and Public Procurement (Wales) Bill

Social partnership brings together trade unions, employers and Government on areas of shared interest to identify and implement solutions that bring about better outcomes. The **draft** Social Partnership and Public Procurement (Wales) Bill is a key step towards the Welsh Government's vision of Wales being an inclusive nation with a vibrant economy that values and safeguards its workforce.

The draft Bill seeks to build on the work of the Fair Work Commission. The draft Bill sets out provisions to establish a system of fair work objectives to ensure a transparent and consistent approach to providing good and safe employment in Wales, working with trade union and employer social partners.

The draft Bill also sets out measures to ensure that public procurement is undertaken with consideration to social, economic, environmental and cultural well-being and to provide greater transparency and clarity by establishing socially responsible procurement objectives, in principle and practice, with a focus on outcomes. This is central to the Welsh Government's long-standing commitment to using the power of the public purse to bring about broader benefits to our communities, our workplaces, and our country.

The Social Services and Wellbeing (Wales) Act

The Social Services and Wellbeing (Wales) Act (SSWB) is about changing the way people receive health and social care. In the same way as the Well-being of Future Generations Act, the SSWB Act aims to help people to avoid things getting worse and to become more resilient in dealing with their own problems.

For people who need health and social care, and their carers, the SSWB Act also aims to involve them more in their treatment, giving them more voice and control with regards to the services they receive.

The SSWB Act states that Local Authorities have a vital role to create the right environment through which people with an interest in the support of a population in a local area can come together to create the support that they need.

The role of Local Authorities should, therefore, include: creating an environment locally to promote user voice and control at every level; and raising awareness about the role that social enterprises, co-operatives, co-operative arrangements, user led services and the third sector can play in achieving the policy objectives of the Act.

This requires a more open approach to identifying common opportunities and flexible arrangements for planning, promoting and delivering services. Although this will be challenging in some services, this will place more emphasis on promoting the right balance of resource efficiency and community benefit.

Public Contracts Regulations (PCR's) 2015

Now that the UK has formally left the EU, the UK Government is developing a new set of Public Contract Regulations. The Welsh Government has confirmed that it will adopt these Procedures

rather than develop their own. It is anticipated that the new rules will come into force sometime during 2023, until that time the PCR's 2015 will continue to apply.

This legal framework requires contracting authorities to award contracts that are over a prescribed threshold in accordance with the principles of non-discrimination, equal treatment, openness, transparency, procedural fairness, mutual recognition and proportionality.

The Wales Procurement Policy Statement Principles

Updated and issued by the Welsh Government in March 2021, the purpose of this document is to set the strategic direction for public sector procurement in Wales.

The Welsh Government's vision is:

"Welsh public sector procurement is a powerful lever with ability to affect sustained change to achieve social, economic, environmental and cultural outcomes for the well-being of Wales"

The Welsh Government sets out the following ten principles for procuring well-being for Wales based on the Well-being of Future Generations (Wales) Act Goals and key Welsh Government policies:

1. We will leverage **collaborative** procurement activity in Wales to maximise **long-term** sustainable social and economic value outcomes from public spend
2. We will **integrate** procurement into the heart of Welsh policy development and implementation
3. We will progress **long-term** sustainable procurement, which builds on and scales best practice and sets clear steps that show how procurement is supporting the delivery of organisational well-being objectives
4. We will raise the **long-term** standing and profile of the procurement profession and its role as an enabler for procurement policy
5. We will support Welsh Government policy objectives relating to progressive procurement, such as the Foundational and Circular Economy, through **collaborative**, place-based (whether national, regional or local) procurement activity which nurtures resilient local supply chains
6. We will act to **prevent** climate change by prioritising carbon reduction and zero emissions through more responsible and sustainable procurement to deliver our ambition for a net zero public sector Wales by 2030
7. We will align our ways of working and increase stakeholder **involvement** to support innovative and sustainable solutions through procurement
8. We will **collaborate** with stakeholders to promote equal opportunities and fair work in Wales
9. We will improve the **integration** and user experience of our digital solutions and applications, maximising the use of our procurement data to support decision making
10. We will promote value-based procurement which delivers optimum **long-term** outcomes for Wales.

Ethical Employment in Supply Chains' Code of Practice

The 'Ethical Employment in Supply Chains' Code of Practice was launched in 2017 by the Welsh Government. It aims to support the development of more ethical supply chains delivering contracts for the Welsh public sector. All public sector organisations are encouraged to sign up to the Code and

businesses in public sector supply chains are encouraged to adopt it. The aim of the Code is to ensure that workers in public sector supply chains are employed ethically and in compliance with both the letter and spirit of UK, EU and international laws. The code has 12 commitments that are designed to eliminate modern slavery and support ethical employment practices.

The Council is committed to ensuring a high standard of ethical trade practices, across its procurement activities. In accordance with this Policy the Council will expect its suppliers, service providers and contractors to observe the policy's provisions and to demonstrate a similar commitment to an ongoing programme of ensuring and, where necessary, improving ethical practices locally and wider.

The Well-being of Future Generations (Wales) Act 2015

The Well-being of Future Generations (Wales) Act 2015 underpins the governance arrangements of all public sector bodies in Wales. It states that public bodies are required to apply the principle of 'Sustainable Development', defined in the Act as the process of improving the economic, social, environmental and cultural well-being of Wales. A public body must apply the sustainable development principle meaning that a body "***must act in manner that which seeks to ensure the needs of the present are met without compromising the ability of future generations to meet their own needs***". In order to show they have applied the principle, public bodies need to apply the following five ways of working:

- **Involving** a diversity of the population in the decisions that affect them.
- Working with others in a **Collaborative** way to find shared sustainable solutions.
- Looking to the **Long-term** so that we do not compromise the ability of future generations to meet their-own needs.
- Taking an **Integrated** approach so that public bodies look at all the well-being goals in deciding on their well-being objectives.
- Understanding the root causes of issues to **prevent** them from occurring.

The Well-being of Future Generations (Wales) Act 2015 lists seven national Well-being Goals:

1. A prosperous Wales – *By taking steps to support and develop local business and providing opportunities for residents to secure jobs, experience or training.*
2. A More Equal Wales - *By taking steps to ensure that all residents have the opportunity benefit from the framework, irrespective of their background or circumstances*
3. Resilient Wales – By taking steps to ensure that all parts of the Council's supply chains minimise damage to environment including carbon reduction.
4. A Wales of Cohesive communities – By taking steps to maximise Community Benefits and increase local SMEs and opportunities for local work further contributing to communities
5. A Globally responsible Wales – By taking steps to raise awareness of global issues through contracts, e.g. Fair Trade goods and encouraging the next generation
6. A Healthier Wales – By taking steps to ensure that the physical and mental health of employees is integral to employees of supply chain companies
7. A Wales of Vibrant Culture and Welsh Language – By taking steps to ensure the contribution of culture and the Welsh Language in is understood and valued and that business development includes a cultural offer