

<b>Report to:</b>	Audit and Governance Committee	<b>Date of Meeting:</b>	Wednesday 7 September 2022
<b>Subject:</b>	Procurement – National Procurement Policy, Contract Procedure Rules and Internal Processes		
<b>Report of:</b>	Executive Director of Corporate Resources and Customer Services	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Regulatory, Compliance and Corporate Services		
<b>Is this a Key Decision:</b>	No	<b>Included in Forward Plan:</b>	No
<b>Exempt / Confidential Report:</b>	No		

### Summary:

This report presents

1. updates on national policy direction
2. a refresh of the Contract Procedure Rules for consideration and approval
3. presents the published Modern Slavery Statement and
4. provides an update of progress in respect of Social Value Activity

### Recommendation(s):

Committee is asked to

- (1) Consider and approve draft Contract Procure Rules at Annex A
- (2) Note that a full rewrite of the Contract Procure Rules will take place once the updated national guidance is published and a further report will be presented for consideration.
- (3) Note that the Council's [Modern Slavery Statement](#) is published on the Council website and is refreshed annually.

### Reasons for the Recommendation(s):

In light of the UK re-joining the WTO Government Procurement Agreement and the proposed national changes a refresh of the Contract Procure Rules is presented (Annex A) to Audit and Governance for consideration and approval. Once national changes are published there will be a full rewrite of the Contract Procedure Rules.

**Alternative Options Considered and Rejected:** (including any Risk Implications)  
NA

**What will it cost and how will it be financed?**

**(A) Revenue Costs**

There are no direct revenue implications associated with the recommendations within this report.

**(B) Capital Costs**

There are no direct capital implications associated with the recommendations within this report.

**Implications of the Proposals:**

<b>Resource Implications (Financial, IT, Staffing and Assets):</b> There are no direct resource implications associated with the recommendations within this report.						
<b>Legal Implications:</b>						
<b>Equality Implications:</b> There are no equality implications associated with this report						
<b>Climate Emergency Implications:</b>  The recommendations within this report will <table border="1"><tr><td>Have a positive impact</td><td>N</td></tr><tr><td>Have a neutral impact</td><td>Y</td></tr><tr><td>Have a negative impact</td><td>N</td></tr></table> Neutral impact. The content of this report is an propose a refresh to existing Contract Procedure Rules for consideration update. Individual procurement exercises will consider Climate Emergency implications.	Have a positive impact	N	Have a neutral impact	Y	Have a negative impact	N
Have a positive impact	N					
Have a neutral impact	Y					
Have a negative impact	N					

**Contribution to the Council's Core Purpose:**

Protect the most vulnerable: The Council can use procurement activity as a tool to ensure quality services are available to support the most vulnerable children and adults. Procurement supports a of range of activity to enable vulnerable people to live independently and live the lives they wish to live.
Facilitate confident and resilient communities: Procurement enables a range of activity and services aimed to empower people to become more independent and contribute and engage in their local communities, thereby improving confidence and resilience.
Commission, broker and provide core services: the procurement process supports the Council in securing the best value for money and delivering wider economic, social and energy benefits.

Procurement enables a range of activity to enable vulnerable people to live independently and live the lives they wish to live.
Place – leadership and influencer: The Council can use procurement activity to boost jobs, growth and investment, and to create an economy that is more innovative, resource and energy efficient, and socially-inclusive.
Drivers of change and reform: The Procurement team develop policy and enable the implementation of effective procurement strategies, which support the Council, Commissioners and individual services in making effective sourcing and procurement decisions that can support the delivery change and reform.
Facilitate sustainable economic prosperity: The Council can use procurement activity as a tool to boost jobs, growth and investment, and to create an economy that is more innovative, resource and energy efficient, and socially-inclusive.
Greater income for social investment: Procurement activity supports a range of projects driving change and innovation; with a focus on achieving value for money, compliance, ethical procurement and social value
Cleaner Greener Procurement activity enables a range of projects driving change and innovation; with a focus on minimising the impact of climate change.

## What consultations have taken place on the proposals and when?

### (A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.6905/22.) and the Chief Legal and Democratic Officer (LD.5105/22) have been consulted and any comments have been incorporated into the report.

### (B) External Consultations

#### Implementation Date for the Decision

Immediately following the Committee meeting.

<b>Contact Officer:</b>	Jan McMahon
<b>Telephone Number:</b>	Tel: 0151 934 4431
<b>Email Address:</b>	jan.mcmahon@sefton.gov.uk

#### Appendices:

Appendix A Draft Contract Procedure Rules

#### Background Papers:

There are no background papers available for inspection.

## 1. Introduction

- 1.1 In December 2020 Cabinet Office issued the 'Transforming Public Procurement' report for consultation. In June 2021 new guidance was published that says job creation, investment in skills and opportunities for local growth should be taken into account by councils and other public bodies when awarding public contracts.
- 1.2 The new guidance, issued to officials in local councils, central government, NHS trusts, police forces and other public organisations, says that the wider benefits of spending public money should be factored into the procurement process.
- 1.3 The first reading of the [Procurement Bill](#) took place on 11<sup>th</sup> May 2022, starting the Bill's journey through the Lords.
- 1.4 The Cabinet Office is delivering a series of webinars to support contracting authorities with preparing for the change. The Cabinet Office has advised
  - There will be secondary legislation and work is happening on this in parallel to the Bill
  - There will be transition guidance from the old to the new regime e.g., contracting authorities may be able to extend some contracts for longer than currently specified
  - Go live will be in 2023 at the earliest
  - Cabinet Office is planning to undertake a gap analysis now v future to support the change
  - A central Debarment Register will be created
  - There will be additional guidance on Frameworks and mixed procurements (DHSE)
  - Competitive flexible procedure will provide more flexibility for innovation and procurement being outcome focused
  - Work is being done on related learning and development resources and this will include about 10.5 hours of e-learning, knowledge drop ins and deep dives. They will supplement this will policy notices, sample templates, model procedures and case studies.

## 2. Contract Procedure Rules

- 2.1 In light of the above a refresh of the current Contract Procure Rules (CPRs) is presented at Appendix A for consideration and approval.
- 2.2 Members should be aware that a full rewrite of these in due course to reflect legislative changes.

### 3. Internal Processes

- 3.1 The Procurement Team with support from the Strategic Support team have recently reviewed the waiver process.
- 3.2 The waiver e-form has been streamlined to make it easier for requesting officers to complete.
- 3.3 To add further rigour to the current process all completed waiver requests will be automatically sent to Procurement Service Manager for review and if required advice will be sought from other relevant teams such as Legal or Finance before receiving final approval to ensure that there has been robust challenge and that the grounds to waive the CPRs are valid.
- 3.4 Once the Procurement Service Manager is satisfied with the request they will send to the appropriate Assistant Director/ Executive Director for approval.
- 3.5 The Contracts Register will continue to be shared with Assistant Directors and Executive Directors to encourage effective forward planning.

### 4. Modern Slavery

- 4.1 Members of the Committee will recall that in April 2019, a Council motion was passed for the Council to commit to helping eradicate slavery and labour exploitation and a number of principles were agreed.

*“This Council commits to helping eradicate slavery and labour exploitation. As an organisation who believes and promotes ethical working standards, we will endeavour to ensure that all Council policies, procedures and practices are fully compliant with relevant slavery and labour standards legislation. We will actively seek to only use suppliers who uphold these principles. We will promote our charter by raising awareness, educating and supporting both within our organisation and those we come into contact with.”*

- 4.2 In September 2020, the Home Office introduced new measures to tackle modern slavery in supply chains which will hold businesses and public bodies accountable for tackling modern slavery.
- 4.3 This updated guidance, explains how businesses should comply with the Modern Slavery Act 2015 and requires all large businesses to produce an annual statement for each financial year setting out the steps they have taken to prevent modern slavery in their business and supply chains.
- 4.4 In March 2021, the government announced a review of the Modern Slavery Strategy to ensure that they build on progress to date. They plan to publish a revised strategy in the Spring of 2022 following a period of stakeholder engagement.
- 4.5 The government also announced that the new Single Enforcement Body for employment rights, will have powers to impose financial penalties on organisations who fail to meet their statutory obligations to publish annual modern

slavery statements. Legislative changes through parliament are still required to introduce this.

- 4.6 In March 2021, the government launched an online modern slavery registry which will help bring all modern slavery statements in one place to allow transparency and others to scrutinise the action organisations are taking to prevent modern slavery. This is a voluntary arrangement and the government are encouraging all organisations in the scope of the legislation to submit their statement. <https://www.gov.uk/guidance/add-your-modernslavery-statement-to-the-statement-registry> .
- 4.7 In April 2022 Cabinet Member Regulatory, Compliance and Corporate Services approved that the Council submitted its Modern Slavery Statement for the purpose of transparency.
- 4.8 Members of the Committee are asked to note that the Council's Modern Slavery Statement is published on the Council website ([Modern Slavery Statement](#)) and is refreshed annually.

## **5. Social Value**

- 5.1 The Council has already taken a number of positives steps to ensure that social value is delivered including
- All Procurement staff have received Chartered Institute of Purchasing and Supply Ethical Accreditation, this training ensures that Procurement staff have built their understanding of how to behave ethically and establishes a commitment to ethical behaviour. The training is renewed annually to ensure they have knowledge of up to date good practice.
  - Standard Social Value questions are now embedded in strategic tenders, together with supporting information to advise Bidders what social value is and key local organisations and initiatives they can engage with to deliver social value. On occasions these social value questions have been customised with project specific outcomes attached.
  - In order to support Social Value evaluation a specialist application called Social Value Portal has been procured. This tool allows bidders to put forward proposals tied into specific Themes, Outcomes and Measures which are quantifiable against nationally recognised standards. We are currently trialling the implementation of Social Value Portal on two pilot projects. Once these are completed officers will review lessons learnt and roll out training to Procurement staff and Commissioners. Changes internally and at Social Value portal mean that this work has stalled and started again in 2022/23. Once Social Value Portal is live officers will create a web portal and communication plan to support Suppliers to respond to our Social Value expectations.
  - The implementation of Sefton Crowd which provides an online platform which allows and helps volunteers and community groups to create, promote and gain financial support from people across the borough and beyond. All money raised supports projects aimed at improving the borough and strengthening communities.

5.2 A policy has been developed to ensure that Social Value principles are applied in a way that enables the Council to maximise economic, social and environmental benefits for Sefton and its residents. The policy was approved by Cabinet Member Regulatory, Compliance and Corporate Services In August 2022. By adopting this Social Value policy, the Council is confirming its commitment to local and national supply chains that SMBC want to do business with suppliers who have a strong people, environmental and ethical focus within their business.