

East Hertfordshire District Council

Corporate Procurement Strategy 2025-2030



Foreword

We have a new Corporate Procurement Strategy for 2025 to 2030 outlining our priorities and how procurement will contribute to our L.E.A.F Vision and Corporate Priorities.

East Herts Council spent around £50 million on goods, works and services in 2023/2024. We have a duty to provide value for money for our residents and customers through effective and efficient procurement policies and practices.

It's an exciting time to be launching our strategy as the new Procurement Act 2023 comes into force in February 2025. The new act reforms the existing procurement rules focussing on cutting red tape and supporting innovation, improving transparency meaning everyone has access to public procurement data, it also simplifies the process of working with the public sector, supporting more SMEs to bid for contracts.

This procurement strategy aligns with the Local Government Association's (LGA's) National Procurement Strategy that the Council has been following in recent years and brings the key considerations from this strategy to the forefront. There are links to the Council's wider objectives which are highlighted in the five principle foundations of our new strategy. Naturally as our landscape continually changes, the strategy will be updated periodically to reflect today's evolving environment.

East Herts Council made a Climate Change Declaration in July 2019 and then further strengthened its position when all Members unanimously declared a Climate Emergency in July 2023 which amplifies and accelerates efforts to tackle climate change by reducing greenhouse gas emissions, restoring natural environments and planning for the local impacts of climate change. Many sustainable and carbon reduction benefits can be achieved through supplier engagement before the procurement process begins. The Council will work with the market to understand the benefits and opportunities not only for East Herts Council but to society, the local economy and minimising damage to the environment.

We recognise that procurement has a pivotal role to play in supporting much of what the Council is looking to do. As an organisation we have a significant level of change during the lifetime of this strategy, and as Executive Member for Financial Sustainability I view

this as a real opportunity to bring the procurement service and procuring departments along that journey and add value to the Council and the communities it supports.



Councillor Carl Brittain
Executive Member for Financial Sustainability

L.E.A.F

Our values, perspectives, and the needs of our community is reflected in our promises and will be central to every procurement exercise. It is also important for the Council to ensure that the organisations and individuals it does business with have culture and values that align with the Council's.

Procurement is a function which works alongside many other areas of the Council. There is a requirement for awareness and adherence to UK Law and other Council policies and strategies. For example, Health and Safety Acts and regulations, Safeguarding, Equality and Diversity, Transfer of Undertakings (Protection of Employment) Regulations 2006, Confidentiality and Publicity, Data Protection, Freedom of Information, the Modern Slavery Act, Anti-terrorism, Anti-Fraud and Corruption, the Social Value Policy, the Cultural Strategy and the Climate Change Strategy.

East Herts Council will promote effective procurement across the district with a long-term focus on its Vision and Corporate Priorities based around the four themes below.



| | | | |
|--------------------------------|-------------------------|---------------------------|--------------------|
| Listening open and transparent | Environmentally focused | Acting with the community | Fair and inclusive |
|--------------------------------|-------------------------|---------------------------|--------------------|

Five Principle Foundations of East Herts Council Procurement

The Procurement Strategy for 2025-2030 is made up of five principle foundations.

Each foundation is a building block of the considerations that need to underpin the procurement process and will be embedded in the way we procure our goods, works and services contracts to support the Council's Vision and Corporate Priorities.



1. Transparency

At East Herts Council, we are committed to being open and transparent with the spending on our contracts for supplies, service and works.

The Government has set out the need for greater transparency across all public bodies to enable the public to hold public bodies and politicians to account. The Local Government Transparency Code 2015 requires us as a Council to publish procurement information. This includes commitments relating to expenditure and is intended to help achieve better value for money.

The principle of transparency can be defined as ‘the access to clear, precise and accurate information that is understandable to all’. Within the public sector, transparency is vital to ensure the spending of taxpayers’ money can be properly scrutinised. Transparency needs to be hardwired into procurement as a lack of it can result in diminished due diligence, rushed solutions and poor-quality tenders, and may lead to several problems downstream in implementation. If carried out effectively, transparency enables processes and decisions to be monitored and reviewed, to help ensure that decision-makers can be held accountable.

East Herts Council require all procuring departments to open procurements to competition by increasing awareness of contracting opportunities. Suppliers will be given the same access to information and will be judged on the same criteria. This will make it easier for would-be suppliers to access all relevant information and reduce the time and cost required to tender.

We will ensure that the procurement package for prospective bidders is clear and to the point, including the timeline, setting out the end-to-end tender process in detail. We will include clear specifications containing realistic asks, key performance indicators (KPIs), and service levels, provided in formats that are accessible for all parties. For qualitative elements, the package will explicitly say the capabilities required and how they are to be evidenced in the assessment process, including the relative weight attributed to each section or question so bidders understand this when producing their response. We will consider how easy it will be for SMEs to respond to ensure a breadth of inclusive competition for all.

Transparency is a fundamental, broad-reaching aspect of the Procurement Act 2023. The need to share information, enable others to understand the decision-making process, and act with integrity are all set out in the procurement objectives. Transparency is embedded into every part of the procurement lifecycle – from planning to procurement, contract management and termination – by

sharing information through the publication of notices. Robust transparency provisions are essential for providing the openness, accountability and oversight to balance with the new flexibilities set out elsewhere in the Procurement Act 2023. The legal provisions for transparency are set out in the Procurement Act 2023 and in the Regulations.



2. Focus on the Environment

East Herts Council made a Climate Change Declaration in July 2019 in recognition of the climate emergency we are all facing. This declaration committed the Council to take action to address the causes and impacts of climate change across the district with a target to be carbon neutral by 2030. This position was further strengthened in July 2023 when all Councillors unanimously declared a Climate Emergency. Tackling climate change and focusing on the environment to improve sustainability must be a key foundation for all procurement activity. By harnessing our purchasing power, we will: help combat climate change and reduce carbon emissions; reduce waste; save resources; improve air quality; and enhance green space and promote biodiversity. It would clearly be naïve to think East Herts Council can tackle climate change alone. There is much for the national government to do, both unilaterally and through international cooperation. Furthermore, we operate within a three-tier model of local government comprised of Hertfordshire County Council (HCC), East Herts Council and town and parish councils throughout the district. All have a role to play. It is possible to empower everyone to reduce their carbon emissions, including the supply chain.

We will drive sustainability into our procurement process in the following ways:

- As a minimum comply with all relevant environmental, social and procurement legislation.
- Support our goal of net-zero emissions by 2030 and reduce carbon dioxide emissions from contracted services.
- Wherever possible, the Council will specify products which are made from recycled products, can be recycled or re-used, can be operated in an energy efficient manner and cause minimal damage to the environment in their production, distribution, use and disposal; so long as the requirements for value for money and quality are met.
- Lessen environmental impacts across design, construction and operation, as well as services and goods provision.
- Ensure that waste is reduced, reused, and recycled wherever possible.
- Reduce all plastic waste.

- Integrate environmental considerations throughout the procurement process, from options appraisal to contract completion, applying appropriate significance.
- Reduce energy consumption and maximise the use of green energy sources.
- Reduce the energy consumption and subsequent contribution to the Council's carbon footprint from ICT equipment and electrical appliances.
- Support services that help generate improved air pollution within the district.
- Reduce transport impacts through smarter delivery options and encourage greener vehicles to be used both within the Council's fleet and for contracted services.
- Avoid the unnecessary use of chemicals and prevent the use of hazardous chemicals wherever possible on our estate and within our contracted services.
- Support options that encourage green infrastructure and biodiversity.



3. Social Value and Ethical Procurement

'Social Value' is a way of thinking about how scarce resources are allocated and used. It involves looking beyond the price of each individual contract and looking at what the collective benefit to a community is, when a public body chooses to award a contract. Social value asks the question 'If £1 is spent on the delivery of services, can that same £1 be used to also produce a wider benefit to the community?' The Public Services (Social Value) Act came into force on 31 January 2013. It requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before they start the procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders.

East Herts Council has a Social Value Policy which sits alongside the Procurement Strategy. The Council has chosen to use the Social Value Portal to manage social value within covered contracts – <https://socialvalueportal.com/> evaluating social value comprises of themes, opportunities and measures. The themes which are being used in procurement at East Herts Council are:

- Work: Providing opportunities.
- Economy: Driving inclusive growth.
- Community: Empowering communities.
- Planet: Environmental stewardship.

We will support the development of a framework and criteria for social value, giving substance to the concept and to ensure better local social and economic outcomes. Where contracts are for short term works and under threshold supplies and services we will evaluate Social Value in-house.

Social Value can help support revival of local economies, renew trust in local services and deliver a renaissance of local government; by giving businesses and communities a bigger stake in the local economy.

The council is committed to ensuring a high standard of ethical trade practices, across its commissioning and procurement activities. The council expects its suppliers, service providers and contractors to act with integrity and transparency in their dealings and

practices, adhering to the laws of the countries where they operate, most are governed by legal requirements which if breached would be grounds for excluding the supplier from further contracts for non-compliance.

We require all of our contractors to comply fully with the Modern Slavery Act 2015, wherever it applies, with contract termination as a potential sanction for non-compliance.

Procurement can be the target of anti-competitive, fraudulent and corrupt activities. The Council will take steps to minimise the opportunity for these and use clear policy statements and codes of conduct which are easily accessible by members, staff and the public.



4. Value for Money

East Hertfordshire District Council recognises that it is operating in a rapidly changing environment, with increasing financial challenges which are expected to become even more demanding in future years.

Procurement of services, supplies and works will be founded upon value for money for the residents of East Herts, having due regard to propriety and the Council's legal obligations. Value for money as a contract criterion will be defined as the optimum combination of whole life cycle cost and quality (or fitness for purpose) to meet the customer's requirement. It is essential to adopt processes to secure best value, the Council is therefore:

- driven by optimising output and results
- driving down the costs of goods works and services procured
- challenging the status quo in order to continually improve the way in which we procure and commission goods, works and services
- balancing quality and cost
- using competition to obtain best value
- valuing innovation and creativity
- being transparent and accountable
- working with other organisations and/or partners in order to achieve value for money and maximise economies of scale for routine supplies
- recognising the benefits of social and community value

5. Pro-active Procurement

High quality, professional procurement support is essential to deliver better procurements and also for developing a knowledge and intelligence base to support the delivery of the Council's Vision and Corporate Priorities. The procurement process spans from the pre-market engagement, preparation, the tender and award and through to the final stage of contract management. We expect to form a pro-active approach at all stages in the procurement cycle taking stock and considering our options to best meet the needs of our residents.

Pro-active Communication

- Generating opportunities to engage with our stakeholders, developing a knowledge base of an up-and-coming pipeline of procurements and understanding how they translate into the Council's Vision and Corporate Priorities.
- Reaching out to establish opportunities to engage with the community, local businesses, the voluntary sector through meet the buyer events and by utilising technology to offer webinars on how to do business with the Council.
- Through this process, building a repository of intelligence and using it to enable us to be best placed to provide appropriate guidance, developing a consultative pro-active approach across the Council to all our procurements.

Pro-active Learning

- From the procurements we have undertaken, wherever possible we will follow up with a review of lessons learnt to ensure that we are making the most effective use of public money and looking for opportunities to develop our local supply base.
- The Corporate Procurement team will ensure that they are appropriately trained and guided, with suitable tools and data to pro-actively move the procurement strategy forward.
- Providing opportunities to develop skills and knowledge, as well as creating career pathways that will enable the Council to attract and retain the best talent.

- The Council will continually review how its procurement teams are resourced to pro-actively support and deliver the challenges of the Procurement Strategy.
- The Corporate Procurement team will deliver training to procuring staff across the Council to promote the five principle foundations of the Procurement Strategy.

Pro-active Analysis

- Data integrity and intelligence is beneficial to good pro-active procurement. We will use the Council's financial data to assist with our planning and decision making.
- Have the ability to generate reports that provide a complete understanding of our contractual spend and supplier make up.

Pro-active Contract Management

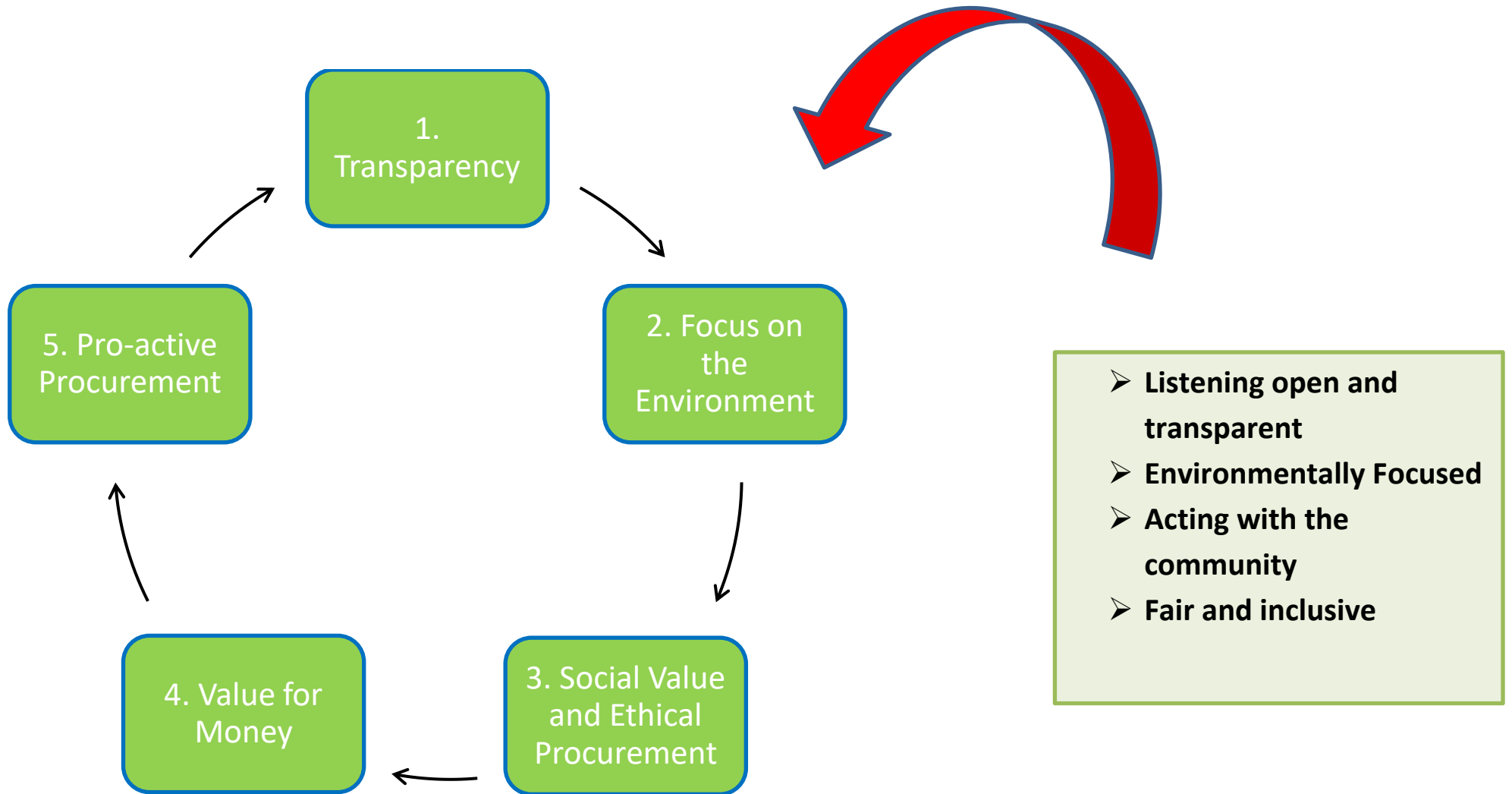
- Meeting the requirements of the Local Government Transparency Code 2015 by capturing all contracts over £5,000 on the Council's central contracts register to support effective contract management and publishing all notice requirements following the introduction of the Procurement Act 2023.
- Procuring Officers will confirm procurements for major and operational contracts have appropriate KPI's and outcome measures included.
- Learning from suppliers and stakeholders to understand how performance and outcomes have been delivered and can be improved, keeping records of decisions along with lessons learnt to build into future procurements.
- Undertaking benchmarking exercises of pre-agreed services and continually reviewing the contracts to ensure maximum value is being achieved.
- Where contracts are modified during their term, records are maintained, and notices published if required.
- Regular checks are carried out on suppliers to determine eligibility to perform public contracts.
- Delivering training on a regular basis to support officers that are pro-actively managing contracts.

Pro-actively Moving Forward

- Reviewing progress across the five principle foundations of the Procurement Strategy.
- Taking on board feedback from all stakeholders (internal and external) and constantly striving through our procurements to deliver maximum social, environmental and economic benefits for our local communities.
- Providing guidance through spend and contract information on where our focus should be in supporting the Council's Vision and Corporate Priorities while balancing the need to make efficiencies.



Moving Forward – The Five Principle Foundations



Transparency

Transparency in public procurement means that information on the public procurement process must be available to everyone: contractors, suppliers, service providers and the public at large, unless there are valid and legal reasons to keep certain information confidential.

Outcome Delivery – Increase the number of local, small, and voluntary suppliers used within East Hertfordshire

| |
|--|
| <u>Indicators</u> |
| ➤ Number of contracts awarded to local, small, and voluntary suppliers |

| | | |
|----|--|-----------------------------------|
| 1. | Understand opportunities for local, small, and voluntary suppliers | Target: to commence February 2025 |
|----|--|-----------------------------------|

- Through supplier events and by improving our online offer specific to local, small and voluntary suppliers, enabling them to learn more about the support available, future opportunities and how to register on the procurement portal – www.supplyhertfordshire.uk and the Central Digital Platform.
- Maintaining and ensuring the contracts register is up to date and published on the Council’s website on a quarterly basis.

| | | |
|----|--|-----------------------------------|
| 2. | Conducting preliminary market engagement | Target: to commence February 2025 |
|----|--|-----------------------------------|

- Procuring departments will undertake preliminary market engagement to shape their requirements before opening the market to competition. The Council can engage with everyone who expresses an interest in a preliminary market engagement.

| | | |
|----|--|-----------------------------------|
| 3. | Consideration to the size of a procurement | Target: to commence February 2025 |
|----|--|-----------------------------------|

- Where a procurement is of high value and complex consideration to using lots might encourage small and medium-sized enterprises (SMEs) to bid; for example, they may find it easier to tender for or deliver smaller contracts, or smaller parts of larger contracts. This can support innovation, value for money, economic growth and potential expansion of the supplier base for that market. This will be delivered through officer training and updated procurement guidance notes.

| | | |
|----|---|-----------------------------------|
| 4. | Providing a clear procurement package for prospective bidders | Target: to commence February 2025 |
|----|---|-----------------------------------|

- Procuring Officers must ensure that any procurement documentation includes a timeline, end to end process details, clear specifications, key performance indicators, service levels and are accessible for all parties. The documentation must advise on the capabilities required and the quality assessment including the relative weight attributed to each section or question.

Focus on the Environment

The Council's commitment to achieving net zero emissions by 2030 will be supported through the procurement process.

| |
|---|
| Outcome Delivery – Reduce waste through smarter procurement |
| Indicators <ul style="list-style-type: none">➤ How many of our suppliers have strategies in place to reduce carbon in the supply chain. This will be tested through the evaluation of the procurement process and contract management. |

| | | |
|----|---|---------------------------|
| 1. | Create a Procurement Sustainability check list for use on all future procurements | Target: by September 2025 |
|----|---|---------------------------|

- Using the Council's Climate Change Strategy develop a sustainability check list to be used as part of the procurement process.
- Corporate Procurement to work with departments to ensure that the check list captures all sustainable aspects in procurements that will be undertaken.

| | | |
|----|---|-----------------------------------|
| 2. | Reduce East Herts Council's own impact on air quality | Target: to commence February 2025 |
|----|---|-----------------------------------|

- We will continue to take steps towards greening the fleets of our contractors, notably our waste management and ground maintenance contractors.

| | | |
|----|---------------------|-----------------------------------|
| 3. | Contract Management | Target: to commence February 2025 |
|----|---------------------|-----------------------------------|

- Outsourced contracts both existing and new will be contract managed by procuring officers and contract managers to drive through improvements in carbon reduction across the district.

Social Value and Ethical Procurement

East Herts Council is firmly committed to social value and ethical procurement and will be embedding social value into long term tendered procurements in line with the Social Value Policy.

| |
|---|
| Outcome Delivery – Measure the delivery of social value |
| Indicators |
| ➤ The individual TOM's (Themes, Opportunities and Measures) will be reported on from the Social Value Portal. |

| | | |
|----|---|---------------------|
| 1. | To update the Council's Social Value Policy | Target: by May 2025 |
|----|---|---------------------|

- The Social Value Policy will be updated to include new TOM's which align with the Council's Vision and Corporate Priorities.

| | | |
|----|--|-----------------------------------|
| 2. | To report on the TOM's data for East Herts Council | Target: to commence February 2025 |
|----|--|-----------------------------------|

- Use the available data to report on the Social Value being created by the supply chain across East Herts Council.

| | | |
|----|--------------------------|--------------------------------|
| 3. | Modern Slavery Statement | Target: to commence April 2025 |
|----|--------------------------|--------------------------------|

- To review and update the Council's Modern Slavery Statement on an annual basis.

Value for Money

The Council recognises the duty of best value and responsibility to achieve value for money in service delivery. East Herts Council will seek to incorporate value for money principles in delivering services by taking account of costs, quality of services and the local context.

Outcome Delivery – Measure the delivery of contract savings

Indicators

- Savings realised through the procurement process
- Savings realised through contract management

| | | |
|----|--|-----------------------------------|
| 1. | Achieving Value for Money in the Procurement Process | Target: to commence February 2025 |
|----|--|-----------------------------------|

- Monitoring Council expenditure for any off contract spend
- Looking to collaborate on procurement exercises internally and with other public bodies
- Considering the use of framework contracts
- Ensuring that the procurement specification in the procurement process is as required

| | | |
|----|--|-----------------------------------|
| 2. | Achieving Value for Money in the Contract Management Process | Target: to commence February 2025 |
|----|--|-----------------------------------|

- Procuring Officers and Contract Managers to work with suppliers to achieve continuous improvement in quality and cost throughout the duration of a contract. Savings to be recorded as part of contract management meetings and reviews.
- Recording the outcomes of key performance indicators within contracts
- Benchmark contracts with the marketplace

Pro-active Procurement

Outcome Delivery – Provide commercial intelligence to ensure we are achieving value for money

Indicators

- Maintain the contracts register and identify opportunities to collaborate
- Work with internal departments to understand opportunities and risks of up and coming projects and contract management
- Developing supplier relationships
- Savings/cost avoidance

| | | |
|----|--------------------------|--------------------------------|
| 1. | Pro-active Communication | Target: to commence April 2025 |
|----|--------------------------|--------------------------------|

- Pro-actively manage up and coming opportunities and publish a pipeline of up-and-coming procurements on the Council's website
- Support local, small and voluntary businesses by offering webinars and participating at meet the buyer events
- Update and build a repository of new guidance and web links relevant to procuring officers as and when required on the internal intranet

| | | |
|----|---------------------|-----------------------------------|
| 2. | Pro-active Learning | Target: to commence February 2025 |
|----|---------------------|-----------------------------------|

- Set up a process to enable a debrief and lessons learned plan after all tendered procurements.
- Continually review how the Council's procurement function is resourced in order to ensure it is equipped to support and deliver the challenges of the Corporate Procurement Strategy.

- To deliver training to procuring staff across the Council to promote the five principle foundations of the Corporate Procurement Strategy.

| | | |
|----|---------------------|-----------------------------------|
| 3. | Pro-active Analysis | Target: to commence February 2025 |
|----|---------------------|-----------------------------------|

- Working with departments to ensure there is a full awareness of data requirements and how this feeds into supporting the Council's Vision and Corporate Priorities.
- Create reports to provide an understanding of our contractual spend including spend on SME's, local and voluntary suppliers.

| | | |
|----|--------------------------------|-----------------------------------|
| 4. | Pro-active Contract Management | Target: to commence February 2025 |
|----|--------------------------------|-----------------------------------|

- All contracts over £5,000 are to be recorded on the central contacts register and published online.
- Procuring Officers to ensure all contracts have appropriate KPI's and outcome measures included.
- Work with departments and offer guidance and training to ensure contract management and performance is achieving contractual commitments.
- Undertake benchmarking exercises of pre-agreed services and continually review the contracts to ensure maximum value is being achieved.

| | | |
|----|-----------------------------|-----------------------------------|
| 5. | Pro-actively Moving Forward | Target: to commence February 2025 |
|----|-----------------------------|-----------------------------------|

- Building in the milestones set out across all of the five principle foundations in the Corporate Procurement Strategy and reviewing regularly to make sure we are on track.