

# Cabinet Meeting

## 23 March 2016

<b>Report title</b>	City of Wolverhampton Procurement Charter	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor John Reynolds City Economy	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Keren Jones, City Economy and Mark Taylor, Finance	
<b>Originating service</b>	Economic Inclusion/Procurement	
<b>Accountable employee(s)</b>	Sheila Collett/Andy Moran Tel Email	Heads of Service Economic Inclusion/Procurement  01902 551848/551432 <a href="mailto:Sheila.collett2@wolverhampton.gov.uk/andy.moran@wolverhampton.gov.uk">Sheila.collett2@wolverhampton.gov.uk/andy.moran@wolverhampton.gov.uk</a>
<b>Report to be/has been considered by</b>	Strategic Executive Board Executive Team City Board	26 January 2016 29 February 2016 26 April 2016

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### Recommendation(s) for action or decision:

The Cabinet is recommended to:

1. Consider the progress with embedding the City of Wolverhampton Charter within the City of Wolverhampton Council and within the work of wider partners.
2. Agree the process for embedding the charter within the procurement and commissioning processes of the City Council.

### Recommendations for noting:

The Cabinet is asked to note:

1. The leadership role taken by the City Council in embedding the Charter in the City.

## 1.0 Purpose

- 1.1 To advise Cabinet of progress to embed cross-partnership commissioning and procurement as set out in the City of Wolverhampton Charter. To also seek Cabinet approval for the processes to now be put in place for embedding the Charter within the Council's own commissioning and procurement processes.

## 2.0 Background

- 2.1 In 2015 the City Board identified commissioning and procurement as a key priority area for cross-partnership work. This piece of work aims to help increase the levels of local expenditure with local businesses and other local agencies and to increase the impact of public expenditure on the Wolverhampton City Strategy priorities to increase local jobs, increase economic activity and employment, reduce child poverty and health inequalities.
- 2.2 The City Board received a joint presentation at their 22 July meeting outlining a proposed commissioning and procurement cycle for adoption by all partners. This commissioning and procurement cycle was developed by a cross- partnership group comprising:

Sheila Collett – Head of Economic Inclusion, City Council (Chair)

Andy Moran – Head of Procurement, City Council

Ros Jervis – Service Director Public Health and Well-Being, City Council

Jim Cunningham – Head of Enterprise and Skills, City Council

Fiona Ward – Head of Procurement , Wolverhampton University

Neil Simmonds – Head of Procurement, NHS Trust

Ian Darch – Chief Executive, Wolverhampton Voluntary Sector Council

The City Board agreed the commissioning cycle at their July meeting and requested that the Inclusion Board develop and present the agreement in the form of a Wolverhampton Charter. The aim of the Charter is to detail the key outcomes that a city approach to commissioning and procurement will create in terms of added social value. The draft Charter was endorsed by Strategic Executive Board (SEB) in August 2015 and subsequently agreed by City Board in November 2015.

## 3.0 Progress to date

- 3.1 The Charter has been developed to be fully complimentary to the Councils own Procurement Strategy. The outcomes and measures that the Charter will deliver against are outlined below:

### **The City of Wolverhampton Charter**

**The Charter establishes five principles that will underpin the commissioning and procurement activities of key partners in the City. These are set out below along with the measures to be used annually by the City Board to monitor progress. The City Board have committed to using their commissioning and procurement processes to:**

**Develop and grow a skilled workforce through:** *Creating employment and training opportunities for local residents including supporting people into work and providing work experience placements; mentoring and supporting personal development and, where appropriate incorporating provision within contracts to offer training and employment opportunities for local people*

Measure – numbers of local people into employment, training and work experience as a result of commissioning and procurement.

**Encourage healthy lifestyles and independence by:** *Encouraging the adoption of workplace health initiatives which keep people in work, reduce sickness and also create a workplace that is more conducive to good health. Promoting active travel such as walking, cycling and public transport use*

Measure – number and % of suppliers adopting workplace health initiatives

**Support more people to be active within their communities by:** *Building the capacity of local voluntary and community organisations and schools through the provision of resources and expertise in areas with the greatest need e.g. mentoring and the provision of meeting facilities etc.*

Measure – number of small local voluntary and community organisations and schools supported as part of the commissioning and procurement process

**Support business to develop and grow by:** *Having a preference to buy locally on the condition that a suitable supplier exists and that this provides value for money.*

Measure – %, number and value of contracts to local suppliers

**Support the reduction to the carbon footprint and eliminate unnecessary waste by:** *Specifying good and services on the basis of whole life costing and which minimise the use of resources and the creation of pollution and greenhouse gases*

Measure - % of goods and contracts procured on the basis of whole life costs (purchase use and disposal) and which minimise the use of resources (production, operation and disposal) pollution and greenhouse gases

3.2 The Charter and accompanying commissioning and procurement cycle were promoted by the City Board during Business Week as an example of positive work by the City Council and its partners to support local businesses. This formed part of the meet the buyer event 'Invest – Supporting the Local Market' which took place on 30 September 2015.

3.3 Following approval of the Charter in November 2015 the following actions have now been taken to ensure that it becomes embedded within the City:

A meeting of City Board representatives was held on 7 January 2016. The meeting agreed that all partners present (University/College/City Council/Voluntary and Community Sector) would now:

(i) Embed the Charter within their procurement and commissioning processes

- (ii) Provide quarterly updates (collated by the City Council) on the outcomes that have been achieved within their organisation
- (iii) Display the Charter publically within their main offices as a demonstration of their commitment to its principles
- (iv) Promote adoption of the Charter within their own networks to secure a wider sign-up to its principles
- (v) Provide an update progress report to the City Board in April 2106 and provide a full monitoring report on the outcomes of the Charter in October 2016.

3.4 A meeting of key officers responsible for commissioning and procurement from across the City Council was held on 13<sup>th</sup> January 2016. This meeting considered:

- The individual Charter principles
- How we can maximise the Council impact on the Charter principles in the expenditure that we control
- What added information we may require, as a City Council, on each of the Charter principles to ensure that we progress them in a way that meets our specific corporate priorities and which has some consistency
- Any additional support required within the Council to make the Charter a reality across all of the goods and services that we commission and procure.

3.5 This meeting discussed the mechanisms for ensuring that the Charter is now embedded within all expenditure by the City Council. It was agreed that the pivotal point for this to take place is through the procurement team. In order for this to be achieved the procurement team proposes to adopt the following process:

- Inclusion of the Charter within the standard invitation to tender documents
- An oversight and challenge role for procurement officers to ensure that all officers/services include consideration of the Charter in what they commission and procure.
- Consideration of the Charter will be included as a step within the Procurement Gateway process.
- Inclusion of the relevant Charter principals within the quality and social value scoring for all contracts
- Agreement of key outcomes for each contract in terms of the Charter principal outcome measures
- Monitoring of the outcomes achieved by procurement officers as part of their contract management function

3.6 In addition to the role of procurement it is proposed that the Council has allocated lead officers for each of the Charter principals able to provide expertise on the types of outcomes that are appropriate to the contract. These officers will be responsible for providing advice and support and for ensuring that the Council develops challenging targets that maximise the impact of every pound spent in the City.

## 4.0 Financial implications

4.1 The processes have been developed with colleagues from procurement to ensure that all financial and legal issues in relation to procurement and commissioning are met. The Charter does not involve any additional costs to the City Council but will maximise the impact of the expenditure of all public sector agencies in the City  
[ES/25022016/P]

## 5.0 Legal implications

5.1 The relevant legislation that applies to public sector procurement and has been taken into account when developing this policy including;

- EU Procurement Directive (Public Sector) 2014/24/EU
- EU Procurement Directive (Concessions) 2014/23/EU
- Public Contracts Regulations 2015
- Social Value Act 2012
- Local Government Acts in relation to non-commercial considerations
- Cabinet Office Guidance
- Equality Act 2010

5.2 The Social Value (Public Services) Act 2012 mandates that for all services contracts with a value above the Official Journal of European Union (OJEU) threshold for goods and services, currently £164,176 that consideration is given to the inclusion of Social Value.

5.3 The Public Contracts Regulations 2015 regulation 67 sets out the Contract award criteria that can be used for evaluating tenders. This states that it can include criteria; '.....such as qualitative, environmental and/or social aspects, linked to the subject-matter of the contract in question.'

5.4 Regulation 67 also states in clause (5) that;  
'Award criteria shall be considered to be linked to the subject-matter of the public contract where they relate to the works, supplies or services to be provided under that contract in any respect and at any stage of their life cycle.'  
[RB/11022016/C]

## 6.0 Equalities implications

6.1 The Charter and accompanying commissioning and procurement cycle ensure that social value is considered by partners in purchasing goods and services. The Charter also sets out measures to increase employment, health and well being and environmental outcomes for all residents in the City. The integration of this approach with the economic inclusion agenda within the Council will ensure that those facing multiple-barriers to employment are provided with the opportunities for training, work experience and mentoring that supports their pathway to work.

## **7.0 Environmental implications**

- 7.1 The Charter and its implementation will have a positive environmental impact. It sets out specific environmental sustainability priorities that will be progressed through this approach.

## **8.0 Human resources implications**

- 8.1 None.

## **9.0 Corporate landlord implications**

- 9.1 None

## **10.0 Schedule of background papers**

- 10.1 Procurement Strategy – Executive Team 1 June 2015  
Future Practice – Procurement Strategy Principles, Confident Capable Scrutiny Panel 22 April 2015  
Commissioning and Procurement Cycle – Wolverhampton City Board 22 July 2015