

**Procurement Policy Changes**

<b>Timetable</b>	
<b>Meeting</b>	<b>Date</b>
Corporate Services Policy Advisory Committee	14 December 2022
Executive Meeting	21 December 2022

<b>Will this be a Key Decision?</b>	Yes
<b>Urgency</b>	Not Applicable
<b>Final Decision-Maker</b>	Executive
<b>Lead Head of Service</b>	Mark Green, Director of Finance & Business Improvement
<b>Lead Officer and Report Author</b>	Adrian Lovegrove, Head of Finance
<b>Classification</b>	Public
<b>Wards affected</b>	All

**Executive Summary**

The Council is committed to delivering best value for its residents in every area of service and decided to review and develop its policies in a number of areas in regard to the procurement of its goods and services, most notably the Public Services (Social Value) Act 2012 and the Public Contracts Regulations 2015.

The review identified 3 key areas where we should be developing our policies:

- MBC Biodiversity and Climate Change Action Plan – including Sustainable Procurement Policy.
- Public Services (Social Value) Act 2012 – Social Value
- Modern Slavery Statement

Therefore the aim is to introduce new policies and revise contract approval levels to develop the procurement process. These changes support the Council's strategic priorities and current legislation. In 2019, the Council declared a climate emergency and set out a commitment to become carbon neutral by 2030. For many councils, the majority of greenhouse gas emissions and cost reduction opportunities lie outside internal operations. Using its own updated procurement frameworks, the Council can encourage and engage suppliers to develop proactive approaches to sustainability and reduce emissions and costs.

We also want to increase our social value impacts to take into account the “economic, social and environmental well-being of Maidstone Borough Council” in its procurement activity’.

Considering this, the Council would like to implement 2 new policies, and one statement as follows:

1. Sustainable Procurement Policy
2. Social Value Policy
3. Modern Slavery Statement

These will ensure the internal procurement process reflects legislation, remains fit for purpose and supports sustainability and social value within Maidstone.

**Recommendation to the Executive:**

That the following be approved:

- a) Procurement Sustainability Policy, attached at Appendix 1 to the report;
  - b) Social Value Procurement Policy, attached at Appendix 2 to the report; and
  - c) Modern Slavery Statement, attached at Appendix 3 to the report.
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# Procurement Policy Changes

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	The new policies support the councils aims to be Carbon free by 2030 and support wider support to Maidstone with its Social Value procurement policy.	Director of Finance and Business Improvement (Section 151 Officer)
<b>Cross Cutting Objectives</b>	This report enables any links between performance and financial matters to be identified and addressed at an early stage, thereby reducing the risk of compromising the delivery of the Strategic Plan 2019-2045, including its cross-cutting objectives.	Director of Finance and Business Improvement (Section 151 Officer)
<b>Risk Management</b>	No direct impacts	Director of Finance and Business Improvement (Section 151 Officer)
<b>Financial</b>	Delivering best value for its residents in every area of service is vital. With changes to legislation, most notably the Public Services (Social Value) Act 2012 and the Public Contracts Regulations 2015, the Council has taken the opportunity to review and develop its procurement policies in a number of areas to support delivering VfM.	Senior Finance Manager (Client)
<b>Staffing</b>	No direct impacts	Director of Finance and Business Improvement (Section 151 Officer)
<b>Legal</b>	The Council can accept and implement the policies and statement as they are line with current legislation	Team Leader, Contracts and Commissioning MKLS
<b>Information Governance</b>	No impact	Head of Finance

<b>Equalities</b>	An equalities impact assessment has been carried out to ensure we have considered the impacts from the policy.	Equalities and Communities Officer
<b>Public Health</b>	No impact.	Head of Finance
<b>Crime and Disorder</b>	No direct implication from this report.	Director of Finance and Business Improvement (Section 151 Officer)
<b>Procurement</b>	The new policies allow the procurement function to support the sustainability and social values that are part of legislation, ensuring the function remains fit for purpose.	Director of Finance and Business Improvement (Section 151 Officer)
<b>Biodiversity and Climate Change</b>	<p>The Implications of this report on Biodiversity and Climate Change have been considered and fully align with the intentions of the MBC Biodiversity and Climate Change Action Plan - particularly Action 9.6 to 'Develop a corporate policy and procurement approach to social value that incorporates enhancing biodiversity and reducing our (scope 3) carbon footprint through the way we design, carry out and procure our services.'</p> <p>The largest emissions source of Maidstone Borough Council is the procured goods and services (contracts), which totalled an estimated 3,029 tCO<sub>2</sub>e in 2020, accounting for approximately 69% of the Council's footprint according to the Carbon Trusts Baseline Report.</p> <p>Sustainable Procurement will support the councils Net Zero 2030 commitments, and ultimately aims towards saving costs, reducing carbon, and supporting goods and services contracts to reduce supply/value chain carbon and costs as well.</p>	Biodiversity and Climate Change Manager

## **2. INTRODUCTION AND BACKGROUND**

2.1 As part of the work of regularly reviewing procurement policy and statements to ensure they remain fit for purpose and support the Council's priorities, it has been identified that there are two new policies, and a Modern Slavery Statement that the Council needs to implement to help achieve effective procurement function. The new policies and statement are summarised below.

### *Sustainable Procurement*

2.2 Attached at Appendix 1 is the sustainable procurement policy. The policy supports the Council's aim of becoming carbon neutral by 2030. Sustainable Procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the local economy, whilst minimising damage to the environment.

### *Social Value*

2.3 Appendix 2, the Social Value policy, sets out how the Council intends to deal with these requirements. The implementation of social, ethical, environmental and economic impacts should be in line with the Public Services (Social Value) Act 2012. The Council's intention is to commit fully to the Act by embedding its principles into internal procurement processes and procedures where it is feasible and appropriate to do so. The Council can use social benefits to bring long-term good to the Borough

### *Modern Slavery Statement*

2.4 Appendix 3 sets out the Modern Slavery Statement which contains the Council's expectations of officers and suppliers. The implementation of the statement will enable the Council to ensure that procurement processes take account of modern slavery when assessing the suitability of contractors to work with the Council.

2.5 These changes support procurement best practice and allow a consistent approach across Tunbridge Wells and Maidstone Borough Councils which operate a joint procurement function.

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## **3. AVAILABLE OPTIONS**

3.1 That the Executive approves:

- new policies (Appendices 1 and 2)
- new Modern Slavery Statement (Appendix 3).

3.2 That the Executive do not approve the new policies and statement.

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## **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

4.1 That the Executive approve :

- new policies (Appendices 1 and 2)

- new Modern Slavery Statement (Appendix 3).
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## **5. RISK**

5.1 The paper gives the Council the ability to ensure its procurement processes are fit for purpose and can start to impact upon sustainability and social value that will have benefits to Maidstone.

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## **6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

6.1 The policies have been consulted upon within the Council and have been presented informally to the Executive. This is the first time CS PAC will have seen these new policies and statement.

6.2 This report will be considered by Corporate Services Policy Advisory Committee on 14 December 2022 and the Committee's comments and recommendations will be reported to the Executive.

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## **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

7.1 The recommendation for approval will go to the Executive on 21st December.

7.2 New policies and statement will be implemented in January.

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## **8. REPORT APPENDICES**

- Appendix 1: Procurement Sustainability Policy
  - Appendix 2: Social Value Procurement Policy
  - Appendix 3: Modern Slavery Statement
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## **9. BACKGROUND PAPERS**

None.