



Responsible Procurement Policy and framework

April 2021

Commercial and Investments

Introduction

Cornwall Council spent £794 million with 5,768 suppliers during the financial year 2019/20, £441 million or 56.2% of that spend was with local suppliers.

We are a major contributor to the local economy, buying a range of goods, works and services including, children's services, furniture, construction, utilities, vehicles, social care, buildings maintenance etc.

This policy sets out the general principles that the Council will follow across all of its procurement and commissioning activities to ensure that it is undertaken to deliver value for money, meet the needs of residents and achieve additional economic, social and environmental benefits for its residents in compliance with the Public services (Social Value) Act 2012; the Equalities Act 2010 and other relevant legislation.

This policy is supported by a series of Commercial Policy Notes (CPNs) which set out how each of the policy areas will be applied, an accompanying toolkit will support the operationalisation.

What is Responsible Procurement?

Responsible Procurement is a process where organisations meet their needs for goods, services and works in a way that achieves value for money on a whole life basis and generates benefits not only to the organisation, but also to society, the economy and the environment.

Responsible Procurement refers to the approach we will take as a council to maximise the additional benefits that can be created through the delivery of goods and services and completion of works, which goes above and beyond those directly related to what is being procured.

The Public Services (Social Value) Act 2012 requires commissioners and procurers at the pre-procurement stage to consider how the proposed procurement exercise may improve social, environmental and economic wellbeing of the relevant area.

We need to consider how we might secure any such improvement and to consider the need to consult with our markets. The Act only applies to public services contracts and framework agreements to which the Public Contracts Regulations 2019 apply.

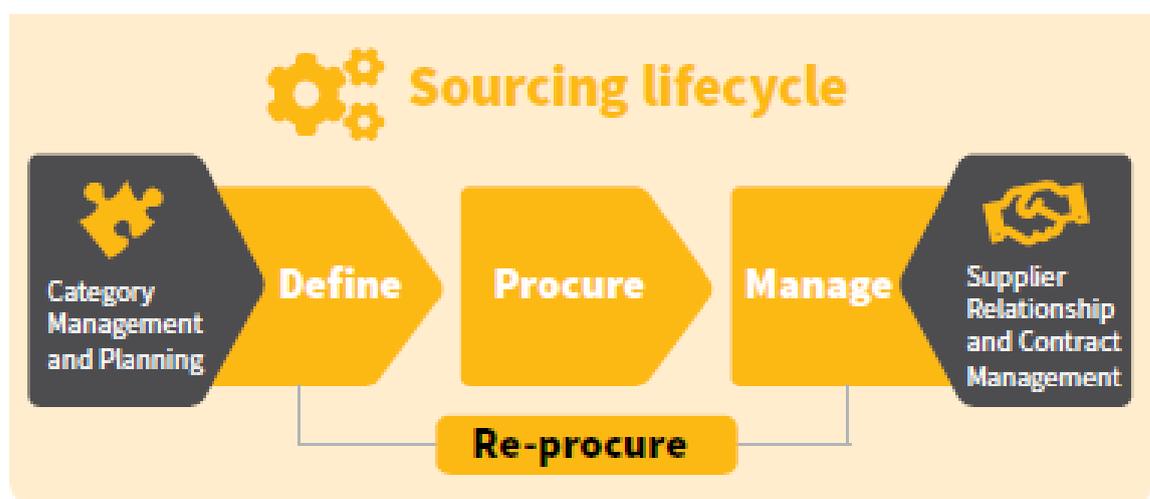
The social value duty is balanced by obligations to ensure fair and open competition and the Council is entitled to decide not to award a contract to the tenderer submitting the most economically advantageous tender (MEAT) where they have established that the tender does not comply with applicable obligations in the fields of environmental, social and labour law national law, or collective agreements.

In addition to a commitment to Social Value, the Council also incorporates value for money of the goods, services and works it procures, reducing our carbon

emissions, ethical sourcing and compliance with related legislation such as the Modern Slavery Act 2015 and the Equalities Act 2010 into what should be achieved under responsible procurement.

The Council aims to promote responsible procurement in the delivery of all its contracts from the start of the commissioning process through to the contract management and exit stage. This will be achieved through affordable economic, social and environmental objectives that are relevant and aligned to Council priorities and embedded throughout the sourcing process (Figure.1)

Figure 1: Cornwall Council Sourcing cycle



Our commitment

"To promote sustainable and economic development for the benefit of everyone in Cornwall through affordable social, economic and environmental objectives that maximises value across the supply chain"

- Improve value for money and create efficiencies where possible
- Improve the quality of services delivered on behalf of the Council
- Encourage innovation and creative service delivery
- Minimise impacts on the environment, biodiversity and animal welfare
- Minimise our direct and indirect greenhouse gas emissions
- Encourage a more self-reliant, sustainable and diverse local economy
- Encourage fair pay and working conditions in our supply chain
- Eliminating modern slavery and human trafficking in our supply chain
- Ensure we are meeting our Public Sector Equality Duty
- Enforce robust safeguarding standards in our supply chain

- Deliver Social Value outcomes in the procurement process through positive weightings in evaluations and a robust performance framework

Policy Drivers

The Covid-19 pandemic will drive policy for many years to come as we start to recover from the social and economic effects of lockdowns and restrictions, and as yet there is no clear deadline for these ending. Ambitious and decisive policy making will be key as we move to the recovery phase and there been a number of emerging policy agendas exacerbated by the challenges of Covid-19, Brexit and the legacy of years of austerity which will profoundly impact on the economy of Cornwall.

The need for all local authorities to use the money they spend to drive sustainability in the supply chain and build community wealth is increasing, this combined with potential procurement reform gives Cornwall Council an opportunity to make a real difference in our communities.

The council also has a number of priorities that drive the objectives of this policy. (Figure. 2) The policy supports the commitment to realising Responsible Procurement outcomes against the Council's key priorities.

Figure 2: Gyllyn Warbath - Cornwall Council key objectives 2020 - 2050



Scope

This policy is intended for use by all officers who are involved in, or affected by, the Council's commissioning, procurement and contract management activities, and includes all purchases made under the Council's Contract Procedure Rules and the Public Contracts Regulations 2019.

The policy covers all areas of commissioning and procurement within the Council and will influence the way we procure goods, works and services. For procurements below £25,000, management will have regard to the resources available to smaller providers which may bid for lower value procurements. Requirements will also apply to major sub-contractors and the Council's Owned Entities the Corserv and Treveth Groups.

Application and implementation of this policy

The implementation and application of the policy will require:

- Consideration of the strategic direction for the Council and our communities.
- Cornwall Council's senior leadership and Members to drive policy implementation
- Commercial Services to work closely with Commissioners (Service Managers, Project and Programme managers, etc.) to incorporate

Responsible procurement in our processes and support the Council's commitments and outcomes as outlined below

- Market making and shaping activity prior to commissioning activity
- Assurance that the policy is being applied to spending activity through our Commercial assurance processes.
- A programme of training and development for internal staff and the marketplace.
- Embedding a process for measuring the impact on objectives. The measures should be focussed and reflect the priorities of the organisation
- A focussed quantitative and qualitative approach to performance management which will be based on the National TOMs.
- Specific requirements to consider this policy within tendering and procurement activity shall be applied at all stages of the procurement and identified at the Category Strategy and subsequent sourcing strategies in future. (Figure 1.)
- Practical guidance including a Toolkit, commercial templates and Commercial Policy Notes (CPNs) to support the implementation will be provided on how responsible procurement considerations can be incorporated throughout the Council's commissioning and procurement processes.

Priorities and Delivery

This Policy aims to provide an overarching framework to ensure a joined up consistent approach to the delivery of 'Responsible Procurement' that encapsulates all of our policy drivers.

Responsible Procurement can be delivered in various ways including:

- Including making Real Living Wage one of our standard contractual terms
- Breaking the opportunity up ("lotting") to encourage smaller providers or specifying supported employment opportunities where there is a suitable local market
- Supporting our Carbon objectives by having a green plan which is evaluated as part of the method statement.

The council has identified 7 areas of priority in relation to Responsible Procurement. Each will have its own Commercial Policy Note (CPN) and the toolkit identifies how each will be embedded in the sourcing cycle. This is monitored through the Commercial Assurance process.



Key Policy Objectives

Cornwall Council will minimise adverse environmental impacts associated with the goods, works and services it purchases and will promote positive impacts wherever practical.

The Council will aim to specify goods, works and services that have minimal adverse environmental impacts provided they can perform the task(s) required without entailing excessive additional costs.

In delivering value for money we will take into consideration whole life costs in procurement decisions. This means considering quality, longer term running and disposal costs, and opportunities as well as initial price.

Cornwall Council will ensure its suppliers cascade our Responsible Procurement objectives down their own supply chains

In order to reduce adverse impacts throughout its supply chain Cornwall Council will ensure through contractual clauses and effective contract management processes that its suppliers have measures in place to encourage responsible business throughout their own supply chains including in relation to modern slavery.

Increasingly the Council is procuring managed services which rely on a robust supply chain of sub-contractors. For Responsible Procurement to have a significant impact these ambitions must be shared with those sub-contractors.

Cornwall Council will maximise opportunities to build a diverse supply chain including SMEs and Voluntary, Community and Social Enterprise (VCSE) sector organisations

Cornwall Council aims to contract with a wide range of businesses including small and VCSE suppliers. We commit to helping them comply with and exceed our responsible procurement requirements which will in turn improve their chances of being awarded contracts - thus maximising the benefit Cornwall Council offers the local economy.

As part of the sourcing strategy, buyers will consider the potential to:

- Use “lotting” to break down larger contracts to match market capacity
- Encourage collaboration between SMEs and VCSE organisations to compete for larger contracts
- Encourage larger suppliers to sub-contract to SMEs and VCSE organisations
- Where appropriate hold supplier briefings prior to issuing Invitations to Tender to explore innovation and ensure that specifications are deliverable by the marketplace.
- Conduct market engagement activities prior to strategic and critical procurements commencing
- Publish a forward plan of work so that our supply chains can see what contracts will be tendered

Cornwall Council will enforce Safeguarding standards in our supply chain to ensure the protection of vulnerable adults and children

All procurement projects over £25k total contract value will be assessed for Safeguarding implications. Irrespective of the level of risk basic Safeguarding contract clauses will be included in all contracts. For high risk contracts safeguarding will form a constituent part of selection and award criteria as appropriate, in addition extended contract clauses will apply.

Cornwall Council will ensure that all suppliers comply with the Equality Act

Commercial Services will work with procurement clients to deliver the principles of the Council’s Equality and Diversity Framework in all procurement projects. This will be facilitated through the use of a Comprehensive Impact Assessment, where appropriate, and the Commercial Assurance Summary.

Ensuring high standards of Health and Safety practice

Cornwall Council is committed to ensuring the health, safety and wellbeing of its staff, visitors, contractors, residents and any other users of its buildings,

facilities or services. Where these services or facilities are provided by suppliers (including contractors, sub-contractors and any other partner organisations), those providers will be subject to a proportionate assessment of their health and safety (H&S) arrangements. There will be occasions when it is deemed that, due to the nature of the services to be provided, a specific H&S assessment will not be required.

Social Value: adding benefit to the community

Social value is defined as “The wider financial and non-financial impacts of projects and programmes including the wellbeing of individuals and communities, social capital and the environment” (Cabinet office 2019).

The Public Services (Social Value Act) 2012 require all public bodies in England and Wales to consider how the services they commission and procure might improve the economic, social and environmental well-being of the area. We hope it will transform the way public bodies choose to buy services.

The Act, at its most useful, can be used as a tool to save help money in the context of service public finance cost saving pressures and help to think about how we can redesign public services in a more coherent, cost effect and joined up way.

Our ambition in the area of Social value is high and all our procurements over £25k will have to consider social value (at a minimum of 10%) with a 15% weighting of the total score in those procurements over the Regulatory Procurement Threshold (RPT) and a minimum weighting of 10% if 15% is not achievable. We know that certain markets and sectors will be able to provide a significant amount of social value and the weightings used should reflect this (sometimes going as high as 30% of the weighting).

Suppliers based in Cornwall will be considered first for contracts under £25k. (One quote process)

For contracts above 25k and below the Regulatory Procurement Threshold it will be possible (in some circumstances) to reserve contracts for suppliers in Cornwall and for Small and Medium sized Enterprises (SMEs) / Voluntary, Community and Social Enterprises (VCSEs) on a case by case basis provided this still provides value for money and good commercial judgement in buying decisions. There will be no direct awards to suppliers however when reserving procurements in this way.

Initially this approach will need to be restricted to services contracts (**not** works or supplies contracts) until the Local Government Act 1988 Section 17 (which prohibits a local authority from taking into account the location of business activities or interests of contractors) may be repealed or amended to override the prohibition.

The measurement of Social Value is becoming increasingly standardised. We will use the recognised national framework called the National TOMs

(“Themes, Outcomes and Measures”) to measure and report on our Social Value outcomes.

A key benefit of a TOMs-based social value measurement mechanism is that it can be made specific to Cornwall (using proxies) whilst providing a consistent methodological approach to assess our performance in the delivery of social value.

The TOMs will provide the “golden thread” between Council Priorities, social value strategy and delivery

Themes – the components of an organisation’s “vision” for social value

Outcomes – the positive changes that the organisation wants to see. In effect, what “good” looks like to that organisation

Measures – what objective indicators will be used to measure whether these outcomes are being met

The toolkit and policy note provide more information on which TOMs to use and examples of how weightings can be used and what can be asked for.

Our 8-point plan for success



- **Leadership** – To ensure that the policy is embedded clear leadership from our Senior management team and Members will be required.

- **Communication** – Communicate with Key stakeholders our policy position and how it should be applied.
- **Identify the strategy** – Through effective category planning and sound business cases
- **Market engagement** - Find out what the market can feasibly provide and how it can be delivered Clearly communicate to tenderers how we want the applicable Responsible Procurement objectives articulated in their submissions and how this will be scored
- **Identify the commercial options** - which priorities are most relevant to each contract and apply weightings to evaluations
- **Tender Documentation** - Write Responsible Procurement outcomes into the service specification and tender documentation, balancing a clear requirement to encourage innovation
- **Procure** – Ensure method statement questions and weightings are relevant to the contract set at a minimum of 10% for Social Value, where a higher weighting can be achieved it is encouraged.
- **Manage the contract** - measuring the Responsible Procurement objectives that each supplier delivers

Governance, Monitoring and Reporting

We will;

- Adhere to the principles of Responsible Procurement outlined, aligning our objectives with government guidance and policy
- Implement a robust framework for measuring performance and progress, including establishing a baseline and regular data-focused reporting
- Build in responsible procurement performance indicators into our balanced scorecard
- Communicate this policy across our organisation, directly engaging with our partners and supply chain
- Identify, learn from and share examples of best practice within our organisation
- Promote the successes we achieve in Cornwall in order to promote best practice more widely
- Ensure compliance through our Assurance Framework and Commercial Assurance summary framework

Review schedule

Commercial Services will review this policy annually and update it in line with new government guidance, standards and departmental developments.