



Finance and Corporate Services Scrutiny Board (1)

Time and Date

10.00 am on Wednesday, 12th February, 2020

Place

Committee Room 3 - Council House

Public Business**1. Apologies and Substitutions****2. Declarations of Interest****3. Minutes**

(a) To agree the minutes of the meeting held on 15 January 2019 (Pages 3 - 6)

(b) Matters Arising

4. Review of Social Value Policy (Pages 7 - 18)

Briefing note

5. Procurement Strategy (Pages 19 - 28)

Briefing note

6. Work Programme and Outstanding Issues (Pages 29 - 32)

Report of the Scrutiny Co-ordinator

7. Any other items of Public Business

Any other items of public business which the Chair decides to take as matters of urgency because of the special circumstances involved

Private Business

Nil

Martin Yardley, Deputy Chief Executive (Place), Council House Coventry

Tuesday, 4 February 2020

Notes:1)The person to contact about the agenda and documents for this meeting is Carolyn Sinclair, Governance Services, Council House, Coventry, alternatively information about this meeting can be obtained from the following web link:

<http://moderngov.coventry.gov.uk>

2) Council Members who are not able to attend the meeting should notify Carolyn Sinclair as soon as possible and no later than 9am on the day of the meeting giving their

reasons for absence and the name of the Council Member (if any) who will be attending the meeting as their substitute.

3) Scrutiny Board Members who have an interest in any report referred to this meeting, but who are not Members of this Scrutiny Board, have been invited to notify the Chair by 12 noon on the day before the meeting that they wish to speak on a particular item. The Member must indicate to the Chair their reason for wishing to speak and the issue(s) they wish to raise.

Membership: Councillors F Abbott, R Auluck, J Blundell, R Brown, B Gittins, R Lakha, J Mutton (By Invitation), J O'Boyle (By Invitation), T Sawdon and R Singh (Chair)

Please note: a hearing loop is available in the committee rooms

If you require a British Sign Language interpreter for this meeting
OR if you would like this information in another format or
language please contact us.

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Coventry City Council
Minutes of the Meeting of Finance and Corporate Services Scrutiny Board (1) held
at 10.00 am on Wednesday, 15 January 2020

Present:

Members: Councillor R Singh (Chair)
Councillor F Abbott
Councillor J Blundell
Councillor R Brown
Councillor B Gittins
Councillor R Lakha
Councillor T Sawdon

Other Members Present: Councillor J Mutton (Cabinet Member for Strategic Planning and Resources)

Employees:

People: G Haynes, S Newing
Place: V Castree, C Sinclair

Apologies: Councillor R Auluck

Public Business

19. Declarations of Interest

Councillor F Abbott declared an "Other Interest" in the matters referred to in minutes 22 and 23 below entitled "HR Score Card" and "People Plan" respectively and left the meeting when they were being considered.

20. Minutes

The minutes of the meeting held on 13 November 2019 were signed as a true record. There were no matters arising.

21. Apprenticeships and Apprenticeship Levy

The Board considered a briefing note which provided an overview of Coventry City Council's Apprenticeship Programme and informed the Board of the progress being made to ensure that the Council spends its £1m contribution to the Apprenticeship Levy fund.

Public sector apprenticeship targets had been introduced by the Government in April 2017. The government had set a target for any public sector employer in England with at least 250 employees to employ an average of 2.3% of their headcount as new apprentices. Coventry City Council as an employer had its own long-established apprenticeship programme and had won the Top Employer for School & College Leavers Award for 2016 – 2017.

In respect of the apprenticeship programme, the briefing note indicated that:

- Between April 2018 – December 2019 the Council employed 141 apprentices which equated to on average 1.7% of the Council's overall headcount and less than 1% of the corporate headcount.
- The Council currently had 115 apprentices on programme, 28 were located within service areas across the Council and 87 were in maintained schools across the City.
- The Council currently supported, through corporate funding, 20 apprenticeship posts, with all other apprenticeship posts being funded directly by service areas or schools.
- Council currently had 11 apprentices who are Looked After Children/Care Leavers (LAC).
- 3.94% of the Council's workforce were aged between 16-24, whereas 46.37% of the workforce were aged over 50, which suggested a risk in terms of our skills and knowledge deficit over the next 10 years if not addressed.
- In April 2018 - Dec 2019, there were 407 Grade 2/3 posts recruited to, which presented an opportunity to develop a talent pipeline for future talent, improve the diversity of our workforce and lead the way across the public sector.

The briefing note included data on the number of apprentices in post and a breakdown of apprentices by directorate, level and ward.

In respect of the Apprenticeship Levy, the Board noted that it was introduced by the Government in 2017 to fund apprenticeships in England. The Levy was a Council resource and was paid at 0.5% of the pay bill minus a Levy allowance of £15K for each tax year. The Levy was collected monthly by HMRC via the PAYE system and converted into digital vouchers accessed through a new Digital Apprenticeship Service account (DAS). Levy funding could only be spent on Apprenticeship training and not used to support the recruitment of employees.

The yearly cost of the Levy to Coventry City Council was in the region of £1m, with approximately £600K allocated from the corporate wage bill and a further £400 allocated from our maintained schools wage bill. The government also topped this up by a further 10%, making the total amount of funds available circa £1.1m. Levy funding lasts 24 months and if it is not spent in this period, the Council's money is reabsorbed by the Employment and Skills Funding Agency.

The Board questioned officers on a number of aspects of the presentation including how the apprenticeship levy worked, how it can be used and asked what plans were in place to ensure that the allocated funding is spent within the timeframe. The Board sought and received assurances that the Council maximised training opportunities for apprentices.

RESOLVED that the Board note the Council's approach to delivering its Apprenticeship programme and the use of the Apprenticeship Levy spend.

22. HR Score Card

The Board considered a briefing note which detailed the development of an 'HR scorecard' which was being created to report on key performance indicators (KPI's) relating to the workforce.

The new HR scorecard was being developed to provide a Council wide workforce overview, with the information being provided on a quarterly basis. Reporting would be the 'people' metrics to indicate how the City Council was performing. The report would highlight where KPI's were being met and would identify any areas of concern which would then enable early intervention.

The areas of information covered had been expanded to include not just turnover, but the number of new starters to the Council and the spend on agency workers. 'Time to hire' metrics would also be included once the new electronic recruitment system was introduced in April 2020. The data looked at overall sickness on a divisional basis, by days lost, by reason and by numbers of long-term cases. Additional information detailed casework, which provided a 'health check' of the organisation in terms of the employee relations climate, along with the statutory and mandatory training figures. Equality, diversity and inclusion (EDI) data would also be included. Other metrics could be added as development of the scorecard progressed.

The Board questioned officers on a number of matters raised in the presentation and, in respect of the data on sickness absence, asked that officers investigate whether or not there was any correlation between the age profile of the workforce and sickness absence. In addition, the Board suggested that the scope of the analysis of sickness absence be widened to show any impact of long-term absence.

RESOLVED that the Board endorse the development of the HR Scorecard and recommended that:

- **Future reports include comparative data from similar sized councils**
- **Officers investigate and report back on any correlation between the age profile of the workforce and sickness absence**
- **A wider scope analysis of sickness absence be undertaken to show any impact of long-term absences on sickness absence data**

23. People Plan

The Board considered a briefing note which set out details of the development of the People Plan for the City Council. The Plan, which had been developed by the HR service in conjunction with key stakeholders, determined the Human Resource priorities for the next two years.

Development of the plan involved contribution from of all parts of Human Resources through three half-day workshops, a similar session with the trades unions, feedback from the senior leadership team and other key stakeholders. This method, called the 'alignment model', included reference to the wider council strategy as well as regulatory needs.

One of the key areas of work over the next 12 months would be the introduction of the One Coventry Values which were in the process of being developed and would be chosen by staff through an extensive staff engagement exercise. Areas of priority work were identified in the briefing note.

The Board questioned officers on the presentation including the high number of absence due to stress/anxiety and raised the importance of constructive engagement with trades unions and partners and suggested that their available development education programmes be used. In addition, the Board asked that recruitment process be more open and transparent to provide feedback to all partners, that comparative data be included in future reports and cultural accountability be included in the Plan.

RESOLVED that the Board endorse the Plan and recommend:

- **That officers work collaboratively with trade unions in respect of development education programmes**
- **That ‘Cultural Accountability’ be added to the Plan**
- **That the recruitment process be open and transparent and provide comprehensive feedback both to the Council and recruitment candidates**

24. Work Programme and Outstanding Issues

The Board noted the work programme.

There were no outstanding issues.

25. Any other items of Public Business

There were no other items of public business.

(Meeting closed at 11.50 am)



Coventry City Council

Briefing note

To: Finance and Corporate Services Scrutiny Board 1

Date: 12th February 2020

Subject: Review of Social Value Policy

1 Purpose of the Note

1.1 This briefing note details the proposed changes to the Social Value Policy.

2 Recommendations

2.1 Finance and Corporate Services Scrutiny Board 1 are requested to consider this report and the new draft Social Value & Sustainability Policy and make recommendations as appropriate.

3 Information/Background

3.1 The Social Value Policy was adopted by Full Cabinet on the 11th February 2014 and incorporates the Public Service (Social Value) Act 2012 that came into force on 31st January 2013.

3.2 In July 2019 a progress report was taken to Scrutiny Board 1. Following a recommendation of Scrutiny Board, the Cabinet Member (Finance) requested Officers draft a revised Social Value Policy.

3.3 The Social Value Working Group have reviewed the Policy and are proposing a new and extended policy, including an increased focus on Sustainability. It is proposed that the policy is also renamed as the Social Value & Sustainability Policy (Appendix 1).

3.4 Key Changes between the previous policy and the new proposed policy are:

3.4.1 Definition

Further to changing the Policy name from 'Social Value Policy' to 'Social Value and Sustainability Policy', the new Policy's definition has been amended accordingly to also focus on Sustainability. Social value and sustainability are defined as:

The umbrella of 'Economic', 'Social' and 'Environmental' themes, 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 economy, whilst protecting, sustaining and enhancing the environment for the long term.

3.4.2 One Coventry

The current Social Value Policy contains a set of representative and example outcomes that fall under the 'Economic', 'Social' and 'Environmental' themes therefore considering the well-being of Coventry City and its residents. The new

policy outlines how the social value and sustainability outcomes are based on the vision, values and priorities contained in the One Coventry (Council Plan 2016-24). The new Policy confirms that Suppliers, Contractors and Developers should consider the Council's Plan, as well as the social value and sustainability requirements of the individual contract or planning permission they are applying for and how they can align their bid submission/planning application to meet the required outcomes

The current Social Value Policy is very focussed on how Procurement and Commissioning delivers Social Value outcomes, whereas the new Policy emphasises the One Coventry approach, by highlighting that the Social Value and Sustainability outcomes are delivered through three main channels as listed below

3.4.2.1 Procurement and Commissioning

Before commencing a procurement process, the Council considers, how the economic, social and environmental well-being of the City may be improved through the procurement of its services and subsequent third-party contracts.

3.4.2.2 Major Development Project Planning

All major planning applications (as defined by the Town and Country Planning Act) will be asked to develop a social value and sustainability action plan incorporating jobs, skills, supply chain, community & school engagement and sustainability.

3.4.2.3 Anchor Institutions/Partners

Where possible, the Council will collaborate with Anchor Institutions within the city/its Partners and others through it's One Coventry programme, thus identifying key links and work with them on specific initiatives that align with both the Council's and the Partner's individual Social Value and Sustainability outcomes.

3.4.3 Sustainability

The new policy will replace the Council's Energy and Water Management Policy covering a much broader definition of sustainability as demonstrated above. The new policy will ensure that the way we operate as a Council will be as sustainable as possible and help the city to achieve its climate change targets. There will be a number of specific sustainability policies such as 'Energy & Carbon' and 'Single Use Plastics', that will sit under the new Social Value and Sustainability Policy, which support the Council's Social Value and Sustainability outcomes

3.4.4 Living Wage

The new Policy confirms that the Council has committed to pay its' staff directly employed, the Living Wage Foundation 'Real' Living Wage and that we will be encouraging our sub-contractors and partners to also follow our lead to promote this objective.

3.4.5 Adoption of objective measurement/monitoring tools

The new Policy confirms that the Council will look to introduce objective measurement/monitoring tools as well as or instead use of subjective analysis within its procurement processes, where relevant and proportionate. An objective assessment allows tenderers' Social Value commitments to be quantified as a financial value.

Mick Burn
Head of Procurement & Commissioning



Social Value and Sustainability Policy

Coventry City Council

Appendix 1

Social Value and Sustainability Policy

1 Purpose and Introduction of the Policy

This policy outlines Coventry City Council's definition of Social Value and Sustainability and explains how Social Value and Sustainability are considered delivered through its day to day activities. Coventry City Council has embedded the Public Services (Social Value) Act 2012 within procurement processes and subsequent third-party contracts where proportionate and relevant.

Coventry City Council sees Social Value and Sustainability as having a much wider context than simply procurement and subsequent third-party contracts within its organisation, such as within Major Development Project Planning. Long term sustainable solutions, and additional value and benefits can also be driven and delivered to our communities by engaging and working closely with other key anchor institutions within the City.

This view is also in line with the [One Coventry \(Council Plan 2016-24\)](#) approach.

Within a climate of ever-reducing resources, there are new challenges and we need to explore opportunities to operate in different ways in order to maximise our effectiveness. This means working together within the Council and with organisations, groups and residents around Coventry to benefit our communities and those who live, work and study in Coventry.

Coventry City Council is seeking to lead by example on the low carbon agenda and aims to be as sustainable as possible and encourage other organisations and businesses to follow suit.

2. Background to the Policy

Coventry City Council implemented its first Social Value Policy in 2014, following Publication of the Public Services (Social Value) Act 2012. This policy is the second revision and has been updated to fall in line with the latest practices of evaluating, embedding and measuring Social Value and sustainability.

This policy replaces the Council's Energy and Water Management Policy and covers a much broader definition of sustainability. This new policy will ensure that the way we operate as a Council will be as sustainable as possible and help the city to achieve its climate change targets. Underpinning this policy sits a number of specific sustainability policies such as 'Energy & Carbon' and 'Single Use Plastics', which support the Council's Social Value and Sustainability outcomes as detailed in Appendix 1.

Coventry City Council plays an important role in the provision of services to the people of Coventry as well as our influence over economic growth and development. Our property estate, operations, and the actions of our staff and suppliers have environmental impacts and we are seeking to reduce our impacts including carbon

emissions within the council and the city. The specific sustainability policies aim to set out the context in which we will work both internally and with our stakeholders to manage our environmental responsibilities and to ensure we lead by example and work towards a clean, green, sustainable Coventry.

However, we know that we cannot do this alone and One Coventry will help us to challenge ourselves to ensure that our focus is on those things that people value most. It will help us to do the right thing and be clear about why we do things and why we can't, but it will also help us to bring in new ideas and involve the right people. We have to enable our residents to do more for themselves and change traditional relationships.

3. Defining Social Value and Sustainability

The Public Services (Social Value) Act 2012 does not define what is meant by 'Social Value'. Therefore, Coventry City Council has adopted and developed the definition of Social Value as originally set out by the Sustainable Procurement Taskforce. Social Value and sustainability are defined as:

The umbrella of 'Economic', 'Social' and 'Environmental' themes, 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 economy, whilst protecting, sustaining and enhancing the environment for the long term.

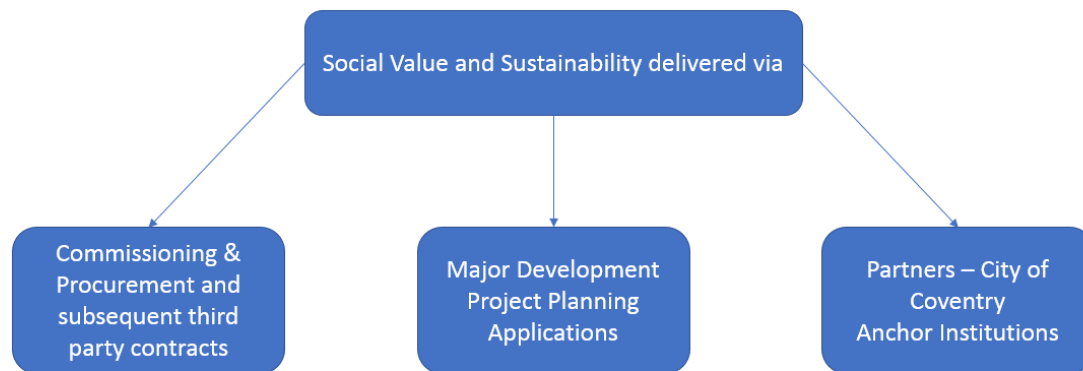
4. Our Social Value and Sustainability Outcomes

Coventry City Council has developed a set of representative and example outcomes that allows it to consider the economic, social and environmental well-being of Coventry City and its residents, as per Appendix 1. These outcomes are based on the vision, values and priorities contained in the [One Coventry \(Council Plan 2016-24\)](#). Suppliers, Contractors and Developers should consider the Council's Plan, as well as the Social Value and sustainability requirements of the individual contract or planning permission they are applying for and how they can align their bid submission/planning application to meet the required outcomes.

The City Council has committed to pay its' staff directly employed the Living Wage Foundation 'Real' Living Wage. We will be encouraging our sub-contractors and partners to also follow our lead to promote this objective.

5. Delivery of Social Value and Sustainability

Coventry City Council delivers Social Value and Sustainability through various channels as listed below:



5. 1 Commissioning & Procurement and Subsequent Third-Party Contracts

5.1.1 Consideration

Before commencing a procurement process, the Council considers, how the economic, social and environmental well-being of the City may be improved through the procurement of its services and subsequent third-party contracts.

The aim of the Public Services (Social Value) Act 2012 is not to alter the commissioning and procurement processes, but to ensure that as part of these processes, Coventry City Council gives consideration to the wider impact of the services delivery. It allows the Council for example, to choose a supplier under a tendering process who not only provides the most economically advantageous offer e.g. providing consideration for quality and cost, but one which goes beyond the basic contract terms and secures wider benefits for the community.

The Act applies to services contracts and contracts which combine service with the purchase or hire of goods. However, the Council has for many years considered social, economic and environmental issues when procuring goods, services and works. Therefore, the Council will continue to encourage consideration of Social Value outcomes in all contracts above the EU threshold, where it can be evidenced that it is relevant to the subject matter of the contract. For those contracts that fall below the EU threshold, the approach should be to maximise these outcomes where possible and practical to do so.

5.1.2 Consultation

In discharging its statutory duties, the Council is required to consider whether consultation should take place as part of the commissioning process, so as to allow the community and voluntary sectors to be more closely involved; this again ties in with the One Coventry approach. Consultation should be considered as part of the process of looking at how a procurement might be offered for tender, in such a way to improve the area's economic, social and environmental well-being.

5.1.3 Implementation

The Council has also developed a Procurement & Commissioning Social Value and Sustainability Implementation Framework (Appendix 2), which sets out the Council's approach to delivering its Social Value and Sustainability Policy. The Framework sets out how the Council will ensure that Social Value and Sustainability is embedded in its commissioning cycle, the governance arrangements in place to deliver and a set of indicators that will be used to consider the potential Social Value and Sustainability that could be delivered with regard to the Council's Social Value & Sustainability outcomes.

5.1.4 Evaluation

The Council procures a wide range of goods and services, and it is recognised that there can be no 'one size fits all' model. This Social Value and Sustainability policy will, therefore, need to be applied in a proportionate manner and be tailored to reflect the service or goods to be procured. It is the role of service commissioners and procurement leads to consider, on a contract by contract basis, the potential Social Value outcomes that could be delivered through the procurement process and the most appropriate procurement strategy and Social Value and Sustainability evaluation tools to achieve these outcomes. The evaluation tools utilized can be of both an objective and/or subjective nature, to quantify the Social Value and Sustainability offered as part of the procurement & commissioning exercise.

5.1.5 Demonstration

Applications to provide services from organisations should therefore *demonstrate* their, and where appropriate their supply chains', ability to add economic, social and environmental value to the City above and beyond simply providing the tendered service and to provide evidence which would contribute to the outcomes set out in Appendix 1.

5.2 Major Development Project Planning Applications

5.2.1 Consideration

All major planning applications (as defined by the Town and Country Planning Act) will be asked to develop a Social Value and Sustainability action plan incorporating jobs, skills, supply chain, community & school engagement and sustainability.

5.2.2 Consultation

A planning consultation will be attached to the planning application relating to a Social Value and Sustainability action plan. The developer/contractor must meet with the Economic Development Service (EDS) Social Value and Sustainability officer to develop a plan and set targets/outcomes in relation to the project. One Coventry will enable the Council to talk & work with the right groups & residents, to ensure people's opinions are heard and acted on.

5.2.3 Implementation

All major development projects must engage with the EDS Social Value and Sustainability action plan or the planning consultation will not be discharged against the planning application.

5.2.4 Evaluation

Developers/contractors are required to complete the EDS submission form detailing the measures and outcomes they plan to achieve in relation to Social Value and Sustainability on the major development site

5.2.5 Measurement / Demonstration

Developers/contractors must meet with Coventry City Council EDS service to demonstrate that action is being taken on the plan by liaising with identified stakeholders. Evidence of achievements against targets must be submitted quarterly for monitoring.

Further information on the Economic Development Service can be viewed in our Economic Growth & Prosperity Strategy for the City. Economic Growth & Prosperity Strategy for Coventry 2018 – 2022

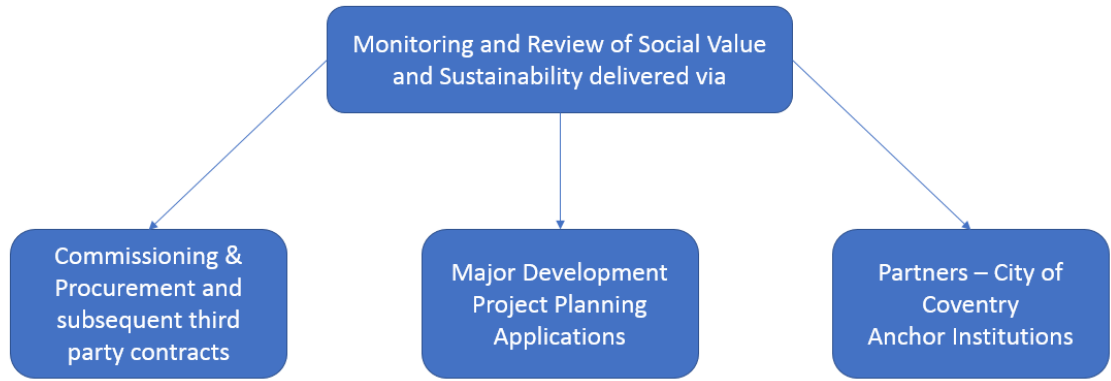
https://www.coventry.gov.uk/downloads/file/28142/economic_growth_and_prosperity_strategy_for_coventry

5.3. Partners – City of Coventry Anchor Institutions

- 5.3.1 The Council will work towards a shared set of Social Value and Sustainability principles with its Partners and key anchor institutions within the City. Where possible, the Council will collaborate with its Partners and others through One Coventry, thus identifying key links and work with them on specific initiatives that align with both the Council's and the Partner's individual Social Value and Sustainability outcomes.

6. Monitoring and Review of Social Value and Sustainability Delivered

The Social Value and Sustainability Policy will be monitored on an ongoing basis i.e. through the measurement of the four main areas below with use of objective and/or subjective criteria, to quantify the Social Value and Sustainability delivered. Reports on the Social Value and Sustainability delivered will be submitted to the Council's relevant Cabinet Member(s) on an annual basis and will also be considered through the ongoing monitoring of One Coventry.



Appendix 1: Our Social Value and Sustainability Outcomes where relevant and proportionate

Economic Outcomes

Create jobs and upskill local people - more local people in employment

Support and empower local people to connect with jobs – maximizing knowledge, training opportunities, skills & access to employment opportunities via economic growth.

Promotion of Supplier Diversity, volunteering, community work and opportunities to work with local SMEs, VCSEs – delivering sustainable and inclusive economic growth and residents & businesses

Improved employability of young people – supporting young people into apprenticeships

Enhance Coventry’s profile as a city that is open for business by supporting the growth of an innovative economy – secure inward investment from key sectors

Social Outcomes

Consider equality and diversity in the provision and operation of services, including a workforce that is representative of the communities we serve, where relevant and proportionate

Provide opportunities e.g. employment for all, including the most vulnerable, to make a valuable contribution

Promote the safeguarding and welfare of children, young people and vulnerable adults

Progression and consideration to towards paying the Real Living Wage

Improving the protection, health and wellbeing of local residents, inc. employees

Marmot steering group aims to ensure opportunities arising through Social Value work are targeted appropriately and result in equitable benefit

Environmental Outcomes

Ensuring environmental sustainability by retaining, protecting and enhancing the environment, the efficient and responsible use of resources and tackling climate change in Coventry.

Efficient use of resources by minimising waste and reducing its impacts, and procuring materials from sustainable and ethical sources

Reduce energy, water and fuel consumption/use, and maximise renewable and low/zero carbon technologies.

Effective and improved environmental performance

Note: The example Outcomes listed above is not exhaustive list of outcomes and it should be noted that many of the Outcomes may apply across more than one Theme, e.g. Real Living Wage could also feature as an Economic Outcome (as well as a Social Outcome)

Throughout the Procurement & Commissioning process, the Council will ensure Social Value and Sustainability is considered and subsequently delivered

Governance Arrangements

The Council will use its existing governance arrangements, through both its democratic governance, as set out in the Council's Constitution, and its Strategic Category Panels, in order to ensure scrutiny and control of procurement decisions so that the Council achieves Social Value, where appropriate.

The Strategic Category Panels ensure that the Council achieves the best possible outcomes using the resources available, as efficiently as possible. By embedding Social Value and Sustainability and One Coventry into the Procurement governance documents, which are taken to Strategic Category Panels for approval, the Council will meet its obligations under the Public Services (Social Value) 2012 Act.

Procurement & Commissioning Exercise

The opportunities to secure improvements to social, environmental or economic wellbeing will vary from contract to contract. Consideration of Social Value and Sustainability is built into all the stages of the Council's procurement & commissioning exercise – when reviewing service provision; conducting a needs analysis; consulting stakeholders and/or the marketplace; and specifying the services to be procured. Together with work through One Coventry to engage residents, businesses and organisations, this offers more genuine opportunities to local Small Medium Enterprises (SMEs), Voluntary, Community and Social Enterprises (VCSEs) and community groups to become involved, ensuring Supplier Diversity, whilst maintaining our focus on obtaining value for money.

Social Value and Sustainability Indicators

The Council has identified a set of indicators that can be used to measure and track the amount of Social Value & Sustainability delivered through contracting arrangements. When commissioning goods and services, commissioners and procurement leads must consider the indicators for inclusion into the award criteria or as a performance obligation, where appropriate. These indicators are not an exhaustive list, and commissioners and procurement leads may wish to consider additional indicators.

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Coventry City Council

Briefing note

To: Finance and Corporate Services Scrutiny Board 1

Date: 12th February 2020

Subject: Procurement Strategy 2020 – 2025

1 Purpose of the Note

- 1.1 This briefing note briefly outlines the proposed new Procurement Strategy 2020 - 2025.

2 Recommendations

Finance and Corporate Services Scrutiny Board 1 are requested to consider the Procurement Strategy 2020-2025, and make recommendations as appropriate

3 Information/Background

- 3.1 The current Procurement Strategy 2015 – 2020, which was based on the National Procurement Strategy 2014 and the 4 key themes within it.
- Making Savings
 - Supporting Local Economies
 - Demonstrating Leadership
 - Modernisation
- 3.2 With the current strategy expiring in 2020 there is a need to put a new strategy in place for the next five years – 2020 to 2025.
- 3.3 Building on the current strategy's themes of driving efficiencies and good governance, the 2020-2025 strategy strengthens and broadens the Council's focus through a greater emphasis on creating community benefits and delivering social value.
- 3.4 The 2020 – 2025 strategy (Appendix 1) dovetails with the three fundamental themes within the National Procurement Strategy (NPS) 2018. The NPS 2018 strategy describes the good progress Authorities have made against the 2014 strategy, and in particular, the major theme of making savings. However, it recognises that Council's continue to work in a very challenging financial environment, with rising demand for public services and increasing cost pressures. We have retained the Efficiency and value for money theme from the current strategy, with all four themes also supported by our One Coventry Plan and the One Coventry approach.
- 3.5 The 2020-2025 procurement strategy themes are;
- Efficiency and Value for Money

Governance and Showing Leadership
Achieving Community Benefit
Behaving Commercially, incl. Contract Management

3.6 In addition to these themes, the strategy adopts two enablers;

Digitalisation;

Capacity and Capability

3.7 The 2020-2025 strategy sets out the high level ambitions in more detail and demonstrates the specific deliverables for each of the key themes and enablers.

Mick Burn
Head of Procurement & Commissioning

Appendix 1

COVENTRY CITY COUNCIL

PROCUREMENT STRATEGY **2020 to 2025**

Procurement – what is it?

“Procurement is the business management function that ensures identification, sourcing, access and management of the external resources that an organisation needs or may need to fulfil its strategic objectives”. (Source: Kidd, 2005)

Put more simply, for Coventry City Council, procurement is about establishing robust, legally compliant and commercially effective contracts with external contractors to provide the goods, services and works necessary to deliver services to the community that they serve.

Procurement Strategy 2020 to 2025

1. Introduction

This document sets out the Council's procurement strategy for 2020 to 2025.

Building on the previous strategy's themes of Making Savings (*efficiency and Value for Money*) and Demonstrating Leadership (*good governance*), the new strategy strengthens and broadens the council's focus through a greater emphasis on *creating community benefits and delivering social value*.

The 2020-2025 strategy has adopted the three fundamental themes within the National Procurement Strategy 2018, and retained the Efficiency and Value for Money theme, all of which are supported by our One Coventry Plan and One Coventry approach.

The strategic themes are;

- Efficiency and Value for Money
- Governance and Showing Leadership
- Achieving Community Benefits
- Behaving Commercially

Over the last few years, the City Council has introduced a Category Management approach to procurement; procurement resource is targeted to focus on specific areas of activity which allows improved market knowledge to be established, builds good working relationships with clients and is a working example of the 'One Coventry' approach in practice.

The remainder of the document sets out the high level ambitions for the strategy in more detail, and demonstrates the specific deliverables for each of the key themes.

2. Background

The Council has a revenue spend of approximately £250m per annum on bought in goods, services and works. In addition the City Council has a variable annual Capital programme which adds significantly to the total annual spend per annum. In 2019/20 the Capital spend was circa. £200m.

The Council uses a variety of approaches and contract types to deliver this expenditure in an open, fair, transparent and effective way. This includes the use of simple standard contracts for low value procurements, frameworks and Dynamic Purchasing Solutions, specific industry contract types and partnership arrangements.

Spending this money well through effective procurement is fundamental to achieving organisational success and for supporting prosperity across the City and wider West Midlands region. The Council's procurement activity contributes to a wide range of socio- economic benefits including a successful local economy, a thriving voluntary

sector, community empowerment, equality, consideration for the environment and value for money. Hence, whilst making savings is still an important driver for procurement activity, leveraging social value and delivering additional outcomes and sustainability in supply chains, at no extra cost, will be a significant focus of future activity. This supports our 'One Coventry' plan of being 'globally connected, locally committed'.

3. Scope of the Strategy.

This is an over-arching strategy that sets the strategic direction for procurement across the authority.

A clear, comprehensive and effective procurement strategy is crucial to ensuring that good value services are provided whilst driving change and continuous improvement.

4. 'One Coventry' Plan and the Procurement vision

The 'One Coventry Plan' (2016 – 2024) sets out the City Council's objectives/key building blocks to grow our City. Those building blocks map well to the priorities in the NPS 2018 and hence create the golden thread between our 'One Coventry Plan', the objectives and key areas of activity within this strategy and the national context in which we operate.

The Building blocks are:

- ***Globally Connected***

Promoting the growth of a sustainable Coventry economy • Supporting businesses to grow • Developing the city centre • Creating the infrastructure for the city to grow and thrive • Raising the profile of Coventry and making sure that residents share in the benefits by... • Helping local people into jobs • Increasing the supply, choice and quality of housing • Reducing the impact of poverty • Increasing access to arts, sports and cultural opportunities

- ***Locally Committed***

Improving the quality of life for Coventry people • Creating an attractive, cleaner and greener city • Improving educational outcomes • Making communities safer • Improving health and wellbeing • Protecting our most vulnerable people • Reducing health inequalities

- ***Delivering Our Priorities, with fewer resources***

Making the most of our assets • Working together with residents, communities and partners, enabling people to do more for themselves

The vision for the procurement service is:

'.....to continue to grow Strategic Procurement influence across the Council, contributing to realising our ambitions and objectives within the 'One Coventry plan', delivering economic, social and environmental benefits that support the needs of

Coventry and its' citizens'

It is therefore essential that we procure goods, services, and works by the most economic, efficient, effective and sustainable means to ensure that the needs of the community are met, within a clear framework of accountability and responsibility. In doing so, the procurement service within Coventry City Council will become best in class by adopting excellent procurement practices and techniques.

5. The Legislative Framework in which we procure

All of the above needs to be delivered within a legislative framework which is both significant and complex. The Public Contract Regulations 2015 (PCRs) enact the 2014 EU Directive (2014/24/EU) into UK law. The PCR's detail how public procurement must be undertaken.

Examples of other legislation which impacts upon procurement include: Public Services (Social Value) Act 2012, Competition Act 1998, Localism Act 2011. Modern Slavery Act 2015, Freedom of information Act 2000, Equality Act 2010 and General Data Protection Regulations (EU) 2016/679 (GDPR).

Furthermore, for purchases below the relevant thresholds for PCRs, the Council must follow its Rules for Contracts / Contract Procedure Rules, as set out within its own Constitution.

6. The National Procurement Strategy

In February 2018 the Local Government Association launched the National Procurement Strategy (NPS) for Local Government.

The strategy describes the good progress Authorities have made against the 2014 strategy, and in particular, the major theme of making savings. However, it recognizes that Councils continue to work in a very challenging financial environment, with rising demand for public services and increasing cost pressures.

The 2018 strategy is not about compliance or tactical procurement issues, but aligns the three key strategic themes that reflect local government priorities'.

NPS 2018 has been therefore been structured around 3 key themes:

Key themes

1 Achieving Community Benefits

NPS Priorities: Obtaining Social Value; Engaging local SME's and micro-businesses; Enabling VCSE engagement

2 Showing Leadership

NPS Priorities: Engaging Councillors; Engaging Senior Managers; Working with partners; Engaging strategic suppliers

3 Behaving Commercially

NPS Priorities: Creating commercial opportunities; Managing contracts and relationships; Managing strategic risk

In addition, there are 4 Enablers, which are **Developing Talent; Exploiting Digital Technology; Enabling Innovation and Embedding Change**. These cross cutting actions have been identified as being necessary for successful delivery against the three themes above.



7. Key areas for our Procurement Strategy

As described above, this strategy will build on the progress made over the City Council's previous strategy (2015 to 2020) and NPS 2014, where strong governance and efficiencies were delivered. Having reviewed the NPS 2018 themes and enablers, it is clear that these closely mirror the ambitions and objectives in the 'One Coventry' plan.

Hence, our strategic areas for focus, (with a particularly strong focus on 'Achieving Community Benefits'), for the period 2020 to 2025 will be:

- **Efficiency and Value for Money (Theme 1)**

As a result of the previous procurement strategy, significant savings were delivered through our procurement activity. For much of our revenue spend, the base unit cost of the goods or service being delivered is now considered to be at, or near to, its

lowest point. Therefore, any further savings opportunities are now more likely to be attained through either demand management or doing things radically differently. We will:

- Work with client functions to benchmark and review best practice elsewhere, consider approaches to demand management and/ or alternative models of delivery.
- Seek to ensure that all procurement activity and systems support the 'One Coventry plan' and that we drive value for money for each and every pound spent.
- Collaborate with others, where by doing so, we are either able to deliver better value for money through economies of scale or standardisation of specification or approach.
- Utilise Management Information to identify areas of inefficiency, duplication or lack of standardisation.
- Continue with a Category Management approach, taking a whole category view of spend and minimising 'off contract/maverick' expenditure.
- Continue to seek to make savings where possible, and where appropriate, working with Finance and other colleagues to implement budget reductions or reallocate savings accordingly
- Make process efficiencies by continuing to review and standardise documents and processes, making use of nationally available frameworks where available

- ***Governance & Showing Leadership (Theme 2)***

The Council has established strong Governance arrangements (see diagram in Appendix 1). All procurement exceeding £10,000 (total contract value) goes through some level of scrutiny, with procurements exceeding £50,000 having to be approved by a Procurement Panel, and if over £1m, by the Procurement Board. Audit & Procurement Committee maintain an overview of the procurement decision making process and where appropriate, make recommendations to the Cabinet member with lead responsibility for procurement (Cabinet Member (Strategic Finance and Resources)).

Both Procurement Panels (People and Place & Corporate) and the Procurement Board are made up of a cross cutting selection of senior officers of the Council, who meet on a regular basis to consider procurement processes, procedures and management approach.

We will:

- Review on a regular basis the procurement governance arrangements via Procurement Board and the Audit & Procurement Committee, ensuring the Council's Contract procedure rules are updated/maintained and complied with.
- Comply with all the applicable legal requirements, as outlined in section 5 above, ensuring we keep abreast of legal developments, guidance and case law.
- Review our Procurement structure to ensure that the current 'Centre Led Action Network (CLAN) model is still the most effective and efficient way to deliver procurement activity.

- ***Achieving Community Benefits, e.g. Social Value (Theme 3)***

We will seek to put an increased emphasis on the economic, social and environmental outcomes of our procurement activity, taking a planned and proportionate approach to Social Value that drive up returns without incurring additional lifetime cost. We will seek to drive up the proportion of our expenditure that remains within the local economy in an open, fair and transparent way. The Council has committed to pay all its directly employed staff the 'real living wage', and we will encourage our contractors/providers/suppliers to either pay or move towards payment of the real living wage (as defined by the Living Wage Foundation) through the course of the contracts we have with them. We will:

- Look to support our local supply base to be able to bid competitively and hence increase the level of local spend as a percentage of our total spend on third party supply.
- Develop our Social Value and Sustainability Policy, ensuring that objectives are met through the adoption of appropriate and relevant procurement processes.
- Consider Social Value in all contracts where proportionate and relevant to do so. We will move to make analysis of bids a mixture of both Objective and subjective criteria.
- Work with partners within the City to develop a 'One Coventry' approach to improving the lives of Coventry Citizens and stakeholders through effective collaborative approaches.
- Implement systems, terms and conditions and processes that will minimise the risk of 'Modern Slavery', and we will be pro-active with working with relevant parties to ensure our external spend does not become support organised criminal activity, whether directly or indirectly.

- ***Behaving Commercially incl. Contract Management (Theme 4)***

We will ensure that our Contract Management Framework is fit for purpose and that contract management systems and processes are proportionate to value and risk. We will seek to ensure that appropriate controls are in place, contracts are managed effectively against price/cost, and supplier commitments are delivered. We will take a pragmatic, and where possible and appropriate, an innovative approach to procurement, ensuring that contracts are not just re-let, but are reviewed and revised.

We will work with colleagues to seek ways to develop commercial opportunities for all areas of activity within the Council, not to drive income generation alone, but to seek new ways of service delivery and models of operation. In addition we will:

- Work with our Strategic Suppliers to ensure delivery and effective outcomes are met
- Grow our local markets to match our spend profile, and then look to increase our opportunity to buy locally

- ***Digitalisation (Enabler 1)***

We will continue to invest in the digitalisation of a number of systems and processes that will further increase efficiency and lead to a better stakeholder experience. These will build on systems that we already have in place for e-tendering, electronic order placement, payment and early payment of invoices and procurement cards (utilised for high volume, low spend areas). In addition, we will look to continually develop the digital skills of our staff to ensure that we are best placed to take advantage of new technical solutions.

- **Capacity & Capability (Enabler 2)**

Over the last few years, the size, breadth and complexity of our Capital programme has placed significant pressure on the available procurement resource, both in terms of capacity and capability. The skills required to support such complex capital projects are scarce, even amongst a team of substantially MCiPS qualified staff, as well as from the market more generally. We have developed staff to undertake different category and contract types, and have successfully delivered the procurement elements of the capital programme without reliance on the external market. This, however, has put a significant pressure on the revenue procurement workplan and so a review on how we continue to manage capital projects going forward will need to be undertaken. There are also a number of key procurement system developments and/or implementations that will require embedding council wide, which may put further pressure on capacity.

With such a large and extensive spend, it is essential that training programmes are undertaken to raise/maintain levels of capability and understanding of procurement across the whole Organisation.

Note: Enabling Innovation and embedding change (the other 2 enablers in NPS 2018) are captured throughout the themes and have no specific indicators.

8. Implementation

The most effective way to meet the procurement requirements in both national and local contexts is to link our Procurement Strategy with the key themes and enablers of the National Procurement Strategy as described above. This will ensure that we minimise duplication of activity and measurement, whilst demonstrating effective procurement delivery in line with the national strategic direction, and at the same time, meeting local ambition and need.

We will monitor our progress against this strategy and give regular updates to the Procurement Board, with an annual update to the Cabinet Member (Strategic Finance and Resources) and to the Audit & Procurement Committee.

At the end of year 1 we will also report on the capacity and capability within the Council to deliver the programme of work that is required and to consider how well embedded good procurement practice is throughout the authority.

Please see page 2 onwards for background to items

3rd July 2019
- Delivery against the Social Value Policy - Procurement Strategy
18th September 2019
- Reserve Balances - 2018-19 Capital Programme
13th November 2019
- Digital First - Medium Term Financial Strategy
15th January 2020
- Workforce Analytics - Coventry City Council Apprenticeships
12th February 2020
- Social Value and Sustainability Policy - Procurement Strategy
18th March 2020
- ICT Strategy Update - Recruitment Update - One Coventry Values
2019/2020
- Commercialisation
2020/2021
- Business Rates - Training and Development Update

Date	Title	Detail	Cabinet Member/ Lead Officer
3rd July 2019	- Delivery against the Social Value Policy	To examine the extent to which the Social Value Act is delivering added value and how we can maximise opportunities to increase social value. To include a copy of the SVA Policy, how it's measured and more examples of where it has been used.	Cllr J Mutton/ Mick Burn
	- Procurement Strategy	To scrutinise the Procurement Strategy and it's impact.	Cllr J Mutton / Mick Burn
18th September 2019	- Reserve Balances	To receive an update on the position of Council Reserves and identify recommendations for the Cabinet Member.	Cllr J Mutton / Paul Jennings
	- 2018-19 Capital Programme	For the Board to receive a written report updating the Board on the Capital Programme.	Cllr J Mutton / Paul Jennings
13th November 2019	- Digital First	To scrutinise the Council's Digital Transformation agenda and the outcomes of the digital assessment undertaken by SOCITIM	Cllr J Mutton / Paul Ward/ David Ashmore
	- Medium Term Financial Strategy	To discuss the Council's Medium Term Financial Strategy prior to its approval through the political process.	Cllr J Mutton / Paul Jennings
15th January 2020	- Workforce Analytics	Following on from the meeting on 12 th December 2018, Members requested a further update on Workforce Analytics.	Cllr J Mutton / Grace Haynes
	- Coventry City Council Apprenticeships	To consider the apprenticeships being offered by the City Council. To look at how the young people employed are supported to get the maximum value from their placements.	Cllr J Mutton / Grace Haynes
12th February 2020	- Social Value and Sustainability Policy	Following the meeting on 4 th July, it was agreed to review the Social Value Policy. The new policy will be brought to SB1 for scrutiny.	Cllr J Mutton / Mick Burn
	- Procurement Strategy	The Procurement Strategy is being revised and this meeting will enable SB1 to input into its development before it is agreed by Cabinet/ Council.	Cllr J Mutton / Mick Burn
18th March 2020	- ICT Strategy Update	To review the impact of the ICT Strategy following its adoption by Cabinet in October 2019.	Cllr J Mutton / Paul Ward/ David Ashmore

SB1 Work Programme 2019/20

Date	Title	Detail	Cabinet Member/ Lead Officer
	- Recruitment Update	To include an update on the new recruitment system.	Cllr J Mutton / Susanna Newing
	- One Coventry Values	To update on the development of the One Coventry Values.	Cllr J Mutton / Susanna Newing
2019/2020	- Commercialisation	To look at opportunities to maximise income - identified at meeting 18/04/18	Cllr J Mutton / Barrie Hastie
2020/2021	- Business Rates	To discuss any proposed changes to Business Rates when any new information becomes available.	Cllr J Mutton / Paul Jennings
	- Training and Development Update	Including update on statutory and mandatory training including update on the Leadership Development Programme	Cllr J Mutton / Susanna Newing

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