

NOTICE OF MEETING

Meeting: CABINET

Date and Time: WEDNESDAY, 1 NOVEMBER 2023, AT 10.00 AM

Place: COUNCIL CHAMBER - APPLETREE COURT, BEAULIEU ROAD, LYNDHURST, SO43 7PA

Enquiries to: democratic@nfdc.gov.uk
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PUBLIC PARTICIPATION:

Members of the public may watch this meeting live on the [Council's website](#).

Members of the public may speak in accordance with the Council's public participation scheme:

- (a) on items within the Cabinet's terms of reference which are not on the public agenda; and/or
- (b) on individual items on the public agenda, when the Chairman calls that item. Speeches may not exceed three minutes.

Anyone wishing to speak should contact the name and number shown above no later than 12.00 noon on Friday, 27 October 2023.

Kate Ryan
Chief Executive

Appletree Court, Lyndhurst, Hampshire. SO43 7PA
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This agenda can be viewed online (<https://democracy.newforest.gov.uk>).

It can also be made available on audio tape, in Braille and large print.

AGENDA

Apologies

1. MINUTES

To confirm the minutes of the meeting held on 4 October 2023 as a correct record.

2. DECLARATIONS OF INTEREST

To note any declarations of interest made by members in connection with an agenda item. The nature of the interest must also be specified.

Members are asked to discuss any possible interests with Democratic Services prior to the meeting.

3. PUBLIC PARTICIPATION

To receive any public participation in accordance with the Council's public participation scheme.

4. FINANCIAL MONITORING REPORT (BASED ON PERFORMANCE APRIL TO SEPTEMBER 2023 INCLUSIVE) (Pages 3 - 14)

5. PROCUREMENT STRATEGY (2023 REFRESH) (Pages 15 - 36)

To:

Councillors

Jill Cleary (Chairman)
Steve Davies (Vice-Chairman)
Geoffrey Blunden

Councillors

Jeremy Heron
Dan Poole
Derek Tipp

FINANCIAL MONITORING REPORT (based on Performance April to September 2023 inclusive)

1. RECOMMENDATIONS

1.1 It is recommended that Cabinet:

- i) notes the latest budget forecasts of the General Fund (section 5), Capital (section 6), and HRA (section 7).
- ii) approves an increase in the Housing Revenue Account reactive maintenance budget of £200,000 and notes a reduction in the Dwelling Rents income budget of £100,000, with offsetting adjustments to act as a budget virement from a reduction of £100,000 in the Cyclical maintenance budget, a reduction of £120,000 in the Supervision and Management Maintenance Administration budget and a reduction of £80,000 in the Major Repairs capital budget.
- iii) approves an increase of £100,000 in the Housing Revenue Account Disabled Facilities Grant capital budget, with an offsetting reduction to the Major Repairs capital budget.

2. INTRODUCTION

2.1 Following the approval of the Original Budget for 2023/24 in February 2023, this report provides an update on the General Fund, Capital and Housing Revenue Account budgets, adjusting for any budget changes now required.

3. BACKGROUND

3.1 Financial Monitoring is an important feature in the management of the Council's finances as it gives an opportunity to reflect on variations as against the latest set budget and reflect on the impact that these variations may have over the period covered by the Council's Medium Term Financial Plan.

4. PAY AWARD IMPLICATIONS

4.1 As previously reported, the 2023/24 pay award has yet to be settled. Currently, the final outcome of ballots being held by the three unions represented at the Council is expected after 24 October. The current employers offer would result in additional budget requirement in the region of £650,000 in the General Fund and £230,000 in the Housing Revenue Account but until a settlement is reached no additional budget will be allocated.

4.2 The final additional costs of the pay award in 2023/24 will need mitigating. Cumulative net

budget savings of £523,000 identified in this and previous reports already largely achieve this. The Medium-Term Financial Plan has been updated to include the impact and will address the ongoing increased base salary costs, balancing these out in a financially sustainable way over the medium to long term.

5. GENERAL FUND REVISED PROJECTION

5.1 A General Fund budget of **£22.468 million** for 2023/24 was agreed by Council in February 2023 (£22.851 million at Portfolio analysis level, with other budget elements reducing this to this lower General Fund budget figure).

5.2 Net reduced budget requirements of £100,000 were included within the first Financial Monitoring Report of the year reported to the Council and this report identifies further net savings and additional income of £423,000. This updated monitoring position has lowered the current total budget requirement to **£21.945 million**.

5.3 The latest budget variations now reported, including the mitigating actions as required, include net unfavourable expenditure variations of £38,000 and net income increases of £461,000. In addition, £260,000 has been rephased to future years. Major variations are detailed below (ordered in accordance with appendix 1) with full variations listed in Appendix 1.

5.4 Community, Safety and Wellbeing (Housing, Communities and Governance)

i) Community Safety (-£260,000)

The base budget included £300,000 for enhancement of Community Safety measures across the district, to include a significant enhancement to CCTV. Consultations have commenced with town and parish councils, and in light of the lead in for suppliers/new infrastructure, the latest project plan estimates that the majority of the spend will fall outside of the 2023/24 financial year. £260,000 is therefore being rephased.

5.5 Environment and Sustainability (Place, Operations and Sustainability)

i) **Fleet (-£50,000)** – following approval of the updated Vehicle and Plant capital replacement programme by Cabinet on 6 September, the revised programme has resulted in estimated revenue depreciation savings to 2023/24 of £50,000.

ii) **Car Parks (-£263,000)** – as approved by Council on 9 October, the 2024 revised Meter tariffs and Clock Fees and Charges are estimated to result in additional income in 2023/24 of £263,000.

iii) **Car Parks (£150,000)** – Cost of income collection and rent expenditure is projected to be around £82,000 higher than originally estimated. Also, mainly due to the poor weather over the summer, income is currently £68,000 lower than budget.

5.6 Finance and Corporate (Corporate Resources and Transformation)

- i) **Revenues and Benefits Service (-£60,000)** – Savings relating to vacant posts within the Revenues and Benefits Service.

5.7 **Housing and Homelessness (Housing, Communities and Governance)**

- i) **Homeless Assistance (-£302,000)** – The Council built additional budgetary provision of £1 million into the 2023/24 budget for cost pressures arising from homelessness. Additional Government grant of £302,000 has now been received to offset some of these additional cost pressures.

5.8 **Leader (Corporate Resources and Transformation)**

- i) **Elections (£10,000)** – Voter Id and accessibility changes for the Elections held in May 2023, resulted in additional expenditure of £74,000. However, this has been offset by additional Government grant of £64,000.

5.9 **Planning and Economy (Place, Operations and Sustainability)**

- i) **Development Management and Land Charges (£145,000)** – Due to uncertainty in the housing market, Development Management income (£130,000) and Land Charges fees (£15,000) income is currently lower than budgeted.
- ii) **Development Management (-£80,000)** – vacancies within the Development Management business unit have resulted in savings of £80,000.
- iii) **Economic Development (£50,000)** – As approved by Council in July 2021, a third and final contribution of £50,000 will be made to the Solent Freeport.

5.10 **Net Other Variations (-£23,000)** – Net other variations total -£23,000.

5.11 The overall impact of all variations results in an updated General Fund Budget of **£21.945 million**; a reduction of £523,000 from the original estimate. The revised General Fund Budget for 2023/24 can be seen at Appendix 1, with further details on the variations being reported included within Appendix 2.

5.12 Initially the positive variations will be transferred to reserves but will later contribute to expected savings required to fund the eventual pay award. Work will continue during the remainder of the year on mitigations to offset the expected additional costs, with a view to keeping the forecast outturn for the 2023/24 financial year in line with the original budget expectation. Progress will be reported back to the Cabinet within the next Financial Monitoring Report.

6. **HOUSING REVENUE ACCOUNT REVISED PROJECTION**

6.1 After allowing for contributions of £150,000 from earmarked reserves for the continuing Stock Condition Survey work, a break-even HRA budget for 2023/24 was agreed in February 2023, with a Revenue Account contribution of £9.700 million supporting the financing of the £27.610 million HRA Capital Programme.

- 6.2 The September monitoring report to Cabinet identified additional budget requirements of £110,000 from rephasing of the 2022/23 Corporate ICT programme.
- 6.3 Latest insurance premiums on the Council stock for 2023/24 exceed the budget by £16,000.
- 6.4 Maintenance expenditure incurred on properties becoming void has exceeded budget by £200,000. The 2023/24 financial year has seen yet a further year on year increase in the number of void properties, due to the increased numbers of households moving to improved accommodation through the register and the increased numbers of households who are under-occupying their current accommodation now seeking smaller homes. Whilst this is positively impacting our tenants the increased costs of materials and labour has resulted in the average void cost increasing by almost £2,000 per property.
- 6.5 Income loss from void properties has exceeded the budget by £100,000. The Fire Safety programme has required that a large volume of properties remain empty for an extended period to reduce the impact on residents and assist contractors in completing works in a more efficient and effective manner.
- 6.6 In order to balance the overall spend on Housing, excluding the ICT rephasing, the Major Repairs programme has been reduced by £100,000, the cyclical maintenance budget has been reduced by £100,000 by removing the budget for communal area decoration in some of the Council's age restricted blocks, and an underspend of £120,000 largely due to staff vacancies has occurred within the Housing Maintenance Property Services team.
- 6.7 The updated HRA budget can be seen at Appendix 3.

7. CAPITAL EXPENDITURE (General Fund and Housing Revenue Account)

- 7.1 A Capital Programme budget of **£42.641 million** for 2023/24 was agreed by Council in February 2023.
- 7.2 Principally due to Vehicle and Plant and Housing Revenue Account Fire Risk Assessment works additional budget requirements, the budget was increased by £0.276 million to **£42.917 million** in the September Cabinet report.
- 7.3 The latest forecast confirms variations totalling £150,000 and rephasings from 2022/23 of £14,000. The variations are detailed below:

Variations £150,000

- **Planning and Economy** – Mitigation Schemes: On 14 July 2023 the Portfolio holder approved expenditure of £250,000 for an all-weather pitch at Burgate School.
- **Housing Revenue Account** – Disabled Facilities Grants: Demand for mandatory grants means that the budget is predicted to be £100,000 overspent. Discussions are being reheld with Hampshire County Council about the possibility of funding this from the Better Care Fund.
- **Housing Revenue Account** – Major Repairs: £200,000 has been reduced from the Major Repairs Programme to fund the current budgeted overspend on the

Housing Revenue Account and the anticipated overspend on Disabled Facilities Grants.

Rephasings £14,000

- **Leader** - UK Shared Prosperity Fund – rephasing of £14,000 from 2022/23.

7.4 The changes, as above, result in an updated Capital Programme Budget of **£43.081 million** (Appendix 4).

8. CRIME AND DISORDER / EQUALITY AND DIVERSITY / ENVIRONMENTAL IMPLICATIONS

8.1 There are no Crime & Disorder, Equality & Diversity or Environmental implications arising directly from this report.

9. PORTFOLIO HOLDER COMMENTS - FINANCE AND CORPORATE

9.1 The half year report shows that we remain broadly in line with our budget although the Housing Revenue account continues to come under pressure. Clarity on the pay awards would be welcome not only by this Council but, I feel, equally with our staff and would also enable greater accuracy within our Medium-Term Financial Plan.

Whilst I would have liked to have seen the funding for Community Safety spent within the current financial year, it is essential that we achieve the best results possible and it has therefore been necessary to rephase this into the following year to ensure a full and meaningful consultation with our partners.

10. PORTFOLIO HOLDER COMMENTS – HOUSING AND HOMELESSNESS

10.1 I note the impact of costs for void refurbishments in our housing stock being higher than planned. In addition to a higher number of voids, the cost of materials has also increased. I look forward to the refurbished dwellings becoming available for those families on the housing list.

For Further Information Please Contact:

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Background Papers:

Cabinet 6 September 2023
Cabinet 15 February 2023

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FINANCIAL MONITORING 2023/24

REVISED GENERAL FUND BUDGET 2023/24

	Feb-23	Sept-23	November-23			
	2023/24 £'000's Original Budget	2023/24 £'000's Latest Budget	2023/24 £'000's New Variations Expend.	2023/24 £'000's New Variations Income	2023/24 £'000's New Variations Rephasings	2023/24 £'000's Updated Budget
PORTFOLIO REQUIREMENTS						
Community, Safety and Wellbeing	3,595	3,612	-40	0	-260	3,312
Environment and Sustainability	8,083	8,023	57	-240	0	7,840
Finance and Corporate	3,450	3,450	-27	0	0	3,423
Housing and Homelessness	3,136	3,136	0	-302	0	2,834
Leader	1,173	1,259	44	-64	0	1,239
Planning and Economy	3,414	3,424	0	145	0	3,569
Multi Portfolio adjustments - To be allocated	0	348	4	0	0	352
	22,851	23,252	38	-461	-260	22,569
Reversal of Depreciation	-1,823	-1,823	50			-1,773
Contribution (from) / to Earmarked Revenue Reserves	-283	-784	0	0	260	-524
NET PORTFOLIO REQUIREMENTS	20,745	20,645	88	-461	0	20,272
Minimum Revenue Provision	1,876	1,876	-50			1,826
Contribution to Capital Programme Financing (RCCO)	700	700				700
Interest Earnings (Net)	-837	-837				-837
New Homes Bonus	-16	-16				-16
GENERAL FUND NET BUDGET REQUIREMENTS	22,468	22,368	38	-461	0	21,945
COUNCIL TAX CALCULATION						
Budget Requirement	22,468	22,368	38	-461	0	21,945
Less: Settlement Funding Assessment						
Lower Tier Service Grant	0	0				0
Services Grant	-155	-155				-155
Guarantee Grant (MHCLG)	-699	-699				-699
Business Rates Baseline	-4,147	-4,147				-4,147
	-5,001	-5,001	0	0	0	-5,001
Locally Retained Business Rates	-3,575	-3,575				-3,575
Estimated Collection Fund (Surplus)/Deficit Business Rates	390	390				390
Estimated Collection Fund (Surplus)/Deficit Council Tax	-262	-262				-262
Use of (-) Variation Reserves	0	100	-38	461		523
COUNCIL TAX	14,020	14,020	0	0	0	14,020
TAX BASE NUMBER OF PROPERTIES	72,271.70	72,271.70				72,271.70
COUNCIL TAX PER BAND D PROPERTY	193.99	193.99				193.99
GENERAL FUND BALANCE 31 MARCH	3,000	3,000				3,000

FINANCIAL MONITORING 2023/24
 VARIATION ANALYSIS GENERAL FUND 2023/24

	Sept'23 2023/24 £'000's Previous Variations	November-23			2023/24 £'000's Updated Budget
		2023/24 £'000's New Variations Expend.	2023/24 £'000's New Variations Income	2023/24 £'000's New Variations Rephasings	
PORTFOLIO ADJUSTMENTS					
Community, Safety and Wellbeing					
Previously Reported	17				
Environmental Health - Salary Vacancy savings		-40			
Rephase Community Safety budget re CCTV				-260	
	17	-40	0	-260	-283
Environment and Sustainability					
Previously Reported	-60				
Fleet - V&P Revenue Savings - Depreciation underspends re delay in purchases		-50			
Parking - Income - F&C's - meter tariff and clocks increases (October Cabinet)			-263		
Parking - Income down (August) / Income collection costs / Rents		82	68		
Public Conveniences - Maintenance / Service Contracts		25			
Recycling - Income - Project Integra Recyclables (-£25k) & Glass Sales (-£20k)			-45		
	-60	57	-240	0	-243
Finance and Corporate					
Previously Reported	0				
Revenues & Benefits Service - Salary Savings		-60			
Revenues Service - Increased Credit Card Charges		33			
	0	-27	0	0	-27
Housing and Homelessness					
Previously Reported					
Additional Homelessness Government Grant	0		-302		
	0	0	-302	0	-302
Leader					
Previously Reported	86				
NFDC Election 2023		74			
Election Act Funding from DLUCH			-64		
Registration of Electors Savings		-30			
	86	44	-64	0	66

FINANCIAL MONITORING 2023/24

VARIATION ANALYSIS GENERAL FUND 2023/24

	Sept-23 2023/24 £'000's Previous Variations	November-23			
		2023/24 £'000's New Variations Expend.	2023/24 £'000's New Variations Income	2023/24 £'000's New Variations Rephasings	2023/24 £'000's Updated Budget
PORTFOLIO ADJUSTMENTS					
Planning and Economy					
Previously Reported	10				
Development Management / Land Charges - Income shortfall			145		
Development Management - Salary savings - vacancies		-80			
Planning Appeals - Appeal costs		30			
Economic Development - Solent Freeport contribution		50			
	10	0	145	0	155
Portfolio adjustments - Non Direct					
Previously Reported	348				
Insurance Premium - variations		24			
Support Services - Staff Vacancies		-20			
	348	4	0	0	352
TOTAL PORTFOLIO ADJUSTMENTS	401	38	-461	-260	-282
NON-PORTFOLIO ADJUSTMENTS					
Contribution to/from(-) Earmarked Reserves	-501		0	260	
TOTAL NON-PORTFOLIO ADJUSTMENTS	-501	0	0	260	-241
GRAND TOTAL ADJUSTMENTS (Credited to (-) / Debited from (+) Budget Reserves)	-100	38	-461	0	-523

FINANCIAL MONITORING 2023/24

REVISED HOUSING REVENUE ACCOUNT BUDGET

2023/24

Feb-23

2023/24

£'000's

Original

Budget

Sept-23

2023/24

£'000's

Latest

Budget

November-23

2023/24

£'000's

New

Variations

2023/24

£'000's

Updated

Budget

INCOME

Dwelling Rents	-30,227	-30,227	100	-30,127
Non Dwelling Rents	-720	-720		-720
Charges for Services & Facilities	-849	-849		-849
Contributions towards Expenditure	-60	-60		-60
Interest Receivable	-378	-378		-378
Sales Administration Recharge	-33	-33		-33
Shared Amenities Contribution	-286	-286		-286
TOTAL INCOME	-32,553	-32,553	100	-32,453

EXPENDITURE**Repairs & Maintenance**

Cyclical Maintenance	1,640	1,640	-100	1,540
Reactive Maintenance	4,456	4,456	200	4,656

Supervision & Management

General Management	7,132	7,242	-104	7,138
Special Services	1,846	1,846		1,846
Homeless Assistance	144	144		144

Rents, Rates, Taxes and Other Charges

	89	89		89
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Provision for Bad Debt

	150	150		150
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Capital Financing Costs - Interest/Debt Management

	4,522	4,522		4,522
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Capital Financing Costs - Internal Borrowing

	0	0		0
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TOTAL EXPENDITURE

	19,979	20,089	-4	20,085
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HRA OPERATING SURPLUS(-)

	-12,574	-12,464	96	-12,368
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Contribution to Capital - supporting Housing Strategy

	9,700	9,700		9,700
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Capital Financing Costs - Principal

	3,024	3,024		3,024
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HRA Total Annual Surplus(-) / Deficit

	150	260	96	356
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Use of HRA Reserve for Major Projects

	-150	-150		-150
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Return to Earmarked Reserves (ICT Rephasing)

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HRA TOTAL ANNUAL SURPLUS(-) / DEFICIT

	0	110	96	206
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FINANCIAL MONITORING 2023/24

REVISED CAPITAL PROGRAMME 2023/24

	Portfolio	Feb-23	Sept-23	November-23		
		2023/24 £'000's Original Budget	2023/24 £'000's Latest Budget	2023/24 £'000's New Variations Expend.	2023/24 £'000's New Variations Rephasing	2023/24 £'000's Updated Budget
UK Shared Prosperity Fund	LEADER/ALL	42	42		14	56
Rural England Prosperity Fund	LEADER/ALL	240	240			240
Disabled Facilities Grants	HSG (GF)	1,300	1,300			1,300
Sustainability Fund - Unallocated	ENV & SUSTAIN	250	250			250
South East Regional Coastal Monitoring Prog (18-27)	ENV & SUSTAIN	2,631	2,543			2,543
Milford Promenade Handrail	ENV & SUSTAIN		6			6
Barton Horizontal Directional Drilling Trails	ENV & SUSTAIN	10	60			60
Hurst Spit Beach Shingle Source Study	ENV & SUSTAIN	100	123			123
Milford Beach and Cliff Study	ENV & SUSTAIN	10				
Waste Strategy Container Roll Out	ENV & SUSTAIN	592	592			592
Public Convenience Modernisation Programme	ENV & SUSTAIN	300	87			87
Public Convenience Refurb. Scheme - Barton-on-Sea	ENV & SUSTAIN		258			258
Public Convenience Refurb. Scheme - Beaulieu	ENV & SUSTAIN		15			15
Public Convenience Changing Places	ENV & SUSTAIN	219	214			214
Public Convenience Modernisation Programme - Tech. advisor	ENV & SUSTAIN		100			100
Health & Leisure Centres	COMM S&W		305			305
New Depot Site: Hardley	FIN & CORP	4,875	4,875			4,875
V&P; Replacement Programme	FIN & CORP	3,062	2,738			2,738
V&P; Replacement Programme - Waste Strategy	FIN & CORP	150	193			193
Platinum Jubilee Business Park, Ringwood	FIN & CORP	250	250			250
Mitigation Schemes	PLAN & ECON	1,000	1,000	250		1,250
TOTAL GENERAL FUND CAPITAL PROGRAMME		15,031	15,191	250	14	15,455
HRA - Major Repairs	HRA	7,760	7,760	-200		7,560
Major Structural Refurbishments	HRA	1,000	1,000			1,000
Fire Risk Assessment Works	HRA	2,000	2,116			2,116
Estate Improvements	HRA	200	200			200
Robertshaw House	HRA	500	500			500
Development Strategy	HRA	15,200	15,200			15,200
Disabled Facilities Grants	HRA	950	950	100		1,050
TOTAL HRA CAPITAL PROGRAMME		27,610	27,726	-100		27,626
GRAND TOTAL CAPITAL PROGRAMME		42,641	42,917	150	14	43,081

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PROCUREMENT STRATEGY (2023 REFRESH)

1. RECOMMENDATIONS

- 1.1 That Cabinet recommend to Council that the Procurement Strategy (2023 Refresh) set out in attachment **Appendix 1**, be adopted.

2. INTRODUCTION

- 2.1 This report presents the Council's draft Procurement Strategy. This is a refresh of the current live Procurement Strategy that was approved by Cabinet and Council in 2018 for publication on the Councils website. The Procurement Strategy 2023 Refresh retains the same format and majority of content of the 2018 version. The 2023 refresh version updates performance against improvement goals, inserts objectives regarding efficiency savings, cost reduction and environment. The proposed Procurement Strategy 2023 Refresh is attached at **Appendix 1**.
- 2.2 The current draft Procurement Strategy 2023 Refresh has been reviewed by the Resources and Transformation Overview and Scrutiny Panel (21Sep23) and the Executive Management Team (EMT).

3. BACKGROUND

- 3.1 Procurement operates in a complex legal framework set by the UK Government to ensure fairness, openness and transparency in the process to procure works, goods and services. This regulation takes the form of the Public Contracts Regulations 2015. <https://www.legislation.gov.uk/ukxi/2015/102/contents>

Please Note: The Procurement Bill (2022) is nearing completion of its passage through Parliament. When it achieves Royal Assent, the new guidance will be reviewed against the Procurement Strategy and the Councils internal Procurement Contract Standing Orders.

The Procurement Strategy sets out our procurement approach along with objectives and goals. It is publicly available. The Strategy is complimented by the Procurement Contract Standing Orders (CSO's) that set out the rules of the road for staff and members involved in the procurement of works, goods and services covering the end-to-end business procurement process. No Changes to CSOs are included here.

The Procurement Strategy aims to explore and realise the Quality, Service and Value for Money offering from our suppliers to support and improve the Councils service provision to our residents and businesses

The Strategy has 4 guiding principles namely,

- Value
- Compliance
- Environment
- Fairness

Each guiding principle has a set of improvement goals and action plans.

This format was originally introduced in 2018. The majority of content is still relevant today, hence the decision to refresh for 2023 and beyond.

4. ITEMS AMENDED IN THE PROCUREMENT STRATEGY REFRESH 2023

- 4.1.1 The Procurement Strategy refresh includes the following changes or additions:
- 4.1.2 Improvement Goals for Value, Compliance, Environment and Fairness have been updated to reflect progress made and latest target dates.
- 4.1.3 Value section (5.1) objectives inserted setting out goals regarding efficiency savings and cost reduction. Content added to reflect the importance and objectives under Outcome Based Specification and Contract Management. Content was amended here to reflect the additional contract relationship resource added to the centre-led Procurement Team in the form of Contract Relationship Officer roles (3 FTE's) who are assigned to support each Strategic Directorship.
- 4.1.4 Environment section (5.3) has been reviewed to align with the 2021 climate change and nature emergency statement from NFDC full Council. Objectives also added under heading of Net Zero. The Sustainable Procurement section adds content regarding the consideration of the "whole life basis" of the supply chain.
- 4.1.5 The Governance table section (6.1) and narrative (6.2) reflects the introduction of Contract Relationship Officer (CRO) role to overview contract management by Strategic Directorship.
- 4.1.6 The Strategy now has no end date. Going forward the plan being to make changes as further refreshes, so that the strategy does not appear to be out of date when the content is still relevant.

5. CONSULTATION PROCESS

- 5.1 The current draft Procurement Strategy 2023 Refresh has been developed by the Councils procurement team and scrutinized by the Executive Management Team in September 2023. The draft Strategy was then circulated and reviewed by the Resources and Transformation Overview and Scrutiny Panel on 21Sep23.

6. CONCLUSIONS

- 6.1 The proposed Procurement Strategy supports the Council in compliance to the UK Government regulations (PCR2015) to deliver successful "business as usual" procurement as well as drive improvements emanating from the forthcoming Transformation projects across NFDC Services.
- 6.2 It is proposed that following approval of Cabinet the Procurement Strategy refresh 2023 be submitted for approval of Council on 11th December 2023 for full adoption and publication via the website and normal internal communication routes.

7. FINANCIAL IMPLICATIONS

- 7.1 The budgeting process for the procurement of works, goods and services will remain as is with each project being subject to a business case and financial sign-off, however the goals of the Procurement Strategy Refresh should be considered regarding value for money, cost reduction and environmental considerations. Officers are required to explore opportunities for, and realisation of, cost improvements for all procurement projects. Cost savings and contributions to the Medium-Term Financial Plan (MTFP) will also be recorded for each project by the responsible service.

8. GOVERNANCE OF THE PROCUREMENT PROCESS

- 8.1 The Council's Cabinet is responsible for setting the overall Procurement Strategy. The Executive Management Team (EMT) is responsible for implementing the Council's Procurement Strategy. The Procurement Team provide policy and process direction to Service Managers (and their nominated Contract Administrators) for procurement projects.

9. ENVIRONMENTAL IMPLICATIONS

- 9.1 The Council recognises it has a vital role in sustainable development, through its procurement of goods, works and services. Procurement decisions have a major socio-economic and environmental impact, both locally and globally, now and for future generations. On 6 October 2021 NFDC declared a climate change and nature emergency for the district at our meeting of full Council. The announcement builds on our environmental and sustainability actions to further focus on outcomes that will provide positive benefits to the world-wide climate change agenda.
- 9.2 A targeted approach will be used to determine and focus upon the categories of works, goods and services that have an impact upon the environment. This will help ensure positive outcomes can be delivered through the procurement process (e.g. score impact based upon the following: energy conservation, emissions to air, discharges to water, waste and social environment).
- 9.3 Suppliers tendering for Council contracts are required to set out how their proposals contribute to the goals of the Councils Climate Change and Nature Emergency and specifically what innovations and improvements will be delivered from the start of contract and step changes to be delivered throughout the contract life cycle under the impact headings of nature, health, economy and social.

10. EQUALITY & DIVERSITY IMPLICATIONS

- 10.1 Section 5.4 of the Procurement Strategy covers the approach to Fairness and includes Equality and Diversity outcomes we would require for relevant procurement projects.
- 10.2 The Council recognises the opportunity procurement provides to influence the Equality and Diversity agenda. We are committed to ensuring that our major suppliers and contractors share our equality and diversity vision and values, and work to implement these. It is the responsibility of staff involved in procurement activities to ensure that equality is embedded in contracts and service provision (specification).

11. DATA PROTECTION IMPLICATIONS

- 11.1 Data protection considerations (DPA and GDPR) are constituent elements of each procurement project. If applicable any requirements and implications would be set out in the contract terms and conditions by our Legal Services team.

12. RESOURCES & TRANSFORMATION OVERVIEW AND SCRUTINY PANEL COMMENTS

- 12.1 The R&T O&S Panel provided feedback on the draft strategy refresh regarding the importance of specification and environmental whole life consideration which have been incorporated in the draft strategy as set out in points 4.1.2 and 4.1.3 herein.

13 PORTFOLIO HOLDER COMMENTS

13.1 I am pleased to see the refresh of the Procurement Strategy coming forward. Whilst in essence a technical document it is invaluable in ensuring the delivery of projects, the securing of good working relationships with suppliers and the delivery of both quality and value for money to our residence.

For further information contact:

Gary Jarvis

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Attached Papers:

Appendix 1

Procurement Strategy 2023 Refresh

Alan Bethune FCCA

Strategic Director Corporate Resources &

Transformation

Section 151 Officer

New Forest District Council

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Procurement Strategy

Refresh 2023

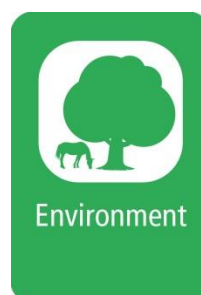
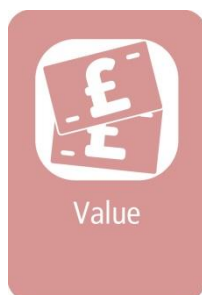
New Forest District is a unique and special place, to live, work, visit and enjoy

Our Procurement Strategy aims to:

explore and realise the Quality, Service and Value for Money offering from our suppliers to support and improve the Councils service provision to our residents and businesses. We will..

- Challenge the “as is” through creativity and innovation
- Operate within the legal framework set by UK Government
- Procure to protect the environment
- Encourage local & regional businesses to bid for opportunities
- Ensure fairness and clarity in the sourcing of suppliers
- Make it easy for businesses to interact with the Council

Our Procurement Guiding Principles are:



You can find out more about our Procurement process at;

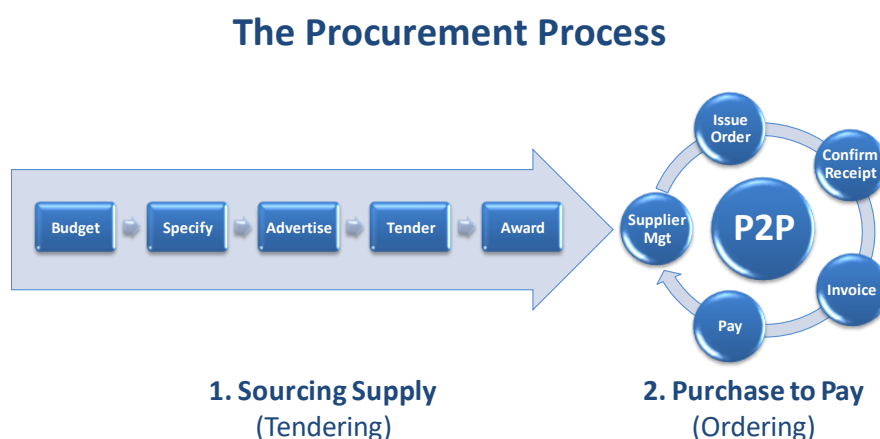
<https://www.newforest.gov.uk/article/942/Supplying-the-council>

1. What is Procurement

Procurement is about making effective commercial choices in the process of acquiring works, goods and services from suppliers within a pre-agreed financial budget. The process starts from the identification of need through to the end of a service provision or the end of a product's useful life.

The Procurement Process is made up of 2 distinct elements:

- 1) Sourcing Supply to establish approved suppliers via a competitive quotation or tender depending on the contract value
- 2) Purchase to Pay process covering the ordering, receipt, invoice processing and payment for works, goods and services.



2. Why we need a Procurement Strategy

- **To set out the Corporate direction of travel for Procurement:**
The Procurement Strategy sets out the major priorities, objectives and improvement goals for Procurement across the Council whilst ensuring compliance with the Public Contracts Regulations (PCR2015) set by the UK Government ¹
- **To support the delivery of the Council's Corporate Plan:**
The Procurement Process has a direct impact on the achievement of the Council's goals in relation to delivering value for money, improving sustainability and acting transparently.
Procurement is a key component of the Corporate Plan, where our procurement goals include;
 - identifying new and innovative methods of procuring services
 - producing more flexible contracts
 - smarter buying taking environment into account

¹ The Procurement Bill (2022) is nearing completion of its passage through Parliament. When it achieves Royal Assent, the new guidance will be reviewed against this Strategy.

- **To maximise effectiveness of our spending power:**
The effectiveness of our Procurement decisions has a direct impact on;
 - New Forest District Council’s budget and Council Tax levels
 - The quality and cost of services to the people of the district
 - Corporate and service objectives

3. The Council’s Procurement mission

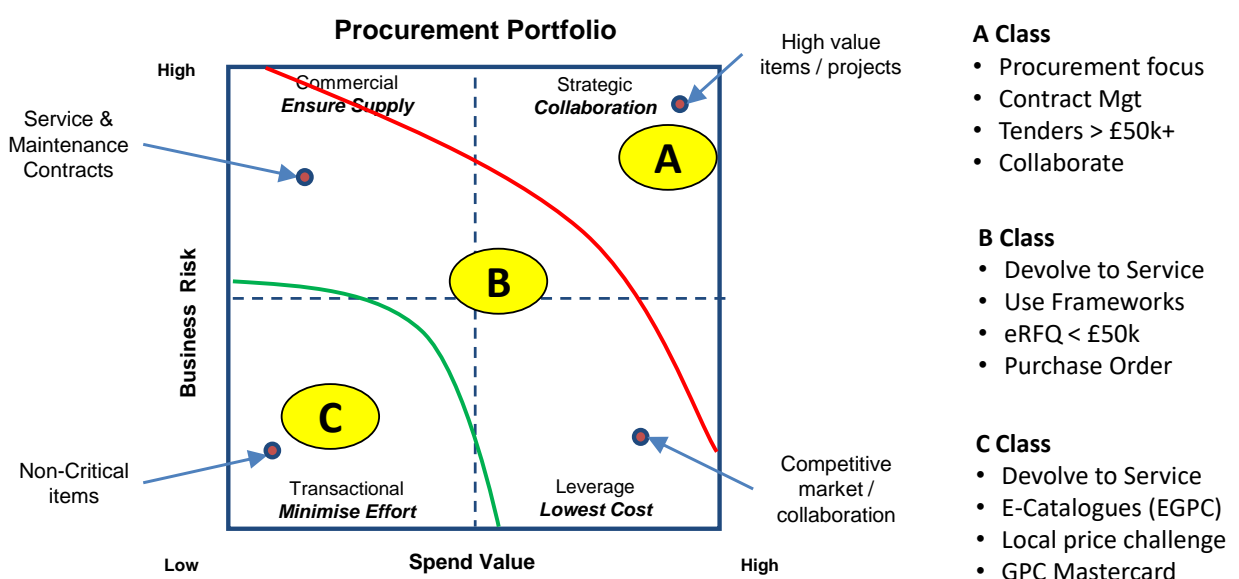
We will be **ambitious, innovative and customer focused** on how we improve the outcomes of our procurement projects to support the delivery of services to our community. We will be **financially responsible** with the public funds made available to us to procure works, goods and services. We will be **collaborative** in our working, and work with others to represent the best interests of our unique and special place. We will be **open and transparent** in our approach and with our plans to deliver our aims and priorities.

New Forest District is a unique and special place, to live, work, visit and enjoy.

Procurement should be seen in the context of the Council’s overall vision, priorities and objectives as set out in our Corporate Plan <http://www.newforest.gov.uk/corporateplan>

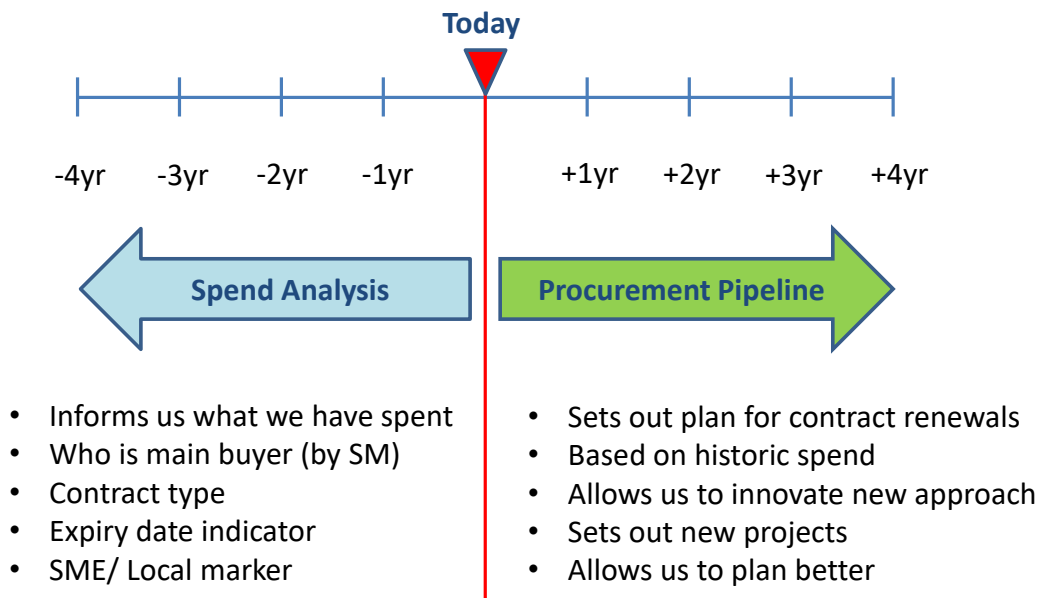
4. Use of Pareto ABC for Procurement Analysis and Planning

- **Pareto ABC spend grouping**
We consider different approaches for each procurement project based on a risk/value model to define our approach under strategic, commercial, leverage and transactional themes. Typically pareto ABC analysis is used as a means to target resource to the right place and proitise risk versus value contracts as shown in the diagram below



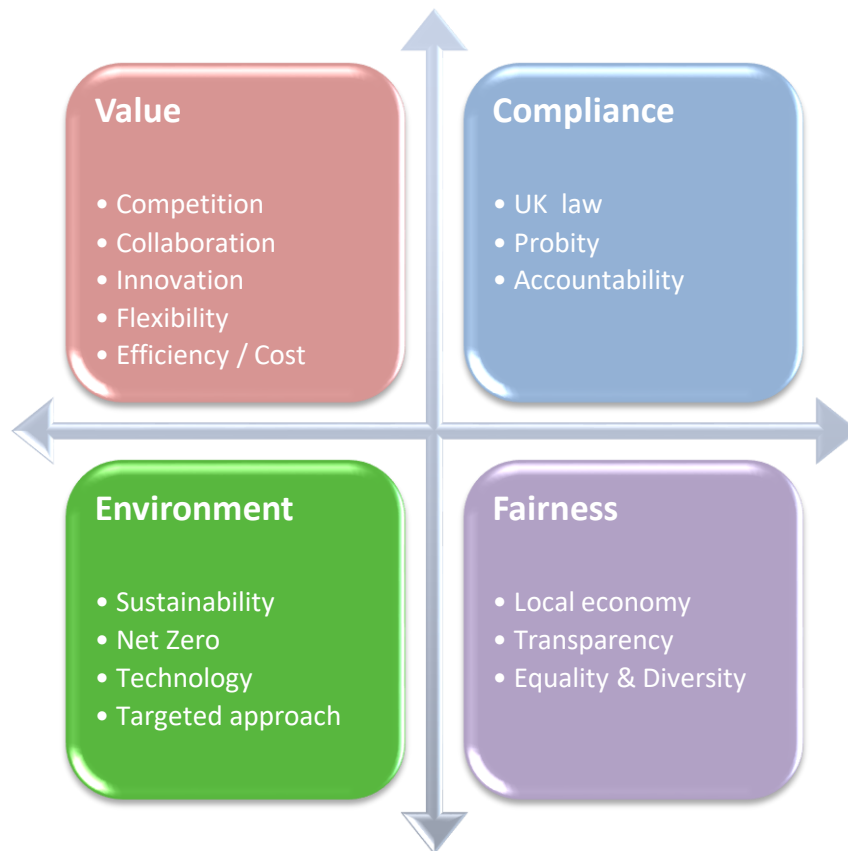
- **Spend Analysis to inform the Procurement Pipeline**

We will use Spend Analysis techniques to inform us of future Procurement Pipeline projects to ensure we improve our contract management activity. The pipeline will allow us to interact with NFDC Service Managers (SM) and the supply market earlier to understand the latest offerings and enhance the planning of our opportunities and tendering programmes.



5. Procurement Guiding Principles

The guiding principles below form the key elements of the Council's Procurement Strategy.



The following sections of the Strategy explain **the objectives** of each of the above procurement principles, the **improvement goals** the Council will promote within each area and an **action plan** timescale.

The Guiding Principles set out in this strategy apply to a) the AS IS business as usual Procurement to support day to day council services and b) the TO BE future state as set out in the Councils business transformation programme through improvement goals.

Definition: Objective, Improvement Goals and Action Plan

The **Objectives** are the main improvement “themes” within each of the **4 Guiding Principles**.

The **Improvement Goals** are the specific elements of the action plan to deliver the objectives.

The **Action Plan** is the timeline by which we plan to deliver the improvement goals of the strategy.



5.1 Value

In order to achieve the best value for money and to encourage **competition** from the relevant supply markets, Officers working closely with the Procurement Team use the Council’s e-business portal to advertise procurement opportunities. <https://sebp.due-north.com>

The Council encourages **collaboration** both within the Council and with other regional local authorities to stimulate **innovation** from our suppliers. This helps improve customer service levels, delivers better value and enhances quality.

When inviting quotations or tenders from potential suppliers our primary focus is on the outcome or end result required. This encourages **flexibility** in the approach taken by suppliers to achieve our goals.

Value Objectives	Improvement Goals	Action Plan
Competition:	Spend Analysis: Continue to improve our records of supplier's master file to record supplier size, locality, spend category, contract type (National, Regional, Local) and report savings achieved through the procurement sourcing process. Use pareto ABC modelling to tailor the procurement approach to best suit the needs of the Councils customers through our supply chain.	In Place
	Procurement Pipeline: Improve communication of planned procurement by maintaining a plan of forthcoming tenders / contract opportunities (the Procurement Pipeline). To cover both multi-service corporate-wide expenditure and planned specialist service-based contracts. To be publicly available by industry sector via the Council's website.	In place
	e-Business: Maximise use of e-tendering and simplify communication between the Council and Suppliers whilst maintaining fully auditable processes.	Apr25 In Place
Collaboration:	Organisation: Utilise the centre led procurement organisation to coordinate a consistent and corporate-wide approach to procurement.	In place
	Work Together: Both in-house and regionally with town & parish councils and other local authorities to identify collaborative opportunities.	Ongoing
	Establish Local & Regional Frameworks: The Council will further develop a range of Framework Agreements with local and regional suppliers to provide a reactive and consistent	In Place

	commercial structure for lowest cost whilst minimising contractual commitments. These frameworks will support Service teams to deliver quality, timely and cost-effective responses to our customers. Emphasis over the strategy period will be to set up frameworks for building materials, building & facilities management contractor services and building / estates professional services.	
Innovation: <i>Procurement and Service Teams to explore with suppliers how innovative approaches could save the Council money and improve services.</i>	<p>Outcome Based Specifications: Allow suppliers the ability to bring forward innovation and best practice by use of outcome-based specifications. The specification is recognised as a critical component of the tender / contract pack and that getting the right balance of “must have outcomes” and marketplace best practice and innovation is the goal.</p> <p>Stimulate innovation: Wherever possible offer the opportunity within our tender specifications for innovation from the market. The Council is keen to encourage businesses to bring forward ideas, value engineering proposals and new technology to reduce running costs or improve delivery and service quality.</p>	Ongoing Dec24
Flexibility:	<p>Build in Change Management: Set up flexible contracts with specifications that drive continuous improvements in cost, quality and service outcomes throughout the contract life and minimise disputes.</p> <p>Contract Management: Contracts will include performance management at a frequency relative to the risk and complexity proportionate to the deliverables. Essential Contracts will be supported by the assigned Contract Relationship Officer.</p>	Ongoing Ongoing
Efficiency Savings and Cost Reduction	<p>Transformation: Officers will explore opportunities to drive cost efficiencies across the supply chain supporting our services. The Councils Transformation Programme will aim to drive process improvement and explore cost reduction opportunities by alternative ways of working.</p> <p>Tendering Outcomes: Service Managers will set out the cost benefits achieved through the tendering of regular repetitive contacts as part of the contract award proposals. These savings will be considered for contribution to the Councils Medium Term Financial Plan (MTFP). Procurement will report these savings via the procurement pipeline tool.</p>	Mar25 From Jan24



5.2 Compliance

The Council complies with UK Law under **Public Contracts Regulations 2015***. This sets out the rules which central and local government must follow with their procurement procedures. The legislation applies to contracts for supplies, services and works based on contract values (see table below). The legislation sets out competition rules, threshold levels for advertising of opportunities, tendering and contract award procedures as well as prompt payment through the supply chain.

*PCR2015 <https://www.legislation.gov.uk/uksi/2015/102/contents>

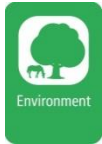
To ensure **probity** is maintained in the procurement process, the Council is required to establish and maintain Contract Standing Orders (CSOs). These rules are written in a way that allows local suppliers to apply for contract opportunities via the Council's business portal either singly or as part of an SME consortium. Higher value contracts are fully advertised to ensure full competition in line with UK procurement regulations (using the UK Government Find a Tender Service FTS).

The Council's service managers whose teams are engaged in the procurement process maintain full **Accountability** for compliance to the Councils CSOs issued and approved by the Executive Management Team and Cabinet.

Compliance Objectives	Improvement Goals	Action Plan
<p>Public Contracts Regulations (PCR2015): <i>Procure within the current UK Procurement law.</i></p>	<p>Knowledge: Procurement in conjunction with the Legal team, to develop and communicate clear guidance to the organisation explaining UK Procurement law (and any changes made from time to time).</p> <p>Compliance: Ensure all Procurement projects are completed in line with the regulations set by UK Government and where above the relevant higher value thresholds (for Works, Supplies & Services) use one of the five defined procedures (Open; Restricted; Competitive Dialogue; Competitive with Negotiation and Innovation Partnership).</p> <p>Payment On Time in Full: Ensure that suppliers are paid to the Council's terms and that main Suppliers are contracted to pay their sub-contractors to the same timeline (back-to-back). The Council has signed up to the BIS Prompt Payment Code: See link here>> http://www.newforest.gov.uk/article/9517/Payment-of-Suppliers</p>	<p>In Place</p> <p>Monitor & Review</p> <p>In Place</p>
<p>Probity: <i>Keep within the Legal framework defined</i></p>	<p>Thresholds: Clearly communicate in Corporate Contract Standing Orders (CSOs) and user-friendly guides the process to follow based on contract value. The Council has set a local</p>	<p>In place</p>

<p>by UK Government.</p>	<p>threshold of £50,000 for all contracts to be transparently and openly advertised. Contracts below this value will be subject to competitive quotations from local & regional suppliers to encourage small and medium sector business growth.</p> <p><u>NFDC Local Thresholds – based on contract value</u> Best Value Price check: up to £15,000 Restricted Quotation: £15,000 to £50,000k Openly Advertised in UK: £50,000 to UK Threshold</p> <p><u>UK Thresholds (01.01.2022) – based on contract value</u></p> <p>Openly Advertised in UK: ²</p> <ul style="list-style-type: none"> • Supplies & Services Contracts above £213,477 • Works contracts above £5,336,937 <p>https://www.gov.uk/government/publications/procurement-policy-note-0921-thresholds-and-inclusion-of-vat</p>	
<p>Accountability:</p>	<p>Comply with Contract Standing Orders (CSO’s): Ensure ALL staff (and consultants, members, etc.) operate within the guidelines set out in the Councils CSO’s.</p> <p>Manage Risk (Public Funds): Use appropriate independent checks on suppliers based on value and risk to safeguard public finances.</p> <p>To our Customers: Ensure Suppliers are aware of (and commit to deliver) the Council’s obligations under health and safety, equality, safeguarding children and vulnerable adults and environmental sustainability, modern day slavery act, data protection.</p> <p>For Service Specific Spend: Service Managers to lead with Procurement support. Collaboration opportunities (internally and with other councils / organisations) to be tested wherever possible to establish benefit potential.</p> <p>For Corporate Wide Spend: Service Managers & Procurement (via Contract Relationship Officers) to jointly lead sourcing projects that effect many Council services with support of key users (by Service) to maximise the Council’s commercial impact (test collaboration with other councils or like-minded public sector organisations).</p>	<p>In Place</p> <p>In Place</p> <p>In Place</p> <p>In place</p> <p>In place</p>

² Updated as and when new thresholds are introduced under a new PPN.



5.3 Environment

The Council recognises it has a vital role in sustainable development, through its procurement of goods, works and services. Procurement decisions have a major socio-economic and environmental impact, both locally and globally, now and for future generations.

On 6 October 2021 NFDC declared a climate change and nature emergency for the district at our meeting of full Council. The announcement builds on our environmental and sustainability actions to further focus on outcomes that will provide positive benefits to the world-wide climate change agenda. For further details please see NFDC Website link below:

<https://newforest.gov.uk/climatechange>

The Council will strive to educate and train internal purchasers to consider **Sustainability and Climate Change** in their procurement projects as we seek to achieve **Net Zero**. The supply market will be encouraged to bring forward new or emerging **Processes and Technologies** with a proven positive impact upon the environment.

A **Targeted Approach** will be used to determine and target categories of works, goods and services that have an impact upon the environment. This will help ensure positive outcomes can be delivered through the procurement process (e.g. score impact upon the following: energy conservation, emissions to air, discharges to water, waste and social environment).

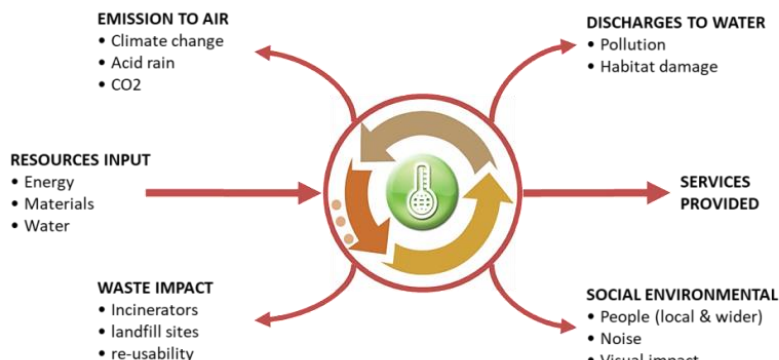
Suppliers tendering for Council contracts are required to set out below how their proposals contribute to the goals of the Councils Climate Change and Nature Emergency and specifically what innovations and improvements will be delivered from the start of contract and step changes to be delivered throughout the contract life cycle under the impact headings of nature, health, economy and social.

Our contract management processes will measure climate & nature emergency mitigations along with targets committed targets and deliverables through the contract life cycle.

The Council will tackle climate change and reduce waste in line with the UK Government National Procurement Policy Statement as set out in PPN 05/21.

- contributing to the UK Government's legally binding target to reduce greenhouse gas emissions to net zero by 2050
- reducing waste, improving resource efficiency and contributing to the move towards a circular economy;
- identifying and prioritising opportunities in sustainable procurement to deliver additional environmental benefits, for example enhanced biodiversity, through the delivery of the contract.

Environment Objectives	Improvement Goals	Action Plan
<p>Sustainability:</p> <p><i>Ensure procurement supports innovation that will reduce environmental impact to Air, Water and Land, in line with the Councils Climate Change and Nature Emergency programme.</i></p>	<p>Sustainable Procurement means that the Council meets the needs of the community for works, goods, services in a way that achieves value for money on a whole life basis in terms of generating benefits in the long term not only to the Council, but also to society and the economy, whilst minimising damage to the environment. Explore procurement opportunities to promote the local green economy and health and wellbeing.</p> <p>Identify Opportunities: Investigate opportunities across the supply chain for energy consumption reduction, emission output reduction, recycling, reduced usage, bulk delivery, co-delivery across services, nature benefits and better packaging.</p> <p>Evaluation of Suppliers: Ensure that Sustainability Criteria are part of the supplier evaluation process and are used in the award of contracts.</p>	<p>Ongoing</p> <p>Ongoing</p> <p>In place</p>
<p>Net Zero:</p> <p><i>For all of the emissions created by NFDC activities, we must find opportunities to offset and generate carbon benefit, to reach a balance of net zero emissions. Many of the impacts and opportunities to reduce our emissions will be found within our supply chains.</i></p>	<p>NFDC Carbon Contribution: NFDC is committed to reducing corporate and district-wide emissions (carbon dioxide and other greenhouse gasses), so we must ensure that any such emissions associated with the works, goods and services we procure is minimised or eliminated. A process is being developed to assist staff in the measurement and reporting of emissions and is scheduled to be introduced in 2024/25.</p> <p>Projects / Action Plan: The Climate and Nature Emergency Action Plan 2023 includes the requirement to embed carbon reduction as a priority within all council activities and decision-making processes, including procurement.</p>	<p>In design</p> <p>2024/25</p>
<p>Technology:</p> <p><i>Use our Procurement projects to explore, encourage and realise innovative ideas.</i></p>	<p>Environmental Specification: Wherever possible and practicable, specify a requirement in line with known UK environmental standards or allow suppliers to submit offers for environmentally friendly alternatives.</p> <p>Enable: Encourage the supply market to bring forward new/emerging design technology that has a positive and measurable impact upon the environment.</p>	<p>Ongoing</p> <p>Ongoing</p>

<p>Targeted Approach:</p> <p><i>Use a simple scoring method to grade and prioritise projects that improve our environment.</i></p>	<p>Impact Analysis: Carry out pre-procurement soft market testing to consider the costs and benefits of environmentally preferable materials, systems or services.</p> <p>Partnership: work with other South-East Region councils and agencies to maximise sustainable procurement gains.</p> <p>Sustainability considerations:</p> <ul style="list-style-type: none"> • Reduction of consumption where possible (Do we need it?) • Costs/benefits evaluated • Green options sought • Green design and supplier selection where available • Green deliveries and collections • Operational impact assessment • Green delivery of operational services • Reduction of packaging • End of Life Recycling/reuse/disposal of materials • Opportunities for co-delivery across services • Opportunities to improve nature <p>Consider Impacts on the Environment</p>  <p>EMISSION TO AIR</p> <ul style="list-style-type: none"> • Climate change • Acid rain • CO2 <p>DISCHARGES TO WATER</p> <ul style="list-style-type: none"> • Pollution • Habitat damage <p>SERVICES PROVIDED</p> <p>RESOURCES INPUT</p> <ul style="list-style-type: none"> • Energy • Materials • Water <p>WASTE IMPACT</p> <ul style="list-style-type: none"> • Incinerators • landfill sites • re-usability <p>SOCIAL ENVIRONMENTAL</p> <ul style="list-style-type: none"> • People (local & wider) • Noise • Visual impact 	<p>Ongoing</p> <p>Ongoing</p> <p>Monitor</p>
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5.4 Fairness

The Council is committed to promote fairness to all suppliers, stimulate local employment opportunities and encourage the **Local Economy** to bring forward ideas that could help the Council save money and deliver better services.

As a major purchaser of goods, services and works in the region the Council recognises the importance of **Transparency** in the communication of forthcoming tender / contract opportunities to promote local employment and the economy. The Council works with agencies such as the Federation for Small Businesses (FSB) and Chamber of Commerce to help SMEs decide if public sector contracts are right for them, if they are ready to tender and how they can submit the best possible proposals.

The Council recognises the opportunity procurement provides to influence the **Equality and Diversity** agenda. We are committed to ensuring that our major suppliers and contractors share our equality and diversity vision and values, and work to implement these. It is the responsibility of staff involved in procurement activities to ensure that equality is embedded in contracts and service provision.

Fairness Objectives	Improvement Goals	Action Plan
<p>Local Economy: <i>Engage with local economy small to medium sized businesses (SMEs), representative bodies (FSB/CoC) and Voluntary and Community Sector (VCS) Compact.</i></p>	<p>Engagement: NFDC’s Economic Development team and the Procurement team will work with local businesses and agencies such as the FSB and Chamber of Commerce to assist their understanding of how to obtain alerts and apply for Council contract opportunities. E.g. via Meet the buyer events, forums, training events, targeted information, etc.</p> <p>The Public Services (Social Value) Act (2012): UK legislation supports the delivery of equality outcomes through procurement. Public authorities have to actively consider how a service being procured might improve the economic, social and environmental wellbeing of the relevant area, consider its public and community obligations and determine how these outcomes and improvements are delivered through procurement.</p> <p><i>e.g. Consideration will be taken at the pre-procurement stage via consultations to assess the opportunity for community stakeholders, voluntary and community sector organisations and other interested parties to shape (or provide) the service.</i></p>	<p>In place</p> <p>Ongoing</p>
<p>Transparency: <i>Ensure the wider supplier base is aware of the Council’s</i></p>	<p>Communication via the Procurement Pipeline: Use clear communication channels to promote forthcoming contract opportunities to allow local SMEs or SME consortia to compete.</p>	<p>Apr25</p>

<p><i>opportunities and how we communicate upcoming contracts.</i></p> <p><i>Encourage ideas from suppliers that could help the Council.</i></p>	<p>Opportunity Notices: Advertise all contract opportunities in excess of £50,000 electronically via the South East Business Portal (SEBP) so that suitably qualified suppliers can register their interest online.</p> <p>Advance Notice: Economic Development and Procurement to work together to produce an online “Heads Up” list of lower value (below £50,000) opportunities which are specifically suited to SME or local suppliers.</p> <p>Extend e-tenders: Extend the use of e-tendering to lower value opportunities to encourage online through a restricted e-Quotation process where local and regional SMEs are targeted via a soft market testing exercise. Saving suppliers time and paper through use of e-Quotation and the Council can support the local economy.</p>	<p>In place</p> <p>In place</p> <p>Ongoing</p>
<p>Equality & Diversity:</p> <p><i>The Equality Act 2010 has laid out specific procurement criteria to be included in contracts and achieved through the procurement process.</i></p>	<p>Legislation: The Equality Act 2010: sets out anti-discrimination law and the requirements of the Public Sector Equality Duty (PSED). Compliance with the PSED ensures that Council procurement is fit for purpose and meets the needs of our customers.</p> <p>The Modern Slavery Act 2015 requires complete transparency in the sourcing of goods and services to ensure slavery, human trafficking and forced or compulsory labour does not occur at any point of the supply chain.</p> <p>The Council’s Equality and Diversity Objectives can be seen on our website; http://www.newforest.gov.uk/equalities</p> <p>Influence: Promote a positive approach to equality and diversity. In our procurement processes, we will make sure that we give our suppliers advice on equality issues and ensure that contracts reflect the outcomes required.</p> <p>Obtain Commitment: The Council expects its partners and suppliers to share its commitment to equal opportunities. Procurement can promote equality of opportunity and service delivery in those organisations that supply the Council or its residents.</p> <p>Increasing supplier diversity: Meet with potential new contractors and identify barriers to entry for smaller businesses by finding out why they do not respond to advertisements or invitations to tender.</p>	<p>In place</p> <p>In Place</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>

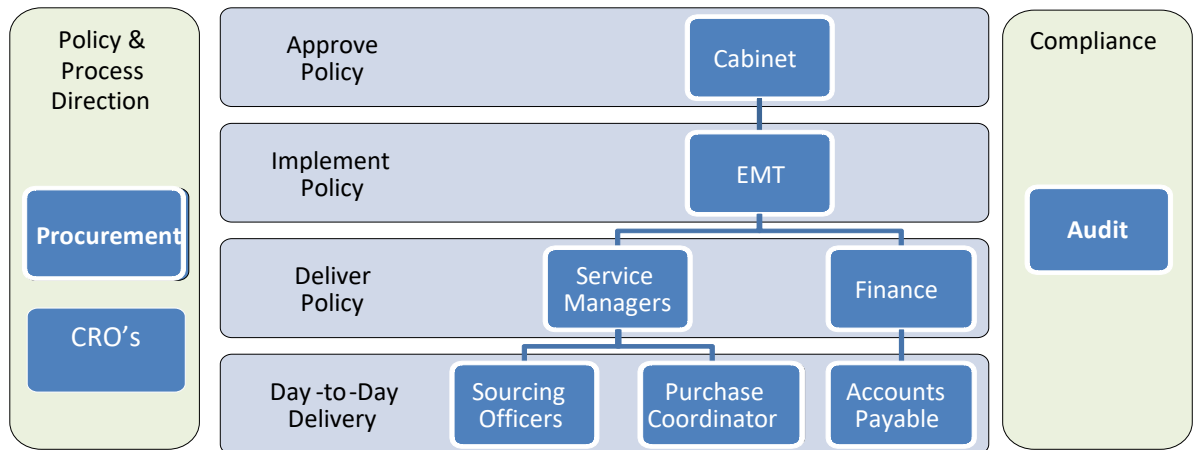
6 Procurement Organisation

6.1 Governance and Responsibility for Procurement

The **Council's Cabinet** is responsible for setting the overall Procurement Strategy. The **Executive Management Team (EMT)** is responsible for implementing the Council's Procurement Strategy. The **Procurement Team** provide policy and process direction to **Service Managers** (and their nominated Contract Administrators) for procurement projects.

The Council's Cabinet and Executive Management Team have approved the adoption of a **centre led Procurement network** that retains the benefits of a devolved structure whilst adding the direction and control required from centre. This ensures the Council:

- Complies with Public Sector Procurement legislation
- Achieves its corporate plan objectives
- Maintains effective supplier relationship management



6.2 Centre Led Procurement Network

The Council's centre-led approach to procurement, where the Service Manager (budget holder) and Strategic Procurement Team work together, combines technical and commercial skills while ensuring that all procurement rules are followed and good practice is established.

The approach covers the design, management and delivery in procuring; a) service specific contracts, b) corporate wide contracts and c) regional collaborative contracts.

The centre led procurement network model encourages:

- **Innovation** in procurement covering the following scenarios:
 - Doing procurement in an innovative way e.g. improving the process or tools used to help buyers and suppliers.
 - Enabling suppliers to offer innovative bids for what we are buying e.g. allow suppliers to offer new solutions.

- Encouraging innovation that may lie outside what we normally buy, e.g. products or services that can bring wider economic and service benefits for the District.
- **Collaboration** between Technical (Service Teams) and Commercial (Procurement, Finance and Legal) in-house teams and with other partners (local government, voluntary sector organisations etc.) to influence the supply market.
- **Contract Management** is the responsibility of the relevant Council Directorate and the Service Managers (budget holder). Typically, Procurement Contracts are assigned a “contract administrator” to manage day-to-day contract delivery. In 2023 the Council introduced a Contract Relationship Officer (CRO) for each of the three service directorates. The CROs report to Procurement but are deployed to work closely with Service teams to manage the end-to-end contract life cycle.
- **Consolidation** of spend wherever possible to maximise competitive opportunity.
- **Decision making** at operational level (by Service teams) whilst maintaining corporate process and legal compliance.

6.3 Partnerships in Procurement

Suppliers are essential to the Council's customer service delivery objectives. The Council aims to ensure that local suppliers are embraced and that their knowledge and service capabilities are utilised to improve services for the local community.

The Council also encourages an active two-way relationship with suppliers to continually improve its procurement approach. Suppliers and prospective suppliers to the Council are encouraged to support procurement developments by using online quotations / tenders as well as proactively proposing innovative ideas that could improve cost, quality and service.

E-tendering is fully operational and hosted via the South East Business Portal (SEBP) <https://sebp.due-north.com> for all contracts in excess of £25,000 for restricted e-quotations (and selected lower value projects) and above £50,000 for open e-tenders (advertised on SEBP and the Governments ‘Contracts Finder’ portal. For higher value tenders (in excess of UK PCR2015 thresholds) the contracts are also advertised on the UK Government ‘Find a Tender Service’ (FTS).

Economic Development of our region through the continued strong working links with representative bodies such as the **Federation of Small Businesses** and the regional **Chamber of Commerce** will enable engagement with suppliers to ensure a sustainable future in New Forest.

Inter Council Collaboration - The Council seeks to play a strong role in regional procurement collaboration in the Hampshire and Dorset regions as well as working with other like-minded Councils and Government Agencies to jointly procure contracts of mutual benefit, through shared resources and know-how. Historically, collaboration at regional level has given rise to a wide range of procurement projects (e.g. Insurance, Cash Collection, Tree Maintenance, Facility Management, etc.) and delivered savings of £5m+ since 2009.

6.4 Skills Development & Best Practice

Procurement will provide support and guidance to Officers through a set of common processes and tools that encourage skills development and knowledge transfer in order to deliver procurement projects for which they are accountable. As there is no 'one-way' for any project the need for prior planning and early engagement is essential to deliver best practice outcomes.

Procurement will develop and monitor methods to ensure efficient and effective Corporate Procure to Payment (P2P) processes that are understood and enacted across the Council.

7 General Information

7.1 Glossary of Contract Types

- **Works Contracts** - These contracts relate to construction, demolition, building and civil engineering work and completion work such as joinery, plastering and decoration. It includes major repairs or complete refurbishment. For example: building a new affordable housing scheme, refurbishing a leisure centre, resurfacing a car park, repairing a building roof, installing a heating system.
- **Goods Contracts** - These contracts relate to the purchase, hire, siting or installation of goods (sometimes referred to as Supplies), but not their maintenance. For example: equipment, clothing, vehicles and spare parts, office stationery, consumables, gas and electricity.
- **Services Contracts** - These contracts relate to the provision by a person or other entity to provide services. For example: consultancy agreements, provision of maintenance services, provision of professional services (e.g. legal / insurance) and provision of cleaning services.

END

Version Control

v1.00 Original issue

v2.00 Amended website links to SEBP in sections 3.1 and 4.3

v3.00 Amended PCR2015 UK/EU thresholds @ Jan 2020 in section 3.2

v4.00 Amended to reflect changes made to legislation following EU exit on 31.12.20

v5.00 Refresh Dec 2023

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