

North Tyneside Council

Report to Cabinet

Date: 18 March 2024

Title: Procurement Plan 2024-2025

Portfolio:	Finance and Resources	Cabinet Member:	Councillor Anthony McMullen
Report from Service Area:	Resources		
Responsible Officer:	Jon Ritchie, Director of Resources	Tel:	07581045261
Wards affected:	All wards		

PART 1

1.1 Executive Summary:

- 1.1.1 The Authority undertakes a wide variety of duties and delivers a vast range of services to the people of North Tyneside via third parties. In turn this means that the Authority continues to spend a significant proportion of its budget on goods and services. Following approval of the Procurement Strategy this report also provides an update on social value created through the Authority's supply chain.
- 1.1.2 In accordance with Contract Standing Order 8(5), as the procurements identified in Appendix 1 will exceed individually £500,000, this report seeks approval to proceed with relevant procurement exercises throughout the financial year and award contracts in accordance with UK public procurement legislation to the most advantageous tenders. This will ensure contracts are procured efficiently and ensure value for money is achieved.

1.2 Recommendations:

1.2.1 It is recommended that Cabinet:

- 1) approve the procurement of the goods and services as detailed in Appendix 1 of this report;
- 2) note the key achievements in social value for the Borough via procurement activity carried out in 2023 as set out in Appendix 2 of this report;
- 3) delegate authority to the relevant Director in consultation with the relevant Cabinet Member, Director of Resources and the Head of Law to commence the procurements identified and award contracts to those bidders who submit the most advantageous tenders in accordance with UK public procurement legislation.

1.3 Forward Plan:

1.3.1 Twenty-eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 16 February 2024.

1.4 Council Plan and Policy Framework

1.4.1 This report relates to the following priorities in the 2021 – 2025 Our North Tyneside Plan:

1.4.2 A Thriving North Tyneside; We will review how the Council purchases and contracts for goods and services to maximise value for money, social value and environmental sustainability.

1.5 Information:

1.5.1 Background

1.5.1.1 The Authority continues to spend a considerable sum on third party goods and services. The Authority's Constitution requires that prior to any procurement commencing which exceeds £500,000 Cabinet approval must be obtained. Once the budget is approved by full Council, the third-party requirements become known. The procurement exercises that will commence in the financial year 2024/2025 have been identified and are set out at Appendix 1 of this report, although it should be noted that the contract start dates may in some cases be in the subsequent financial year due to the procurement lead in time.

This approach will ensure timely procurements whilst continuing to maintain value for money.

- 1.5.1.2 The Authority has sought Social Value within its contracts since the implementation of the Public Services (Social Value) Act 2012. However, following the adoption of the Procurement and Commercial Strategy the Authority has strengthened how it works with its suppliers to jointly deliver this key aspect when procuring goods and services. Environmental, Social and Governance (ESG) suppliers are already obliged to deliver Social Value to minimise the impact they have on the environment whilst at the same time maximising benefits for the local economy. Through its Procurement and Commercial Strategy the Authority ensures that when working with private sector suppliers there is a commitment by those suppliers to deliver Social Value within the Borough.
- 1.5.1.3 Following adoption of the Council Plan 2021-2025, the Authority updated its Social Value priorities in March 2022, and these are contained within the Authority's Procurement and Commercial Strategy 2022-2025. The Authority's Social Value Priorities and subsequent outcomes used to measure Social Value follows the priorities within the Our North Tyneside Plan: Thriving, Family Friendly, Secure, Caring and Greener.

1.5.2 Procurement Process

- 1.5.2.1 The Authority adopted its Procurement Strategy in March 2022. Utilising the Social Value principles within the Procurement and Commercial Strategy, the Authority will continue to gain commitments from suppliers which align with the policy priorities of the Mayor and Cabinet. This will include a greener target embedded to support the Authority's target to be carbon net-zero by 2030. The Authority's tendering process will be streamlined, and better information will be provided to the market as part of the process. Where appropriate, lower value tenders will be issued. The Authority has seen an increase in the number of Small and Medium Enterprises (SME's) and local suppliers that it procures with. The procurement exercises due to commence in 2024/25 will continue to give SME's and local suppliers the chance to work with the Authority, and in doing so enable and encourage smaller businesses to compete with larger suppliers. Working with the Business Forum and the North East Procurement Organisation (NEPO), bespoke workshops will be developed to support SME's. The principles set out in the Authority's Responsible Procurement Charter will be embedded in the tender requirements.

1.5.2.2 The relevant service area will develop tender packages and robust specifications to ensure that the Authority is protected in terms of financial and commercial risk. The duration of the contract will be considered to help shape new and emerging markets; lessons learned from any previous contracts will be considered when developing the tender package. Relevant existing frameworks will be explored if appropriate to the contract. Collaborative regional working will be explored if appropriate to the contract. The contract award criteria will be developed considering social value as appropriate.

1.5.3 Consultation

1.5.3.1 Consultation prior to commencing a procurement with the relevant Cabinet Members is key and this will ensure that the Authority's priorities are achieved through its contracting arrangements. The Authority's finance team will be engaged to identify any budgetary risks associated with the delivery of the service and any potential mitigations. Its legal team will review the terms and conditions for each procurement to ensure the Authority mitigates any commercial risk. Consultation and engagement with the market and any relevant associations will take place to ensure that the offer to the market is attractive and that a market exists to deliver the goods and services.

1.5.4 Award of contracts

1.5.4.1 An evaluation team consisting of subject matter experts and the procurement team will evaluate each bid received against the published award criteria and in accordance with UK public procurement legislation. Prior to award of any contract the evaluation result will be provided to the Director of Service to approve the award together with financial assurance that the contract value will remain within existing budgets.

1.5.5 Social Value and Contract Management

1.5.5.1 The Authority's Social Value Priorities and subsequent outcomes used to measure Social Value follow the priorities within Our North Tyneside Plan: Thriving, Family Friendly, Secure, Caring and Greener.

1.5.5.2 Social Value requirements have been an important aspect of the procurement process since The Public Services (Social Value) Act 2012 came into effect and this has directly resulted in benefits for communities across the Borough. It has proven a challenging task however, to ensure that the commitments made through the procurement process are upheld throughout the contract period.

Work is currently being undertaken to ensure that Social Value is monitored and measured effectively through the Authority's contract management toolkit. The Authority's contracted suppliers will each have their own corporate social responsibility approaches and through contract management work the Authority will continue to shape their social value objectives towards the policy priorities of the Mayor and Cabinet.

1.5.5.3 Social Value gained for the Borough continues to be monitored and reported to Cabinet twice per year.

1.5.5.4 Suppliers have worked with the North Tyneside Learning Trust to support the World of Work events including mock interviews and career speed dating.

1.5.6 Social Value Commitments

1.5.6.1 Social Value commitments made by contractors and suppliers have been closely reviewed this year. The Procurement/Commercial Team work closely with both North Tyneside VODA and the North Tyneside Learning Trust to identify voluntary groups, schools and local organisations who could benefit as a result.

1.5.6.2 Since March 2022, the updated Social Value Matrix has been utilised in 46 procurements across all service areas which has enabled the Authority to engage with the supply chain and review feedback on its procurement process. Each of these procurements required at least one greener commitment to be made. Commitments have been made by the successful contractors which are being monitored across the contract period.

1.5.6.3 Recently Social Value presentations have been held which has encouraged suppliers to gain further knowledge on this issue, identify specific local organisations that they can help, whilst potentially improving their social value responses when applying for tenders locally and nationwide. The Procurement and Commercial Team will continue to engage with the Authority's Contractors and Suppliers during the 2024/2025 financial year.

1.5.6.4 Further details are set out at Appendix 2 of this report.

1.6 **Decision options:**

1.6.1 The following decision options are available for consideration by Cabinet:

1.6.2 Option 1

Cabinet may approve the recommendations set out in paragraph 1.2 to carry out the necessary procurement exercises during the 2024/2025 financial year and give appropriate delegated authority to the Directors of Service.

1.6.3 Option 2

Cabinet may not approve the recommendations and continue to consider individual reports for each package of works and/or services. This may delay implementation of essential services and works being carried out.

1.6.4 Option 1 is the recommended option.

1.7 **Reasons for recommended option:**

1.7.1 Option 1 is recommended for the following reasons:

1.7.2 The Authority has a duty to obtain value for money. Tendering the opportunities identified in the report will meet the priorities contained within the Procurement Strategy and Our North Tyneside Plan.

1.8 **Appendices:**

1.8.1 Appendix 1: Procurement Plan March 2024-2025

Appendix 2: Social Value Updates March 2024

1.9 **Contact officers:**

1.9.1 Jon Ritchie – Director of Resources. Tel 07581045261

Sarah Heslop – Head of Commercial Services. Tel 0191 6435456

Malcom Williams – Commercial Manager. Tel 0191 643 7794

1.10 **Background information:**

1.10.1 There are no background papers.

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

1.11 Finance and other resources

- 1.11.1 The procurement of suppliers and contractors to complement the Authority's delivery needs is a critical part of the process to enable the successful delivery of key services.
- 1.11.2 The budgets to pay for the costs of suppliers of goods and services are provided for either via the Housing Revenue Account, the General Fund or the Capital Investment Plan.

1.12 Legal

- 1.12.1 The procurements shall be carried out in compliance with the Authority's Contract Standing Orders and Public Procurement Regulations 2015 and all other procurement legislation that may be enacted or in force from time to time.

1.13 Consultation/community engagement

1.13.1 Internal Consultation

Consultation has been carried out with Cabinet Members.

1.13.2 External Consultation/Engagement

Consultation will take place with relevant business associations regarding the tender opportunities. Where appropriate market engagement events will be undertaken prior to the tender process commencing.

1.14 Human rights

- 1.14.1 There are no human rights issues directly arising from this report. Any potential implications will be considered before a decision is taken.

1.15 Equalities and diversity

- 1.15.1 There are no equality and diversity issues which arise directly from this report. Equality and diversity issues will be assessed when developing the individual service specifications and before any decision to award individual contract is taken.

1.16 Risk management

1.16.1 Any risk management issues are included within the Authority's risk register and will be managed by this process.

1.17 Crime and disorder

1.17.1 There are no crime and disorder issues directly arising from this report.

1.18 Environment and sustainability

1.18.1 Where appropriate tenderers will be obliged to commit to social value outcomes including, for example, carbon reduction and recycling to support the Carbon Net-Zero 2030 Action Plan.

PART 3 – SIGN OFF

- Chief Executive X
- Director of Service X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Assistant Chief Executive X