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# South Somerset District Council

**Thursday 21st October 2021**

**6.30 pm**

**Westlands Entertainment Venue  
Westbourne Close  
Yeovil  
BA20 2DD**

(disabled access and a hearing loop are available at this meeting venue)



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All members of Council are requested to attend this meeting

If you would like any further information on the items to be discussed, please contact the Democratic Services Specialist on 01935 462148 or [democracy@southsomerset.gov.uk](mailto:democracy@southsomerset.gov.uk)

Any members of the public wishing to address the meeting at Public Question Time need to email [democracy@southsomerset.gov.uk](mailto:democracy@southsomerset.gov.uk) by 9.00am on Wednesday 20 October 2021 so we can ensure safe social distancing at the meeting.

This Agenda was issued on Wednesday 13 October 2021.

*Jane Portman, Chief Executive Officer*

This information is also available on our website  
[www.southsomerset.gov.uk](http://www.southsomerset.gov.uk) and via the Modern.Gov app



# South Somerset District Council Membership

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Mike Best  
Neil Bloomfield  
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William Wallace  
Colin Winder

## Information for the Public

The meetings of the full Council, comprising all 60 members of South Somerset District Council, are held at least 6 times a year. The full Council approves the Council's budget and the major policies which comprise the Council's policy framework. Other decisions which the full Council has to take include appointing the Leader of the Council, members of the District Executive, other Council Committees and approving the Council's Constitution (which details how the Council works including the scheme allocating decisions and Council functions to committees and officers).

Meetings of the Council are scheduled to be held monthly at 6.30 p.m. on the third Thursday of the month in the Council Offices, Brympton Way although some dates are only reserve dates and may not be needed.

The agenda, minutes and the timetable for council meetings are published on the Council's website – [www.southsomerset.gov.uk/councillors-and-democracy/meetings-and-decisions](http://www.southsomerset.gov.uk/councillors-and-democracy/meetings-and-decisions)

Agendas and minutes can also be viewed via the modern.gov app (free) available for iPads and Android devices. Search for 'modern.gov' in the app store for your device and select 'South Somerset' from the list of publishers and then select the committees of interest. A wi-fi signal will be required for a very short time to download an agenda but once downloaded, documents will be viewable offline.

## **Public participation at meetings (held in person and via Zoom) Public question time**

We recognise that these are challenging times but we still value the public's contribution to our meetings. If you would like to participate and contribute in the meeting, we would encourage you to please join on-line through Zoom at: <https://zoom.us/join>  
You will need an internet connection to do this.

Please email [democracy@southsomerset.gov.uk](mailto:democracy@southsomerset.gov.uk) for the details to join the meeting.

If you would like to view the meeting without participating, please see:  
[https://www.youtube.com/channel/UCSDst3IHGj9WoGnwJGF\\_soA](https://www.youtube.com/channel/UCSDst3IHGj9WoGnwJGF_soA)

The period allowed for participation in Public Question Time shall not exceed 15 minutes except with the consent of the Chairman and members of the Committee. Each individual speaker shall be restricted to a total of three minutes.

If you would like to attend the meeting in person and speak at Public Question Time, please email [democracy@southsomerset.gov.uk](mailto:democracy@southsomerset.gov.uk) by 9.00am on Wednesday 20 October 2021. We need to know how many public are attending to ensure safe social distancing at the meeting. When you have registered, the Chairman will invite you to speak at the appropriate time during the meeting.

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# South Somerset District Council

## Thursday 21 October 2021

### Agenda

#### 1. Apologies for Absence

#### 2. Minutes

To approve and sign the minutes of the previous meeting held on Thursday, 16<sup>th</sup> September 2021 and also the minutes of the Council meeting held on Thursday 19<sup>th</sup> November 2020.

#### 3. Declarations of Interest

In accordance with the Council's current Code of Conduct (as amended 26 February 2015), which includes all the provisions relating to Disclosable Pecuniary Interests (DPI), personal and prejudicial interests, Members are asked to declare any DPI and also any personal interests (and whether or not such personal interests are also "prejudicial") in relation to any matter on the Agenda for this meeting.

Members are reminded that they need to declare the fact that they are also a member of a County, Town or Parish Council as a Personal Interest. Where you are also a member of Somerset County Council and/or a Town or Parish Council within South Somerset you must declare a prejudicial interest in any business on the agenda where there is a financial benefit or gain or advantage to Somerset County Council and/or a Town or Parish Council which would be at the cost or to the financial disadvantage of South Somerset District Council.

#### 4. Public Question Time

#### 5. Chairman's Announcements

*Items for Discussion*

#### 6. Chairman's Engagements (Page 6)

#### 7. Appointment of a Chief Finance Officer (Section 151 Officer) (Pages 7 - 10)

#### 8. Procurement Strategic Framework and Revised Standing Orders (Pages 11 - 106)

#### 9. Notification of a Decision taken under delegated powers in respect of a Dispensation for a Councillor (Page 107)

#### 10. Report of Executive Decisions (Pages 108 - 110)

#### 11. Audit Committee (Page 111)

#### 12. Scrutiny Committee (Page 112)

**13. Motions** (Pages 113 - 116)

**14. Questions Under Procedure Rule 10**

There were no questions submitted under Procedure Rule 10.

**15. Date of Next Meeting** (Page 117)



## **Chairman's Engagements**

### **October**

The Chairman will be visiting Fairmead School on Friday 22<sup>nd</sup> October, to celebrate the opening of their new school buildings.

### **November**

The Chairman is hoping to attend Remembrance Sunday services in both Yeovil and Ilminster, tbc.

On Thursday 25<sup>th</sup> November the Chairman will be attending the Somerset County Council Chairman's awards being held at Taunton Rugby Club.

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## Appointment of a Chief Finance Officer (s151 Officer)

Executive Portfolio Holder: Peter Seib, Finance and Legal Services  
Director: Nicola Hix, Director of Strategy & Support Services  
Contact Details: nicola.hix@southsomerset.gov.uk or 01935 462612

## Purpose of the Report

1. The purpose of this report is to seek approval for the appointment, on a fixed term basis, of one of the Council's Statutory Officer Roles, the Section 151 Officer.

## Forward Plan

2. This report did not appear on the Full Council Forward Plan as the arrangements required to make the existing interim appointment into a fixed term appointment arose after the date of the last meeting.

## Public Interest

3. There is a legal requirement for the Council to appoint three "Statutory Officers". These are the Head of Paid Service (Chief Executive), the Monitoring Officer, and the Section 151 Officer / Chief Finance Officer (CFO). The latter has a number of statutory duties and responsibilities relating to the council's financial strategy and the arrangements for effective financial management and governance, as well as being the Council's most senior financial adviser.

## Recommendations

4. Council is recommended to:
  - a) Formally appoint Karen Watling as Chief Finance Officer (S151 Officer) with effect from 1<sup>st</sup> November 2021 to 31<sup>st</sup> March 2023 on a 17 month fixed term contract at an annual salary of £109,000.
  - b) Agree that the additional budget required in this financial year to fund this appointment and the cost of the existing interim arrangements, of £106,665, is funded from the MTFP Support Fund earmarked reserve (see paragraph 23).
  - c) Agree that the additional budget required to fund this appointment for next financial year, of £52,082, is approved as a growth item to the 2022/23 budget (see paragraph 23).

## Background

5. Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs and appoint an officer to have responsibility for those arrangements.
6. The CFO's duties must be carried out personally and it is recommended that they nominate a person to act in their absence or when ill as per section 114(6) of the Local Government Finance Act, 1988.
7. The officer appointed in this role must, by virtue of section 113 of the Local Government Finance Act 1988, be a member of a specified accountancy body. This officer is therefore bound both by professional and ethical standards and also by specific legislative responsibilities.

## Appointment of a Chief Finance Officer (S151 Officer)

8. Following the resignation of the last permanent S151 Officer in February 2021, the Council approved at its March 2021 meeting to appoint Karen Watling as the interim S151 Officer for a period of six months (ending 8<sup>th</sup> September 2021).
9. The contract for this interim arrangement has been extended past this date in order to allow the new Chief Executive, who started in August 2021, time to consider the work and consequent time commitment required from the post holder, particularly in light of the increasing work load arising from the local government reorganisation, and the best way of filling the role.
10. This review has been carried out, and on this basis, it is recommended to Council that Karen Watling is appointed to undertake the S151 role on a fixed term basis (starting 1<sup>st</sup> November 2021 until 31<sup>st</sup> March 2023) at an annual salary of £109,000.
11. It is also recommended to change the title of the S151 Officer role to Chief Finance Officer (S151) in order to emphasise that the post holder is the most senior financial adviser to the Council.
12. The rationale for this proposal is as follows:
  - Karen now has a detailed knowledge of the council's finances and ways of working and that knowledge base would need to be built up again by any new post holder. Moreover she has played a key role in putting the regeneration programme's finances onto a more robust basis and is currently enhancing the way the budget estimates are prepared and reported.
  - It is unlikely that SSSC could attract a suitable candidate to fill a permanent appointment for 18 months and even if this were to be successful the



## South Somerset District Council

recruitment process would take time: rather the likelihood is that if the Council sought a new post holder then that would need to be another interim appointment.

- Karen is an experienced S151 Officer and is a full member of the Chartered Institute of Public Finance & Accountancy (CIPFA), with a wealth of experience in local government, having previously worked within a number of District and London Councils.

### Financial Implications

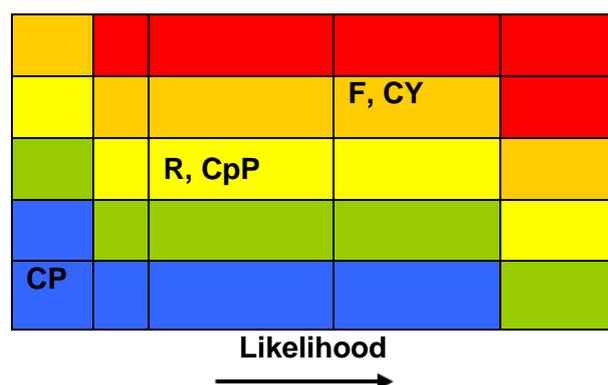
13. The existing 2021/22 budget for the role is £71,960 (including National Insurance and Employer Pension contributions) based on a 0.8 FTE (Full Time Equivalent) post at grade 12.
14. The current contract with Karen Watling as an interim costs £826 per day (which includes £126 per day for the agent's fees) on a four day a week basis (0.8 FTE). A fifth day is occasionally worked subject to need and the prior agreement of the Director of Support Services & Strategy. Actual expenditure on this interim contract to the end of September is £83,621. Further expenditure for the last month of this interim contract will be in the range of £14,042 to £16,520 depending on the number of days needing to be worked.
15. The proposal is for a fixed term contract for 17 months at an annual salary of £109,000, for a five day working week (1 FTE), and with 30 days holiday entitlement. The contract does not include the Council making any Pension Fund contributions for the post holder. The yearly cost therefore including Employer's National Insurance contributions is £124,042.
16. The council is also contractually obliged to pay an "introductory fee" to the agent which has been negotiated down from the 33% of annual salary cost included in the interim contract terms and conditions to 20%. The cost of this is therefore £21,800 and will be payable in this financial year.
17. The value for money arising from the council awarding this fixed term contract should not be compared with the existing budget provision of £71,960 for a permanent post holder, as it is unlikely that the council would be successful in recruiting to the permanent role. Rather the yearly cost of the fixed term appointment, of £124,042, should be compared to the cost of continuing with the existing interim arrangements, and working a five day week, of £183,372.
18. The total costs of this proposal for this and next financial year, and the additional budget needing to be approved by Council to fund the appointment, are summarised in the table below.

	<b>2021/22 Estimate</b>	<b>2022/23 Estimate</b>
Cost of interim arrangements to end of October 2021	£105,141	0
Introduction fee to agent	£21,800	0
Fixed Term contract	£51,684	£124,042
<b>Total cost</b>	<b>£178,625</b>	<b>£124,042</b>
Additional budget required over current approved budget of £71,960	£106,665	£52,082

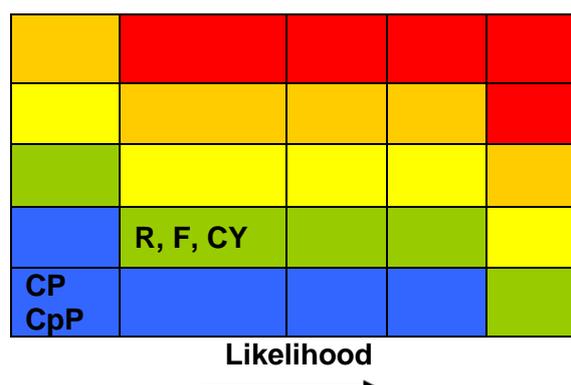
## Risk Matrix

19. The risk matrix below represents the risk assessment of the proposal before and after officer recommendations

**Risk Profile before officer recommendations**



**Risk Profile after officer recommendations**



## Key

Categories	Colours (for further detail please refer to Risk management strategy)
R - Reputation	High impact and high probability
CpP - Corporate Plan Priorities	Major impact and major probability
CP - Community Priorities	Moderate impact and moderate probability
CY - Capacity	Minor impact and minor probability
F - Financial	Insignificant impact and insignificant probability

## Background Papers

Appointment of Interim S151 Officer Report to Full Council in March 2021

## Procurement Strategic Framework and Revised Standing Orders

Executive Portfolio Holder:	Peter Seib, Finance, Legal and Democratic Services
Strategic Director:	Nicola Hix, Director, Strategy and Support Services
Lead Specialist:	Brendan Downes, People Performance and Change
Lead Officers:	Lynda Pincombe, Procurement Specialist Brendan Downes, People Performance and Change
Contact Details:	Lynda.pincombe@southsomerset.gov.uk or 01935 462614

## Purpose of the Report

1. To present the following draft suite of procurement documents to members for adoption:
  - Revised Contract Standing Orders
  - Procurement Strategy
  - Social Value Policy
  - Contract Management Framework

## Public Interest

2. Procurement is the process of acquiring goods, works and services from third parties.
3. In 2021, the total procurement spend for SSDC was just under £19.2million so even small cost reductions can have a big impact. Therefore, it is important to have clear plans and guidance in place in relation to the Council's procurement process to help the Council achieve optimum value for money for the public purse from the procurement process, including contract management.
4. Procurement can assist Council's to achieve better outcomes for their residents. It can deliver benefits to our communities and local economy through specifying additional social value and engaging with local companies and voluntary sector groups.
5. The Council is required by law to have procedure rules (known as Contract Standing Orders) to ensure competition and regulate the procurement process.

## Recommendations

6. That Full Council agree to:-
  - a. Adopt the following procurement documents:
    - Revised Contract Standing Orders
    - Procurement Strategy
    - Social Value Policy



and update the Council's Constitution accordingly.

- b. Delegate authority to the Monitoring Officer in consultation with the Portfolio Holder to make minor amendments to the Contract Procedure Rules, provided any such amendments are reported to the next appropriate meeting of Council.

## Background

7. In 2018 the Local Government Association (LGA) published a revised National Procurement Strategy (NPS). The national strategy provides guidance and a toolkit to assist local authorities to develop their own procurement competencies in order to achieve better outcomes for their residents at a time when obtaining value for money and 'doing more for less' is increasingly important. Adopting good practice identified through engagement with the South West Procurement Board and neighbouring authorities, a series of approaches and interventions have been developed and implemented since 2018. These tactical and strategic approaches have enabled SSDC's procurement delivery, progressed the authorities compliance position and alignment to the national procurement strategy. The suite of documents supporting this paper now seek to formally embed these approaches as well as set out the next stage of the roadmap to align with the identified themes in the NPS 2018.
8. This suite of documents articulates how the Council's procurement function operates in compliance with the Public Procurement Regulations 2015 (PCR2015), Transparency requirements and the Social Value Act 2012, as well as supporting the delivery of our corporate objectives and key strategies.

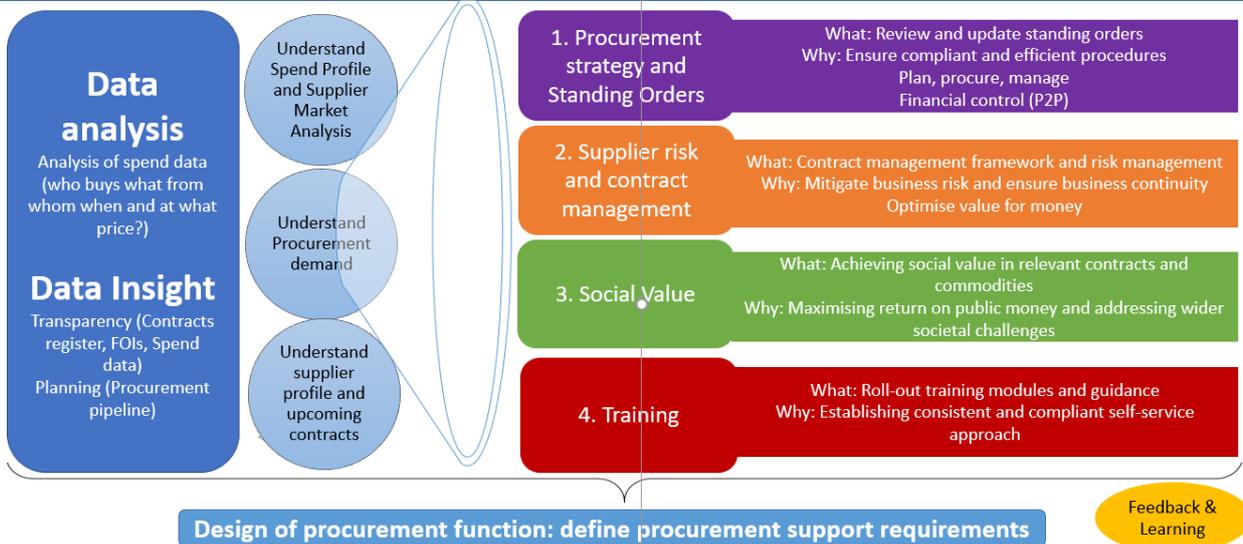
## Report Detail

9. The suite of documents establishes the parameters and guidance for how procurement operates at SSDC and how as an authority we are embedding the principles of good practice set out in the NPS 2018 and supporting delivery of the corporate objectives. Formal approval of this framework is now sought to enable us to move into the training phase of the roadmap.
10. The table below summarises the framework that officers have developed. The key features of each of the framework documents are detailed below and attached in full as appendices.

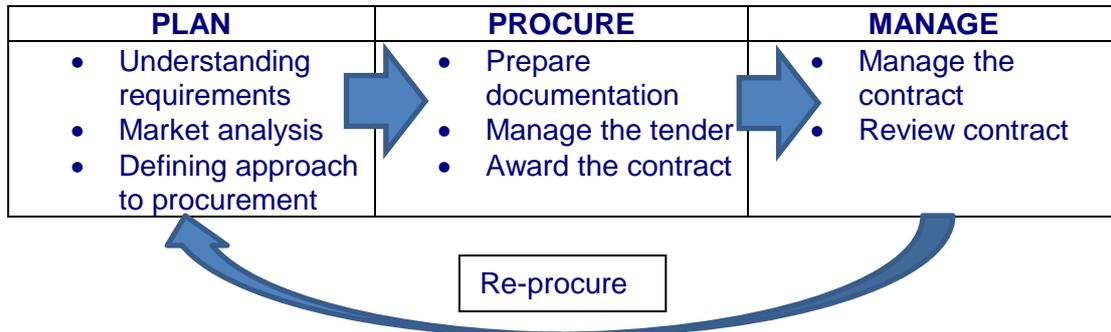


**Procurement strategy Contract procedure rules Social Value strategy Contract management framework**

1. Refresh, simplify and embed effective and compliant procurement processes in line with emerging legislative framework
2. Develop a risk-based approach to contract and strategic supplier management
3. Embed approach to Social Value through procurement in support of the Recovery Strategy
4. Building SSDC competence and capability throughout the commercial lifecycle to support a self-service approach



## Key features of the revised Contract Standing Orders



11. The document sets out the legal and regulatory parameters that Officers must operate to and provides a framework for procurement activity based on value, complexity and risk of individual procurement activity. Typically, the greater the value, complexity and risk, the more important a project or programme will be and the more robust and rigorous a process is required to successfully set up, procure and manage contracts relating to it.
12. Below the PCR2015 thresholds (for Goods and Services, the current PCR2015 threshold is £189,330 and it is £4,733,252 for Works contracts), there will be flexibility on the requirements from bidders depending on the value, complexity and risk of the contract. This will be agreed in consultation with the Procurement Specialist.
13. Key Officer responsibilities are made clear across the procurement lifecycle. Specific guidance and training to support Officers is being developed and refined following feedback during Q3 2021. There are three strands to the training and guidance:



- a. Upskilling the specialist procurement team, including the Procurement Specialist new to the post, and the supporting Case Officers that will partner with specific business areas to provide focused procurement support
- b. General upskilling to support the self-service model. The default approach to procurement activity will be self-service supported by the procurement specialist staff where required and based on value, complexity and risk of the procurement activity.
- c. Developing a focus on contract management capability across SSDC organisation is an important tool in delivering value from existing contracts which will be a key requirement moving into Local Government Reorganisation.

## **Procurement Strategy**

14. The draft procurement strategy sets out our vision and our priorities for the period leading to the formation of a new Authority. The Procurement Strategy:
  - incorporates the latest government procurement legislation and initiatives
  - brings a focus to the objective of providing quality services that support the delivery of strategic priorities
  - enables responsiveness to the needs of our communities
  - enables delivery of optimum value for money.
15. The strategy articulates and seeks to formalise existing practice as well shaping an action plan for the forthcoming year. This action plan will be reviewed by the Lead Specialist – People Performance and Change and the Procurement Specialist on a quarterly basis and will be amended to respond to any emerging changes through local government reform or procurement legislation.
16. The key aims of the procurement strategy are to:
  - Refresh, simplify and embed effective and compliant procurement processes to support strong commercial outcomes and risk management.
  - Embed contract and strategic supplier management: working with internal and external partners, and strategic suppliers to deliver more efficient and effective commercial outcomes.
  - Embed approach to Social Value by developing enabling activity.
  - Develop SSDC competence throughout the commercial lifecycle to support a self-service approach.
17. To enable delivery of our self-service model, procurement business partnering is being introduced to support directorates, and officers will be trained to the required level of competency.

18. Social value is about improving economic, social and environmental wellbeing from SSDC contracts over and above the delivery of the services directly required at no extra cost. Used properly, additional social value can be beneficial to local stakeholders, suppliers and councils and represents a joint effort to exploit maximum value from procurement. This can bring direct benefits to the South Somerset economy, local communities and the environment.
19. Councils that have fully included social value requirements have shown it is possible to generate up to 20 per cent added value on top of contract value by way of direct community benefits. This added value is measured quantitatively using a national framework of measures which is aligned to the Government Green Book. The South Somerset Social Value Policy adopts this methodology in seeking to bring these direct benefits to South Somerset.

### **Key Features of the Social Value Policy:**

20. The draft Social Value policy seeks to promote the following aims through South Somerset's procurement activity:
- Support the future prosperity of South Somerset, its businesses and all its citizens
  - Enhance social opportunity and cohesion in a dynamic and changing business environment
  - Help to develop improvements for disadvantaged neighbourhoods and people
  - Create and maintain a sustainable, clean, safe and attractive environment for living, work and leisure
21. Delivery of the draft Social Value policy will support all five Themes of the Council Plan and in particular the ambition to "Embed Social Value into all processes and activities to ensure we maximise the support we give to our communities".
22. The Council will periodically review its Social Value Policy in consultation with key stakeholders. In doing so it will take into account any changes in legislation pertaining to the Social Value Act 2012, Public Contracts Regulations and the Council Plan.

### **Contract Management Framework**

23. A significant level of the organisation's budget is spent on external third-party service providers.
24. The reliance and dependency on external market solutions has increased and therefore, the performance of these supply markets is vital to council in achieving its strategic aims both in terms of service quality and managing and balanced budget.
25. Public Sector contracts are increasing in commercial complexity and size typically this increased contract duration and sourcing difficulties. Managing commercial relationships



## South Somerset District Council

is a vital competence to ensure that quality, service and cost outcomes are met or exceeded.

26. The framework aims to:

- To embed a consistent, risk based approach to Contract Management across the organisation that can be applied to all external third-party relationships.
- To increase awareness of contract management activity and its contribution to the organisations future agenda by;
  - a. Developing a culture of continuous improvement internally and across the supplier base;
  - b. Enabling contract managers to understand how they can contribute to securing benefits such as sustainability or better local economic, social and environmental benefits (social value) and savings;
  - c. Ensuring that there is a strong linkage between commissioning strategies incorporating good procurement and contract management practices across the business.
- To recognise the distinctive commercial skills and capabilities that good contract management requires and ensure these are embedded as business as usual and factored into new business activity.
- To provide the necessary guidance and training on contract management processes.

27. This framework and its deployment across the Organisation will be owned and managed by the Procurement Function, with sponsorship and executive oversight by Director of Strategy & Support Services.

28. Following feedback from Senior Leadership Team, it was agreed that Contract Management should have an increasing focus and prioritisation with respect to upskilling in the organisation. As a result of the Local Government Review decision, there will be a reduction in tender activity in the coming period and SSDC will need to ensure that existing contracts continue to offer value for money. A plan for delivering a contract management training programme has now been developed and is summarised below:

- Using our Contract Management Framework those contracts classified as Gold or Silver have been reviewed and contract managers identified. These contract managers will be invited to complete an internal SSDC introductory course in contract management and will also be supported in completing the accredited Cabinet Office Contract Management Foundation course during quarter 3, 2021.
- The training programme for the Procurement team has now commenced and the team are upskilling across the Plan, Procure and Manage stages of the Procurement Cycle. The Plan, Procure and Manage stages within the CSO's will accordingly be supported by training and guidance materials. The guidance will reflect SSDC requirements for delivery of procurement activities across the lifecycle and will be delivered in quarter 3, 2021.

## Summary

29. The documents will be kept under periodic review to address any changes required during the period of Local Government Reform and the UK withdrawal from the EU.
30. The documents will have a shelf life aligned to the programme of transfer to the new authority.

## Financial Implications

31. There are no new financial implication arising from this report. The training requirements of the Procurement Function will be met from existing budgets.

## Legal implications (if any) and details of Statutory Powers

32. Revised Contract Standing Orders will need to be incorporated within SSDC Constitution, when approved.
33. Contract Standing Orders will be kept under review to respond to any legislative changes following UK withdrawal from the EU.

## Council Plan Implications

34. The adoption of procurement framework documents supports the following Council Plan priority areas:
- To ensure a modern, efficient and effective council that delivers for its communities,
  - To assist businesses to recover from the Covid-19 pandemic whilst supporting growth within the South Somerset economy

## Carbon Emissions and Climate Change Implications

35. No implications directly related to this report.

## Equality and Diversity Implications

36. Equalities Impact Relevance Check completed.

## Privacy Impact Assessment

37. Not applicable.

## Background Papers

38. Not applicable



- Revised Contract Standing Orders
- Procurement Strategy and related Appendix 2 Procurement Spend Analysis 2020-2021
- Social Value Policy
- Contract Management Framework



**South Somerset**  
District Council

# **Procurement Strategy**

## **2021-2023**

DRAFT

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Table 1 - Revision History

<b>VERSION</b>	<b>CHANGE</b>	<b>DATE</b>
1.00	DRAFT FOR COMMENT BY LMT – BRENDAN DOWNES	30/06/2020
2.00	REVISIONS FOR COMMENT – MICHAEL O’HALLORAN AND REVIEW BY S151 OFFICER	29/10/2020
3.00	REVISIONS TO ACTION PLAN	17/08/2021

DRAFT

## 1. PURPOSE OF THIS DOCUMENT

This document describes what South Somerset District Council will do to ensure our procurement activities support the delivery of our Council Plan and corporate priorities. It provides all stakeholders with the principles that will direct procurement practices and explains the changes and actions planned to take place across the whole procurement lifecycle over the next three years.

Our key objectives are to:

1. Refresh, simplify and embed effective and compliant procurement processes to support strong commercial outcomes and risk management.
2. Embed contract and strategic supplier management, working with internal and external partners, and strategic suppliers to deliver more efficient and effective commercial outcomes.
3. Embed approach to Social Value by developing enabling activity. This includes developing and embracing socially responsible and sustainable procurement, by engaging with local and regional suppliers to promote the local economy and taking account of the social, economic and environmental impact of spending decisions.
4. Develop the SSSC infrastructure, including people and processes, throughout the commercial lifecycle to support a self-service approach.

The strategy is informed by the National Procurement Strategy, The Public Contracts Regulations 2015 and the Local Government Transparency Code 2015 (please refer to appendix 1: Transparency requirements).

## 2. INTRODUCTION

### 2.1 PURPOSE OF THE PROCUREMENT STRATEGY:

The strategy sets out our vision and our priorities for the next three years to 2023 incorporating the latest government procurement legislation and initiatives.

We aim to provide quality services that are responsive to the needs of our communities and deliver optimum value for money.

The strategy sets out how we aim to achieve this over the longer term and includes an action plan for the forthcoming year which will be reviewed on a quarterly basis by (S&C management) with a revised action plan produced each year.

This strategy recognises that some procurements are more complex than others with varying supply markets and levels of expenditure, and the feasibility of deployment of the principles set out in the strategy must be in context to specific procurement events.

However, by consideration and adaption of the strategy to individual procurements we can expect to improve the quality of the goods, services and works which we purchase, achieve value for money and make the savings necessary to support the austerity measures, as well as achieve the strategic priorities as identified in the council's corporate plan.

### 2.2 WHAT IS PROCUREMENT?

Procurement is concerned with securing goods, works and services. The process spans the whole cycle, from identification of needs through to the end of a service or the end of the useful life of an asset and its disposal. It is concerned with securing goods and services that best meet the needs of users and the local community in order to help achieve our key priorities. It supports the commissioning of services and supports work on developing markets where appropriate.

### 2.3 BENEFITS OF PROCUREMENT

The status and importance of procurement in the public sector continues to grow and there is increasing pressure to improve procurement performance for a number of reasons.

These include:

- procurement has a critical role to play in delivering strategic objectives and improving the quality of services delivered to the public
- savings realised through improved procurement can be channelled into priority services or reducing the organisations net capital and/or revenue expenditure
- local authorities are open to legal challenge under public procurement regulations (based on EU directives) and are accountable for achieving value for money
- Local government is under increasing pressure to deliver services in the face of reduced funding from central government. Effective procurement is one of the key ways to achieve "more with less".

### 2.4 CONTEXT

The Local Government Association (LGA) published the [National Procurement Strategy \(NPS\) in 2018](#). The NPS builds on councils' achievements under the National Procurement Strategy for Local Government in

England 2014 – the first strategy developed by and for English councils. The SSDC strategy seeks to align with the key themes and objectives which have been set out within the NPS 2018.

In addition, the economic environment, both nationally and locally, continues to require us to focus on obtaining value for money and 'doing more for less'. Therefore, it is the intention that this strategy supports the achievement of the Corporate Objectives of South Somerset District Council.

South Somerset District Council will also engage with partner organisations such as the South West Procurement Board which provides a representative group of Partner Organisations (local authorities and public bodies) to support delivery and provide a forum for supporting collaboration at a regional and sub-regional level.

### 3. SPEND ANALYSIS

A link to historical Annual Spend data analysis will be available covering the period 2016/17 through to the current year 2020/21. This data for 2020/21 is currently summarised as shown in Appendix 2 Procurement Spend analysis 2020\_21.

### 4. KEY OBJECTIVES

South Somerset District Council have identified a number of key areas for improvement of purchasing activities based on the [National Procurement Strategy](#).

A number of specific objectives have also been identified to support the Council Plan Themes and priority areas of focus. The Council Plan can be viewed at <https://www.southsomerset.gov.uk/your-council/your-council-plan-and-strategies/council-plan/>

#### 4.1 REFRESH, SIMPLIFY AND EMBED EFFECTIVE AND COMPLIANT PROCUREMENT PROCESSES TO SUPPORT STRONG COMMERCIAL OUTCOMES AND RISK MANAGEMENT.

This includes the key areas identified in NPS 2018, The Public Contracts Regulations 2015 and the Local Government Transparency Code 2015.

##### 4.1.1 Ensuring regulatory and procedural compliance

Reviewing SSDC Procurement Procedures to support a self-service model while ensuring the foundations for compliance are in place, as well as a proactive and innovative approach to achieving commercial outcomes.

##### 4.1.2 Meeting Transparency requirements

Publication of procurement opportunities and contracts data in accordance with the Local Government Transparency Code 2015. Specific elements are publication of expenditure exceeding £500, Government Procurement Card transactions, and details of any legally enforceable agreement with a value that exceeds £5,000 (via a contracts register). The principle being to ensure that procurement and contract management Information is available online to all stakeholders.

##### 4.1.3 Exploiting digital technology (NPS Enabler)

Use of P2P systems, online ordering platforms and the use of electronic tendering and quotations system for tenders.

##### 4.1.4 Increasing use of procurement frameworks

Evaluating the optimal route to procure for each spend category, as the reduction of OJEU / complex exercises will be a priority to reduce operating costs and to take advantage of aggregated demand.

#### 4.1.5 **Managing the procurement pipeline**

Manage and support SSDC demand, and develop the procurement pipeline through increased data analysis for increased market intelligence and more effective planning, scheduling and resourcing of procurement activities across the lifecycle.

### 4.2 EMBED CONTRACT AND STRATEGIC SUPPLIER MANAGEMENT: WORKING WITH INTERNAL AND EXTERNAL PARTNERS, AND STRATEGIC SUPPLIERS TO DELIVER MORE EFFICIENT AND EFFECTIVE COMMERCIAL OUTCOMES.

This includes the following key areas identified in the NPS 2018 & the Council Plan priority, **Protecting Core Services**.

#### 4.2.1 **Engaging Strategic Suppliers**

Identifying strategic suppliers and contracts, and engaging with them to improve performance, reduce cost, mitigate risk and harness innovation.

#### 4.2.2 **Managing key contracts and relationships**

Appropriate and effective management and control of contracts from their planned inception until their completion by the appointed contractor(s).

### 4.3 EMBED APPROACH TO SOCIAL VALUE BY DEVELOPING ENABLING ACTIVITY.

This includes developing and embracing socially responsible and sustainable procurement, by engaging with local and regional suppliers to promote the local economy and taking account of the social, economic and environmental impact of spending decisions.

#### 4.3.1 **Sustainable Procurement**

This includes the following key areas identified in the NPS 2018 & the Council Plan priorities, **Healthy, Self-reliant Communities & Environment**.

##### I. **Obtaining social value**

Creating additional wider financial and non-financial impacts of programmes, organisations and interventions, including the wellbeing of individuals and communities, social capital and the environment.

##### II. **Achieving our carbon reduction targets**

Specific interventions and initiatives that will reduce the environmental impacts of our operations and activities, in relation to procured goods, works and services.

#### 4.3.2 **Engagement with SMEs/VCSE**

This includes the following key areas identified in the NPS 2018 & the Council Plan priority, **Economy**.

##### I. **Engaging local small medium enterprises (SMEs) and micro-businesses**

SMEs play a major role in creating jobs and generating income for those on low incomes; they help foster economic growth, social stability, are a source of innovation and contribute to the development of a dynamic private sector.

##### II. **Enabling voluntary, community and social enterprise (VCSE) engagement**

VCSE organisations can play a critical and integral role in delivering to our communities and residents, including as providers of services; advocates; and representing the voice of service users.

#### 4.4 DEVELOP SSDC COMPETENCE THROUGHOUT THE COMMERCIAL LIFECYCLE (PLAN-PROCURE-MANAGE PHASES) TO SUPPORT A SELF-SERVICE APPROACH

This includes the following key area identified in the NPS 2018.

##### 4.4.1 Working with internal and external partners

Embedding a 'one team' approach to the design and implementation of solutions for public services which spans council departments and organisations. The team approach should characterise how SSDC departments work together and how SSDC works with other councils, health, fire, police, housing, VCSEs and other partners.

##### 4.4.2 Guidance and training to drive upskilling of staff for self-service delivery in accordance with the establishment model.

Ensuring appropriate quality and availability of procurement support to the organisation, and the availability of methods templates and guidance documents to support officers in engaging effectively with third parties. Everyone with purchasing responsibilities should be competent to the required level of training defined by the Procurement Specialist and reach out to the Procurement Function where specialist knowledge is required. Procurement Business Partnering will be introduced to support the Directorates and they will be trained to the required level of competency.

## 5. WHAT WILL SUCCESS LOOK LIKE?

OBJECTIVE	ACTIVITY	METRIC
<b>Refresh, simplify and embed effective and compliant procurement processes to support strong commercial outcomes and risk management.</b>	Meeting Transparency requirements	Delivery of mandatory quarterly statements to public website within U+ 10 days
	Exploiting digital technology	% Invoices received with no purchase Order quoted % Invoices processed automatically with 3 way matching (PO/GR/IR)
	Increasing use of procurement frameworks	% of purchasing volume procured via Frameworks (measured from contracts register)
	Managing the procurement pipeline	% of tenders on pipeline
<b>Develop contract and strategic supplier management</b>	Engaging Strategic Suppliers	% of High Risk Contracts with a nominated (and appropriately qualified) Contract Manager. (Contracts as derived from commodity risk analysis and in accordance with Contract Management Framework)
	Managing key contracts and supplier relationships	% (Nr) of High Risk Contracts with the Contract Management Framework applied.
<b>Embed approach to Social Value by developing enabling activity Sustainable Procurement and engagement with SMEs/VCSE</b>	Obtaining social value	£ Value of additional social value generated through procurements, using Green Book / /TOMs methodology and recorded in the Social Value Portal. Track SV Commitments and Delivered SV.
	Achieving our carbon reduction targets	Our ambition is to be carbon neutral across our own operations and land

		holdings by 2030 at the latest, and ideally by 2023.
	Engaging local small medium enterprises (SMEs)	>80% of tender / contract opportunities over £50k advertised on the regional portal
		Volume of spend delivered through local AND SME suppliers (within SSDC District area), as a % of total influenceable spend for goods works and services
		Volume of spend delivered through local SME suppliers (within 30 mile radius of Yeovil), as a % of total influenceable spend for goods works and services
	Enabling voluntary, community and social enterprise (VCSE) engagement	Placeholder: Currently no baseline figures for spend with the 3rd sector. It would therefore be difficult to set any firm spend targets.
<b>Develop SSDC infrastructure, including people and processes throughout the commercial lifecycle (Plan-Procure-Manage phases) to support a self-service approach</b>	Support to organisational learning and practice	Delivery of tactical activities (improvement actions and tenders) as described in action plan

## 6. ACTION PLAN: 2021 - 2023

The strategic action plan is prioritised according to four priority levels and will be updated quarterly to reflect progress, emerging priorities and new objectives.

<b>high</b>	these tasks, some of which require immediate action, should all be achieved within the next four months.
<b>medium</b>	to be achieved with period leading to formation of the new Authority
<b>low</b>	to be a placeholder for future planning.
<b>ongoing</b>	on-going review during period leading to formation of new Authority, or initiative that was previously delivered and is now an ongoing continuous process

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**6.1 REFRESH, SIMPLIFY AND EMBED EFFECTIVE AND COMPLIANT PROCUREMENT PROCESSES TO SUPPORT STRONG COMMERCIAL OUTCOMES AND RISK MANAGEMENT.**

Council Plan: Protect core services to the public by reducing costs and seeking income generation.

Commercial Strategy: Public money is applied with proportionate and efficient regard to procurement and governance procedures

<b>Outcome</b>	<b>Action</b>	<b>Priority</b>	<b>Status</b>
<b>Meeting Transparency requirements</b>	Quarterly publication of expenditure exceeding £500, (Delivered by Finance Team)	Ongoing	Ongoing
	Quarterly publication of Government Procurement Card transactions. (Delivered by Finance Team)	Ongoing	Ongoing
	Quarterly publication of Contracts Register (Procurement)	Ongoing	Ongoing
	Publication of all Contract Opportunities > £25K via Contracts Finder and ProContract (Procurement)	High	Ongoing, but to be formally embedded following approval of Contract Standing Orders.
<b>Exploiting digital technology</b>	Deliver a closed loop P2P process and associated training to promote 100% purchase order coverage for all supplier invoices, and appropriate segregation of duties. (With Finance Team)	Medium	Improvement to be scoped and quick wins delivered during transition
	Increase use of ProContract & Contracts Finder platforms to ensure SSDC meet stakeholder and legal requirements and achieves best value through procurements.	High	To formally commence for all contracts >£25k following approval of Contract Standing Orders. Procurement Specialist and Business Partnering to support self-service model.
	Build on established spend data resources (Quarterly update of spend data including allocation to spend categories, mapping of Suppliers to categories, mapping of Suppliers to locality and organisational size)	Ongoing	Already established and maintained

	Analytics: Develop spend database solution to provide a sourcing tool, planning tool (pipeline of renewals), Contract register, and self-service reporting platform. Also to integrate carbon calculator (DEFRA SCOPE 3 Annex E) modelling	Ongoing to Medium	This is in the Procurement work plan as a priority project to deliver quick wins to support pipeline management. Further developments will need to be scoped during transition to new Authority.
<b>Increase the use of procurement frameworks</b>	Develop an “in principle” sourcing strategy for all categories of spend	High	In place. To be promoted through guidance and training programme Q3 2021
	Develop sourcing tool kit to support officers in selection of frameworks	High	Initial guidance and training during Q3 2021.
<b>Managing the procurement pipeline</b>	Exploiting our data to understand the procurement pipeline	High	Ongoing
	Liaising with stakeholders across the business to agree pipeline activities in accordance with priorities	High	Ongoing. Business Partnering approach to be launched with additional Case Officer Procurement support.
	Manage pipeline risk	High	Procurement Specialist monitoring the pipeline ongoing.

**6.2 DEVELOP SSDC COMPETENCE THROUGHOUT THE COMMERCIAL LIFECYCLE (PLAN-PROCURE-MANAGE PHASES) TO SUPPORT A SELF-SERVICE APPROACH**

Council Plan: Protect core services to the public by reducing costs and seeking income generation.  
Commercial Strategy: Public money is applied with proportionate and efficient regard to procurement and governance procedures

Procurement will support the realisation of cost reduction and income generation through support to Make or Buy decisions, exploitation of co-operative and collaborative working and encourage innovation through its tendering practices.

Outcome	Action	Priority	Status
Pre procurement engagement guidance	Provide guidance and market testing / pre-procurement engagement to inform procurement activity and supply chain engagement	Ongoing	Ongoing. To be promoted through guidance and training programme Q3 2021.
Innovation in procurement of goods, works and services	Encourage innovation and improved practice in all tender activities and provide guidance to stakeholders.	Ongoing	Ongoing. To be promoted through guidance and training programme Q3 2021
	Develop and maintain fit-for-purpose Procurement standards (RFQ's, ITT's, Templates) – make available to officers to promote “self-service” model.	High	Templates in place.  To be promoted through guidance and training programme Q3 2021  Longer term improvements to be scoped as a medium priority.
	Develop and maintain appropriate library of standard T&C's – including SME friendly - for key spend areas, including officer training. (Through Legal)	High	Ongoing work with legal team.  To be promoted through guidance and training programme Q3 2021  Longer term improvements to be scoped as a medium priority.
Guidance to officers & delivery of procurements (Sourcing through to contract award) for Key packages supporting council priorities	Social Value offer in place  Leisure Operator: CPN process w 10%% SV  Public Realm Delivery Framework: SSDC owned framework w. 10% SV  Leisure Operator	Ongoing	Leisure procurement is complete and SV

	<p>Yeovil regeneration: Westminster Street Chard The Triangle/Wine Street</p> <p>Social Value delivery will continue through current and future projects, including:</p> <p>Continued social value delivery through future regeneration tenders including: Middle Street West, High Street Borough, Middle Street East and Wyndham Street.</p> <p>Environmental improvements via Public Sector Decarbonisation Scheme and Park Homes projects</p> <p>The Octagon construction project</p>		<p>delivery being monitored under Contract Management Regime.</p> <p>Three regeneration procurement have taken place and SV delivery is being monitored.</p> <p>Ongoing</p> <p>Ongoing</p> <p>Planned</p>

## 6.3 EMBED CONTRACT AND STRATEGIC SUPPLIER MANAGEMENT

**Protecting Core Services: To ensure a modern, efficient and effective council that delivers for its communities**

- **Protect core services to the public by reducing costs and seeking income generation**
- **Identification of opportunities for reducing spend with suppliers**

Contract management is concerned with the continuous review and management of the contractual terms and / or service level agreement secured through the procurement process to ensure the outcomes agreed are actually delivered by suppliers or partners.

Managing the contracts and relationships is imperative to ensure that:

- I. the strategic priorities agreed at the outset are delivered in a cost effective and timely manner
- II. non-compliance or variation is identified early for escalation and resolution
- III. risks and costs are managed
- IV. reviews are undertaken and lessons learnt inform the commissioning and procurement process to ensure continuous improvement

Outcome	Action	Priority	Status
Contract management guidance & toolkit	Develop appropriate guidance and toolkit.	High	Toolkit in place 2020.
	Senior leadership adoption of CM guidance and toolkit	High	Part of approval process.
	Roll out of CM guidance and toolkit across the organisation	High	To be promoted through guidance and training programme Q3 2021
Identification of key contracts	Analysis of contracts landscape and assessment of criticality and risk	Ongoing	Through established Commodity & Supplier Risk Analysis

#### 6.4.1 EMBED APPROACH TO SOCIAL VALUE: SUSTAINABLE PROCUREMENT

##### Healthy, Self-reliant Communities

- Embed social value into all processes and activities to ensure we maximise the support we give to our communities.

##### Environment

- Be a leading council in developing and adopting a Green Agenda to promote sustainable environment, economy and communities.
- Work with partners to promote recycling and minimise waste.

In line with our commitment to delivering The Public Services (Social Value) Act 2012 and our own sustainability policies we will ensure consideration of social value and sustainability in all relevant tender processes, to promote the positive social, economic and environmental benefits from the goods, works and services we purchase, and mitigate harmful actions.

Outcome	Action	Priority	Status
Adopt National TOMs (Themes, Outcomes and Measures) Framework 2019 for social value measurement	Selection of partner (Social Value Portal) to support development of Social Value delivery at SSDC	High	Complete. Social Value Portal now supporting this.
	Integration of Social Value into ProContract processes to support inclusion of SV targets in key tenders and allow tracking of delivery	High	Complete.
	Include SV guidance and examples in standard procurement guidance and/or tender templates	High	Ongoing. Bespoke to each tender.
Environmental objectives are described in procurement documents	Analysis of spend profile to identify potential opportunities to contribute to delivery of environmental targets, in coordination with environmental COP / Officers	High	Analysis Completed. Move to delivery in 2021.
Procurement support to Environmental programme of work	Support environment community of practice with delivery of specific tenders to influence environmental outcomes	Ongoing	Ongoing support to specific projects e.g. Public Sector Decarbonisation Scheme
	Develop a database solution to enable mapping of spend categories to carbon calculator, to baseline current carbon "costs of business" and track reductions	Medium	Needs to be scoped.
All tenders in targeted categories include a minimum 10% weighting on social value	Establish a minimum target for social value delivery, and stretch targets for specific high potential spend categories.	Medium	Complete, pending approval from council.

## 6.4.2 EMBED APPROACH TO SOCIAL VALUE: ENGAGING WITH SMES AND LOCAL BUSINESSES

### Economy:

- Develop a reputation as a great place to do business.
- Ensure a greater proportion of our contracts are placed with local small to medium-sized enterprises.

The authority will look to maximise opportunities for local Small, Medium Enterprises (SME's), voluntary and community sector organisations and social enterprises to become our suppliers.

Outcome	Action	Priority	Status
Clear understanding of potential for local supply and SME engagement	Define realistic targets for (Primary) South Somerset District & (Secondary) 30 mile radius with Economic Development, by aligning spend categories with UK SIC 2007	High	Analysis Completed 2020.
Increase/ maintain percentage of local suppliers delivering our contracts	Quarterly Data coding of SSDC supplier database to identify locality and organization size to facilitate reporting	Ongoing	Complete and ongoing
Improve engagement with SMEs and local business	Ensure that when SSDC advertises a contract opportunity above or below the EU threshold, it is also advertised on the Contracts Finder website (CCS Guidance)	Ongoing	Complete and ongoing
	Widen the advertising of contract opportunities through such means as the Councils communication networks and social media	Ongoing	All contracts >£25k will be advertised via Procontract
	Improve prompt payment, by including a requirement for contracting authorities to include provision for 30-day payment terms that flow through the supply chain.(CCS Guidance)	Medium	Position to be reviewed.
	Develop "SME Friendly" Procurement Documents and associated simplified T&C's	Medium	To be developed
	Support and attend local business forums (with Economic Development team)	Medium	Not started

## APPENDIX 1: TRANSPARENCY REQUIREMENTS

### Information to be published quarterly

#### Expenditure exceeding £500

Local authorities must publish details of each individual item of expenditure that exceeds £500. This includes items of expenditure, consistent with Local Government Association guidance, such as:  individual invoices /  grant payments / expense payments /  payments for goods and services /  grants /  grant in aid /  rent  credit notes over £500 / transactions with other public bodies.

For each individual item of expenditure, the following information must be published:

- date the expenditure was incurred
- local authority department which incurred the expenditure
- beneficiary
- summary of the purpose of the expenditure<sup>17</sup>
- amount<sup>18</sup>
- Value Added Tax that cannot be recovered, and
- merchant category (eg. computers, software etc).

#### Government Procurement Card transactions

Local authorities must publish details of every transaction on a Government Procurement Card. For each transaction, the following details must be published:

- date of the transaction
- local authority department which incurred the expenditure
- beneficiary
- amount
- Value Added Tax that cannot be recovered
- summary of the purpose of the expenditure, and
- merchant category (eg. computers, software etc).

#### Procurement information

- Local authorities must publish details of every invitation to tender for contracts to provide goods and/or services with a value that exceeds £5,000. For each invitation, the following details must be published:
  - reference number
  - title
  - description of the goods and/or services sought
  - start, end and review dates, and
  - local authority department responsible.
- It is recommended that local authorities place on Contracts Finder, as well as any other local portal, every invitation to tender or invitation to quote for contracts to provide goods and/or services with a value that exceeds £10,000. For each invitation, the details that should be published are the same as those set out above

#### CONTRACT REGISTER

Local authorities must also publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000. For each contract, the following details must be published:

- reference number
- title of agreement
- local authority department responsible
- description of the goods and/or services being provided

- supplier name and details
- sum to be paid over the length of the contract or the estimated annual spending or budget for the contract
- Value Added Tax that cannot be recovered
- start, end and review dates
- whether or not the contract was the result of an invitation to quote or a published invitation to tender, and
- whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector organisation and where it is, provide the relevant registration number.

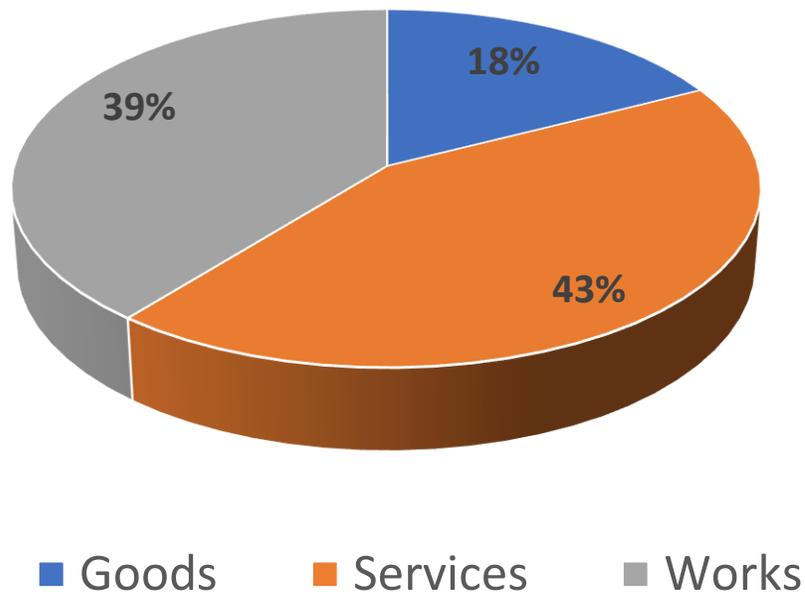
## APPENDIX 2: SPEND DATA ANALYSIS

Please refer to the attached Appendix 2 Procurement Spend analysis 2020\_21.

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# Total spend 2020/21 Procurement

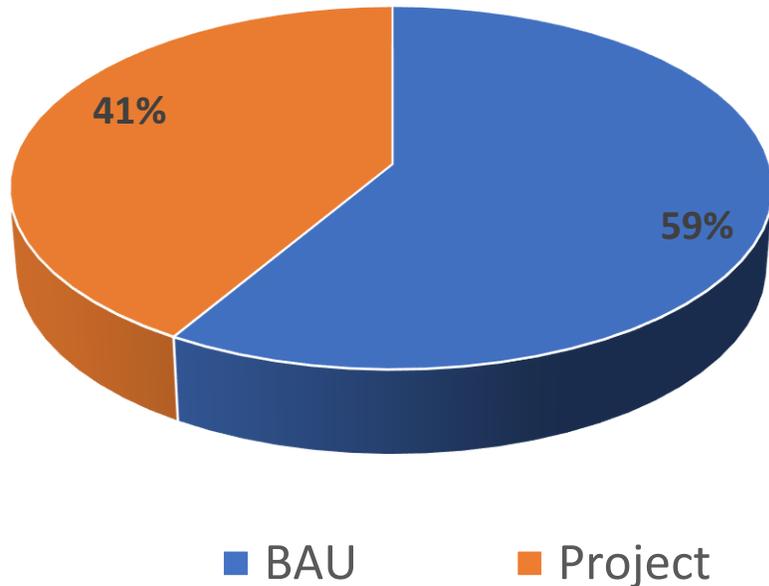
Procurement spend 2020/21



- In 2021 the total procurement spend for SSDC was £19,199 mil
  - £3,357 mil were spent on goods
  - £8,312 mil were spent on services
  - £7,529 mil were spent on works

# Business as usual and projects

% BAU/Project spend



- 59% (£11,240 mil) of total spend was dedicated to BAU, while the remaining 41% (£7,958mil) were spent on projects
- Over 90% of project spend revolved around regeneration projects (Chard Regeneration design and construction, Wincanton survey, consultancy costs)

# Goods, works, services spend by directorate

% goods, works, services by directorate

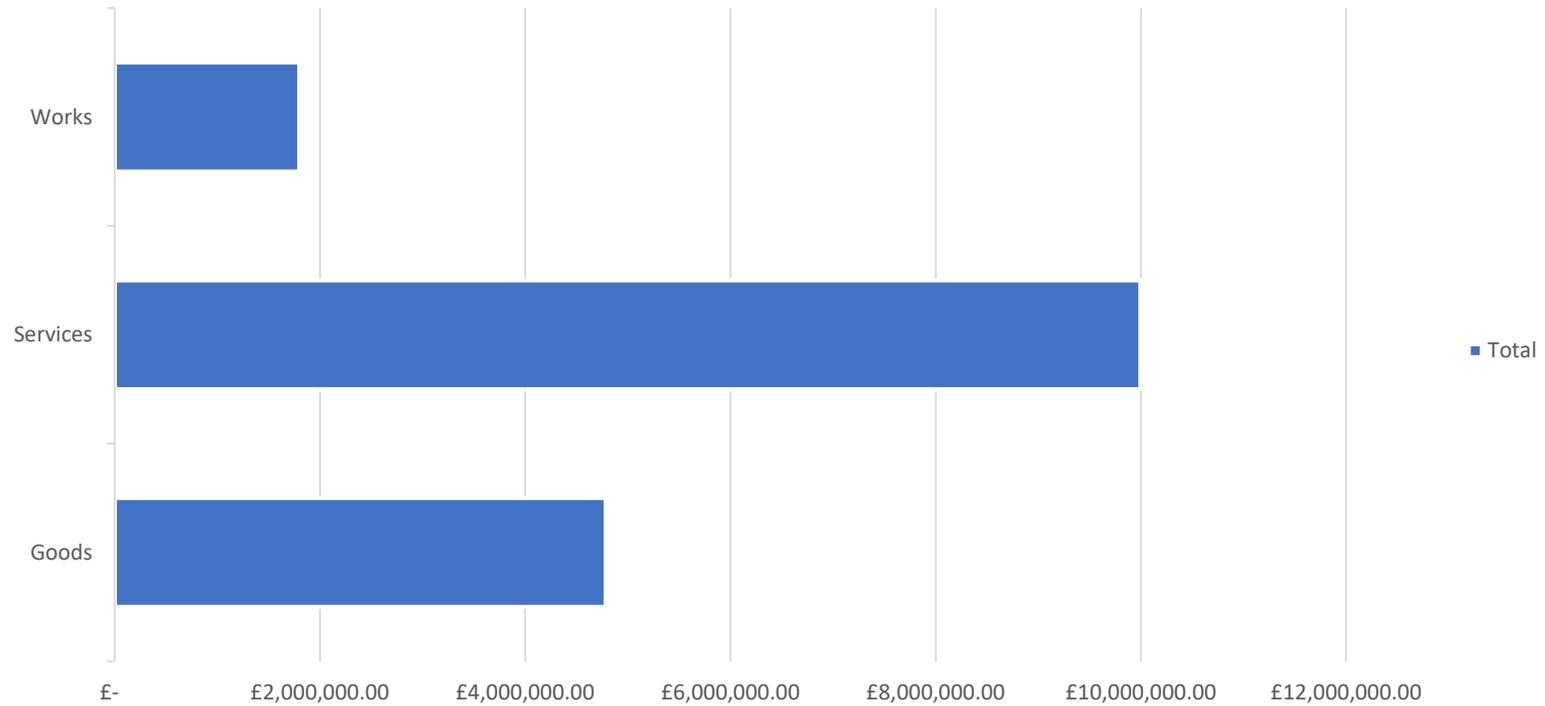


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	Goods	Services	Works
Commercial Services	£1,272,758.10	£1,761,367.59	£372,395.40
Service Delivery (incl Regen)	£906,037.45	£3,753,424.16	£7,115,440.54
Strategy & Commissioning	£362,318.93	£1,457,523.96	£37,333.98
Support Services	£815,604.68	£1,340,254.87	

# Goods, works, services

Goods, works and Services, 2020



# Top 10 Suppliers

Supplier	Description	Sum of Net Amount
Alliance Leisure Services Limited	Chard regeneration construction	£ 7,334,738.10
LED Leisure Management Ltd	Leisure service fee charges	£ 564,000.50
GMS Builders (Somerset) Ltd	Building and civil engineering	£ 497,200.48
The Oyster Partnership Ltd	Staffing and agency costs	£ 371,168.68
PA Consulting Services Ltd	Future Somerset programme consultancy	£ 295,000.00
EDF Energy	Electricity	£ 275,129.15
Bournemouth Churches Housing Association	Hostel and associated support	£ 267,935.85
Home Group Ltd	Rough sleeper outreach	£ 254,367.05
Glen Cleaning Company Ltd	Cleaning services	£ 225,826.67
Facultatieve Technologies Ltd	Cremulator and repairs	£ 219,673.43

# Top 10 Suppliers - Goods

Supplier	Description	Sum of Net Amount
EDF Energy	Utilities – Electric	£ 275,129.15
Facultatieve Technologies Ltd	Crematorium supplies	£ 219,673.43
Box Software Ltd	Software licences	£ 154,761.73
Trustmarque Solutions Ltd	Software licences	£ 153,041.89
Northgate Public Services (UK) Ltd	Software licences	£ 127,591.16
Certas Energy UK Ltd	Fuel & Oil: Gas	£ 121,691.96
Total Gas and Power Limited	Fuel & Oil: Gas	£ 110,544.48
water2business	Utilities – Water	£ 90,410.73
RJ Hospitality Ltd (T/A Terrace Lodge H)	Facilities hire, incl catering	£ 89,879.16
Luciel Ltd		£ 83,725.00

# Top 10 Suppliers - Services

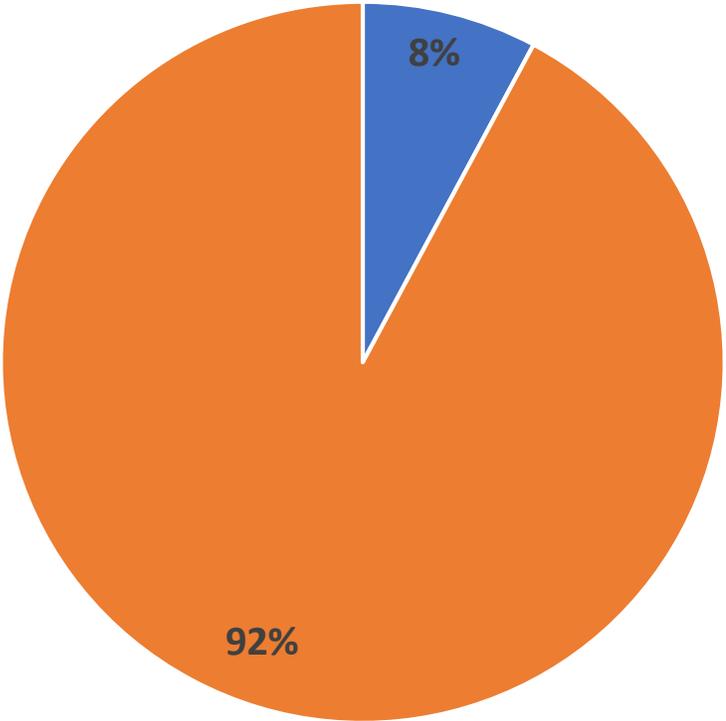
Supplier	Description	Sum of Net Amount
Alliance Leisure Services Limited	Chard regeneration construction	£ 968,472.94
LED Leisure Management Ltd	Leisure service fee charges	£ 564,000.50
The Oyster Partnership Ltd	Recruitment/staffing/agency	£ 371,168.68
PA Consulting Services Ltd	Management consultants	£ 295,000.00
Bournemouth Churches Housing Association	Social work with accommodation	£ 267,935.85
Home Group Ltd	Rough sleeper outreach	£ 254,367.05
Glen Cleaning Company Ltd	Cleaning services	£ 225,826.67
Park Avenue Recruitment Ltd	Recruitment/staffing/agency	£ 212,606.86
Marsh Ltd	Treasury, accounting, insurance	£ 180,276.56
Latcham Direct Limited	Print services	£ 163,858.02

# Top 10 Suppliers - Works

Supplier	Description	Sum of Net Amount
Alliance Leisure Services Limited	Building and civil engineering	£ 6,366,265.16
CMS Builders (Somerset) Ltd	Building and civil engineering	£ 497,200.48
Page 5 G Fry & Son Ltd	Building and civil engineering	£ 148,986.45
Yarlington Property Management Limited	Building and civil engineering	£ 129,475.48
D N Ruddle Civil Engineering Ltd	Building and civil engineering	£ 115,356.66
Somerset Stairlifts & Mobility	Building and civil engineering	£ 93,853.00
D R Jones Yeovil Ltd	Building and civil engineering	£ 80,380.59
J W Crowther & Son Ltd	Building and civil engineering	£ 33,076.75
Elite Scaffolding SW Ltd	Building and civil engineering	£ 29,756.00
Simon Moore Engineering Ltd	Building and civil engineering	£ 8,741.21

# SME & Local spend - SSDC

% SME & Local spend within SSDC postcodes

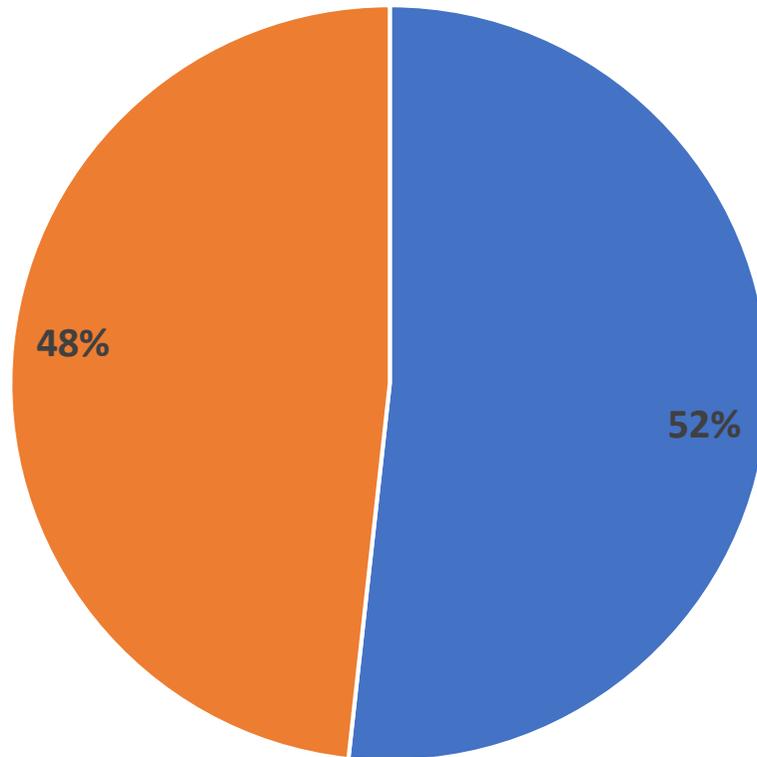


■ SME/SSDC postcodes    ■ All other suppliers

- Total SME & Local spend in SSDC postcodes was £1,503 mil

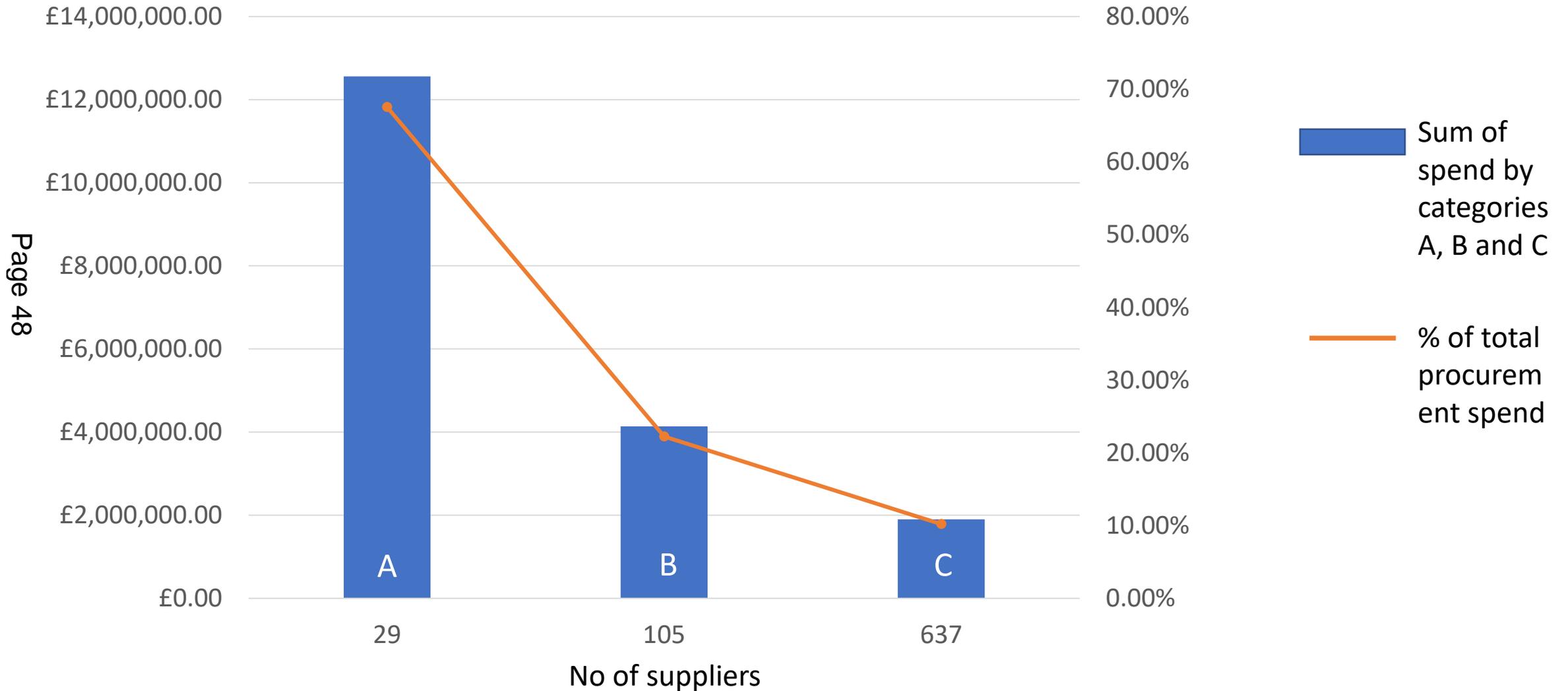
# SME & Local spend – 30m radius

% SME & Local spend in 30 mile radius of Yeovil

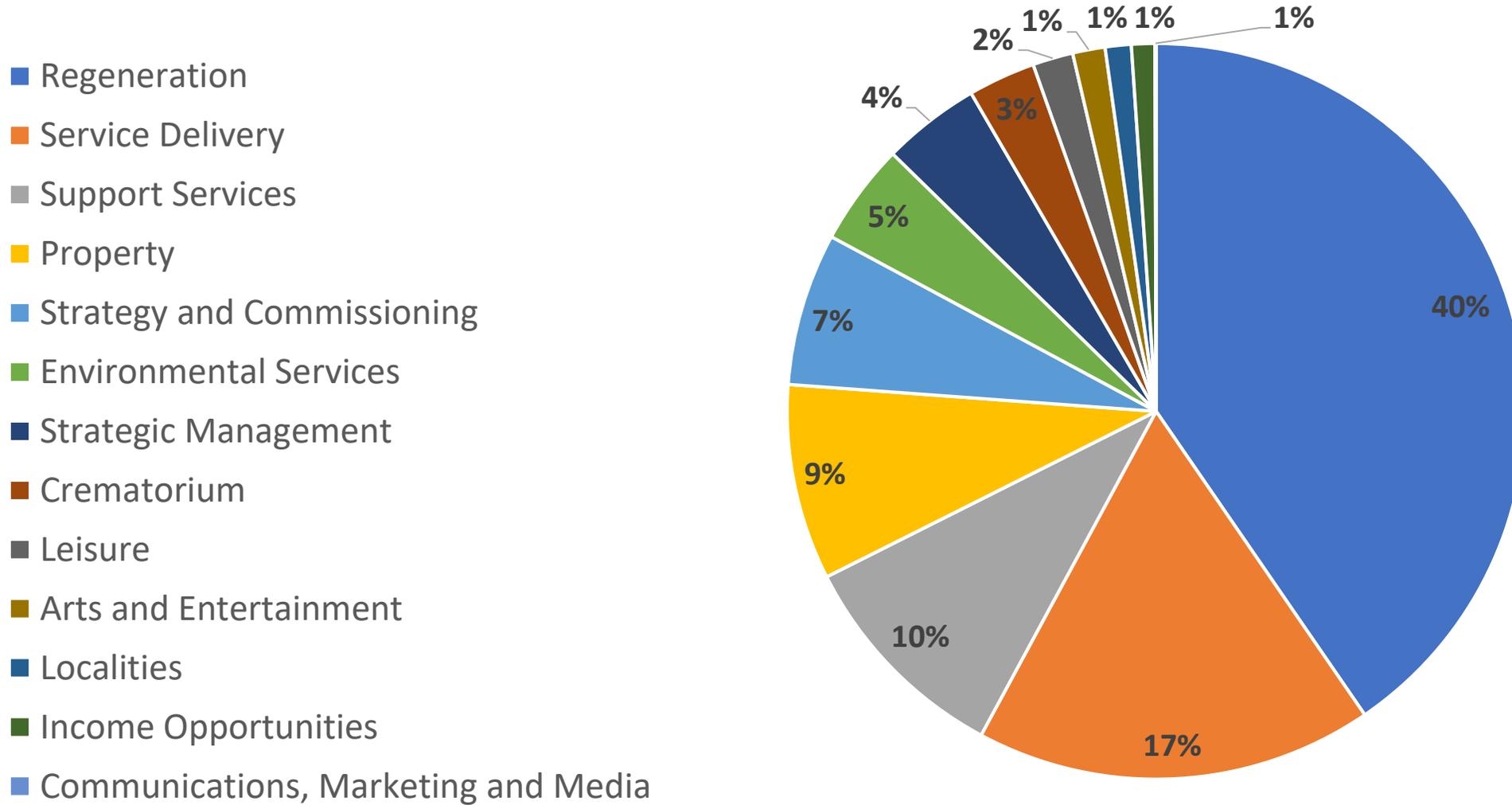


- Total SME & Local spend in 30 mile radius of Yeovil was £9,934, which equates to 52% of total spend.

# Spend profile



# Spend by department



% of total spend by department

# **Contract Procedure Rules (Contract Standing Orders)**

Draft updated September 2021

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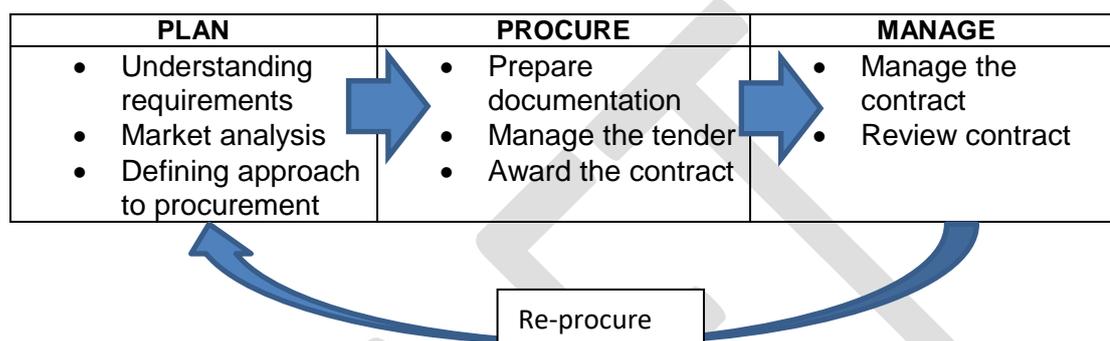
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# 1. Introduction and key principles

## 1.1 Introduction

1.1.1 These Contract Procedure Rules provide South Somerset District Council (SSDC) Officers and Councillors with the parameters and essential guidance to be followed throughout the Procurement lifecycle shown in Figure 1 below:

**Figure 1 Stages of the Procurement Lifecycle**



1.1.2 Key reference documents

Key reference documents to the Contract Procedure Rules are:

- SSDC Procurement Strategy 2020
- SSDC Social Value Policy
- SSDC Contract Management Framework.

## 1.2 Background

1.1.1 SSDC is obligated by S135 of the Local Government Act 1972 to make procedure rules to ensure competition and regulate the procurement process. This document sets out the Contract Procedure Rules (the “Rules”) that Officers at South Somerset District Council (SSDC) and consultants engaged in any capacity to manage or supervise the procurement of any goods, works or services for SSDC must follow when spending money to deliver our services to the people of South Somerset.

1.1.2 Observance of the Rules is mandatory and non-compliance with these Rules may constitute grounds for disciplinary action. The Procurement Specialist is responsible for monitoring and reporting on non-compliance and agreeing proportionate action with Officers (**Refer to Appendix 3 Monitoring Compliance with Contract Procedure Rules**).

1.1.3 The Rules have the following purpose:

- a) To ensure compliance with all legal requirements and to assist officers in achieving best practice;
- b) To ensure transparency, openness, non-discrimination and fair competition;
- c) Demonstrate probity, consistency, accountability and integrity;
- d) To achieve value for money;
- e) To protect the Council, Councillors and Officers from the risk of challenge, undue criticism or allegations of wrongdoing; and
- f) To support delivery of the SSDC's Procurement Strategy.

1.1.4 Where other general guidance provided to Officers appears to conflict with the Rules then the Rules have precedence. In any cases of doubt, advice must be sought in the first instance from the Procurement Specialist. The administration, monitoring and governance of the application of these Rules is the responsibility of the Section 151 Officer.

1.1.5 If there is any relevant change to English or International Law which affects these Rules, then that change must be observed until these Rules can be revised. Where there is a difference between these Rules and the current legislation, the legislation will prevail.

## 1.2 Compliance

1.2.1 Every contract entered into on behalf of SSDC must comply with:

- a) These Contract Procedure Rules;
- b) The Council's Financial Procedure Rules;
- c) All relevant English legislation;
- d) The Public Contract Regulations 2015 (PCR2015). These continue to apply until repealed and replaced following exit from the EU on 31 December 2020. The PCR2015 can be viewed at:

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

- e) The Concessions Contracts Regulations 2016 (CCR). The CCR2015 can be viewed at:

<https://www.legislation.gov.uk/uksi/2016/273/contents/made>

1.2.2 If there is any doubt about the application of the Rules, the issues should be referred in the first instance to the Procurement Specialist.

## 1.3 Application of the Rules

### 1.3.1 These Rules apply to:

- a) All contracts for the supply of goods, works or services to SSDC;
- b) Partnership and collaborative arrangements with other Local Authorities where the Council is not the Lead Authority. Assurance is to be sought that the Lead Authority is acting in compliance with its own Contract Procedure Rules; and
- c) Concession Contracts where the Council grants rights, land or property in return for services or for a particular use.

### 1.3.2 These Rules do not apply to:

- a) Contracts solely for the acquisition, disposal or transfer of any interest in land; or
- b) Contracts of employment that make an individual a direct employee of the Council.

## 1.4. Exemptions and waivers to these Rules (Refer to Paragraph 4.2 for process)

1.4.1 Under the Local Government Act 1972, Contract Procedure Rules made by a local authority with respect to contracts for the supply of goods or materials or for the execution of works shall include provision for securing competition for such contracts and for regulating the manner in which tenders are invited, but may exempt from any such provision contracts for a price below that specified in standing orders and may authorise the authority to exempt any contract from any such provision when the authority are satisfied that the exemption is justified by special circumstances.

1.4.2 The expectation is that the Procurement Procedure Rules will be followed. However, an automatic exemption may apply or a waiver to the requirements of the Contract Procedure Rules may be requested when PCR2015 rules for above threshold procurements do not apply. For Goods and Services, the PCR2015 threshold is £189,330 and it is £4,733,252 for Works contracts.

For further information on thresholds, please refer to Procurement Policy Note – New Thresholds 2020 (PPN 06/19) at:

<https://www.gov.uk/government/publications/procurement-policy-note-new-thresholds-2020>

1.4.2 Automatic exemption applies when:

- a) Goods, works or services procured in a genuinely unforeseeable emergency (e.g. natural disasters such as flooding or fires, immediate changes to legislation) because of a need to respond to events that were beyond the genuine control of the Council. Any such contract entered into by the Council must not be for a term of more than 6 months. It must be noted that not allowing sufficient time to tender will not be considered an emergency;

- b) Life or death – where there is a significant chance that the life or health of Officers, Councillors or the public will be put at real risk;

1.4.3 A waiver to the Rules may be requested where one or more of the following circumstances apply:

- a) Legal services falling within Regulation 10(1)(d) of the Public Contracts Regulations 2015;
- b) Dealings in the money market or obtaining finance within Regulation 10(1)(e) and 10(1)(f);
- c) Purchases at auction or at public fairs or markets;
- d) Contracts falling within the Light Touch Regime for services listed in Schedule 3 of the PCR2015;
- e) Goods or materials are proprietary items or are sold only at a fixed price and no satisfactory alternative is available;
- f) Contracts for the execution of mandatory works by statutory undertakers, such as utilities providers;
- g) Goods or Services where the Council's needs are only capable of being met by one supplier and where the contract assists the Council in meeting its statutory duties;
- h) Where a contract for the execution of works or the undertaking of services or the supply of goods involves highly specialised technical, scientific or artistic knowledge such that it is not possible to achieve competitive tenders;
- i) Where the work to be executed or the goods or materials to be supplied consists of repairs to or the supply of parts for existing machinery or plant or are additions to an existing style or design which would involve the council in greater cost and additional work in trying to harmonise two differing systems, designs or solutions;
- j) Where waiving the application of the Rules would be in the interests of the efficient management of SSDC services (i.e. where the Council would incur avoidable cost or reduced income by not waiving the application of the Rules);
- k) Limited markets – supply of the product or service is demonstrably restricted to a single source of supply;
- l) Where under specific one-off project conditions it is demonstrated that Value for Money is to be achieved by approaching one supplier to deliver goods, works or services within well-defined parameters; or,
- m) Other unforeseen circumstances or specific project conditions that would result in unacceptable commercial and/or reputational impact.

#### 1.4.4 Above PCR2015 threshold exemptions

##### a) Teckal exemption

Some contracts above the PCR2015 threshold may be subject to a Teckal exemption. This applies in circumstances where SSDC awards contracts for providing services or works to an organisation considered to be equivalent to an 'in-house' provider. The Teckal exemption is subject to strict legal tests regarding whether a proposed supplier is to be regarded as an 'in-house' provider.

##### b) Inter-Authority co-operation

Where Local Authorities and Public Bodies work together to jointly discharge their shared responsibilities to deliver public services, as opposed to one public body acting as the other's service provider.

##### c) Trading companies

Where a Local Authority sets up a trading company, the specific structure of that trading company will determine whether the PCR2015 apply or not. In the first instance advice should be sought from the Procurement Specialist.

## Procurement framework

### 2.1 The Procurement Cycle

The Contract Procedure Rules and all associated guidance is organised to support Officers in managing the three stage of the procurement cycle as shown in [Figure 1](#): Plan, Procure and Manage.

### 2.2 Procurement Framework

SSDC has created a Procurement Framework based on four contract bands according to the value of the goods, works or services being procured. These are shown in Table 1 below:

**Table 1: SSDC Procurement Framework**

<b>Contract band description</b>	<b>Goods and Services estimated value limit</b>	<b>Works estimated value limit</b>	<b>Summary requirement</b>	<b>Authority to recommend procurement</b>
Very low value	£0 - £5,000	£0 - £10,000	At least one written quotation  Anyone with procurement	Procuring Officer: Anyone with the required procurement

			<p>responsibility must operate in accordance with Financial Procedure Rules.</p> <p>Any purchase in excess in excess of £500 must have a Purchase Order raised.</p>	<p>responsibility and competency.</p> <p>Approval by an authorised signatory.</p>
Low value	£5,001 - £25,000	£10,001 - £25,000	<p>A minimum of three written quotations</p> <p>Application of waiver may be applied through appropriate approval route. Anyone with procurement responsibility must operate in accordance with Financial Procedure Rules.</p> <p>Any purchase in excess in excess of £500 must have a Purchase Order raised.</p>	<p>Anyone with the required procurement responsibility and competency</p> <p>Approval by an authorised signatory under Financial Procedure Rules.</p>
Medium value	£25,001 – PCR2015 threshold (£189,330)	£25,001 – PCR2015 threshold (£4,733,252)	<p>Default position is Request for Quotations or ITT using standard documentation via e-tendering system to select list or on an open basis subject to supply market conditions.</p>	<p>Anyone with the required procurement responsibility and competency.</p> <p>Approval by an authorised signatory under Financial</p>

			Application of waiver may be applied through appropriate approval route.	Procedure Rules.
High value	>PCR2015 threshold (£189,330)	>PCR2015 threshold (£4,733,252)	ITT using e-tendering system following PCR2015 rules and regulations	Anyone with the required procurement responsibility and competency.  Approval by an authorised signatory under Financial Procedure Rules.

## 2.2 Identifying the right procurement procedure

2.2.1 The following process steps should be followed:

1. You have a requirement
2. Can it be met from an existing resource or contract?
3. What are the key outcomes sought?
4. What is the estimated value of the contract (annual price x duration)?
5. Is it for goods, services or works?
6. Identify the right procedure to follow, depending on the value, complexity and risk.

2.2.2 Appendices 1a and 1b provide a summary of procedure selection.

## 3. Officer Responsibilities

Table 2 Officer Responsibility matrix

Officer	Plan Stage	Procure Stage	Manage Stage
---------	------------	---------------	--------------

<p>Procuring Officer (including Lead Specialist and Director of Service Area)</p>	<p>Approve procurement commencement and confirm budget</p> <p>Understand what is required</p> <p>Explore supplier market</p> <p>Consider best approach to market, consulting with Procurement Specialist as necessary</p> <p>Consider contract management requirements at planning stage</p>	<p>Write the specification</p> <p>With support of procurement, develop the tender documentation</p> <p>Evaluate and identify preferred supplier in accordance with the Procurement Procedure</p> <p>Arrange for contract signing</p> <p>Prepare mobilisation plan</p>	<p>Implement Contract Management approach as defined at Planning Stage and in accordance with the Contract Management Framework</p>
<p>Procurement Specialist and/or Procurement Business Partners</p>	<p>Support Procuring Officer in defining the most appropriate approach to the market</p>	<p>Support Procuring Officer to produce tender documentation</p> <p>Oversee the tender process</p>	<p>Support contract mobilisation as required</p> <p>Monitor compliance with the Rules</p>
<p>Monitoring Officer</p>	<p>Support any contract planning</p>	<p>Provide advice on contract clarifications</p>	<p>Agree contractual terms in more complex cases</p>
<p>Section 151</p>	<p>Have oversight of budget requirements for high value procurements</p>	<p>Provide Finance support on evaluation (as required)</p>	<p>Approve budget commitment for high value procurements</p>

### 3.1. Conflicts of Interest

3.1.1 Members of staff must avoid any conflict between their own interests and the interests of the Council. This is a requirement of the Council's Code of Conduct for Officers and includes:

- a) Not accepting gifts or hospitality from organisations or suppliers that the Council has dealings with;
- b) Not working for organisations or suppliers that the Council has dealings with;
- c) Notifying the Procurement Specialist in writing if an Officer has links with an organisation or supplier who is tendering or quoting for a contract with the Council or already has a contract with the Council (for example, where a family member or close friend works for the organisation).

3.1.2 All consultants engaged to act on behalf of the Council must declare that they will avoid any conflict between their own interests or those of any of their other clients and the interests of the Council.

3.1.3 If a Councillor or a member of staff has an interest (direct or indirect), financial, otherwise, in a contract or proposed contract, he/she must declare it in writing to the Monitoring Officer as soon as he/she becomes aware of the interest. A Councillor or member of staff who has an interest in a contract must not take part in the procurement or management of that contract.

3.1.4 The Monitoring Officer must maintain a record of all declarations of interest notified by Councillors and Officers.

### 3.2 Prevention of Bribery and Corruption

3.2.1 A contract may be terminated immediately and any losses to SSDC arising from the termination recovered from the supplier, if the supplier, or anyone acting on his behalf (with or without the supplier's knowledge), offers or promises or gives a financial or other advantage to a Councillor, any member of staff, or any consultant in connection with the contract.

3.2.2 Any Councillor, member of staff or consultant who becomes aware or has reason to believe that a supplier or potential supplier has committed fraud, bribery or corruption, must report it to the Monitoring Officer.

### 3.3 Relevant Legislation

3.3.1 For the purposes of these Contract Procedure Rules, Relevant Legislation is defined as the following legislation:

- a) Public Contracts Regulations 2015 (PCR 2015);
- b) Concession Contracts Regulations 2016 (CCR 2016);
- c) Localism Act 2011;
- d) Public Services (Social Value) Act 2012;
- e) Freedom of Information Act 2000;
- f) General Data Protection Regulation (GDPR) and the Data Protection Act 2018;
- g) Equality Act 2010;
- h) Modern Slavery Act 2015;
- i) Transfer of Undertakings (Protection of Employment) Regulations 2006;
- j) Any industry or sector-specific legislation pertaining to the subject matter of the Contract.
- k) The following SSDC policy areas:

Whistleblowing policy (SSDC)
Conflict of Interest Declaration (SSDC)
Communications Policy (including restrictions and joint Communications) - SSDC
Anti-Bribery Policy (SSDC)
Data Retention Policy (SSDC)
Safeguarding Policy (SSDC)
Complaints Policy (SSDC)
Environmental Policy (SSDC)
Business Continuity Planning (Policy / Framework) (SSDC)
Prompt Payment Scheme (Public Sector)
Data Security Policy (SSDC)
Data Protection Policy (SSDC)

Public Sector Equalities Duty (Legal Requirement)
Equalities Policy (SSDC)
Health & Safety Policy (SSDC)
Employment Law
Compliance Statement on Living / Minimum Wage (SSDC)

3.3.2 The Procuring Officer should be aware that the Relevant Legislation may operate to dictate the method of procurement and the content of any related contract.

3.3.3 When planning and preparing all procurement and contracting activities the Procuring Officer shall have regard to the Relevant Legislation and seek advice from the Procurement Specialist where necessary to ensure that any applicable Relevant Legislation has been complied with.

3.3.4 Procurement activity in SSDC is devolved to individual Service Directors, who are supported in their purchasing activities by the Procurement Specialist, Case Officers, other SSDC Specialists as relevant and the Monitoring Officer.

3.3.5 Each Director must ensure that Officers within their service area having responsibility for procuring contracts (the Responsible Officer(s)) have received adequate training on the role and are aware of and follow the Rules and guidance when letting contracts.

## 4 Plan stage - defining the procurement

### 4.1 Authority to proceed

4.1.1 Before commencing any procurement, the Procuring Officer must ensure that the appropriate authority to proceed is in place in accordance with the [Procurement Framework](#) for the contract given its value, strategic importance and potential risks to SSDC. Appropriate business approval is to be sought by the Procuring Officer and the required budget confirmed in advance of any procurement exercise.

### 4.2 Automatic exemptions or Waivers

4.2.1 Automatic exemptions or waivers may be applied in accordance with paragraph 4.1 of the Contract Procedure Rules.

4.2.2 The Procurement Specialist is responsible for maintaining a register of procurement waivers and ensuring all waivers awarded are reported to the Monitoring Officer on a quarterly basis.

- 4.2.3 For contracts less than £25,000, the Procuring Officer must complete the relevant Waiver Request Form (See Appendix 2 for content) and seek the approval of the Procurement Specialist and the relevant Lead Specialist.
- 4.2.4 For contracts at and above £25,000 and below PCR2015 Threshold, the Procuring Officer must complete the relevant waiver request form and seek the approval of the Procurement Specialist and the relevant Service Director.
- 4.2.5 The Procuring Officer is responsible for ensuring that the waiver request forms are duly completed and signed prior to the award of a contract.
- 4.2.6 No waiver will be granted for contracts over The PCR2015 Threshold unless expressly permitted by the Director of Strategy and Commissioning and the Monitoring Officer and in accordance with 'above threshold' exemptions.
- 4.2.7 Regardless of whether a waiver has been sought, the necessary authorisations to procure, award, amend or sign a contract must also be obtained.

### 4.3 Early Market Engagement

- 4.3.1 Officers may, prior to commencing the procurement process and on the advice of the Procurement Specialist, consult potential suppliers in general terms about the nature, level and standard of the supply and seek market views and intelligence that can be used in the planning and conduct of the procurement process.

### 4.4 Estimating the Contract Value

- 4.4.1 The value of a contract is the total amount that the Council expects to pay for the contract over its expected lifetime, including any additional options, lots, renewals and/or extensions. The value used should be exclusive of VAT.
- 4.4.2 Where the contract period is indefinite or uncertain, the value must be calculated on the basis that the contract will be for a period of 48 months.
- 4.4.3 Contracts must not be packaged or divided into smaller units for the purpose of creating lower value contracts to avoid any provision of these Rules or the PCR2015 (disaggregation). When tendering, consideration must be given to the extent to which it is appropriate to divide the contract into lots to facilitate opportunities for local suppliers, small and medium sized enterprises and voluntary organisations.
- 4.4.4 The repeat direct award of contracts or purchase orders for the same or similar services, whatever the value of the individual contracts/purchase orders, to the same supplier will, for the purposes of determining the aggregated contract value and the application of these Rules, be regarded as extensions to a single

contract. Rolling contracts are subject to evidence of benchmarking requirements to ensure continued value for money and form part of spot checks by Procurement Specialist.

#### 4.5 Use of Framework Agreements

4.5.1 The Procurement Specialist is responsible for maintaining a register of Framework Agreements that SSDC has access to.

4.5.2 The use of framework agreements is permitted for any value of contract. The Procurement Specialist must be consulted, and confirmation given that the Council may lawfully access the framework before a purchase. The relevant Director must be informed of SSDC access to a Framework Agreement.

4.5.2 In order to select a supplier for a call-off contract under a multi-supplier Framework Agreement, or to conduct a mini competition, the Procuring Officer must follow the procedure set out in that Framework Agreement.

4.5.3 The Procuring Officer may make a direct award under a Framework Agreement when its call-off procedures allow and the call-off must be in accordance with the Framework procedures for award.

#### 4.6 Insurances

4.6.1 It is the responsibility of the Procuring Officer, in consultation with the Procurement Specialist to set, where appropriate, adequate levels of insurance for every procurement.

4.6.2 The Procuring Officer must ensure that any insurance required by the Council is held by the provider with a reputable insurance company and that the policy/s are renewed as necessary during the contract period.

#### 4.7 TUPE

4.7.1 Where relevant, the Procuring Officer must consider the implications of the Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended and consult with the Procurement Specialist as to their application to the specific procurement.

#### 4.8 Performance Bond

4.8.1 The Procuring Officer must consult the Procurement Specialist and Section 151 Officer concerning whether a performance bond or a deposited sum is needed where:

- a) The contract is for construction and the value of the contract is in excess of £500,000; or

- b) The contract value is above £1,000,000; or
- c) Where it is proposed to make stage or other payments in advance of receiving the whole of the contract and there is a concern about the stability of the candidate.
- d) For any value contract where the risk presented to SSDC is significant e.g. reputational.

#### 4.9 Parent Company Guarantee (PCG)

4.9.1 The Procuring Officer must consult the Procurement Specialist and Section 151 Officer concerning whether a parent company guarantee is needed where:

- a) The Total Contract Value exceeds the PCR2015 Threshold; or
- b) The award of the contract is based on the evaluation of the parent company or there is some concern about the stability of the supplier.

#### 4.10 Collateral Warranty

4.10.1 The Procuring Officer must consult the Procurement Specialist and Monitoring Officer concerning whether under specific contract conditions a collateral warranty is needed whereby an agreement needs to be put in place with a third party outside of the primary contract.

#### 4.11 Environmental sustainability

4.11.1 In accordance with the SSDC Procurement Strategy and the SSDC Social Value Policy, the Procuring Officer must consider how to incorporate the principles of sustainability into each procurement. The Procurement Specialist can provide support in this subject area.

#### 4.12 Social Value

4.12.1 In accordance with the Social Value Act 2012, SSDC Procurement Strategy and the **SSDC Social Value Policy** the Procuring Officer must consider how the procurement might improve the economic, social and environmental well-being of the area. The Procurement Specialist can provide support in this subject area.

#### 4.13 Equality and diversity

4.13.1 In accordance with the **SSDC Procurement Strategy** and the **Equality Act 2010**, the Procuring Officer must have due regard to the public sector equality duty. All suppliers will be expected to comply with Equality legislation to deliver contracts fairly and without unlawful discrimination.

#### 4.14 Value for money

4.14.1 The Procuring Officer must consider the criteria required to determine what represents value for money for the given contract. This must be defined before commencing a procurement. The Procurement Specialist can provide support in this subject area.

#### 4.15 Form of Contract

4.15.1 All contracts, regardless of value, will be accompanied either by the Council's:

- a) Relevant Standard Terms and Conditions of contract; or,
- b) A standard form of contract; or,
- c) Bespoke terms.

4.15.2 Further guidance regarding the contract terms to be included in SSDC contracts can be sought from the Monitoring Officer.

4.15.3 All Contracts are to be executed in accordance with these Contract Procedure Rules.

### 5. Procure stage – managing the procurement

Before commencing any procurement, the Procuring Officer must complete all the planning identified in Section 4 of these Contract Procedure Rules as required relative to the value, strategic importance and risk to SSDC presented by the requirement.

#### 5.1 Procurements below the PCR2015 threshold value (£189,330 for Goods and Services and £4,733,252 for Works)

(The EU thresholds introduced on 1 January 2020, and detailed above, will remain in place until 1 January 2022. Future thresholds will be determined by the World Trade Organisation's (WTO) Government Procurement Agreement (GPA) – which the UK has been a member of since 1 January 2021.)

5.1.1 For procurements with a Total Contract Value below the PCR2015 Threshold, the Procuring Officer must act in accordance with SSDC procedural guidance.

#### 5.2 Procurements above the PCR2015 threshold value

5.2.1 For procurements with a Total Contract Value in excess of the PCR2015 Threshold, the Procuring Officer must consult with the Procurement Specialist to develop the procurement sourcing strategy.

### 5.3 Specification of SSDC requirements

5.3.1 Each procurement must be appropriately specified, using early market engagement as required.

5.3.2 The specification must be a clear and comprehensive description of SSDC's requirements and should incorporate measurable and, so far as is possible, objective quality and performance criteria to enable a proper assessment to be made of the supplier's ability to meet SSDC's requirements. The Specification standard template provides guidance on this.

5.3.3 Selection and Award criteria, aligned to the specification of requirements, must be agreed in advance of inviting expressions of interest to ensure SSDC obtains value for money and the procurement process is transparent.

### 5.4 Standard Procurement Documents

5.4.1 The Procuring Officer must use standard SSDC Procurement Documents obtained from the Procurement Specialist, where the value of the contract is above £25,000 and an SSDC tender procedure is used.

5.4.2 If a Framework Agreement or a Dynamic Purchasing System (DPS) is used, the Procuring Officer must use the relevant Framework Agreement or Dynamic Purchasing System documents if required.

5.4.3 Where it is necessary to vary the documents at 5.4.1 or 5.4.2, the Procuring Officer must consult with the Procurement Specialist or the external Framework Manager as appropriate.

### 5.5 Overview of the Procurement Procedure Framework for SSDC and PCR2015 financial thresholds

5.5.1 The procedure to be adopted is determined by the lifetime value of the specific contract.

5.5.2 The procedure must be robust, yet proportionate to the value of the contract.

5.5.3 The relevant financial thresholds and the applicable procedures are set out in Appendix 1 to these Contract Procedure Rules.

#### 5.5.4 Use of SSDC's Electronic Tendering System

Where a contract value estimate is in excess of £25,000, the following requirements apply:

- a) SSDC's Electronic Tendering System must be used where an SSDC procedure is run. This can be for selected suppliers or via an open tender competition, depending on the specific supply market. Officers should refer to the Procurement Specialist for further information on this.
- b) A Contracts Finder Notice must be published if an open tender competition is used.

## 5.6. The Procurement Procedures relative to financial thresholds

### 5.6.1 The following is applicable to each procedure:

- a) Where there is a suitable Framework Agreement, Dynamic Purchasing System or Corporate Contractual Arrangement approved by the Procurement Specialist, that Framework Agreement, Dynamic Purchasing System or Corporate Contractual Arrangement will be used, provided that such a course of action achieves the principles of Value for Money;
- b) Where acceptance of a quote or tender is made by the issuing of a Purchasing Order, the Purchase Order must refer to the Council's Standard Terms and Conditions of Contract, except for where the complexity of the contract requires more bespoke terms, in which case the Purchase Order will make separate reference to these;
- c) Unless otherwise specified in these Rules, unsuccessful suppliers will be notified and, at their request, will be given the reason why they were unsuccessful without breaching the commercial confidentiality of other candidates.

## 5.7 Process for Low Value Purchases

5.7.1 For contracts up to and including the Total Contract Value of £5,000 (goods and services), or £10,000 (works), the Procuring Officer is required to achieve a minimum of one written quotation to demonstrate compliance. Where compliance with the principle of Value for Money cannot be demonstrated by seeking one written quotation, the Procuring Officer will seek more than one quote.

5.7.2 Compliance with the principle of Value for Money will be demonstrated by evidence of value for money considerations in the decision and a demonstrable conclusion that a better value outcome is unlikely to be achieved without a disproportionate application of further resource in the process.

5.7.3 The Procuring Officer may choose to either:

- a) Place an order with the selected supplier on the basis of a pre-quoted price (such as in a supplier's catalogue), having satisfied themselves that the price to be paid represents Value for Money; or
- b) Select a minimum of one potential supplier to be invited to submit a quotation.

5.7.5 Where the Procuring Officer is unable to select a potential supplier and/or demonstrate Value for Money, the procedure set out at paragraph 5.8 (Quotations) must be followed.

5.7.6 Acceptance will be notified to the successful supplier by issue of a Purchase Order.

5.7.7 The Procuring Officer must document their decision-making process to demonstrate compliance with this section.

### 5.8 Process Requiring Quotations

5.8.1 For contracts with a Total Contract Value of more than £5,000 (£10,000 for works) but less than £25,000, the Procuring Officer is required to achieve a minimum of 3 quotations.

5.8.2 Compliance with the principle of Value for Money will be demonstrated by evidence of value for money considerations in the decision and a demonstrable conclusion that a better value outcome is unlikely to be achieved without a disproportionate application of further resource in the process.

5.8.3 Where compliance with the principle of Value for Money cannot be demonstrated by seeking 3 written quotations, the Procuring Officer shall seek more than 3 quotations and, if considered necessary, run an open tender competition.

5.8.4 A Purchase Order must be raised.

5.8.5 A Contract Award Record must be made on SSDC's Contracts Register where the contract value is over £5,000.

### 5.9. Procurement Procedures (value above £25k) Requiring Publication on ProContract

5.9.1 Procedures with a Total Contract Value above £25,000 and below the PCR2015 Thresholds must be published via ProContract when openly advertised. SSDC Standard Tender Documents must be used and the Procuring Officer must seek the advice of the Procurement Specialist.

5.9.2 The Procuring Officer is required to invite tenders from any and all qualified candidates by advertising the opportunity via the Council's Electronic Tendering System and in Contracts Finder. Where an Approved Selection List or a selected list

of contractors is used because of the nature of the supply market, the Procuring Officer must seek at least 3 confirmed expressions of interest.

5.9.3 An Invitation to Tender will be sent to all parties who have expressed an interest.

5.9.4 The successful supplier and unsuccessful suppliers will be notified of the outcome by issue of a letter sent electronically via the Council's Electronic Tendering System.

5.9.5 A Purchase Order must be raised.

5.9.6 A Contract Award Record must be made on the Council's Contracts Register, and in Contracts Finder when openly advertised.

## 5.10 Procurement Processes for Contracts of a Value Over the PCR2105 Threshold

5.10.1 The Lead Specialist must obtain approval from the Procurement Specialist before beginning a procurement exercise in respect of any contract at and above the relevant PCR2015 Threshold.

5.10.2 For contracts at and above the relevant PCR2015 Threshold, the Procuring Officer is required to invite tenders from any and all qualified suppliers by advertising the opportunity via SSDC's Electronic Tendering System, in Contracts Finder and in the Find a Tender Service.

5.10.3 A statutory minimum period of advertising will apply which will vary depending on the procedure used (**refer to Regulation 47 of PCR2015**).

5.10.4 In most cases, the Open Procedure, Restricted Procedure or Competitive Procedure with Negotiation will be used, however, the advice on the appropriate route to procurement must be sought from the Procurement Specialist.

5.10.5 The successful supplier and unsuccessful suppliers will be notified in accordance with the Relevant Legislation and a Standstill Period of a minimum of 10 calendar days will be observed.

5.10.6 A Purchase Order must be raised.

5.10.7 A Contract Award Record must be made on SSDC's Contracts Register, in Contracts Finder and in Find a Tender (or elsewhere in accordance with International Legislation).

## 5.11 Confidentiality of Tenders and Quotations

5.11.1 All matters concerned with quotations and tenders must be treated as confidential, and any information, discussion or correspondence entered into should

be confined to those officers of, or consultants to the Council who are directly concerned.

5.11.2 The amount or value of any tender or quotation which is to be considered by the Council or Executive must not be made public before the meeting and must be omitted from any written report on the subject which may be circulated before the meeting unless the report is marked as confidential.

## 5.12 Submission, Receipt and Opening of Tenders

5.12.1 For Quotation procedures relating to low value contracts below £25,000 (where use of the Electronic Tendering System is discretionary), the Procuring Officer must record the names of suppliers who submitted a quotation within the deadline provided and the value of the quotation. A record of how value for money has been achieved through the Quotation procedure must be kept. These records must be made available to the Procurement Specialist on request.

### 5.12.2 Contracts above £25,000

- a) All openly advertised Contracts at and above the Total Contract Value of £25,000 will be submitted electronically through SSDC's Electronic Tendering System (refer to paragraph 5.9);
- b) Submissions will be verified and opened on SSDC's Electronic Tendering System.
- c) Tenders received after the stated date and time must not be accepted, unless there are extenuating circumstances that can be confirmed via the ProContract portal provider and that there is a high level of confidence that it is not a fraudulent act. The Procurement team must agree with any decision to accept a tender and approval of the Monitoring Officer should be sought. For the purposes of these Rules the time will be deemed to be at the first stroke, e.g. noon will be 12:00:00;

## 5.13 Contract Selection and Award Criteria

5.13.1 The Selection Questionnaire shall be used to assess a supplier's ability to meet SSDC's requirements or minimum standards of suitability, capability, legal status or financial standing.

5.13.2 For all Contracts over the Total Value of £25,000 the Officer will include the Selection Questionnaire within the Procurement Documents. For works contracts the Procuring Officer should seek guidance from the Procurement Specialist in respect of the correct use of Selection Questionnaires.

5.13.3 The Award Criteria will be used to assess a supplier's ability to deliver SSDC's requirements under the Contract, achieving Value for Money through the agreed balance of Price and Quality criteria (Note: referred to as Most Economically Advantageous Tender or MEAT in PCR2015. The Government Green Paper: Transforming public procurement proposes changing the basis of contract awards from MEAT to MAT, Most Advantageous Tender. In practice there is already good opportunity to take non-financial considerations into account in procurement).

5.13.4 The Contract will be awarded to the supplier whose tender best meets the Award Criteria (as set out in the Procurement Documents).

5.13.5 The Procuring Officer will consult with the Procurement Specialist for guidance on the Selection and Award criteria prior to issuing the Procurement Documents.

#### 5.14 Intention to Award a Contract

5.14.1 For contracts with a Total Contract Value below the PCR2015 Threshold, the Procuring Officer should allow candidates a discretionary minimum Standstill Period of 10 calendar days before entering into a contractually binding agreement with the successful supplier(s). It is most important that any communication with the preferred candidate(s) does not constitute a Contract award, conditional or otherwise.

5.14.2 For contracts with a Total Contract Value over the PCR2015 Threshold, the Procuring Officer must allow candidates a mandatory minimum Standstill Period of 10 calendar days before entering into a contractually binding agreement with the successful supplier(s). It is most important that any communication with the preferred candidate(s) does not constitute a Contract award, conditional or otherwise.

5.14.3 Following any Standstill Period and the signing of a contract, an Award Notice must be placed as delegated by the Procurement Specialist.

5.14.4 All suppliers must be simultaneously notified in writing of the award and all letters informing them of the outcome of the Tender must comply with the Relevant Legislation.

5.14.5 Should any further communication with the suppliers be requested/required, advice should be sought by the Procurement Specialist prior to any such communication.

5.14.6 Any complaints, correspondence threatening challenge or formal court proceedings challenging the decision must be immediately submitted to the Procurement Specialist and the Monitoring Officer.

## 6. Authorisations

### 6.1 Authority to Procure a Contract

6.1.1 Lead Specialists or a Director may authorise a procurement exercise in respect of contracts of any value so long as:

- a) The decision to procure a contract is not a Key Decision;
- b) The procurement relates to their service area and in accordance with relevant authority;
- c) In doing so they are acting in accordance with the Financial Procedure Rules; and,
- d) Where the contract value is above the relevant PCR2015 Threshold, the approval of the Procurement Specialist has been obtained.

### 6.2 Authority to Award or Amend a Contract

6.2.1 Approval to award or amend a contract, Framework Agreement or Dynamic Purchasing System can only be given as set out in Financial Procedure Rules.

6.2.2 In respect of contract amendments, the Total Contract Value is the total value of the contract plus the value of any proposed amendment.

### 6.3 Authority to Sign a Contract

6.3.1 The Chief Executive, Section 151 Officer and Monitoring Officer may sign any contract.

6.3.2 Lead Specialists or a Director may sign contracts in respect of procurement within their service area.

6.3.3 Lead Specialists or a Director may delegate their Authority to sign to an Officer, however this must be in accordance with the requirement in the Finance Procedure Rules.

6.3.4 As well as signing, contracts may also require sealing under Contract Procedure Rules. Procuring Officer must agree and liaise with the Monitoring Officer where a seal is required.

### 6.4 Further Authorisation for Advance Payments

6.4.1 Contracts requiring payment in advance must be authorised in accordance with the Financial Procedure Rules. In particular:

- a) Payments in advance in excess of £5,000 must be authorised by a Finance Specialist; and,

- b) Payments in advance in excess of £50,000 must be authorised by the Section 151 Officer.

## 6.5 Deeds, Sealing and Signing of Contracts

6.5.1 A Contract must be sealed with the common seal of SSDC where:

- a) SSDC may wish to enforce the contract more than 6 years after its end (e.g. construction works); or,
- b) The price paid or received under the contract is a nominal price and does not reflect the value of the goods, services or works; or,
- c) The risk presented by the contract requires it, as agreed by the Monitoring Officer and the Procurement Specialist.

6.5.2 Before a contract can be sealed by SSDC, the Procuring Officer must provide the relevant Authority to award in writing from the appropriate decision maker.

## 7. Contract Management – the Manage phase

### 7.1 Contracts Register

7.1.1 All contracts having a value or estimated value of £5,000 (five thousand pounds) or more must be entered in SSDC's Contracts Register, which will be monitored by the Procurement Specialist and published under Transparency Regulations requirements.

7.1.2 The Procuring Officer will ensure that signed copies of the contract are stored in and copied to the Procurement Specialist.

7.1.3 The Procuring Officer must keep and maintain records in respect of each Tender and Contract (such records should include the materials relating to all of the stages of the procurement cycle).

7.1.4 The Procurement Specialist will carry out quarterly spot checks to check compliance with these rules.

### 7.2 Contract Documents and Letters of Intent

7.2.1 Wherever practicable, work under a contract must not start until the contract documents and all other procedures have been completed to the satisfaction of a Lead Specialist (who is not responsible for the contract) or, in the case of a procurement presenting a significant risk in accordance with the Contract Management Framework, a Lead Specialist (who is not responsible for the contract) and the Procurement Specialist. A letter of intent must not be issued unless approved by the Monitoring Officer.

### 7.3. Variations and Extensions

7.3.1 Variations must not exceed the scope, financial value or duration of the advertised contract.

7.3.2 Where the relevant Officer considers that a proposed variation may materially change or exceed the specification, price or duration of a contract, advice must be obtained from the Procurement Specialist.

7.3.3 Variations to contracts must be approved and signed by the relevant officers in accordance with Financial Procedure Rules.

7.3.4 Extensions of contracts may only be made where:

- a) There is an existing budgetary provision; or,
- b) There is a budgetary provision agreed by the S151 Officer, and
- c) Value for Money can be clearly demonstrated, and that the extension will not contravene any legal requirement.

7.3.5 For Contracts below the PCR2015 Threshold:

- a) There is a provision stipulated in the original contract for an extension; or,
- b) The extension does not exceed 50% of the original contract value; and
- c) The extension does not cause the Total Contract Value to exceed the relevant PCR2015 Threshold.

7.3.6 For contracts at or over the PCR2015 Threshold, the original Contract Notice advertised, and the contract permits the extension.

7.3.7 Where the Officer responsible considers that a proposed extension may materially change or exceed the specification, price or duration of a contract, Authority for the extension must be obtained from the Lead Specialist or a Director for the service area to which the procurement relates and the Procurement Specialist.

7.3.8 Extensions to contracts must be approved and signed by the relevant officers in accordance with the approval levels set out in Financial Procedure Rules.

7.3.9 For contracts with a Total Contract Value exceeding the PCR2015 Threshold, any variation or extension to a Contract which in aggregate results in additional costs exceeding 10% of the original contract value will be subject to the prior approval of the Lead Specialist or the Director for the service area to which the procurement relates and the Monitoring Officer.

7.3.10 For contracts with a Total Contract Value exceeding the PCR2015 Threshold, any variation or extension to a contract which in aggregate results in:

- a) additional costs exceeding 10% of the original contract value;
- b) A significant delay in the time for completion; or,
- c) Significant risks not initially identified,

will be reported at the earliest opportunity to the Section 151 Officer and will be subject to their approval in conjunction with an appropriately empowered Officer.

7.3.11 The Officer responsible for the amendment to the contract must ensure that all variations and/or extensions, are stored with the original signed and dated contract.

#### 7.4. Contract Management and Contract Expiry

7.4.1 For all new Gold contracts (as defined in the Contract Management Framework), a contract manager must be appointed and named in the Procurement Documents and contract.

7.4.2 All contracts with a Total Contract Value over the relevant PCR2015 Threshold or where supplier failure would have an adverse impact on SSDC's service delivery must have in place:

- a) A contract management plan;
- b) A risk register, and risk mitigation strategy;
- c) A contingency plan;
- d) An exit management plan, together with appropriate contract clauses, to minimise the potential impact on SSDC's service delivery, as a result of the expiry, or early termination, of the contract.

## 8. Further Advice

### 8.1 Miscellaneous procurement issues

Should the procurement or management of a contract involve the following, or should the Procuring Officer have any queries regarding the following, the Officer should seek the advice of the Procurement Specialist or the Monitoring Officer as appropriate:

- a) Confidentiality of sensitive commercial information;
- b) The organisation of Presentations, Demonstrations, Site visits and interviews;

- c) Abnormally low bids;
- d) Contracts exceeding the written estimate;
- e) Clarification of tenders from candidates;
- f) Post tender negotiation and best and final offers;
- g) Electronic auctions;
- h) Early termination of a contract;
- i) Assignment or novation of a contract;
- j) State aid;
- k) Development agreements.

## 8.2 Amendments to These Contract Procedure Rules

The Monitoring Officer will be empowered to review in consultation with the Procurement Specialist the Contract Procedure Rules from time to time and as often as may be necessary in consultation with the S151 Officer and Lead Councillor and, following formal approval by Full Council, will publish details of any amendments.

For minor amendments the Monitoring Officer in consultation with the Portfolio Holder has delegated authority to makes changes to the Contract Procedure Rules and report on these at the next Council meeting for transparency. (Minor amendments would include for example changes to Officer roles in procedures).

## Appendix 1 Procurement Procedure Framework

**Table 1A Goods and Services**

This table provides a summary framework for SSDC contract procedures required per life time contract value for **Goods and Services**

Contract Value		Process	Award Procedure	Contract Opportunity Publication	Documentation	Contract award notice	Application of exemptions/waivers
From	To						
£0	£5,000	Quotation	Demonstrate Value for Money	Low Value Purchase Not applicable	Quotation may be delivered by e-mail. Purchasing Officer to maintain records demonstrating Value for Money.	Not required	Not applicable
£5,000	£25,000	RFQ (Request for quotation)	Minimum of three written quotations based on a Request for Quotation (RFQ) document with Standard T&Cs	<b>Discretionary requirement</b> 1. RFQ from selected suppliers via email <b>or</b> 2. Selected Suppliers via Supplying the Southwest portal <b>or</b> 3. All Suppliers via Supplying the Southwest portal <b>and</b> Contracts Finder (See Note 1)	Must be based on a written specification provided to the supplier by SSDC. Quotation should be returned by email, post or via the e-tendering system. Lead Officer to maintain records demonstrating Value for money.	<b>Mandatory requirement</b> Publish on SSDC Contracts Register (See Note 3)	Waiver Request Form required
£ 25,000	PCR2015 Threshold	Formal tender	RFQ or tender process with appropriate T&Cs	<b>Mandatory requirement</b> 1. Supplying the southwest portal	ITT documentation as relevant. Bids must be returned via e-tendering system.	<b>Mandatory requirement</b> 1. Publish on Contracts Finder	

Contract Value		Process	Award Procedure	Contract Opportunity Publication	Documentation	Contract award notice	Application of exemptions/waivers
				2. Contracts Finder	Lead Officer to maintain records demonstrating vfm.	if openly advertised 2. Publish on SSDC Contracts Register	Waiver Request Form required
Over PCR2015 Threshold		Formal tender	Full tender process with appropriate T&Cs	<b>Mandatory requirement</b> 1. Supplying the southwest 2. Find a Tender 3. Contracts Finder	ITT documentation as relevant. Bids must be returned via e-tendering system.	<b>Mandatory requirement</b> 1. Find a Tender award notice 2. Publish on Contracts Finder 3. Council Contract Register	Waiver Request Form required

**Note 1** The obligation to advertise prospective contracts on Contracts Finder is set out in Regulation 110 of the Public Contracts Regulations 2015.

**This obligation applies only, “where a contracting authority advertises a contract award opportunity”.**

It does not apply where there is no “public advertisement” of the contract opportunity, such as where a contracting authority approaches a single contractor (for example, the incumbent to extend an existing contract for a short period to cover a delayed procurement), or a “closed list” of contractors invited to tender by the contracting authority.

This is made clear in Regulation 110(5)(b) which states clearly that a contracting authority

“does not advertise an opportunity where it makes the opportunity available only to a number of particular contractors selected for that purpose”.

There are only two circumstances in which a contracting authority is required to advertise a contract valued below the PCR2015 tendering threshold publicly:

- where the contract may be of “cross border” interest to contractors based in other EU member states (which is often relevant for supplies contracts or for contracting authorities based in Northern Ireland, but not usually for contracting authorities seeking contractors or service providers within mainland Britain); or
- where the project is being funded by grant (particularly European Structural Investment Funding such as ERDF or ESF) and the grant conditions require public advertising.

Outside of these two circumstances, there is nothing in the Regulations that requires contracting authorities to advertise “below PCR2015 Threshold” tender opportunities publicly.

**Note 2 It is compulsory to post award notice on contracts finder for contract value >£25k** (does not apply for call-offs under a framework agreement)

**Note 3 Local authorities must also publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000. (Contract Register)**

For each contract, the following details must be published:  reference number  title of agreement  local authority department responsible  description of the goods and/or services being provided  supplier name and details  sum to be paid over the length of the contract or the estimated annual spending or budget for the contract  Value Added Tax that cannot be recovered  start, end and review dates  whether or not the contract was the result of an invitation to quote or a published invitation to tender, and  whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector organisation and where it is, provide the relevant registration number.

**Table 1B Works**

This table provides a summary framework for SSDC contract procedures required per life time contract value for **Works**

Contract Value		Process	Award Procedure	Contract Opportunity Publication	Documentation	Contract award notice	Application of exemptions/waivers
From	To						
£0	£10,000	Quotation	Demonstrate Value for Money	Low Value Purchase Not applicable	Quotation may be delivered by e-mail. Purchasing Officer to maintain records demonstrating Value for Money for money.	Not required	Not applicable
£10,000	£25,000	Quotation	Demonstrate Value for Money	<b>Discretionary requirement</b> 1. RFQ from selected suppliers via email <b>or</b> 2. Supplying the Southwest portal 3. Contracts Finder	Quotation may be delivered by e-mail. Purchasing Office to record details demonstrating Value for Money for money.	<b>Mandatory requirement</b> 1. SSDC Contracts Register (>£5k)	Not applicable
£ 25,000	PCR2015 Threshold	RFQ or Formal tender as appropriate	RFQ or Full tender process with appropriate T&Cs	<b>Mandatory requirement</b> 1. Supplyingthesouthwest 2. Contracts Finder	ITT documentation as relevant. Bids must be returned via e-tendering system.	<b>Mandatory requirement</b> 1. Publish on Contracts Finder if openly advertised 2. Publish on SSDC Contracts Register	Waiver Request Form required

Contract Value		Process	Award Procedure	Contract Opportunity Publication	Documentation	Contract award notice	Application of exemptions/waivers
Over PCR2015 Threshold		Formal tender	Full tender process with appropriate T&Cs	<b>Mandatory requirement</b> <ol style="list-style-type: none"> <li>1. Supplying the southwest</li> <li>2. Contracts Finder</li> <li>3. Find a Tender</li> </ol>	ITT documentation as relevant.  Bids must be returned via e-tendering system.	<ol style="list-style-type: none"> <li>1. Find a Tender award notice</li> <li>2. Publish on Contracts Finder</li> <li>3. SSDC Contracts Register</li> </ol>	Waiver Request Form required

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## Appendix 2 Waiver Request Form content

The following information will be required as a minimum:

1. Details of goods, services or works
2. Total value of waiver request and period of appointment
3. What is the background to the waiver request?
4. What are the circumstances [paragraph 1.4.3](#) of the Contract Procedure Rules that apply?
5. How does the waiver deliver Value for Money?
6. What are the risks associated with this waiver?
7. What action can be taken to remove the need for a waiver in the future?

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## Appendix 3 Monitoring compliance with Contract Procedure Rules

### Sampling and monitoring process for compliance with Contract Procedure Rules

The following sampling approach is to be implemented from end of Quarter 3 2021/22. The Procurement Specialist will complete this on a quarterly basis (10 days after quarter end):

Contract band description	Goods and Services estimated value limit	Works estimated value limit	Sampling approach
Very low value	£0 - £5,000	£0 - £10,000	Sample 2 transactions from Contract Register data for good and services for compliance with PO procedure and vfm evidence  <£10k, Procurement Specialist will sample 2 transactions from Contracts Register for Works
Low value	£5,001 - £25,000	£10,001 - £25,000	Procurement Specialist will sample 2 goods & services and 2 works transactions for compliance with quotation procedure
Medium value	£25,001 – PCR2015 threshold (£189,330)	£25,001 – PCR2015 threshold (£4,733,252)	Procurement Specialist will sample 2 goods & services and 2 works transactions for compliance with Procontract procedure
High value	>PCR2015 threshold (£189,330)	>PCR2015 threshold (£4,733,252)	Any transaction >PCR2015 threshold will be tested for compliance

### Reviewing and agreeing appropriate action on breaches to Contract Procedure Rules

- Below threshold 1 (£5k or £10k) – Procurement Specialist, Lead Specialist and Officer concerned to review
- Below threshold 2 (£25K) – Procurement Specialist, Lead Specialist and Officer concerned to review
- Below threshold 3 (PCR2015) – Procurement Specialist, Director/Lead Specialist and Officer concerned to review
- Above threshold 3 (PCR2015) – Procurement Specialist, Director/Monitoring Officer

## Reporting

- The Procurement Specialist will report to Monitoring Officer on all breaches quarterly.
- This report will also include a list of all waivers agreed in the same quarter.

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## Appendix 4 Glossary of Terms

Term	Description
Contracts Finder	Contract Finder is the portal that allows suppliers to search for Public Sector contract opportunities by setting up email updates for different categories of procurement. When SSDC issues a contract notice on Contracts finder all relevant suppliers will be notified of the opportunity.
Collateral Warranty	A Collateral Warranty is a supporting document to a primary contract where an agreement needs to be put in place with a third party outside of the primary contract. It can provide the third-party contractual rights enabling it to claim for losses which would not otherwise be recoverable. On a construction or engineering project, a collateral warranty is a contract under which a professional consultant (e.g. architect), contractor or sub-contractor warrants to a third party that it has complied with its appointment.
MEAT	Most Economically Advantageous Tender is a method of assessment used for evaluating and awarding a contract. It allows SSDC to award the contract on quality criteria other than just Price.
MAT	Most Advantageous Tender is the proposal within the Government's Green Paper: Transforming public procurement to change the basis of contract awards from Most Economically Advantageous Tender (MEAT) to Most Advantageous Tender (MAT). The objective of this proposed change is to remove the perceived restrictions that prevent Authority's having regard to broader non-financial considerations.
Parent Company Guarantee	A Parent Company Guarantee is a guarantee given by one contracting party's ultimate or intermediate holding company in favour of the other contracting party (SSDC) to secure the performance of that party's obligations under a contract.
Performance Bond	A Performance Bond is common in construction and is a financial instrument issued by a bank or insurance company to ensure the successful completion of a large project. It protects SSDC against a contractor failing to deliver the work e.g. through bankruptcy.
ProContract	SSDC's Electronic Tendering System
Selection and Award Criteria	Selection criteria are the minimum requirements or standards that bidders must meet to progress in a procurement. For bidders having met the selection criteria, award criteria are used to determine which bidder is best placed to be awarded the contract.
Selection Questionnaire	A Selection Questionnaire enables suppliers to make a self-declaration on grounds for exclusion from a procurement process – the standard form is set out in Procurement Policy Note 8/16.
Value for Money	Value for Money is the most advantageous combination of cost, quality and social value to meet SSDC requirements. Please see MEAT and MAT.



# South Somerset District Council

## Social Value Policy

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Table 1: Version History

<b>VERSION</b>	<b>CHANGE</b>	<b>DATE</b>
1.1	DRAFT – MIRIAM KIRCHBERGER	8/03/2021
1.2	REVISIONS – MICHAEL O'HALLORAN AND BRENDAN DOWNES	24/05/2021
1.3	REVISIONS – MIRIAM KIRCHBERGER	08/09/2021

May 2021

# Social Value Policy

## 1. Introduction

Social Value for South Somerset is about more than driving a hard bargain when procuring services – it is an active working out of our council vision, aims and themes as expressed in our Council Plan.

### Purpose and background

- 1.1. In light of Covid-19, the role of Councils as economic actors will be crucial in restarting local economies. SSDC is committed to including Social Value into the way procurement decisions are made to ensure the Council meets the goals set out in our Council Plan, Environment Strategy, Economic Development Strategy and Recovery Strategy.
- 1.2. South Somerset District Council is required to consider, before commencing any procurement process, how the economic, social and environmental wellbeing of the district may be improved through the procurement of its services as part of the Public Service (Social Value) Act 2012. The aim of the Act is not to alter the commissioning and procurement processes, but to ensure that, as part of these processes, the Council gives consideration to the wider impact of service delivery.
- 1.3. This policy establishes a consistent and collaborative approach to Social Value with the vision to create, deliver and sustain greater community benefits through the use of Social Value in our authority and district.
- 1.4. The purpose of this policy is to formally embed the consideration Social Value into all procurement conducted by the Council, in line with the priorities in the Council Plan. This is also reflected in the Council's Procurement Strategy and supported by the Contract Standing Orders.
- 1.5. In 2019, SSDC engaged the Social Value Portal to work collectively to embed and develop the Social Value and the TOMs framework into our procurement activity.

## 2. Defining Social Value

- 2.1. As the Public Service (Social Value) Act 2012 Act does not define what is meant by "Social Value" the Council will adopt the definition of Social Value as set out by the Social Value Portal<sup>1</sup>. Social Value is described as follows:  
  
"Social Value serves as an umbrella term for these broader effects, and organisations which make a conscious effort to ensure that these effects are positive can be seen as adding Social Value by contributing to the long-term wellbeing and resilience of individuals, communities and society in general."
- 2.2. This Social Value policy seeks to promote the following aims through South Somerset's procurement activity:

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<sup>1</sup> The Social Value Portal is an organisation established to promote better business and community wellbeing through the integration of Social Value into day to day business and the uptake of The Social Value Act.

## Social Value Policy

- 2.2.1. Support the future prosperity of South Somerset, its businesses and all its citizens
- 2.2.2. Enhance social opportunity and cohesion in a dynamic and changing business environment
- 2.2.3. Help to develop improvements for disadvantaged neighbourhoods and people
- 2.2.4. Create and maintain a sustainable, clean, safe and attractive environment for living, work and leisure

### 3. Social Value Outcomes

- 3.1. The Council Plan 2020-2024, the Environment Strategy, the Economic Development Strategy and Recovery Strategy set out the Aims, Values, Themes and Focus for the Council. Delivery of this policy will support all five Themes of the Council Plan and in particular the ambition to “Embed Social Value into all processes and activities to ensure we maximise the support we give to our communities”.
- 3.2. Delivery of the Council priorities through use of our procurement power which ensures maximum benefit for our local communities when letting contracts.
- 3.3. Defining Themes Outcomes and Measures (TOMs) to reflect both organisational and wider societal priorities creates the “golden thread” from strategy to delivery. This is needed to set a framework in which stakeholders, business and community partners can engage to support the Council’s Social Value objectives and deliver measurable change.
- 3.4. The Council procures a wide range of goods and services, and it is recognised that there can be a no “one size fits all” model. The policy will need to be applied in a proportionate manner and be tailored to reflect the works, service or goods to be procured. It is the role of commissioners and procuring officers 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 to achieve this.
- 3.5. Where appropriate in its procurement activities, the Council will specify Social Value outcomes that are proportionate and relevant to the specification of the service required and will evaluate tenders in accordance with those Social Value outcomes and specification.

### 4. How we apply and measure Social Value

- 4.1. The Council has identified the commodity areas where there is greater scope for local supply market engagement or to drive environmental opportunity in the Commodity and Supplier Risk matrix. This provides a broad framework of where specific Social Value opportunities may have the greatest return. However, Social Value is considered on all significant contracts on their individual merit.
- 4.2. The Council is committed to a performance and evidence-based approach to Social Value and uses the National TOMs framework which provides quantitative measures of Social Value. Therefore bidders are required to

## Social Value Policy

propose credible and tangible targets against which contracts are awarded and the performance (for the successful bidder) will be monitored.

4.3. SSDC has developed a TOMs shortlist which reflects the Council's priorities. By adapting the National TOMs, the Council is able to measure, manage and maximise the delivery of Social Value internally without having to consult third parties for evaluation or reporting of contractualised Social Value. By using the National TOMs in its framework, the Council is using a broadly understood framework which ensures a fairer and consistent process for all bidders.

4.4. The Social Value policy asks contractors to consider where and how their activities can have a social impact. Examples of Social Value outcomes that could be achieved are shown in Appendix 1. **The examples listed are not exhaustive and could be expanded where relevant.**

4.5. SSDC has set a minimum weighting for Social Value as 10% of the overall price and quality evaluation criteria when evaluating tenders. This will apply for the financial year 2021/22 and is subject to review on an annual basis.

4.6. **Table 2** below sets out further detail around processes by value:

Value	Contract Duration	Process	Potential Outcomes	Evaluation and Monitoring
Sub-OJEU	<6 months	Light touch Social Value will be included, using SSDC own system to measure Social Value	Expectations may not be specific to a project but take into account what the organisation does as a whole. The weighting as identified in section 4.5..	Social Value proposals and subsequent delivery will be evaluated and monitored internally by SSDC, using the SSDC TOMs framework.
Sub-OJEU	>6 months	Managers will be required to ensure that Themes, Outcomes and Measures (TOMs) are included within the procurement process. It is an expectation that Social Value will apply to procurement requirements that fall within this threshold and any exceptions to this rule must be authorised by the Procurement Specialist	Businesses may be expected to respond to the range of opportunities contained within the TOMs matrix. They will be assessed on their project specific proposals The weighting as identified in section 4.5..	Social Value proposals and subsequent delivery will be evaluated and monitored internally by SSDC, using the SSDC TOMs framework.

## Social Value Policy

OJEU or over	Generally >6 months but assessed on a case by case basis.	Procuring officers will guide specifications and tender documents to ensure that considerations for Social Value is made at the procurement/commissioning stage and that TOMs are included within the tender process, ensuring that the evaluation scores and weightings are clearly set out and that an action plan is implemented during the contract period.	Businesses will be expected to respond fully to the TOMs matrix and commit to project specific deliverables that will be included in KPIs. The weighting as identified in section 4.5. Weightings above the minimum threshold are used where contract price is set, or there is a specific opportunity around Social Value to solve a specific need.	Social Value proposals and subsequent delivery may be evaluated and monitored internally by the Social Value Portal where feasible.
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### 5. Scope

- 5.1. The Council adopts the parameters set out in table 2 which is applied flexibly to ensure that Social Value sought from a contract is relevant and proportionate in respect of the proposed contract.

### 6. Consultation

- 6.1. In discharging its statutory duties, procuring officers are required to consider whether consultation should take place when commissioning, so as to allow the community and voluntary sectors to be more closely involved in order to support in improving the South Somerset's economic, social and environmental well-being.

### 7. Responsibility

- 7.1. The Social Value Policy is owned and developed by the Procurement team who report to the Director for Strategy and Support Services. All procurement decisions are authorised in line with the Council's constitution and are managed through the procurement processes, as set out in the Council's Contract Standing Orders.

### 8. Monitoring and Review

- 8.1. Social Value delivery will be reported by the Procurement team and may also be reported in specific reports on delivery against the Council Plan and where appropriate through the Portfolio Holders responsible for individual projects.
- 8.2. The Council will periodically review its Social Value Policy in consultation with key stakeholders. In doing so it will take into account any changes in legislation pertaining to the Social Value Act 2012, Public Contracts Regulations and the Council Plan.

## Appendix 1: SSDC TOMs Shortlist

Council Theme	Potential outcomes	Potential measures
<p>Assist businesses to recover from the Covid-19 pandemic whilst supporting growth within the South Somerset economy</p>	<p>More local people in employment</p>	<p>No. of local direct employees (FTE) which are TUPE transfers retained on contract for one year or the whole duration of the contract, whichever is shorter <b>(re-tendered contracts only - to be used at Measurement)</b></p>
		<p>No. of local direct employees (FTE) hired or retained <b>(for re-tendered contracts)</b> on contract for one year or the whole duration of the contract, whichever is shorter</p>
		<p>Percentage of local employees (FTE) on contract</p>
	<p>More opportunities for disadvantaged people</p>	<p>No. of employees (FTE) hired on the contract who are long term unemployed (unemployed for a year or longer) as a result of a recruitment programme</p>
		<p>No. of armed forces veterans employees (FTE) hired on the contract as a result of a recruitment programme who are long term unemployed (unemployed for a year or longer) and are facing specific barriers to transitioning to civilian employment that do not qualify them as disabled (e.g. long term service)</p>
		<p>No. of homeless employees (FTE) hired on the contract as a result of a recruitment programme</p>
		<p>No. of parents returning to work (FTE) hired on the contract as a result of a recruitment programme who are long-term unemployed (unemployed for a year or longer) - (when the mother is the primary carer)</p>
		<p>No. of survivors of modern slavery employees (FTE) hired on the contract as a result of a recruitment programme</p>
		<p>No. of employees (FTE) hired on the contract who are Not in Employment, Education, or Training (NEETs) as a result of a recruitment programme</p>
		<p>No. of 16-25 y.o. care leavers (FTE) hired on the contract as a result of a recruitment programme</p>

## Social Value Policy

	No. of 18+ y.o. employees (FTE) hired on the contract who are rehabilitating or ex offenders as a result of a recruitment programme
	No. of 18-24 y.o. employees (FTE) hired on the contract who are rehabilitating young offenders as a result of a recruitment programme
	No. of disabled employees (FTE) hired on the contract as a result of a recruitment programme
	No. of armed forces veterans employees (FTE) hired on the contract as a result of a recruitment programme who are disabled and are facing specific barriers to transitioning to civilian employment (e.g. physical injury, medical discharge, psychological condition)
	No. of hours of support into work provided to unemployed people through career mentoring, including mock interviews, CV advice, and careers guidance -(over 24 y.o.)
<b>Improved skills</b>	No. of staff hours spent on local school and college visits e.g. delivering careers talks, curriculum support, literacy support, safety talks (including preparation time)
	No. site visits for school children or local residents
<b>Improved skills for disadvantaged people</b>	No. of weeks of training opportunities on the contract (BTEC, City & Guilds, NVQ, HNC) that have either been completed during the year, or that will be supported by the organisation until completion in the following years - Level 2,3, or 4+
	No. of weeks of apprenticeships on the contract that have either been completed during the year, or that will be supported by the organisation until completion in the following years - Level 2,3, or 4+
<b>Improved skills for a low carbon transition</b>	Support a 'just transition' for workers by supporting those in 'traditional' high carbon industries to retrain
	No. weeks on the contract of apprenticeships relating to the low carbon economy - opportunities either to be completed during the year, or that will be supported by the organisation to completion in the following years - Level 2,3, or 4+
<b>Improved employability of young people</b>	No. of hours dedicated to support young people into work (e.g. CV advice, mock interviews, careers guidance) - (under 24 y.o.)
	Employer's fairs held to encourage local employment in the area
	No. of weeks spent on meaningful work placements or pre-employment course; 1-6 weeks student placements (unpaid) –

## Social Value Policy

Council Theme	Potential outcomes	Potential measures
<b>Keep South Somerset clean, green and attractive and respond to the climate and ecological emergency</b>	<b>Carbon emissions are reduced</b>	Savings in CO2 emissions (or carbon emission equivalent) on contract achieved through de-carbonisation (specify how these are to be achieved)
		Policy and programme to achieve net zero carbon by 2030 including monitoring plan with specific milestones (issued or to be issued by the end of 2020)
		Carbon savings from energy efficiency measures on site (e.g. increased use of renewables)
		Offset embodied carbon emissions from construction material
		Embodied Carbon reductions in CO2e emissions against baseline
		Carbon Certification (Carbon Trust Standard, Planet Mark or equivalent independently verified) - achieved or to achieve for current year
		Carbon reductions through energy efficiency measures or renewables - building operations - (e.g. REEB benchmark or 3 year baseline)
		Percentage of buildings meeting target (Building use less energy and are more energy efficient)
	<b>Air pollution is reduced</b>	Car miles saved on the project as a result of a green transport programme or equivalent (e.g. cycle to work programmes, public transport or car pooling programmes, etc.)
		Car miles driven using low or no emission staff vehicles included on project as a result of a green transport programme
		Corporate travel schemes available to employees on the contract (subsidised public transport, subsidised cycling schemes and storage, sustainable corporate transport such as electric bus from public station to corporate facilities)
		Percentage of fleet or construction vehicles on the contract that is at Least Euro 6 or LEV
	<b>Safeguarding the natural environment</b>	Offsets or mitigation initiatives on biodiversity delivered whenever restoration is not available, and when implemented beyond legislative or regulatory requirements: Natural Capital Approach carbon sequestration and air quality benefits

## Social Value Policy

		Plastic recycling rate on the contract ( to e.g. reduce microplastics)
	<b>Resource efficiency and circular economy solutions are promoted</b>	Support provided internally and to MSMEs and VCSEs within the supply chain to adopt Circular Economy solutions - business case and leadership for circular economy
		Single-use plastic packaging eliminated through reusable packaging solutions or schemes (e.g. Loop or equivalent) on the contract
		Value of local partnerships to implement circular economy solutions
		Waste management verification policies: audit hierarchy, downstream audits for waste stream
		WATER: Percentage of buildings meeting good practice benchmark (e.g. REEB)
		M3 water saved against relevant benchmark (e.g. REEB)
		WASTE: Percentage of buildings meeting good practice benchmark (e.g. REEB)
		Percent of waste diverted against relevant benchmark (e.g. BREEAM)
	Tonnes of waste diverted against relevant benchmark (e.g. BREEAM)	
	<b>Sustainable Procurement is promoted</b>	Percentage of procurement contracts that includes sustainable procurement commitments or other relevant requirements and certifications (e.g. to use local produce, reduce food waste, and keep resources in circulation longer.)
		Percentage of contracts with the supply chain requiring contractors to operate low or zero emission vehicles
		Supply Chain Carbon Certification (Carbon Trust Standard for Supply Chain or equivalent independently verified) - achieved or to achieve for current year
		Requirements or support (for Micro or Small enterprises) for suppliers to demonstrate climate change and carbon reduction training for all staff - e.g. SDGs Academy courses (NTs) or (e.g. RE) Supply Chain Sustainability School bronze or higher or equivalent
	<b>More buildings are certified</b>	Percentage of NEW buildings achieving BREEAM Rating
Percentage of assets that have undergone a climate risk assessment		
Percentage of assets where sustainability risk has been reduced		
Percentage of buildings achieving BREEAM IN-USE		

## Social Value Policy

Council Theme	Potential outcomes	Potential measures
<b>Enable healthy communities which are cohesive, sustainable and enjoy a high quality of life</b>	<b>Crime is reduced</b>	Initiatives aimed at reducing crime (e.g. support for local youth groups, lighting for public spaces, private security, etc.)
	<b>Creating a healthier community</b>	Initiatives to be taken to tackle homelessness (supporting temporary housing schemes, etc.)
		Initiatives to support rough sleepers - including training for security and night staff, opening up facilities spaces (e.g. showers or additional beds when temperature drops) after hours
		Initiatives taken or supported to engage people in health interventions (e.g. stop smoking, obesity, alcoholism, drugs, etc.) or wellbeing initiatives in the community, including physical activities for adults and children
	<b>Vulnerable people are helped to live independently</b>	Initiatives to be taken to support older, disabled and vulnerable people to build stronger community networks (e.g. befriending schemes, digital inclusion clubs)
	<b>More working with the Community</b>	Donations or in-kind contributions to local community projects (£ & materials)
		No. of hours volunteering time provided to support local community projects



# **South Somerset District Council**

## **Contract Management Framework**

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Table 1 - Revision History

VERSION	CHANGE	DATE
1.00	BRENDAN DOWNES, CHANELLE BUSBY (EXETER CITY COUNCIL), TRACEY FIELD (TORBAY COUNCIL) – DRAFT TEMPLATE	APRIL 2019
1.01	BRENDAN DOWNES – REVIEW AGAINST SELF-SERVICE MODEL AND RISK CLASSIFICATION	JANUARY 2020
1.20	BRENDAN DOWNES, MIRIAM KIRCHBERGER AND MICHAEL O'HALLORAN – ADAPTATION TO SSDC OPERATING MODEL	APRIL 2021

## PURPOSE OF THIS DOCUMENT

This document outlines the approach to contract management activities across the organisation and provides all stakeholders with an agreed approach.

A significant level of the organization's budget is spent on external third-party service providers.

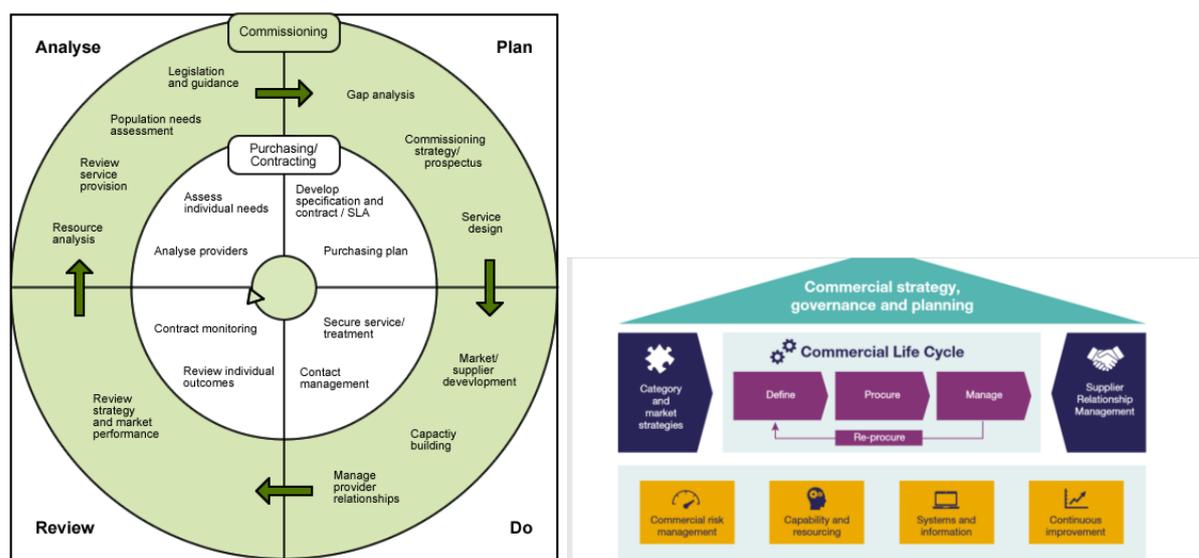
The reliance and dependency on external market solutions has increased and therefore, the performance of these supply markets is vital to council in achieving its strategic aims both in terms of service quality and managing and balanced budget.

Public Sector contracts are increasing in commercial complexity and size typically this increased contract duration and sourcing difficulties. Managing commercial relationships is a vital competence to ensure that quality, service and cost outcomes are met or exceeded.

The following framework draws upon existing good practice, national guidance and National Audit Office (NAO) recommendations.

## DEFINITION

Contract Management is part of the 'Review' stage of the commissioning cycle or the 'Manage Phase' within Cabinet Office guidance.



For the purpose of this document the definition used is a management process that

- ensures the contract yields the projected outcomes
- benefits any market advantage secured during the tendering phase of the procurement process is realised
- further improvements are made through proactive performance management during the term of the contract.

This framework recognises that contract management is a holistic process that combines a mix of strategic and operational tasks depending on the type of contract and the goods or services being supplied.

Good contract management ensures that;

- The contract owner is accountable for ensuring that contract outcomes are met or exceeded;
- Contract, supplier or supply chain risk is monitored and where possible reduced or managed;

- Contracting organisations are often able to increase the level of efficiency savings arising from post contract management as well as delivering other non-commercial benefits such as better quality and service outcomes for service users, lower risk and additional social value during the life of the contract;
- Contract management resources are appropriately allocated to those commercial relationships that present the highest strategic importance or risk.

## SITUATION

1. SSDC has a decentralised procurement model based on self-service supported by a small centralised procurement team who set strategy for procurement and contract management supported by the development of appropriate processes, methods and tools.
2. The rules of procedure for the procurement lifecycle are defined in Contract Standing Orders.
3. Purchasing volumes of the organisation are shown in link to annual spend report to be inserted later.
4. SSDC classifies contracts as Gold/Silver/Bronze, based on a category and supplier risk assessment which models spend categories against service criticality, and market and supplier risk.
5. The SSDC contract management arrangements for the categories of contract is broadly aligned to guidance from Cabinet Office. The detail is described below.

## TARGET

1. To create a consistent, risk based approach to Contract Management across the organisation that can be applied to all external third-party relationships.
2. To raise awareness of contract management activity and its contribution to the organisations future agenda by;
  - a. Developing a culture of continuous improvement internally and across the supplier base;
  - b. Enabling contract managers to understand how they can contribute to securing benefits such as sustainability or better local economic, social and environmental benefits (social value) and savings;
  - c. Ensuring that there is a strong linkage between commissioning strategies incorporating good procurement and contract management practices across the business.
3. To recognise the distinctive commercial skills and capabilities that good contract management requires and ensure these are embedded as business as usual and factored into new business activity.

4. To provide the necessary guidance and training on contract management processes.
5. To manage the Council's exposure to commercial, contractual and reputational risk through better contract management through the lifecycle of the contract and to embed this as part of business as usual activity.

## PROPOSAL

6. Roles and responsibilities.
  - This framework and its deployment across the Organisation is owned and managed by the Procurement Function, with sponsorship and executive oversight by Director of Strategy & Support Services.
  - Responsibility for the successful application of this framework to contracts and the delivery of contract management tasks rests with each service area.
  - The Procurement Function will monitor performance and application of the framework and provide training and guidance to contract managers to consolidate and standardise contract management tasks.
  - This approach is consistent with the ultimate accountability for value for money and service delivery resting with the contract owner and service area.
  - Table 1 shows the Roles & Responsibilities at a high level.

**Table 1 - Summary Roles & Responsibilities**

Contract Managers (subset of Specialist role, not a role in itself)	<p>Management of contracts in accordance with the Contract Management Framework</p> <p>Contribution to the development of and use of corporate guidance and systems</p>	<p>Foundation level contract management training (Cabinet Officer)</p> <p>Internal SSDC training module on contract management</p> <p>Guidance on use of the CMP (Contract Management Plan)</p>
Procurement Function	<p>Development and implementation of the Contract Management Framework across the Council</p> <p>Advice to Contract Managers</p> <p>Development of tools, templates and systems (in</p>	

	<p>conjunction with contract management users)</p> <p>Raising the profile/awareness of good contract management practice</p> <p>assess the adequacy of contract management arrangements (in conjunction with Monitoring Officer and internal auditor)</p>	
SLT/Director of Strategy & Support Services	<ul style="list-style-type: none"> <li>Executive oversight and accountability for the usage and effectiveness of the CMF across the Council</li> </ul>	

7. Contracts should be managed consistently and involve a standard range of tasks;

- The level/scope of these tasks should be commensurate with the value and risk associated with the contract
- Contract management risk based classification should be used to identify the level of risk associated with the contract based on the three areas of; service criticality, market size and difficulty of changing supplier

Question	Factors							Care Factors			Result
	Statutory / Discretionary	Customer Facing	Political Impact (Ext.)	Is this in the Service Plan/Business Plan?	Is this included on the Corporate Risk register?	Operational Impact	% of Population Affected	Is the contract for Placements which have a Safeguarding risk?	Number of Placements	Approving Body Reports (COC / Ofsted)	
How critical are these goods/services	Statutory	Yes	High	Yes	Yes	High	>25%	Yes	>4	Inadequate	Critical
	Discretionary	Yes	High	Yes	Yes	High	>25%	No	>4	Requires Improvement	Very important
	Discretionary	Yes	Medium	Yes	Yes	Medium	10%-24%	No	<3	Requires Improvement	Important
	Discretionary	No	Medium	No	No	Medium	10%-24%	No	<3	Good	Fairly important
	Discretionary	No	Low	No	No	Low	<9%	No	<3	Outstanding	Only slightly
Discretionary	No	Low	No	No	Low	<9%	No	<3	Outstanding	Not at all	

Question	Factors							Result
	Dependency on Supplier	TUPE Considerations	Termination Clause in Contract	Cost of Change	Dept. Resources to Manage Change	Process Required	Market Saturation	
How easy would it be to swap supplier	Complete	Yes	No	High	No	O/EU	High	Very complicated
	High	Yes	No	High	No	O/EU	High	Complicated
	High	Yes	No	High	No	Tender	Medium	Not straightforward
	Little	No	Yes	Medium	Yes	Tender	Medium	Moderately easy
	Little	No	Yes	Low	Yes	RFQ	Low	Easy
	None	No	Yes	None	Not needed	Seek Quotes	Low	Trivial

Question	Known Market size					Result
	>100	100-51	50-21	20-11	10-2	
What is the size of the supply market	X					Very large
		X				Large
			X			Medium
				X		Small
					X	Very small
						X

- For consistency, contracts should be assessed and managed in a standard way. For simplicity, three contract types are proposed; see Fig. – Contract Segmentation. Segmentation is risk based and uses total contract value and an assessment of service criticality, market size and difficulty in changing supplier.

- SSDC categorises its contracts into **Gold, Silver and Bronze** levels. Your Procurement Specialist will support in identifying the required approach if it isn't clear which category your contract fits into.
- A pragmatic approach to in classifying contracts in this way should be adopted.

Gold	Silver	Bronze
<b>Usually Risk above 50%</b>	<b>Identified through management judgement based on specific circumstances of contract, project or supplier risk</b>	<b>Typically short-term/a PO)</b>
Contract is critical to the SSDC in terms of strategic deliverables.	Less strategically important contracts but often critical to manage due to one or more of the elements of value, risk or complexity.	Commodity deliverable contracts which are less significant in terms of value and risk.
Entails an assigned Contract Manager working closely with stakeholders throughout the contract. Fullest set of management activities and governance applies, possibly including the allocation of an Executive Senior Responsible Owner.	Entails a reasonable degree of monitoring of contract deliverables by an identified Contract Manager.  Assessments of contract and supplier performance may be undertaken.	End user led with minimal or no involvement from the Procurement unless required. Contract management activities will be limited to achieving on time, quality in full delivery with no impact on SSDC resource.

- The Council has approximately 13 commercial relationships (Gold suppliers) with an annualised value of more than £8,7m out of SSDC's £19.2m. These 13 suppliers equate to 2% of the current active suppliers but 45% of the total external spend (FY2020/21). These contract relationships would be classified as Gold according to their assessed service criticality.
- 12 contract relationships have been classified as Silver according to their assessed service criticality. The remaining commercial relationships that fall below the 50% risk threshold would be classified as Bronze according to their assessed service criticality.
- A draft high-level summary of tasks relating to each contract type is shown below.

Contract Management Tasks M=Mandatory D=Desirable E= By Exception	Contract Type		
	Bronze	Silver	Gold
<b>Basic Contract Management Tasks</b>			
Contract administration	M	M	M
Contract variation			
Contract compliance			
Dispute/issue resolution			
Contract operations (including); <ul style="list-style-type: none"> <li>- Quality assurance</li> <li>- Service delivery</li> <li>- Budget monitoring, cost and financial administration</li> <li>- Monitoring and reporting as required to support or assure service delivery.</li> </ul>	M	M	M
Contract reviews	E	D	M
<b>Performance Management</b>			
Supplier performance review	E	D	M
Improvement initiatives	-	D	M
Supplier performance reporting	-	D	M
Stakeholder/user feedback/satisfaction feedback	-	D	M

Benchmarking	E	E	E
<b>Risk Management</b>			
Supplier risk monitoring and reporting	-	D	M
Business continuity plan	-	D	M
<b>Relationship Management<sup>1</sup></b>			
Dedicated Contract Manager	-	D	M
Relationship strategy & action plan	-	-	M
Joint working/improvement initiatives	-	D	D

8. Contracts should be managed by individuals who have appropriate skills and/ or training as set out in table 1.
9. Contract management resource needs to be sufficient to undertake the necessary tasks, and should be budgeted for in the business case and/; or procurement strategy.
10. The relevant contract manager should be involved as early as possible in the commissioning or procurement process and before Implementation Readiness, at latest business case stage.
11. Critical relationships, i.e. those suppliers of **Gold** contracts should have a stronger level of governance and executive oversight.

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<sup>1</sup> Content will be informed by commissioning/procurement strategy

## South Somerset District Council - Decision Record

### Decision Taken by Chief Executive under Section 85 of the Local Government Act 1972

<b>Matter</b>	Decision taken under delegated powers in respect of a Dispensation for a Councillor
<b>Consultative Body</b>	Chief Executive in consultation with political group leaders
<b>Date of Decision</b>	14 October 2021
<b>Agenda Item Number</b>	9

Having taken into account the views of the political group leaders of the Council, I hereby make the following decision under the authority delegated to me to take the decisions that would have been taken by the Council under Section 85 of the Local Government Act 1972:

#### Approve:

The Chief Executive agreed to:-

- a. approved a dispensation for Councillor Malcolm Cavill from attending meetings of the Council by reason of illness for a six month period commencing 14th October 2021, in order to avoid Councillor Cavill ceasing to be a member of the authority under Section 85 of the Local Government Act 1972.
- b. note that the dispensation will last until 14th April 2022.

**Signed: Jane Portman, Chief Executive**

**Date: 14 October 2021**



## Report of Executive Decisions

Executive Portfolio Holder: Val Keitch, Leader of Council, Strategy and Housing  
Director: Nicola Hix, Strategy & Support Services  
Lead Officer: Angela Cox, Democratic Services Specialist  
Contact Details: angela.cox@southsomerset.gov.uk or (01935) 462148

## Purpose of the Report

This report is submitted for information and summarises decisions taken by the Chief Executive and District Executive Committee at their meeting on 7<sup>th</sup> October 2021.

Members are invited to ask any questions of the Portfolio Holders.

## Background Papers

All Published

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## Appendix A

Portfolio	Subject	Decision	Taken By	Date
Health & Wellbeing	South Somerset Families Project – Budget Approval	That District Executive recommend that the Chief Executive agree to:- a. note the continued growth in the delivery and initial outcomes of the South Somerset Families Project across the district; b. increase the revenue budget by £303,000 to fund the South Somerset Families Project for this financial year (2021/22); c. fund this expenditure by using earmarked revenue reserves using its delegation given in section 4 of the Constitution – as set out in Section 13 of this report; d. note that a decision to continue funding this project in the 2022/23 financial year will be considered later in the year by District Executive and Council as part of the overall MTFP and budget setting process.	Chief Executive	07/10/21
Area West Portfolio Holder	Future Chard Strategy	That District Executive recommend that the Chief Executive agree to:- a. offer feedback on the vision and priorities identified within the strategy; b. approve the draft Future Chard Strategy to progress to public consultation.	Chief Executive	07/10/21
Finance, Legal and Democratic Services	Procurement Strategic Framework and Revised Standing Orders	This report was referred to Council and appears elsewhere on the agenda.		

Portfolio	Subject	Decision	Taken By	Date
Finance and Legal Services	Medium Term Financial Plan (MTFP) Refresh 2021/22 – 2023/24	That District Executive recommend that the Chief Executive:- a. note the contents of this report and in particular the issues that will need to be considered as part of budget setting process, the need to get approval from Council for revised estimates for this financial year, and the next steps timeline; b. agree in principle SSDC's continuing membership of the Somerset Business Rates Pool as discussed in paragraphs 74 and 75 of this report.	Chief Executive	07/10/21
Leader of the Council	Establishment of a Joint Committee in Somerset for the implementation of local government reorganisation	That the District Executive recommend that the Chief Executive agree to establish the LGR Joint Committee with representation from the Constituent Councils, constituted in accordance with and having the delegated Executive functions set out in the Terms of Reference attached as Appendix 1.  Note: this decision will only come into full effect on 25 October 2021 after all the Constituent Councils have met and agreed to the Terms of Reference.	Chief Executive	07/10/21
Strategy and Housing	Public Space Protection Orders: Yeovil	That District Executive recommend that the Chief Executive agrees to extend the area of the existing Public Space Protection Order to restrict street drinking in the town centre of Yeovil as proposed in paragraph 12: Figure 2: Proposed Extension to the Restricted Area, of the report.	Chief Executive	07/10/21



## **Audit Committee**

Committee Chairman: Cllr Martin Carnell  
Lead Officer: Karen Watling, Section 151 Officer  
Contact Details: [Karen.watling@southsomerset.gov.uk](mailto:Karen.watling@southsomerset.gov.uk)

This report summarises the items considered by the Audit Committee since the last report to Council in September 2021. The Audit committee met informally on the 30<sup>th</sup> September 2021. Minutes of the meeting can be viewed on the website and will be available shortly after this agenda has been published.

<https://modgov.southsomerset.gov.uk/ieListDocuments.aspx?CId=135&MId=3058&Ver=4>

Below are the items that have been considered.

- Draft (Unaudited) Statement of Accounts 2020/21
- 2020-21 Annual Governance Statement
- Update from Audit Committee Terms of Reference Working Group

The next meeting is scheduled to take place on the 28<sup>th</sup> October 2021 at 10:00am. This will be an informal meeting.

Martin Carnell  
Chairman of Audit Committee

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## Scrutiny Committee

Committee Chairman: Cllr Gerard Tucker  
Lead Officer: Stephanie Gold, Specialist – Scrutiny/Member Development  
Contact Details: [Stephanie.gold@southsomerset.gov.uk](mailto:Stephanie.gold@southsomerset.gov.uk)

This report summarises the work of the Scrutiny Committee since the last report to Council in September 2021.

Since the last report, the committee have met informally, on 5 October 2021. Minutes of the meeting can be viewed on the website at:

<https://modgov.southsomerset.gov.uk/ieListMeetings.aspx?CId=141&Year=0>

The Committee have continued to consider the reports going before District Executive and providing 'critical friend' challenge.

The Committee continues to provide feedback and support to officers in relation to governance and policy development, i.e. 24<sup>th</sup> August CIL governance workshop with Lead Specialist Economic Development.

Representatives from the Scrutiny Committee have attended Joint Scrutiny Panels for Somerset Waste Partnership and Somerset Rivers Authority, and this representation has been invaluable in understanding how these services are delivered in South Somerset.

At the October meeting, the committee reviewed the Scrutiny Work Programme. Several items have now been completed and removed, and some items removed or postponed due to the impact Local Government Reorganisation has had on corporate priorities. The Scrutiny Committee would welcome the opportunity to assist with the ongoing Local Government Reorganisation work streams, and there is space in the work programme to accommodate this.

The Scrutiny and Member Development Specialist invites all members and officers to feed matters of interest into the scrutiny work programme. Anyone who wishes to submit an item/issue for scrutiny review can email:

[stephanie.gold@southsomerset.gov.uk](mailto:stephanie.gold@southsomerset.gov.uk)

Gerard Tucker  
Scrutiny Committee Chairman

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## Motions

The following motion has been submitted by Councillor Sarah Dyke:  
Seconder: Councillor Oliver Patrick

### **CLIMATE AND ECOLOGICAL EMERGENCY BILL AND JOINING UK100 AND COUNTRYSIDE CLIMATE NETWORK**

#### **This Council notes:**

This Council declared a Climate and Ecological Emergency in May 2019 and is working towards Carbon Net Zero by 2030. It is committed to delivering on this declaration through its Environment Strategy and pledges to continue this work, with the aim of embedding it in the creation of Somerset's new unitary council. There is no doubt that our ambition is high, but our goals are achievable with the right leadership and partnership, both locally and nationally.

There is a Bill before Parliament - the **Climate and Ecological Emergency Bill** (published as the "Climate and Ecology Bill") - according to which the Government must develop an emergency strategy to ensure the delivery of targets on carbon emissions and limit global temperature increases to 1.5 degrees centigrade above pre-industrial levels, which are currently aspirational.

There is an urgent need for Government action to ensure progress is achieved. The Government must support local authorities by driving policies that will have an impact at a local level, including the allocation of funding to Councils with ambitious environmental targets.

The evidence of effects on climate change are becoming ever more evident in the UK and worldwide. Inaction is unacceptable.

Atmospheric CO<sub>2</sub> levels are now above 400 parts per million (ppm) and continue to rise. This far exceeds the 350ppm deemed to be a safe level for humanity.

Without more significant and sustained action, the world is set to exceed the Paris Agreement's 1.5°C limit between 2030 and 2040. The increase in harm caused by a rise of 2°C rather than 1.5°C is significant.

The costs of failing to address this crisis will far outstrip the investments required to prevent it. Investing now will bring many benefits in the form of good jobs, breathable cities and thriving communities.

The UN Climate Summit, known as COP26, is in the UK this year, offering a fantastic opportunity to advocate for national changes that will enable local authorities to reach

Net Zero as soon as possible and to remove the barriers that local authorities are currently facing when trying to implement ambitious climate action.

**UK100** is a coalition of the most ambitious local leaders in the UK committed to achieving Net Zero further and faster than national targets. UK100 brings together local authorities, from cities to the countryside, making it easier to share knowledge, to collaborate, and to lobby the government with their collective power. Working closely with elected representatives and policy experts to develop solutions to the challenges all local leaders face, and to build public support for the transition to Net Zero.

Rural communities are at the frontline of climate change impacts. More extreme weather brings longer droughts and wetter winters affecting and damaging our food production for the nation. Two-thirds of people live outside the largest urban areas, and climate change brings distinct challenges to our villages and towns that we need to make sure we are addressing.

Rural communities can also be at the forefront of climate action. To meet the UK's goal of becoming Net Zero our rural communities need to be heard and their challenges need to be understood.

To this end, the **Countryside Climate Network** (CCN) is the rural wing of the UK100 network, currently consisting of 28 member Councils. As members of UK100, the CCN are committed to delivering climate action in their communities and amplifying the rural voice as part of our national policy advocacy - bringing the best from cities and the countryside together. Were this Council to commit to joining the CCN today then we can rest assured that our rural voice will be heard.

It costs nothing to join UK100, and the benefits of shared experience, knowledge and support should be plain for all to see. South Somerset should play its part in the building of a network across the UK as we work together to challenge each other and the Government to move quickly and effectively towards addressing climate change.

To date over 110 local authorities have taken the UK100 pledge. Somerset County Council have taken the pledge, but South Somerset would be the first District Council in the county to do so.

**Council therefore agrees in principle to:**

- Committing to delivering on the UK100 declaration through its Environment Strategy and pledges to continue this work and embed it in the creation of Somerset's new unitary council
- Support the Climate and Ecological Emergency Bill
- Write to local MPs, asking them to support the Bill; and
- Write to the CEE Bill Alliance, the organisers of the campaign for the Bill, expressing its support ([campaign@ceebill.uk](mailto:campaign@ceebill.uk))
- Continue work on mitigating climate change by pledging to join the UK100 the alliance of local government leaders for cleaner, more powerful communities
- To join the Countryside Climate Network



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- Write to UK100 to confirm the above [membership@uk100.org](mailto:membership@uk100.org)
- Inform the local media of these decisions

### Supporting Information:

If it became law the **Climate and Ecological Emergency Bill**, would require the government to develop a strategy to address the emergency that would ensure:

- the ecological emergency is tackled shoulder to shoulder with the climate crisis in a joined-up approach;
- the Paris Agreement is enshrined into law to ensure that UK does its real fair share to limit global temperature rise to the most stringent end of the Paris agreement –1.5°C.
- the Leaders Pledge for Nature is enshrined into law to ensure that the UK's ecosystems are protected and restored with a focus on biodiversity, soils and natural carbon sinks;
- the UK takes full responsibility for our entire greenhouse gas footprint (ie consumption emissions plus shipping, flights and land-based transport) by accounting for all of the emissions that take place overseas to manufacture, transport and dispose of the goods and services we import and consume;
- the UK takes full responsibility for our ecological footprint so that we protect health and resilience of ecosystems along both domestic and our global supply chains;
- an independent, temporary Climate and Nature Assembly is set-up, representative of the UK's population, to engage with the UK Parliament and UK Government to help develop the emergency strategy.
- <https://www.ceebill.uk/>

### UK100 Membership Pledge:

- As local leaders across the UK, we see the challenges our communities face. We recognise our responsibility to tackle the climate emergency and protect our environment to secure the future for them and for people around the world.
- In 2019, the UK Parliament passed legislation to bring all greenhouse gas emissions to Net Zero by 2050. This was to keep in line with international commitment in the Paris Agreement to limit global warming to 1.5 degrees. But science tells us we need to start now and make rapid reductions much sooner.
- We will do everything within our power and influence to rapidly reduce our greenhouse gas emissions. We will bring our council emissions to Net Zero by 2030 and we will work with our residents and businesses to bring our



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wider communities' emissions in line with Net Zero as soon as possible (and by 2045) at the latest).

- We will continue to lead the UK's response to Net Zero, going ahead of the government goal and taking the first steps with urgency. We will make substantial progress within the next decade to deliver Net Zero. With greater powers, we would go further, faster.
  - We will be bold and brave, carrying out strong climate action now and building prosperous, secure and more resilient communities that are healthier, cleaner and safer, in ways that follow the science and are practical and achievable.
  - We pledge to assess our largest impacts on climate change, prioritise where action needs to be taken and measure and monitor progress towards targets. We will reduce our emissions at source and limit the use of carbon offsets as part of the global effort to avoid the worst impacts of climate change.
  - As local leaders, we are uniquely placed to help tackle the climate emergency. We are closer to the people who live and work in our communities, so we have a better understanding of their needs. This means we can collaborate with them to build consensus for the solutions we need to transition to a Net Zero society that delivers multiple benefits and is fair, just and works for everyone.
  - We have come together from local authorities across the UK to share knowledge and collaborate with each other, with businesses and our residents to deliver action now. And we will also use our experience of our ability and achievements to advocate to the UK government in order to accelerate the transition to a Net Zero society.
  - As a nation, we have demonstrated throughout our history that we are able and willing to lead on finding solutions to the challenges the world faces. The success and prosperity of our nation has largely rested on our ability to harness the power of dirty fossil fuels. It is now our shared responsibility to turn this ingenuity to solving the climate emergency in a way that has a positive impact on our communities. We need to ensure our future is better than our past.
  - <https://www.uk100.org>
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## **Date of Next Meeting**

Members are asked to note that the next scheduled meeting of the Full Council is a reserve date of 18<sup>th</sup> November and will only be called if there is business to progress.

Therefore, the next meeting of the Full Council will take place on **Thursday, 16<sup>th</sup> December 2021** commencing at **6.30 p.m.** (venue to be confirmed).

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