

Public Document Pack



Audit and Governance Board

Wednesday, 22 November 2023 at 6.30
p.m.
Civic Suite, Town Hall, Runcorn

S. Young

Chief Executive

BOARD MEMBERSHIP

Councillor Rob Polhill (Chair)	Labour
Councillor Andrea Wall (Vice-Chair)	Labour
Councillor John Abbott	Labour
Councillor Victoria Begg	Labour
Councillor Laura Bevan	Labour
Councillor John Bradshaw	Conservative
Councillor Eddie Dourley	Labour
Councillor Robert Gilligan	Labour
Councillor Tony McDermott	Labour
Councillor Norman Plumpton Walsh	Labour
Councillor Pamela Wallace	Labour

Please contact Gill Ferguson on 0151 511 8059 or e-mail gill.ferguson@halton.gov.uk for further information.

The next meeting of the Board is on Wednesday, 20 March 2024

**ITEMS TO BE DEALT WITH
IN THE PRESENCE OF THE PRESS AND PUBLIC**

Part I

Item No.	Page No.
1. MINUTES	1 - 5
2. DECLARATION OF INTEREST	
Members are reminded of their responsibility to declare any Disclosable Pecuniary Interest or Other Disclosable Interest which they have in any item of business on the agenda, no later than when that item is reached or as soon as the interest becomes apparent and, with Disclosable Pecuniary interests, to leave the meeting during any discussion or voting on the item.	
3. 2022/23 EXTERNAL AUDIT UPDATE	6 - 7
4. PROCUREMENT UPDATE REPORT	8 - 35
5. SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	

PART II

In this case the Board has a discretion to exclude the press and public and, in view of the nature of the business to be transacted, it is **RECOMMENDED** that under Section 100A(4) of the Local Government Act 1972, having been satisfied that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 of Part 1 of Schedule 12A to the Act.

6. INTERNAL AUDIT PROGRESS REPORT	36 - 139
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In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.

AUDIT AND GOVERNANCE BOARD

At a meeting of the Audit and Governance Board held on Wednesday, 27 September 2023 at the Civic Suite, Town Hall, Runcorn

Present: Councillors Polhill (Chair), Wall (Vice-Chair), Abbott, Begg, Bevan, McDermott and Wallace

Apologies for Absence: Councillors Dourley, Gilligan and N. Plumpton Walsh

Absence declared on Council business: None

Officers present: E. Dawson, M. Murphy, K. Keane and G. Ferguson

Also in attendance: S. Nixon – Grant Thornton

**ITEMS DEALT WITH
UNDER DUTIES
EXERCISABLE BY THE BOARD**

		<i>Action</i>
AGB8	MINUTES	
	The Minutes of the meeting held on 5 July 2023, were taken as read and signed as a correct record.	
AGB9	2022/23 EXTERNAL AUDIT UPDATE	
	The Board received a progress update regarding the audit of the Council's 2022/23 year-end accounts from Grant Thornton UK LLP.	
	It was reported that the audit was close to completion and the Auditor's findings would be reported to the Board in November 2022 alongside the 2022/23 Statement of Accounts prior to their publication by 30 November 2023.	
	RESOLVED: That the verbal progress update by the Council's external auditor Grant Thornton UK LLP be received.	
AGB10	ANTI FRAUD & CORRUPTION UPDATE	
	The Board considered a report of the Operational Director, Finance, which provided an annual update on developments in regard to the Council's anti-fraud and anti-	

corruption activity.

It was reported that the Board was responsible for the monitoring and reviewing the adequacy of the Council's anti-fraud and anti-corruption arrangements, which was a key aspect of the Council's risk management, control and governance framework.

The Board considered information relating to the following activities:

- A commentary on the fraud risk landscape;
- A summary of the fraud investigations from 2022/23;
- HR related investigations from 2022/23;
- Whistleblowing complaints received and action taken;
- An update on the National Fraud Initiative;
- Details of fraud investigation related information reported under the Transparency Code;
- Details of ongoing and planned anti-fraud work; and
- Details of the Council's suite of anti-fraud and anti-corruption related policies.

The Board discussed compromise agreements and how they were defined within the Council. Members proposed that the Council should have a clearer definition of a compromise agreement which should include reference to neutral and financial agreements. It was agreed to that a report covering these matters would be submitted to the next meeting of the Board.

Information on the number of Non-Disclosure Agreements signed by the Council in the past year and details of how the figure relating to Housing Waiting List valuation (£184,169) was calculated, would be provided to the Board.

RESOLVED: That the annual update on anti-fraud and corruption related activity be noted and the Board supports the counter fraud working being undertaken.

Operational
Director - Finance

AGB11 INFORMING THE EXTERNAL AUDIT RISK ASSESSMENT

The Board considered a report by the Operational Director - Finance, which presented for information the draft response provided to the annual letter to the Board from Grant Thornton, the Council's external auditors, regarding their year-end audit of accounts work.

The Appendix to the report outlined the draft responses provided to a number of questions contained in a letter from Grant Thornton, which it was proposed to provide to them in order to assist with their year-end audit of accounts.

RESOLVED: That the draft responses shown in the Appendix be provided to the Council's external auditors.

AGB12 CORPORATE RISK REGISTER ANNUAL UPDATE 2023/24

The Board considered a report of the Corporate Director – Chief Executive's Delivery Unit, on the annual update of the Corporate Risk Register for 2023/24.

The Board was advised that the Council recognised its responsibility to manage both internal and external risks as a key component of good corporate governance. At Directorate level, arrangements were in place for the high risk mitigation measures on the half year monitoring reports which were reviewed and updated at mid-year in line with Directorate Business Plans. Progress was then reported to Management Team and Policy and Performance Boards.

It was reported that the Risk Control Measures had been reviewed and updated in line with current changes within the Authority and as proposed by managers and stakeholders. The risks had been re-prioritised so that people, (the community and staff), took priority. These were set out in the report.

RESOLVED: That

- 1) the progress of actions be noted; and
- 2) the robustness of the Corporate Risk Register and the adequacy of the associated risk management arrangements be noted.

AGB13 SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

The Board considered:

- 1) whether members of the press and public should be excluded from the meeting of the Board during consideration of the following items of business in accordance with Sub-Section 4 of Section 100A of

the Local Government Act 1972, because it was likely that, in view of the nature of the business to be considered, exempt information would be disclosed, being information defined in Section 100 (1) and paragraph 3 of Schedule 12A of the Local Government Act 1972; and

- 2) whether the disclosure of information was in the public interest, whether any relevant exemptions were applicable and whether, when applying the public interest test and exemptions, the public interest in maintaining the exemption outweighed that in disclosing the information.

RESOLVED: That, as in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, members of the press and public be excluded from the meeting during consideration of the following item of business, in accordance with Sub-Section 4 of Section 100A of the Local Government Act 1972 because it was likely that, in view of the nature of the business, exempt information would be disclosed, being information defined in Section 100 (1) and paragraph 3 of Schedule 12A of the Local Government Act 1972.

AGB14 INTERNAL AUDIT PROGRESS REPORT

The Board received a report from the Divisional Manager – Audit, Procurement and Operational Finance, updating them on the internal audit activity since the last progress report to the Board on 5 July 2023. It also highlighted any matters that were relevant to the Board's responsibilities as the Council's Audit Committee.

Members were referred to appendix one, which listed all the planned work for the year and its current status. The schedule of audits had been updated to reflect the progress made in completing audits since the last update to the Board. By the end of August 2023, 500 days of audit work had been completed, which represented 41% of the total planned days for the year. It was noted that some audits had taken longer to complete than originally planned which was partly due to issues arising in the course of the audit work and the team having three new starters who were undergoing training. It was likely that this would impact on overall coverage and some work may have to be put back to 2024/25.

Appended to the report were the executive

summaries of the reports issued numbering 2 to 15, as listed in the report.

RESOLVED: That the Internal Audit Progress Report and comments made be noted.

Meeting ended at 7.25 p.m.

REPORT TO: Audit and Governance Board
DATE: 22 November 2023
REPORTING OFFICER: Operational Director - Finance
PORTFOLIO: Corporate Services
SUBJECT: 2022/23 External Audit Update
WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 The Council's external auditor, Grant Thornton UK LLP will provide the Board with a verbal progress update regarding their audit of the Council's 2022/23 year-end accounts.

2.0 RECOMMENDATION: That the verbal progress update by the Council's external auditor Grant Thornton UK LLP, be received.

3.0 SUPPORTING INFORMATION

3.1 The Council's external auditor Grant Thornton UK LLP is currently undertaking the audit of the Council's 2022/23 year-end accounts.

3.2 Once the audit is completed, the Auditor's findings will be reported to the Board alongside the 2022/23 Statement of Accounts, prior to their publication.

3.3 Grant Thornton will attend the meeting to provide a verbal update regarding progress with the 2022/23 audit of accounts.

4.0 POLICY IMPLICATIONS

4.1 None.

5.0 FINANCIAL IMPLICATIONS

5.1 None.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 **Children & Young People in Halton**

6.2 **Employment, Learning & Skills in Halton**

6.3 **A Healthy Halton**

6.4 A Safer Halton

6.5 Halton's Urban Renewal

There are no direct implications for the Council's priorities.

7.0 RISK ANALYSIS

7.1 The Accounts and Audit Regulations require that the 2022/23 Statement of Accounts is certified by the External Auditor and published by 30 November 2023. The External Auditor will brief the Board regarding progress.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 None identified.

9.0 CLIMATE CHANGE IMPLICATIONS

9.1 There are none.

10.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

10.1 There are none under the meaning of the Act.

REPORT TO:	Audit and Governance Board
DATE:	22 November 2023
REPORTING OFFICER:	Operational Director - Finance
PORTFOLIO:	Corporate Services
SUBJECT:	Procurement Update Report
WARD(S)	Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 The Audit and Governance Board is responsible for overseeing the Council's procurement arrangements. This report provides members with:

- An overview of procurement activity in 2022/23
- An update on the Council's Procurement Strategy and associated action plan
- Details of developments regarding the Procurement Act 2023

2.0 RECOMMENDATION:

That the Board:

- **Notes the update on procurement activity and progress against the Procurement Strategy action plan**
- **Approves extending the existing Procurement Strategy until 2025 pending the completion of the update of the Corporate Plan and implementation of the Procurement Act 2023**

3.0 SUPPORTING INFORMATION

Procurement Activity 2022/23

3.1 A high-level overview of the support that the Procurement team provided to the Council during 2022/23 is provided in Appendix A. This provides summary information covering the highest value contracts awarded, extensions supported, local spend, and social value outcomes from the year.

3.2 Key highlights to note from the year include:

- The Procurement team supported a total of 167 contract awards during 2022/23. Whenever considered beneficial, the Council utilises national, sectoral, local, or regional collaborative contracts and frameworks. This helps to leverage the value of aggregate spend to obtain more favourable pricing, and to reduce risk in terms of contract and supplier management.

In addition, this approach also serves to help to make best use of the Procurement team resource.

- The Procurement team also supported 35 pre-approved contract extensions. These apply where a contract is let for a fixed number of years but there is a contractual option to extend the contract for a further period (or periods).
- All procurement activity undertaken during 2022/23 was compliant with applicable legislation and the Council's own procurement rules. No challenges to the outcome of any contract awards were received during the year.
- In total, the Council's revenue spend on goods and services was £128.5m with 1,627 suppliers. Capital spend was £20.7m with 144 suppliers.
- £127.2m (85.3%) of third party spend during the year related to contracts recorded on the Council's contract register.
- Over £21m of expenditure was spent with 241 Halton-based suppliers. This represents an in-borough spend increase of over 11 per cent when compared to 2021/22.
- The Council spent a total of £91.6m with over 1,400 national micro, small and medium enterprises (MSME's).
- 87% of the suppliers the Council traded with during the year were MSME's.
- The borough has benefited from various social value gains arising from procurement activity, most notably in relation to the construction of the new leisure centre. Further details can be found in Appendix A.

Procurement Strategy

- 3.3 The Council's current Procurement Strategy covers the period 2020-2023. The strategy contains objectives and local goals and builds upon the progress made with the delivery of previous strategies. Delivery of the strategy supports the continuous improvement and development of the Council's procurement function and therefore assists the achievement of the Council's corporate goals and objectives.
- 3.4 The strategy is due to be updated; however, it is felt that it would be more appropriate to do so following the update of the Council's Corporate Plan, and when the implications of the Procurement Act 2023 are more fully understood.
- 3.5 As such, the document has been reviewed and is still considered current and relevant. Minor changes have however been made where necessary to reflect changes in activity and terminology. It is therefore proposed that the

refreshed version of the current strategy be extended to cover the period to 2025, after which the document will be fully updated.

3.6 A copy of the current Procurement Strategy is attached at Appendix B. It was originally developed with reference to 'The National Procurement Strategy for Local Government in England', and is focused around four themes:

- Showing leadership
- Behaving commercially
- Achieving community benefits
- Governance

3.7 The Procurement team has continued to deliver against the action plan and to support the aspirations of the strategy. The action plan section of the document provides an update against the planned actions in the strategy and demonstrates the strong progress being made against all four themes.

3.8 Key developments to note include:

- Procurement is now a key module included within the Council's training programme for managers. Training sessions are provided on a regular basis, which helps ensure that managers are aware of the Council's procurement rules and procedures.
- The Council has continued to work with partner organisations across the Liverpool City Region and beyond to shape markets and deliver better outcomes. Examples from 2022/23 include the 10-year Highways Term Maintenance contract jointly awarded with Warrington Council, and the cash collection services contract procured in collaboration with Knowsley and Sefton Councils.
- Collaboration through the LCR Procurement Group is continuing with Merseytravel taking over the role of Chair for 2023/24. The group has developed a catalogue of collaborative contracts that can be accessed by all LCR authorities.
- The Council has continued to increase the level of income being generated from procurement related activity with over £180k being achieved from the Council's early payment arrangements in 2022/23.
- Contract documents have been updated to reflect changes in legislation and best practice. Documents have also been simplified wherever possible to make doing business with the Council easier for suppliers.
- In May 2022, the value threshold within Procurement Standing Orders for low value purchases was increased to £25k. This has provided greater flexibility in terms of procurement route by removing the requirement for low value spend to be advertised on The Chest. It has also resulted in increased opportunity for local businesses to bid for Council contracts, as registration on The Chest is now not necessary for lower value opportunities.

Procurement Act 2023

- 3.9 The Procurement Bill received Royal Assent on 26 October, officially making the Bill into an Act of Parliament. This ended 18 months of Parliamentary debate and scrutiny. The resulting Act is intended to provide contracting authorities with greater commercial freedom and flexibility to design procurement processes that better meet their needs.
- 3.10 Secondary legislation is due to be presented to Parliament in early 2024, and it is anticipated that the new regulations will come into effect from October 2024.
- 3.11 The focus of the Cabinet Office is now on implementation and ensuring readiness for the new regime. Guidance and communications materials will be issued over the coming months. A series of learning and development options will also be available to stakeholders to support implementation. Cabinet Office has also confirmed that there will also be a six-month notice period once all the legislation is finalised. This is intended to provide authorities and suppliers time to prepare.
- 3.12 The Act will allow greater flexibility to contracting authorities in terms of procurement procedures. For example, rather than setting prescriptive procedures, contracting authorities will be able to decide whether to use an 'open procedure' or another kind of competitive procedure of their choice, known as a 'competitive flexible procedure':
- Open procedure
A single stage tendering procedure, without restriction on who can submit tenders
 - Competitive flexible procedure
This will allow contracting authorities the opportunity to design their own procedures, provided that they are appropriate to the procurement in question
- 3.13 There will also be increased flexibility for contracting authorities to directly award contracts in certain circumstances. Justifications for direct awards will include single supplier scenarios (e.g. for commissions of unique works of art), matters of urgency that were not foreseeable, and in the event that a competitive process has been conducted and the authority received no suitable tenders.
- 3.14 The Act also introduces several new requirements for publishing notices throughout the procurement lifecycle from planning through to contract expiry. The intention is to increase transparency, but this will inevitably create an additional administrative burden for procurement teams. New requirements include publishing planned procurement notices, pipeline notices, and termination notices.
- 3.15 For contracts above £5m in value, there will be a new transparency requirement to publish at least three key performance indicators relating to

the contract. This will involve assessing the supplier's performance against the indicators and publishing information relating to that assessment at least annually.

3.16 Whilst the Act introduces several new provisions, there are areas of the new regime that are familiar, albeit with some differences:

- The light-touch regime (which is a more flexible procedure that applies to contracts for health, social care, and other related services) will remain.
- There will still be remedies for any breaches of the rules governing a public procurement process.
- The financial thresholds above which the Act will govern procurements will not initially be significantly different to those currently in force (see para 3.17).
- There will still be options to use framework agreements, with some modified arrangements.
- There will still be options to use dynamic purchasing systems (rebranded as dynamic markets; again with some modified arrangements).

3.17 It is important to note that the new legal framework will only apply to the Council's procurements that are above the following thresholds:

Contract Type	Threshold from 1 January 2024
Public Works Contracts	£5,372,609
Supplies and Services	£214,904
'Light Touch Regime' Services	£663,540

4.0 **POLICY IMPLICATIONS**

4.1 Effective procurement supports the policy objectives of the Council.

5.0 **FINANCIAL IMPLICATIONS**

5.1 Effective procurement practice helps to reduce the costs associated with undertaking procurement. It can also help to realise financial savings. As such, effective procurement forms a key element of the Council's Medium Term Financial Strategy.

5.2 There are however no direct financial implications arising from this report.

6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 **Children & Young People in Halton**

Effective procurement practice helps to deliver a better use of resources and thereby contributes to the delivery of all the Council's priorities.

6.2 **Employment, Learning & Skills in Halton**

See 6.1

6.3 **A Healthy Halton**

See 6.1

6.4 **A Safer Halton**

See 6.1

6.5 **Halton's Urban Renewal**

See 6.1

7.0 **RISK ANALYSIS**

7.1 There are no risks resulting directly from this report. However, the adoption of robust procurement practice protects the Council from challenges to its procurement activities and helps to secure value for money.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. As such, there are no direct equality or diversity issues to be considered.

9.0 **CLIMATE CHANGE IMPLICATIONS**

9.1 None

10.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

There are no background papers under the meaning of the Act.

10 Highest Value Contracts Awarded in 2022/23

Managed Services for Temporary Agency Resources	£16.0m
Highways Capital Improvement Projects Term Contract	£8.0m
Integrated Specialist Adult Community Substance Misuse Service	£7.0m
Grocery, Dairy, Fruit, Vegetables & Associated Products	£4.0m
Unmetered Electricity	£4.0m
Services to Encourage, Enable & Assist Young People to Participate in Education and Training	£3.8m
Microsoft Enterprise Agreement	£2.6m
Fuel	£1.4m
Leaving Care Support Services	£0.9m
Provision of Domestic Abuse Services – Accommodation	£0.6m

10 Highest Value Contract Extensions in 2022/23

Provision of Domiciliary and Personal Care Services	£5.4m
0 – 19 service	£3.5m
Frozen Food	£1.2m
Services to Encourage, Enable & Assist Young People to Participate in Education and Training	£1.0m
Single Homeless Service	£0.5m
Insurances	£0.5m
Open Spaces - Dynamic Purchasing System (DPS)	£0.5m
Floating Support Service	£0.3m
Road Surface Treatments	£0.3m
Meals for care homes	£0.3m

Top 10 Suppliers – 2022/23 Revenue Spend

Matrix SCM Limited	£8.5m
Premier Care Limited	£6.9m
Bridgewater Community Healthcare	£5.7m
Community Integrated Care Ltd	£4.6m
HTP Grange Ltd	£3.9m
Possabilities CIC	£3.5m
Tarmac Trading Limited	£2.6m
NHS Cheshire and Merseyside ICB	£1.9m
EDF Energy	£1.9m
Change, Grow, Live	£1.8m

Top 10 Local Suppliers – 2022/23 Revenue Spend

Community Integrated Care	£4.6m
Anchor Care Homes	£1.5m
Hill Care	£1.3m
Care Concepts Cheshire Ltd.	£0.9m
WSR Recycling	£0.8m
Ashcroft Travel	£0.35m
Woodcrofts Residential Homes	£0.26m
Halton Community Transport	£0.21m
Key Cars (Halton) Ltd.	£0.1m
Seguro Recruitment Limited	£0.1m

SOCIAL VALUE – LEISURE CENTRE CONTRACT

<p>No. local people employed (inc specific location and both direct and indirect)</p>	<p>ACTUAL 6</p> <p>TARGET 10</p>	<p>No. of armed forces veterans employees (FTE) hired on the contract as a result of a recruitment programme</p>	<p>ACTUAL 0</p> <p>TARGET 1</p>	<p>No. of 18+ year old employees (FTE) hired on the contract who are rehabilitating or ex-offenders as a result of a recruitment programme</p>	<p>ACTUAL 0</p> <p>TARGET 1</p>	<p>KEY ACTIVITIES IN THE PERIOD:</p> <p>£3.3M SPEND TO DATE WITH LOCAL SUPPLY CHAIN</p> <p>122 VOLUNTARY HOURS DONATED</p> <p>5 WORK PLACEMENTS HELD</p>
<p>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)</p>	<p>ACTUAL 18</p> <p>TARGET 20</p>	<p>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+</p>	<p>ACTUAL 38</p> <p>TARGET 40</p>	<p>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+</p>	<p>ACTUAL 7</p> <p>TARGET 520</p>	
<p>No. of hours dedicated to support young people into work (e.g. CV advice, mock interviews, careers guidance)</p>	<p>ACTUAL 66</p> <p>TARGET 32</p>	<p>No. of weeks spent on meaningful work placements or pre-employment course; 1-6 weeks student placements (unpaid)</p>	<p>ACTUAL 3</p> <p>TARGET 55</p>	<p>Total Amount (£) spent with VCSEs within your supply chain</p> <p>ACTUAL £24,196</p> <p>TARGET £70,000</p>		
<p>Number of voluntary hours donated to support VCSEs (excludes expert business advice)</p>	<p>ACTUAL 122</p> <p>TARGET 80</p>	<p>Total amount (£) spent in local supply chain through the contract</p> <p>ACTUAL £3,354,854</p> <p>TARGET £12,142,190</p>		<p>No. site visits for school children or local residents</p> <p>ACTUAL 2</p> <p>TARGET 10</p>		

SOCIAL VALUE – OTHER OUTCOMES

Baby Vouchers

As part of work to support new parents with the costs of baby essentials, Halton Housing provided funding for vouchers to cover baby essentials. They are to be distributed by the Children's Centres.

Halton Hospital Outdoor Spaces

Koura Global sent eight staff as part of a team building day to help redevelop the outdoor therapy garden available for the Occupational Therapist unit at Halton Hospital. On top of the volunteering, they paid for some new equipment.

Social Supermarkets

As part of Trevors catering contract with the Council, they donate and deliver stock to the five social supermarkets in the Borough on a quarterly basis. Stock is worth circa £3000 annually.

Care Home – Outdoor Space

As part of Wates Community & Conservation week they sent eight staff to support a local care home to tidy up their outdoor space for the residents to enjoy.

Care Home – Therapeutic Garden

UPS are to create creating a therapeutic outdoor space for residents at Trewan House care home. This will involve the construction of raised flower/vegetable beds for residents to grow their own plants, as well as an outdoor seating area.

As part of this project the home has been linked in with another local provider, that has agreed to provide plants and education sessions about suitable plants for residents

Care Home – Indoor shop / bar

UPS are to create an indoor shop and bar space at Madeline McKenna Care Home.

Christmas Gifts

Wates have agreed to provide Christmas gift donations for care homes, which will help them to raise money for their activity funds for residents.

Donations will also be made to support the Children in Need team with Christmas Hampers for local children.

PLANNING

+ BUSINESS ●

Governance

Procurement Strategy 2020-2025

Action Plan Update

November 2023

Community

Showing Leadership

BUDGET

Behaving Commercially

- 1.1 The importance of effective procurement in local government has never been greater. Demand for public services is increasing and the financial environment within which the Council operates continues to be very challenging. The Procurement Bill currently passing through Parliament is expected to come into force in October 2024 and will result in some significant changes to the Council's higher value procurement activity by providing increased flexibilities.
- 1.2 Procurement is integral to delivering commercially advantageous and innovative solutions to meet public expectations and in supporting delivery of both frontline and support services. It also plays a key role in ensuring the effective use of resources and is therefore essential to the delivery of the Council's corporate priorities.
- 1.3 In 2022/23 the Council's revenue spend was £128.5M across 1,627 different suppliers. 87% of the Council's suppliers traded with during the year were micro, small and medium Enterprises (MSMEs). £21M was spent with 241 Halton based suppliers, representing 16 per cent of total revenue spend. This demonstrates the importance and significance of the Council's procurement activity and the impact that it has on the local economy and the wider community of Halton.
- 1.4 This strategy has been developed with reference to The National Procurement Strategy for Local Government in England, which focuses on three key themes:
- Showing leadership
 - Behaving commercially
 - Achieving community benefits
- 1.5 The strategy also includes a further fourth theme relating to 'Ensuring Governance'. This relates to the need to maintain robust systems and procedures to ensure that procurement activity is undertaken with appropriate levels of control, probity and transparency and is compliant with the Council's own procurement rules and wider legislation.
- 1.6 This strategy sets out the Council's vision for procurement and the priorities for the period until 2025. It is an extension of the existing 2020-2023 Procurement Strategy, pending the expected introduction of the Government's procurement reforms in 2024 and the launch of the new Corporate Plan. Both developments will help inform a new longer-term procurement strategy.
- 1.7 Delivery of the strategy will support the continuous improvement and development of the Council's procurement function and therefore contribute to the achievement of the Council's corporate goals and objectives.

2.1 This strategy builds upon the delivery of the 2020-2023 Procurement Strategy. This has put the Council in a strong position with efficient and innovative procurement arrangements that are firmly embedded. These arrangements include:

- A full category management approach embedded within the Procurement team providing knowledge, expertise and analysis of specific areas of spend, which is a key building block for effective procurement.
- Automated procurement processes and procedures that are employed and well understood across the Council.
- Visibility of all extensions, contract renewals and pipeline opportunities, with procurement work plans aligned to frontline commissioned services and third party spend.
- Risk-based sourcing assessment embedded within the procurement process, with an ongoing commitment to spend above £25k being advertised via The Chest. This opens up markets to a wider range of potential suppliers, such as local companies, MSMEs and voluntary community social enterprises (VCSEs).
- Early engagement taking place between the Procurement team and client departments to align pre-procurement activity and planning strategies. This helps to ensure that the most effective route to market is identified when considering the service needs and outcomes.
- Social value being routinely applied to where relevant and appropriate to do so, with established systems in place to monitor the delivery of social value commitments made by suppliers.
- Collaboration being well established across the Liverpool City Region, providing opportunities for greater efficiency and best use of resource in terms of procurement activity.
- Strong leadership and support for the procurement function. The Corporate Services portfolio holder is the Council's procurement champion, and the Audit and Governance Board provides elected member oversight of the Council's procurement arrangements.

2.2 With a sound foundation upon which to build, the Council's approach to procurement continues to be influenced by:

- The National Procurement Strategy for Local Government in England 2022 and its key themes of 'leadership', 'behaving commercially' and 'driving community benefits'.
- The ongoing need to ensure that best value for money is obtained from planned strategic procurement activity at a time of continuing financial challenges.
- The recognition that there are benefits and opportunities offered by collaboration with wider public sector partners.
- The need to continue to ensure that the Council's procurement processes are efficient thereby allowing procurement activity to be supported by a small core team.
- The need for the Council's procurement arrangements to be well governed and to respond to any future changes required as a result of the new procurement reforms and other relevant legislation or developments.

- 3.1 The approach set out in this strategy is based around the following four key objectives to further consolidate and develop the Council's procurement arrangements:

Objective 1: Showing Leadership

We do this by:

- Using the skills and expertise of the Procurement team in contributing to reports to the Executive Board on procurement related decisions
- Procurement planning and provision of support to client departments through early engagement
- Training of senior managers in the Council's procurement rules and procedures
- Developing working relationships with procurement partners, particularly across the Liverpool City Region
- Engaging with the Council's strategic suppliers at local, regional and national level

Objective 2: Behaving Commercially

We do this by:

- Further developing collaboration with partner organisations, to identify new commercial opportunities through market shaping and shared working, particularly across the Liverpool City Region
- Identifying and exploring revenue generating opportunities from procurement related activity
- Identifying best route to market and most effective and efficient procurement procedure to optimise commercial opportunities
- Maintaining visibility and forward planning of future pipeline procurement opportunities
- Supporting client departments in developing the approach to contract management
- Managing risk effectively through robust procurement contract documentation and procedures when awarding contracts

Objective 3: Achieving Community Benefits

We do this by:

- Continuing to explore opportunities for additional social and community benefits that can be delivered through procurement without increasing costs
- Reviewing and contributing to the development of the existing Social Value Policy, Framework and monitoring system
- Adopting a robust approach to ethical and sustainability issues in the Council's supply chain, such as modern slavery, the national minimum wage, and environmental issues
- Operating procurement processes that encourage local MSMEs and VCSEs to compete for work and to benefit from the Council's spending

Objective 4: Ensuring Governance

We will do this by:

- Keeping abreast of changes in the external environment and responding appropriately to changes in legislation and other external influences
- Reviewing and maintaining Procurement Standing Orders and recommending updates to the Council's Constitution as required
- Updating key stakeholders on developments and issues relating to procurement activity
- Ensuring that the Procurement team maintains the necessary skills, capacity and capability to provide advice and guidance on procurement and commercial decisions

Section Four



DELIVERY

- 4.1 The Action Plan appended to this strategy sets out the activities, developments and work to be undertaken to deliver the objectives of this strategy.
- 4.2 Delivery of the strategy will be led and co-ordinated by the Procurement team working with client departments, commissioners and wider partner organisations.
- 4.3 Implementation of the planned actions contained within this strategy will help ensure that the Council continues to deliver modern, flexible, efficient and effective procurement activity that supports the Council in achieving its wider vision, aims and objectives.
- 4.4 Progress against the Procurement Strategy will be reported to the Audit and Governance Board on an annual basis.
- 4.5 The Procurement Strategy will be reviewed and updated following the Council updating its Corporate Plan and the implementation of the Government's procurement reforms.



Theme 1: Showing Leadership

Objectives:

- Engaging Councillors and Senior Managers
- Working with Partners
- Engaging Strategic Suppliers

Area of Focus	Planned Actions	Position statement – November 2023:	RAG Rating
Using the skills and expertise of the Procurement team in contributing to reports to be presented to the Executive Board on procurement related decisions	<ul style="list-style-type: none"> • Continuing to engage with elected members and senior managers, championing the impact of good procurement practice 	<p>The Procurement Team is routinely consulted regarding reports to Executive Board that have procurement implications.</p> <p>Regular engagement takes place with senior officers, and elected members as appropriate, regarding procurement activity and practice.</p> <p>The Procurement Team has representation on the Council’s Climate Change Group, which is led by the Executive Board member with responsibility for the Climate Change portfolio.</p> <p>Procurement is now a key module included within the Council’s training programme for managers. Training sessions are provided on a regular basis.</p> <p>The Procurement Team regularly shares information with the Halton Enterprise Partnership that links to employment and skills opportunities from contracted suppliers.</p>	
Procurement planning and provision of support to client departments through early engagement	<ul style="list-style-type: none"> • Aligning procurement work plans with the business needs of client departments • Maintaining and improving engagement between the Procurement team and client departments 	<p>The Procurement Team routinely provides support and guidance to client departments to ensure a compliant route to market is undertaken for new contract awards or extensions.</p> <p>Ongoing dialogue exists between the Procurement team and client departments. See Appendix A and B for details of the support provided to client departments in 22/23.</p>	



Theme 1: Showing Leadership

Area of Focus	Planned Actions	Position statement – November 2023:	RAG Rating
Working with procurement partners across the Liverpool City Region	<ul style="list-style-type: none"> • Continuing to develop and share knowledge to influence procurement activity across the Liverpool City Region • Continuing to support programme management of, and participate in, the Liverpool City Region Procurement Workstream 	<p>LCR Catalogue created to detail LCR collaborative contracts and provide visibility of future opportunities.</p> <p>Merseytravel (LCRCA) have recently taken over the role of Chair for 2023/24 for the LCR Procurement workstream.</p>	
Identifying and engaging the Council's strategic suppliers at local, regional and national level	<ul style="list-style-type: none"> • Engaging client departments and supporting supplier review meetings • Identifying and engaging with common strategic suppliers within the Liverpool City Region and wider partners 	<p>Ongoing activity - Recent examples include:</p> <ul style="list-style-type: none"> • Support for SEN Transport providers to register on the Councils Procurement Portal – The Chest. • Community Meals – Adult Services • Telehealth Care System – Adult Services • Stairlifts – Adult Services • Procurement Lead for the LCR Agency Workgroup chairing quarterly review meetings with Matrix. 	



Theme 2: Behaving Commercially

Objectives:


- Creating Commercial Opportunities
- Managing Contracts and Relationships
- Managing Strategic Risk

Area of Focus	Planned Actions	Position statement – November 2023:	RAG Rating
Collaborating with partner organisations to identify new commercial opportunities through market shaping and shared working	<p>Further developing partner relationships with:</p> <ul style="list-style-type: none"> • Liverpool City Region – Heads of Procurement • LCR Combined Authority (CA) • CA Commissioning Lead – Adults Services • Other wider partner organisations 	<p>The Council continues to work with partner organisations to shape markets and deliver better outcomes. Current examples are:</p> <ul style="list-style-type: none"> • Halton has worked in partnership with Warrington BC and led a compliant procurement process to award a new 10-year contract to Tarmac for the Highways Term Contract. • Halton have led on the Childrens and Young Peoples Speech and Language Therapy Services in partnership with the Integrated Care Board. • Cash Collection Services in collaboration with Knowsley and Sefton Councils. 	
Identifying and exploring revenue generating opportunities from procurement related activity	<ul style="list-style-type: none"> • Increasing spend via the Council’s card programme to generate rebate income • Exploring opportunities to increase participation in the Early Payment Scheme 	<p>The strategy to increase spend across the Council’s card programme has been very successful with over £12m expenditure being channelled through it in the 12 months to November 2022. Rebate income received in 2022/23 was £91,164.</p> <p>Details of the Council’s Early Payment Scheme were embedded into the procurement tender documents in December 2019, and this has proved successful in helping increase the number of suppliers signing up to the voluntary scheme. The scheme is now being managed entirely in house with 100% of the rebate achieved being retained by the Council. Income achieved in 2022/23 was £91,295.</p>	


Theme 2: Behaving Commercially

Area of Focus	Planned Actions	Position statement – November 2023:	RAG Rating
Identifying best route to market and most effective and efficient procurement procedure to optimise commercial opportunities	<ul style="list-style-type: none"> Identifying compliant frameworks open to the Council Identifying the most appropriate procurement route and procedure in line with legislation 	<p>Ongoing activity reviewing national frameworks across a broad range of spend categories.</p> <p>Continuous review of compliant procurement routes to market, new approaches now include the use of Dynamic Purchasing Systems (DPS) recent examples are:</p> <ul style="list-style-type: none"> SEN Transport Open Spaces Projects. PPA Foster Placements 	
Visibility and forward planning of future pipeline opportunities	<ul style="list-style-type: none"> Identifying and communicating pipeline opportunities to client departments Supporting client departments with pre-procurement planning Facilitating early market engagement with the supply market 	<p>The Procurement team has created and implemented a bespoke online work plan system that provides visibility to enable early identification of pipeline activity. This intelligence and process allows the team to plan and prioritise projects in consultation with commissioners and client departments to ensure the most suitable and compliant route to market is followed to optimise best value for the Council.</p> <p>Procurement work closely with the commissioners and have established a bespoke contract register for Adults Commissioned Services. This relationship between the two functions is key to delivering outcomes. It provides visibility and helps the planning of support for future planning of new contracts and extensions.</p> <p>The Procurement team is presently working with Children’s Commissioned Services to establish a bespoke contract register for commissioned services.</p> <p>Early market engagement is supported, and recent examples include:</p> <ul style="list-style-type: none"> New Leisure Centre Audio System Frank Myler – Catering Service Stadium Café – Catering Service 	

Theme 2: Behaving Commercially

Area of Focus	Planned Actions	Position statement – November 2023:	RAG Rating
<p>Supporting client departments in developing the approach to contract management</p>	<ul style="list-style-type: none"> • Including review meetings with suppliers within the terms and conditions of the contract • Analysing and identifying spend data to reduce 'off contract' spend • Utilising management information from suppliers to improve understanding of contract activity 	<p>The Procurement team supports client departments with contract management and attends review meetings with suppliers as required. Recent examples include:</p> <ul style="list-style-type: none"> • Telehealth Care System – Adult Social Care • Community Meals – Adult Social Care • Stairlifts – Adult Social Care • Agency Contract – MSTAR3 <p>The team also shares intelligence with client departments to help manage contracts, e.g. regular support is provided to HR to assist with monitoring the profile and spend on agency placements. This includes the provision of information on hard to fill roles and off-contract spend.</p>	


Theme 2: Behaving Commercially

Area of Focus	Planned Actions	Position statement – November 2023:	RAG Rating
Managing risk effectively through robust procurement contract documentation and procedures when awarding a contract	<ul style="list-style-type: none"> • Reviewing contract documentation and procedures in line with changes to relevant legislation • Ensuring contract documentation includes robust clauses that include mobilisation and exit plans • Ensuring that all procurement documentation and guidelines are kept up to date • Applying risk-based sourcing to all published opportunities 	<p>Contract documents are regularly updated to reflect changes in legislation and best practice. Documents have recently been updated to reflect changes to the Cabinet Office Standard Questionnaire PPN 03/23 that is used for the selection stage of a tender process.</p> <p>In compliance with PPN 03/22, new UK Data Protection requirements have been included within contract terms and conditions, and the Council’s Information Governance Team has been consulted to ensure consistency with internal processes.</p> <p>In May 2022, the value threshold within Procurement Standing Orders for low value purchases was increased to £25k. This was introduced to provide:</p> <ul style="list-style-type: none"> • More flexibility in terms of procurement route by removing the requirement for low value spend to be advertised on The Chest. • Greater opportunity for local businesses to bid for Council contracts, as registration on The Chest is now not necessary for contracts less than £25,000. • Procurement resource will be freed up to have increased focus on higher valued contracts, where more value can be added. 	



Theme 3: Achieving Community Benefits

Objectives:


- Obtaining Social Value
- Engaging Local SME’s, micro-businesses and VCSE’s

Area of Focus	Planned Actions	Position statement – November 2023:	RAG Rating
Continuing to explore opportunities for additional social and community benefits that can be delivered through procurement without increasing costs	<ul style="list-style-type: none"> • Developing skills and knowledge within the Procurement team and client departments to improve and build Social Value outcomes into the procurement process • Strengthening relationships with suppliers to improve understanding of Social Value 	<p>Work is taking place comparing the approach to Social Value taken across LCR and to develop the skills and knowledge regarding Social Value within the Procurement team.</p> <p>Procurement contract documents have been updated to make it clearer for suppliers to obtain a better understanding of Social Value.</p> <p>New Social Value relationships have been formed regarding the following contracts:</p> <ul style="list-style-type: none"> • Wates – New Leisure Centre • Tarmac – Highways Term Contract • UPS – Minor adaptations Contract • Trevors – Fresh Food and Diary Contract 	

Theme 3: Achieving Community Benefits

Area of Focus	Planned Actions	Position statement – November 2023:	RAG Rating
<p>Reviewing and developing the Council's existing Social Value Policy, Framework and monitoring system</p>	<ul style="list-style-type: none"> Further developing the Council's approach to Social Value in line with regional and national best practice Monitoring delivery of both financial and non-financial outcomes offered by suppliers 	<p>The Procurement team has started to review existing contracts to identify any Social Value offers and opportunities that can then be linked up with relevant Council departments or community projects that may benefit from these offers. Improvements are also being made to the way in which Social Value benefits are captured and monitored.</p> <p>Recent examples of Social Value benefits provided by suppliers are:</p> <ul style="list-style-type: none"> Wates – Volunteering hours to clean up the Gardens at Simonfield Care Home Trevors – donations to local foodbanks and Social Supermarkets UPS - donating time and equipment to construct an indoor shop for residents at Madalaine McKenna Care Home. 	
<p>Adopting a robust approach to ethical and sustainability issues in the Council's supply chain such as modern slavery, the national minimum wage, and environmental issues</p>	<ul style="list-style-type: none"> Engaging locally, regionally and nationally to develop learning and awareness of emerging best practice Ensuring contract documentation is updated appropriately to reflect the Council's requirements in terms of ethical and sustainability issues 	<p>The Procurement team maintains an awareness of best practice and any legislative requirements in respect of ethical and sustainability issues.</p> <p>Provisions are routinely incorporated into standard contract documentation where appropriate, e.g. Modern Slavery 2015, Social Value.</p>	



Theme 3: Achieving Community Benefits

Area of Focus	Planned Actions	Position statement – November 2023:	RAG Rating
<p>Operating procurement processes that encourage local SMEs, micro-businesses and VCSE's to compete for work and to benefit from the Council's spending</p>	<ul style="list-style-type: none"> • Including lots within contracts to make them more commercially attractive for local SME's, micro businesses and VCSE's • Publishing opportunities on The Chest and Contract Finder • Ensuring that the Council's procurement documentation and procedures are clear and simple making it easier for suppliers to bid for work • Updating the Council's webpages to assist businesses on registering on The Chest and to provide practical advice on bidding for work with the Council 	<ul style="list-style-type: none"> • Contracts are routinely divided into separate lots where appropriate to do so. • Standard practice for opportunities over £25,000 to be published on The Chest. • The requirements for opportunities under £25k to be advertised on The Chest has been removed. This opens up lower value opportunities to local suppliers that are not registered on The Chest. • Simplifying our procurement processes to support micro, small and medium enterprises (MSME's) by using a shortened version of the Cabinet Office Standard Selection Questionnaire. • Pre-market engagement opportunity published using the Council's LinkedIn profile via the Business Growth Teams newsletter to reach local suppliers. • Procurement documentation is subject to regular review and updating to ensure that is as clear and understandable as possible. • The Council's webpages in relation to Procurement are in the process of being reviewed and updated. 	



Theme 4: Ensuring Governance

Objectives:

- Responding to changes in the external environment
- Being accountable
- Maintaining capacity

Area of Focus	Planned Actions	Position statement – November 2023:	RAG Rating
Keeping abreast of changes in the external environment and responding appropriately to changes in legislation and other external influences	<ul style="list-style-type: none"> • Updating procurement processes and documentation updated in line with relevant legislative changes • Ongoing review of the online procurement system to ensure that it reflects up to date procurement practice 	<p>Contract documents are routinely updated to reflect changes in legislation.</p> <p>It is anticipated that the new Procurement Act 2023 will come into force October 2024. As such, the Council’s procurement processes, and documentation will be reviewed and updated to comply with any changed requirements.</p> <p>The Council’s internal online procurement system has been developed further to strengthen procurement practice within the Council. Further development is also planned to enhance the system’s functionality to capture changes as a result of the new Procurement Act 2023. It is anticipated that this will be implemented in 2024.</p>	
Reviewing and maintaining Procurement Standing Orders, recommending updates to the Council’s Constitution as required	<ul style="list-style-type: none"> • Reviewing and updating Procurement Standing Orders at least annually, including wider consideration of the Council’s financial regulations and budgetary control mechanisms 	Procurement Standing Orders are reviewed and updated on an annual basis. The most recent update was in May 2023.	

Theme 4: Ensuring Governance

Area of Focus	Planned Actions	Position statement – November 2023:	RAG Rating
Updating key stakeholders on developments and issues relating to procurement activity	<ul style="list-style-type: none"> • Sharing intelligence to demonstrate progress on procurement activity • Providing regular updates to the Audit and Governance Board to share regarding progress against the Procurement Strategy 	<p>Procurement share intelligence, such as spend data, with client departments on a regular basis.</p> <p>Regular communication with client departments regarding any changes to procurement policies and processes.</p> <p>Annual updates provided to the Audit and Governance Board regarding progress against the Procurement Strategy</p>	
Ensuring that the Procurement team maintains the necessary skills, capacity and capability to provide robust advice on procurement and commercial decisions	<ul style="list-style-type: none"> • Providing opportunities to staff to maintain continuous professional development (CPD) • Developing commercial acumen for the team • Reviewing and maintaining the expertise and capacity required to deliver effective procurement activity 	<p>There is a continued commitment to CPD, and all members of the team are provided with opportunities to maintain and develop their knowledge and awareness of developments relating to procurement. Over the past year this has mainly been through attendance on webinars.</p> <p>The team will be completing a number of Government Knowledge drops that will provide an overview of the changes in the New Procurement Act 2023.</p> <p>A new team structure is now in place and plans are in place to recruit to a vacant post.</p>	



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