



City of Westminster Cabinet Member

Meeting or Decision Maker: Cabinet Member for Finance and Smart City

Date: 26 March 2021

Classification: General Release

Title: Update to the Procurement Code

Wards Affected: *n/a*

City for All/Policy Context: The Procurement Code sets out the Council's commitment to generate social value outcomes from procurement activity through a standardised approach that is aligned to the City for All Vision and Strategy.

Key Decision: This is not a Key Decision

Financial Summary: *n/a*

Report of: Gerald Almeroth, Executive Director of Finance and Resources

1. Executive Summary

- 1.1 The Procurement Code forms part of the Constitution and is aligned with the Council's overall governance practices. It sets out the Council's framework for the procurement of works, goods and services, the appropriate governance, procurement thresholds and approval processes.
- 1.2 There is a need to update the Procurement Code so that it reflects the transformational changes to the Procurement and Commercial Services operating model as well as new Council priorities and objectives.
- 1.3 The latest version of the Code does not make any changes to Cabinet Member decision making powers as set out in their Terms of Reference.

2. Recommendations

- 2.1** That the Cabinet Member for Finance and Smart City approves the latest version of the Procurement Code as appended within Appendix 1 of the report.
- 2.2** That the Cabinet Member for Finance and Smart City delegates authority to the Director of Commercial Partnerships to make any future editorial changes to the Procurement Code, in consultation with the Executive Director of Finance and Resources and the Cabinet Member.

3. Reasons for Decision

- 3.1** The Procurement Code serves as a guide to Officers, giving practical effect to the Council priorities whilst at the same time mitigating against commercial and compliance risk. It provides the legal and procedural framework for the procurement of works, goods and services, underpins the Procurement & Commercial Services operating model and:
 - details the appropriate governance, procurement thresholds and approval processes;
 - sets out the Councils approach to procurement activity according to risk & contract value.
- 3.2** The current version of the Procurement Code is now out of date and does not reflect the working practices of the departments new operating model or new and evolving Council priorities.

4. Background, including Policy Context

- 4.1** The Council's Contracts Procedure Rules can be found in the Procurement Code and the Contracts Standing Order and is included in the Constitution under Item 36. It sets out local procurement governance rules and compliance with procurement legislation.
- 4.2** The Procurement Code was last approved by the relevant Cabinet Member in September 2017, and this latest update is required to reflect changes to the Procurement and Commercial Services operating model and governance procedures, as well as the Councils developing priorities and policies.
- 4.3** The Procurement Service has undergone a programme of transformation over the last 2 years, and the new operating model has been in place since April 2020. The operating model is designed around a core service offering which supports the entire commissioning cycle within which procurement and contract management activity is embedded. The key aims of this are to:
 - Develop stronger alignment with service areas and corporate priorities
 - Build capacity and flexibility to support our customers and to adapt to changing needs & priorities
 - Make e-sourcing, contracting management systems and business processes easier, simpler and better
 - To secure commercial outcomes for the Council

- 4.4** Following stakeholder feedback, we have ensured that this latest version of the Procurement Code is much easier for Officers to follow and understand. Some key elements that the Procurement Code now reflects are:
- Commercial Gateway Process which tracks activity project from inception through to delivery of business outcomes;
 - Procurement project categories into four types based on contract value & risk
 - Scope of activity within the Council, across the Bi-Borough shared services and potential collaborative activity with other local authorities
 - Contract Management Framework best practice guidelines
 - Broader definition of Responsible Procurement to ensure it clearly covers the Council priorities such as City for All, Living Wage, Climate Change and Supplier Diversity & Inclusion.
- 4.5** The proposal is to update the Procurement Code during 2021 in two Phases.
- Phase 1: will be to proceed with this version presented today, so that Code is reflective of the current Procurement & Commercial Services operating model and governance procedures.
 - Phase 2: further enhancements will be made during the course of 2021/22, to ensure the code reflects further changes/updates to Council policies as they develop, improving the usability of the Code and any other recommended changes to the procedural and legal framework that emerge from the Procurement Transformation Programme.

5. Financial Implications

There are no specific financial implications as a result of this report or the implementation of the procurement code. However, any contracts or agreements that the council enters into needs to have considered the financial impact, including budgets and sign off in line with the Council's financial regulations.

Financial Implications provided by Rikin Tailor, Head of Corporate Finance, Finances and Resources – Corporate Finance rtailor@Westminster.gov.uk

6. Legal Implications

- 6.1** Section 135 of the Local Government Act 1972 provides the Council with the power to make standing orders about the procurement of contracts. Contract Standing Orders form part and are included within the Council's Constitution and set out the minimum obligations and minimum requirements to be followed by officers when procuring goods, services or works. The Procurement Code should be updated to reflect any legislative requirements and agreed working practices across the Council.

The Cabinet Member for Finance and Smart City has the authority to approve the changes to the Procurement Code.

Legal implications provided by Kar-Yee Chan, Principal Solicitor (Contracts & Procurement), Shared Legal Service kychan@westminster.gov.uk

If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:

Gerald Almeroth Executive Director of Finance & Resources

APPENDICES

Appendix A: Procurement Code

BACKGROUND PAPERS:

None

NB: For individual Cabinet Member reports only

For completion by the **Cabinet Member** for Finance and Smart City

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____
NAME: **Councillor Paul Swaddle**

State nature of interest if any

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(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled **Update to the Procurement Code** and reject any alternative options which are referred to but not recommended.

Signed

Cabinet Member for Finance and Smart City

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:
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If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, City Treasurer and, if there are resources implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.

Other Implications

- 1. Resources Implications**
- 2. Business Plan Implications**
- 3. Risk Management Implications**
- 4. Health and Wellbeing Impact Assessment including Health and Safety Implications**
- 5. Crime and Disorder Implications**
- 6. Impact on the Environment**
- 7. Equalities Implications** – See section 13
- 8. Staffing Implications** – See section 13
- 9. Human Rights Implications**
- 10. Energy Measure Implications**
- 11. Communications Implications**
- 12. Counter Terrorism and Security Implications** – See section 13