

**MEETING:** **Equality Steering Group**

**DATE:** **17<sup>th</sup> April 2008**

**SUBJECT:** **Equality Screening Report – Procurement Strategy**

**REPORT OF:** **Diane Linsdell**

**Contact details:** Diane Linsdell, Strategic Projects Co-ordinator  
Telephone 01323 415143 or internally on extension 5143.  
[Diane.Linsdell@eastbourne.gov.uk](mailto:Diane.Linsdell@eastbourne.gov.uk)

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**Purpose:** To advise the Equality Steering Group of a screening process undertaken on the Council's Procurement Strategy and to propose an Action Plan.

**Recommendations:** That the Equality Steering Group notes the content of this report and approves the Action Plan detailed at Appendix 1.

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## **1.0 Policy Aim**

1.1 Procurement is the acquisition of supplies, works and services from both third parties and in-house providers and covers the whole life cycle from identification of need to the end of a service contract or end of useful life of an asset. It ranges from the negotiation of corporate contracts for the supply of routine goods and services through to the more complex partnership arrangements such as joint commissioning with other public, private or voluntary sector organisations.

The principles of Best Value lie at the heart of the procurement process and although the steps involved in procuring different types of supplies, works and services may vary greatly, they all share the same characteristics. Crucially, procurement must always be competitive, fair and consistent.

The Procurement Strategy relates to all services provided by the Council, either directly or through other bodies. It also emphasises that procurement is everyone's concern, not just that of a small number of professional officers.

- 1.2 The following principles are key to successful procurement.
- Value for Money – defined as the "optimum combination of whole life costs, quality, service and support to meet the

customer's requirements.

- Whole life cycle process – procurement spans the whole life cycle from identification of needs, including the make or buy decision, through to contract completion, exit strategies and possible disposal.
- Top level buy-in - top level support for the procurement agenda is key to the delivery of long term success. The importance of this is recognised by Cabinet Members and senior management who fully endorse the approach set out in this strategy.
- Training and development

The aims of the strategy are to:

- ensure that procurement activities reflect the Council's Corporate Priorities, Values and achievement of Community Strategy;
- demonstrate commitment to effective procurement from Members and Officers of the Council;
- deliver consistently high quality services that meet users' current and future needs;
- provide best value for money, thereby improving the cost effectiveness of the Council;
- ensure that the Council adopts the optimum level of risk in all procurement;
- ensure that procurement activities realise economic, social and environmental benefits for the local community;
- ensure procurement activities promote equality of opportunity for suppliers and users.

1.3 The procurement strategy shows our stakeholders how the key procurement principles will continue to be delivered by the Council in its procurement processes. It also sets out a clear framework for officers for all procurement activity carried out within the Council and will ensure that procurement planning reflects the Council's corporate standards and objectives.

1.4 The Procurement Strategy, when approved by Cabinet, will be available on the Council's internet and internet to allow access to all. Hard copies are available on request.

## **2.0 Screening Exercise**

2.1 In undertaking a review of procurement and developing the Procurement Strategy equality legislation and the Council's own agenda for equalities has been taken into consideration.

The strategy highlights that the guiding principles of ethical

behaviour in procurement are impartiality, independence and integrity. It also emphasises the responsibility of officers to adhere to the Council's Code of Conduct for Employees, which includes a code of ethical behaviour for all officers engaged in the procurement of supplies, works and services. This includes rules concerning declaration of interests, fair competition, discrimination, confidentiality and improper influence.

The Council has a duty to eliminate unlawful discrimination and promote equality of opportunity. This duty applies to both the procurement exercise itself and subsequent functions delivered by private or voluntary sector firms through contractual arrangements. Responsibility for meeting this duty remains with the Council regardless of the provider.

The Council achieves this through:

- ensuring, through its procurement procedures and contract terms and conditions, that contractors have a responsibility to meet this obligation in the case of contracted out services;
- including the evaluation of equality information from the potential contractor in the selection procedure;
- ensuring that all businesses have equal access to procurement opportunities with the Council.

The Council is a signatory of the Government's National Procurement Concordat for Small and Medium sized Enterprises (SMEs). The Council seeks to maximise support to SMEs and the local economy by encouraging local businesses to offer their goods and services to the council whilst maintaining its duty to provide best value for money. However, procurement legislation limits the Council's ability to favour local businesses as every business has to be given an equal opportunity.

The ways in which it can and does support local businesses is through:

- working pro-actively with the local businesses to explain how to do business with the Council;
- encouraging all major construction companies with a business interest in Eastbourne to sign up to the Construction Charter, which encourages contractors to use local companies in their supply chain, work with the jobcentre to source local labour, and promote training in the construction industry;
- providing "Selling to the Council" advice on our procurement processes, procedures and requirements on the Council's website;
- simplifying procurement processes where practical;

- providing information about future procurement activity;
- ensuring that wherever possible the packaging of requirements gives smaller businesses the chance to offer their products or services.

The challenge for the Council is to balance the following conflicting priorities:

- obtaining value for money and the required quality;
- sourcing locally where possible within the legislative framework.

### **3.0 Conclusions**

- 3.1 The procurement strategy places a high emphasis on equality and non-discrimination, therefore in itself meets the Council's agenda for equality and promotes equal opportunity for choice and competition.
- 3.2 However, in order to satisfy this conclusion the action plan sets out certain initiatives we will be looking at in the future. These will include a number of Equality Impact Assessments on randomly selected procurement exercises.

### **Background Papers:**

The Background Papers used in compiling this report were as follows:

Procurement Strategy 2008-2011

To inspect or obtain copies of background papers please refer to the contact officer listed above.

## Appendix 1

### Procurement Strategy Equality Objectives and Action Plan

| <p><b>Community Strategy Theme (CST):</b><br/> <b>Housing (H):</b> 1) A housing market that provides greater housing choices for all. 2) High quality condition and management in all housing stock. 3) Appropriate housing with support for vulnerable people.<br/> <b>Regeneration and Economy (RE):</b> 1) Well paid jobs for local people with a workforce skilled to match employment opportunities. 2) A modern sophisticated town that people want to live in, work in and visit, with space for businesses to grow. 3) A broad economic base with diverse employment opportunities available.</p> <p><b>Council Values (CV):</b> 1. Representing the community. 2. Maintaining high standards of conduct and accountability. 3. Respecting the dignity of everyone and promoting equality. 4. Involving the public and partners in improving services. 5. Managing our resources efficiently. 6. Providing a positive working environment for staff. 7. Delivering excellent customer service.</p> |  |                         |  |  |
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| Objective  | Action   | Target                  | Lead Officer   | Outcome/Monitoring   |
| The Equality Steering Group to approve the equality screening of the Procurement Strategy prior to the Strategy's presentation to Cabinet  | Present Screening Report of the Procurement Strategy to the ESG  | April 2008              | Strategic Projects Co-ordinator - Portfolio holder Assistant Director Community Services | Screening report approved and Procurement Strategy adopted by the Council and action plan approved |
| Ensure that equality is embedded in procurement practice   | Equality implications section completed in Cabinet report detailing screening exercise and approval of ESG | April 2008              | Strategic Projects Co-ordinator  | Cabinet are aware of the equality implications of the procurement strategy.                        |
|  | Carry out equality impact assessments  | Programme and timetable | Chief Executive to select procurement  | The Council's procurement activity   |

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|  | on a number of procurement exercises as appropriate, over a three year period from 2008 and present assessments to the ESG           | dependent on procurement opportunities over a three year period                       | Exercises for EIA and designate responsible officer to lead the assessment team | meets the equality requirements set out in the Strategy. Actual monitoring of contracts is agreed as part of the procurement process.                             |
|  | Contractor employees to have awareness of and be offered equal opportunity to participate in Council run equality training exercises | Awareness of courses and opportunities as set out in the Corporate Training Programme | Responsible officer for monitoring contract                                     | Contractor employees are aware of the Council's equality agenda and where they fit into this. Contract monitoring should pick up relevant service delivery issues |