



**TASK AND FINISH GROUP ON THE REVIEW OF THE VALE OF
GLAMORGAN'S PROCUREMENT POLICY, FUNCTION AND
STRATEGY**

VALE OF GLAMORGAN COUNCIL

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Foreword

The Public Sector in Wales spends £8 billion a year on Works Goods and Services which represents a significant portion of the Welsh Government's total spend and provides great opportunity to influence positive social, economic and environmental outcomes that support the wellbeing of future generations **WFG2015 and Socio-Economic Duty**. In the case of the Vale of Glamorgan we spend approximately £331 million a year employing a devolved approach to the commissioning process with circa 80 buyers across the Authority creating specifications under the guidance of one Procurement adviser. Since April 2023 the Vale has been working with Cardiff Council along with Monmouthshire and Torfaen County Council as part of their collaborative procurement partnership **Ardal**. This has given the Vale of Glamorgan Council (VOGC) the potential for access to specialist procurement expertise within a centralised team along with alignment of processes and tender documents. This relationship is still in its infancy, and so far it has not been possible to obtain data to demonstrate the return on investment, the percentage level of our spend that is going through Ardal, and the Social Value outcomes that have resulted from this spend.

It is the case currently that all Local Authorities within Wales are facing the challenge of responding to climate change and the need to reduce our carbon emissions through the supply chain. It is also the case that we now need to meet the **socially responsible procurement duty** in the **Social Partnership and Public Procurement (Wales) Act 2023** so the setting of objectives in relation to wellbeing goals, and the provision of an annual report on our wellbeing (social value) outcomes is a legal requirement for Local Authorities in Wales. For some Authorities with a mature procurement function they will already have put in place processes to capture, monitor and report on their social value outcomes, and this Authority can learn from these examples. However, the art of making these outcomes truly meaningful, designing with the community, or even just responding to a need that has been identified by the community is not so well understood, and is an opportunity for the Vale to lead the way and do something slightly differently.

At the meeting of the Corporate Resources and Performance Scrutiny on 24th May 2023 the topic of how the Vale procures and how it could improve this function so our communities benefit economically, socially and environmentally was debated, which led to a recommendation to set up a Task and Finish Working Group to focus specifically on how we can embed **circular economy** principles into the procurement function, and maximise our **social value** and decarbonisation outcomes. Consideration was given to setting up a Task and Finish Group to achieve this. It was subsequently agreed at the meeting of Scrutiny Chairs and Vice-Chairs Group on 5th September 2023 that the review of the new Procurement Policy and Strategy would be chosen as the first to be undertaken by the relevant Task and Finish Group. It was agreed that the scope and timetable of review should remain focussed on embedding Circular Economy Principles and maximising Social Value and Decarbonisation Outcomes as the new legislation for Public Sector Procurement was going to come into effect in October 2024 (subsequently delayed until 24th February 2025). At the Corporate Resources and Performance Scrutiny Meeting on the 17th of January 2024 it was agreed that membership of the group be Councillors E. Goodjohn, S.J. Haines (later replaced by G.D.D. Carroll), H.C. Hamilton, S.M. Hanks, Dr. I.J. Johnson and J. Protheroe. Committee also agreed that Councillor J Protheroe be chair, and noted and approved the proposed scope, meetings/sessions required and timescale for the review.

I think I can speak for all Members of the Task and Finish Group when I say that our work has been both interesting and challenging. Interesting to consider the approaches being taken by other Local Authorities, and realising the potential for this Authority, but also challenging, due to the change of culture and behaviour along with additional resources required to improve on existing processes within the constraints of what can be achieved practically with a devolved procurement function. As a result, I hope that this report demonstrates the case for change and remains realistic but ambitious. As such, whilst there are some specific and important recommendations that can be initiated now, there are other recommendations that focus on the requirement for further work.

I would like to take this opportunity to thank the Members of the Task and Finish Group for their contribution to this report. I would also like to thank the many officers from the Vale of Glamorgan Council who gave up their valuable time to brief the Group, the contributions and presentations from CEIC Cardiff Met Jill Davies, ARDAL Cardiff Council Steve Robinson and RCT Council Marc Crumby.

Councillor Jo Protheroe - Task and Finish Group of the Corporate Performance and Resources Scrutiny Committee.

Executive Summary

In reviewing the Procurement Function in the Vale of Glamorgan Council (VOGC) the Group received evidence from a range of sources. This report provides a summary of the Group's approach, and the research conducted to inform the review. The review took in a wide range of evidence and presentations from subject matter experts and other Local Authorities, covering best and innovative practices to inform and improve the Procurement Policy and Strategy, particularly in terms of the capture and monitoring of social value, decarbonisation, (social value policy, social value monitoring resource, sustainability toolkit) fair working practices and working collaboratively with partners and suppliers. (collaborative procurement and procurement frameworks)

The Task and Finish Group reviewed the governance of the Procurement Policy and Procurement Strategy in terms of its focus on sustainability, decarbonisation and social value in order to fully understand the status quo, its challenges, and areas which may need improvement, further investigation and/or development, through the lens of the Vale of Glamorgan Council (VOGC) cutting its Carbon Emissions from the Supply Chain and maximising social value outcomes for the Authority.

The Circular Economy

This executive summary outlines how the VOGC can embed circular economy principles into its procurement strategy transforming it from a linear process to a circular one. The core of this approach involves re-thinking the procurement life cycle, prioritising needs analysis, embracing reuse and repair, and incentivising sustainable sourcing and disposal practices.

Take-Make-Waste Linear Economy

During the Depression in the 1930s industries introduced the notion of **in-built obsolescence** to intentionally limit the technical lifecycle of products leading to an increase of sales to boost the economy, and it is safe to say that in the western world we haven't looked back since then!

Make-Use-Return Circular Economy

Managing material responsibly economic growth is possible without compromising planetary boundaries by using as little virgin resources as possible. Buyers can play their part by designing waste out of their specifications and specifying circular products, responsibly using and maintaining them and by returning them for re-use or disassembly and re-manufacturing post use.

The Circular Economy applied to the procurement function is about minimising waste of resources and maximising the retention of resources and materials with what we buy and how we buy it. It is an ecological principle where we design waste out of the requirement, so we ensure that we do not buy virgin materials, we extend the functional use and include an

exit/end of life consideration as part of our core specification. Buyers will need to prioritise circularity in procurement, seriously consider whether they really need to conduct a procurement, and only if there are no other options after service re-design, shared ownership models and service contracts have been considered. They will need to consider the origins and future of resources and materials, the re-use of existing materials, re-use of products, components or materials, the degree to which a product can be disassembled, and move away from traditional technical specifications and short-term business cases to functional demand and long-term value creation. This will require comprehensive training to be given to Buyers in the Authority on the Circular Economy and how it can be applied to the commissioning process.

Social Value

In Wales Social Value is defined through the Well-Being of Future Generations (Wales) Act 2015 and guidance provided via **WPPN 003 Social Value Clauses/community benefits through Public Procurement** which places a mandate on public bodies to consider the long-term impact of all decisions. Broadly speaking for this Local Authority as with all others, Social Value is our commitment to prioritising social, economic, and environmental wellbeing for the community and its partners. A review of evaluation methodologies to ensure tenders are evaluated using both economic and environmental questions (use of the **TOMS Themes Outcomes and Measures Framework**) and or qualitative method statement questions) to maximise the social value/wellbeing outcomes for the County, has not been able to clearly distinguish if there has been a consistent application of these principles, and as there is no formal reporting of these outcomes, it is also not clear what if anything is being achieved. Understood properly social value should be cumulative and if we can engrain the “socially valuable” into our culture and into our procurement process the combined weight of political leadership, officers and associated public sector organisations through the **Public Services Board (PSB)** will move this from a tick box exercise and a mission into maximisation.

Designing, implementing and evaluating social value questions is not an exact science, so it was clear from our review that ensuring that there is a clearly defined process, systems, standard documentation and adequate resources in place to do just this is essential. From our investigations, talks with Officers and presentations from neighbouring authorities made to the Task and Finish Group it was clear that research upfront to make these social value outcomes meaningful was an important activity that was being overlooked. All Councils have teams that are focused on consulting with communities in terms of regeneration and community support, however the challenge of forming a ‘bridge’ between procurement and community liaison teams so their knowledge can be integrated into procuring for social value along vertical and horizontal lines is one that many struggle with. Without clear priorities, and a lack of capacity for ongoing contract management regarding social value, valuable support to our communities that could be provided by our contracted suppliers is being lost, measurements are not being collected, and no one is being sufficiently held to account. Transparent and collaborative social value processes will not only enrich community life by improving social infrastructure by giving back to our communities, but it will also improve trust and relationships between residents and the VOGC. The needs of our communities, monitoring and reporting of these subsequent outcomes will require adequate resourcing but would be a worthwhile investment.

Shorter supply chains and an increased percentage of the council's overall spend going directly or indirectly to local suppliers will provide some very clear benefits to the Authority with lower carbon emissions and reduced environmental footprint, wealth going into the community bringing with it additional jobs and fostering economic growth, and less susceptibility to disruptions due to transportation delays, climate natural disasters or political instability. Consistent publishing of pipeline of opportunities and making maximum use of pretender engagement sessions and meet the buyer events. By engaging with the market early VoG will increase awareness of the upcoming procurement which will encourage a wider range of potential suppliers to consider bidding, potentially leading to innovative solutions and a clearer understanding of local market capacity.

During the time that this Task and Finish Group has met Procurement in the Public Sector in Wales has been subject to a significant change not seen in generations, moving away from European derived legislation and introducing a more streamlined, flexible and transparent system which incorporates a stronger requirement to consider social value in procurement decisions, ensuring that projects contribute to community development and sustainability. The importance of this new legislative framework cannot be understated with a statutory duty on us now to consider socially responsible public procurement, to set objectives in relation to wellbeing goals, and to publish a procurement strategy along with the responsibility of carrying out contract management duties to ensure that socially responsible outcomes are pursued throughout the supply chain.

Recommendations

These have been split into 8 Sections and Topic Areas:

1. Documents

Social Value Policy

Putting in place a Social Value Policy will help us to maximise the benefits of our spending and procurement activities, going beyond the most advantageous offer and the cost versus the quality of what we are buying to consider the wider social, economic and environmental impacts on the community. This policy should align with our strategic goals whilst ensuring that Local Authority spending is used to its fullest potential delivering wider community benefits to address local needs and improving the overall well-being of residents for the same investment. This Policy document should define social value with regards to what this means for the Council, be aligned with procurement legislation and the socially responsible procurement duty to improve economic, social, environmental and cultural well-being. The Policy should confirm that we will realise Social Value in our procurement practices according to the following principles:

That we should consider this Social Value Policy in **all of** our procurements.

Take a proportional and relevant approach to applying Social Value considerations

Apply it in a way that generates positive and meaningful outcomes without creating barriers for **SMEs** and **third sector** suppliers.

Ensure transparency and equality of treatment in the application of Social Value considerations.

The Policy should describe our evaluation methodologies that could be scored in two sections –

1, Qualitative, written holistic response asking the suppliers what they do currently to protect the environment, support the local economy, community and culture and how these practices/processes align with the values and ambitions of this Council.

2, Quantitative, use of selected TOMS measures to score what suppliers say they are prepared to commit to for the duration of the contract that support the below 6 themes:

- Supporting the Local Economy
- Addressing the climate emergency
- Promoting Fair Work – adoption of the Real Living Wage
- Investing in the Future Workforce
- Strengthening the voluntary/community sector
- Supporting the cultural wellbeing of the Vale.

The Policy should focus on how we will monitor and evaluate the effectiveness of our actions also clarifying how we will be regularly reporting on our performance.

[Socially Responsible Procurement Strategy](#)

Review the existing Procurement Strategy to establish a clear vision for circularity and setting measurable wellbeing goals for procurement, encompassing ethical sourcing, environmental considerations and social value creation throughout the procurement cycle. This Strategy should be integrated into our Corporate Plan 2030 and our Carbon Management Plan with KPIs and monitoring mechanisms.

[Commissioning/Pre-Tender Template](#)

It is essential that at the very start of a project when buyers are considering that they need to go out to tender that they focus on making their specification as “green” as possible, that they follow a standardised process and have the support of structured questions to guide them to do more than tick boxes when gathering their information together. This is why a review of the existing pre-tender/commissioning form to ensure that the circular economy questions are included, along with appropriate social value questions for evaluation is being recommended. To include in the Pre/Tender Commissioning Form:

- Questions on Social Value – e.g what social value criteria is relevant to this procurement exercise?
- Reduction of Carbon Emissions – Mandatory for buyers to consider decarbonisation in line with our Net Zero strategy.
- The Local Economy – How will this tender benefit the Local economy?

[End of Life De-Commissioning Template](#)

Traditionally in procurement we focus on what we want our product/service to do and have not given much consideration for what happens when the contract ends. In a circular economy we need to focus on maximising resource recovery and minimising waste, looking to extend the lifespan of assets, repurpose materials and crucially prevent landfill. Taking all

of this into consideration it becomes just as important to include within our core specification an 'end of life' requirement which could where appropriate specify "take back" with responsibility on the manufacturer/producer, assess the potential for re-use, disassembly, repurposing or recycling.

2. Training

On the Circular Economy - Buyers, Strategic Leadership Team (SLT) and Councillors.

The VOGC has a devolved procurement function with circa 80 buyers across the Authority who work independently of each other with varied degrees of understanding of the Circular Economy and Social Value and how it applies to the work they do. One buyer told us that "I procure services, so it doesn't apply to me," another with a comprehensive working knowledge explained how they make efforts to avoid virgin materials and invest time researching products and services with lower carbon footprints to help inform their specifications. Training for all buyers in circular economy would empower them to make more sustainable purchasing decisions, ultimately if they understand the principles they will know that this applies to everything we buy and will help them to influence the entire product and service lifecycle, from design and material selection to product usage and end of life/contract exit management. As we are looking to make cultural and behaviour changes it would be beneficial for our SLT and Councillors to receive training to help them better understand how adopting a Circular Economy approach will support our Council Ambitions and our Values, to reduce waste and carbon emissions, reduce our dependency on finite resources and improve our overall operational efficiency, creating new opportunities for innovation and collaboration and drive social value.

On the setting of Social Value Questions – Buyers

Training on setting social value questions for evaluation which align with specific policy outcomes to create clear evaluation criteria that effectively assesses a bidder's commitment to social value should focus on what suppliers will do during the contract period as well as their past achievements and should relate directly to the specific subject matter and the identified 'meaningful' social value outcomes of the contract. Buyers will need to "connect" with our communities to ensure that assumptions are not made about what the community needs.

3 Community of Practice (CoP) – Buyers/Social Value Monitoring Officer/Ardal Relationships Manager.

As procurement is devolved and our 80 buyers are sat across all directorates and departments the potential for scope creep and non-compliance with procurement regulations is in itself high as buyers who are not procurement specialists will continue working to their departmental and directorate practices and crucially may not know what is and what is not required of them by changing legislation or a shared organisational ambition. We recommend the creation of a **Community of Practice (CoP)** so buyers can learn together to improve their skills and knowledge, organise workshops, share templates and tools, mentor and coaching. This platform will help them to interact regularly, exchange ideas and collaborate on solving problems. At present there is a shared email group where information can be cascaded, but otherwise buyers do not have the opportunity to interact. Most

specifically the CoP will support the behaviour change required so embedding the circular economy and maximising meaningful social value outcomes into what they do would not be left to chance, it would be the default position.

4 Commissioning Procurement Board – Heads of Service/Ardal Procurement Lead/Ardal Relationships Manager.

The creation of a Commissioning Procurement Board will ensure that both the strategic direction and needs assessment of the Authority can be discussed alongside the activity of ensuring that works goods and services are acquired efficiently, effectively and with a shared commitment and understanding of the circular economy to maximise social value outcomes for the Authority. It is a recommendation of this group that the Board sits quarterly and discusses together each area's pipeline of procurement activity working in collaboration with each other to ensure that procurement decisions align with strategic commissioning intentions.

5 Resourcing

Social Value Monitoring Officer.

To ensure that the social value commitments made by successful bidders in the procurement process are delivered and measured effectively, this new post would take responsibility for the Authority of identifying, tracking and reporting social value outcomes, and potentially supporting buyers/Ardal in the evaluation of our social value questions. They would work with suppliers to address any shortcomings in social value delivery and develop robust reporting mechanisms. They would create relationships with the regen/ community supporting teams in this Authority, Community Groups and third sector organisations to become the "bridge" to ensure that our social value outcomes are meaningful as they are being set with the input of our communities and not being done to our communities. Finally, as the Social Value expert for the authority it would be an expectation that they would develop guidance and training material for buyers and suppliers on how to identify, implement and measure social value.

ARDAL Relationships Manager.

To ensure that policy turns into practice, this role would manage the relationship with Ardal to maximise the return on our investment, supporting the activities of the Ardal Procurement Partnership and Council Buyers to undertake procurements in line with Ardal and VOGC Policies and take responsibility for the collation of data from Ardal, Council's Contract Register, Forward Work Plan (Pipeline) and Annual Procurement Report. They would oversee the Procurement Commissioning Board and take the lead on the CoP to ensure Buyers are fully aware and compliant with VOGC's Social Value Policy, Socially Responsible Procurement Strategy, Buying Responsibly Guidance and Procurement Sustainability toolkits to assist the creation of "greener specifications", They would work closely with the Social Value Monitoring Officer to ensure the consistent data capture of our social value outcomes and leading on an internal project with officers from our economic development team and our suppliers to develop a Local Spend Action Plan to include the setting up of a local business directory, so local suppliers or local businesses can register their details with Vale of Glamorgan Council so we can invite them to low value under threshold exercises.

6 Reporting Data Collection

At present we do not collect data on what we spend with Ardal, and do not have a formal reporting mechanism in place for our social value outcomes. These two things are crucial for us to be able to gain insight into our procurement processes, supplier performance and our spending patterns which would help us to identify cost saving opportunities through consolidation of suppliers, but also to be able to monitor and evidence the social value outcomes that are being achieved through our procurements. As there is now a statutory duty on us to do more than tick a box to show we have considered socially responsible public procurement, we must set objectives in relation to well-being goals, and publish a procurement strategy, along with carrying out contract management duties to ensure that socially responsible outcomes are pursued throughout the supply chain. The requirement to have robust reporting mechanisms in place therefore becomes essential.

7 IT Systems

‘Dating App’ for Social Value – An online platform that will help the VOGC collaborate with Community Groups, Charities and the Third Sector to improve the social, economic and environmental wellbeing of the County, a digital space where suppliers can post their social value offers that directly respond to a need that has been identified by the community so matching of the offers from suppliers – example [Surrey Council’s Community Marketplace](#).

Reuse Platform - Create an inventory of products for re-use/sharing with other Directorates/ Other Orgs instead of discarding them. This will facilitate the transfer of resources between Departments and external organisations, there by reducing waste, saving money and promoting sustainable practices. - example [WARP-it](#).

8 Pilot Circular Approach

This Group recommends that we take what we have learnt and pilot a procurement exercise focused on the circular economy to allow us to test and refine our understanding of circular economy principles within a controlled environment, to experiment with circular procurement practices and test run our approach.

Introduction

All five of the Council's Scrutiny Committees in considering their work programmes for 2023/24 were requested to put forward topics for consideration for review for task and finish work. At Corporate Resources and Performance Scrutiny meeting on the 24th May 2023 the topic of how the Vale procures and how it could improve this function so our communities benefit economically, socially and environmentally was debated, which led to a recommendation to set up a Task and Finish Working Group to focus specifically on how we can embed circular economy principles and maximise our social value and decarbonisation outcomes through the procurement function. It was agreed by the committee to submit that idea to the meeting of Scrutiny Chairs and Vice-Chairs Group on 5th September 2023 for consideration where a decision was made to select this topic as the first to be undertaken by the relevant Task and Finish Group. It was agreed that the scope and timetable of review should remain focussed on embedding Circular Economy Principles and maximising Social Value Outcomes as new legislation in the form of the **Procurement (UK) Bill, the Social Partnership and Public Procurement (Wales) Act** was going to come into effect in

October 2024 (subsequently delayed until 24th February 2025) which would provide for a framework to enhance the well-being of the people of Wales by improving public services through social partnership working, promoting fair work and socially responsible public procurement.

The initial meeting of the Task and Finish Working Group was on the 17th of January 2024 where the scope and outcomes for this work were finalised and agreed as follows:

Tasked with reviewing the Procurement Strategy, and Policy, tender documents and procedures undertaken by Vale of Glam officers with regards to where circular economy principles could be embedded throughout the procurement lifecycle to ensure we make our specifications "greener"

Ensuring that we evaluate our tenders with focussed social value questions to maximise the economic, and environmental social value/wellbeing outcomes.

Put in place a process to identify meaningful social value outcomes, manage and monitor those outcomes through actions - contract management.

It was agreed that there was a need for a background session to be convened for the Group to better understand public sector procurement, the circular economy and social value.

The need to understand how procurement happens here in the VOGC:
What systems there are in place for the logging and monitoring of social value in tenders
What the advertising thresholds were
What the hand offs with the Ardal partnership arrangement were.

It was confirmed that relevant experts would be brought in to provide an introduction and background detail to the Group to support their understanding of the various issues involved.

It was suggested that a mixture of remote and in person meetings be used for the Group with the suggestion being at least six to eight meetings be undertaken prior to the conclusion and production of a report and recommendations back to the main Corporate Performance and Resources Scrutiny Committee.

Desired Outcomes

That Group would have reviewed the VOGC's Procurement Code of Practice Policy and Procurement Strategy in terms of sustainability, decarbonisation and social value.

Would fully understand the Procurement Policy and Strategy, its challenges, and areas which may need improvement, further investigation and/or development, through the lens of the VOGC cutting its Carbon Emissions from the Supply Chain.

Reviewed the commissioning process of goods works and services across the Authority to ensure standardisation in terms of approach, and the consideration and application of Circular Economy principles.

Reviewed the evaluation methodologies to ensure tenders are evaluated using both economic and environmental questions as a default position in order to maximise the social value/wellbeing outcomes for the County. Ensure that there is a process, standard documentation and adequate resources in place to identify, monitor and manage the reporting of these outcomes so they are meaningful and most importantly delivered.

Ensure supply chains are shortened, and an increased percentage of the council's overall spend goes to local suppliers through the publishing of pipeline of opportunities, maximising of pre tender market engagement, advertising of lower value exercises, and periodical meet the buyer events.

To look at 'best and innovative practices from other and/or similar local authorities, public sector bodies, to inform and improve the Procurement Policy and Strategy, particular in terms of the capture and monitoring of social value, decarbonisation, (social value policy, social value monitoring resource, sustainability toolkit) fair working practices and working collaboratively with partners and suppliers. (collaborative procurement and procurement frameworks)

The opportunity to hear from our local authority buyers as well as potential testimony from 'expert' witnesses within the Council or externally.

Membership of the Group is shown at Appendix A, together with Officers of the Council and the other organisations and people who have made valuable contributions to the review, as well as the scope for the review (Appendix B). The timetable/meetings of the Task and Finish Group for its review is at Appendix C. Total VOGC Spend for the past two years at Appendix D, and the annual cost attributed to VOGC's participation in the Ardal Partnership for the past two years at Appendix E. Also included is the feedback from the Vale of Glamorgan Buyers Questionnaire at Appendix F.

Background

Procurement is one of the most important levers we have to support a more equal, sustainable and prosperous Vale of Glamorgan that we all want to see. It is an essential value adding activity that can help us meet our wellbeing objectives and deliver effective public services. Socially responsible public procurement takes this one step further acting when procuring to improve economic, social and environmental and cultural wellbeing. It can help us to get to net zero and support a green recovery if we make conscious decisions to apply circular economy thinking to what we currently buy. Circularity is an ecological principle, but even in a world full of circular products we still won't necessarily have achieved a Circular Economy. If we take the example of the purchase of refurbished office chairs. It's a good purchase of products with circular intent, but it is not enough to simply buy re-furbished chairs, we would need to make sure that at the end of their service life they are either used by somebody else or disassembled allowing the component parts or materials to be re-used in new lifecycles, or taken back as part of the contract to be re-furbished. Taking this process another step further buyers should when acting socially responsibly ask the following questions during the commissioning stages.

- 1 – Whether to purchase – The most circular products are the ones we don't buy at all.
- 2 – What to purchase – Scenario of the Vale of Glam Council needs 100 chairs, can we re-use or re-furbish what we have?
- 3 – Who we purchase from – Scenario if the VOGC decided to maintain and re-furbish the existing 100 chairs instead of purchasing new, then the tender would be for furniture repairers and not sellers.

4 – Who we purchase from Pt 2 – If we are thinking long-term “circular” we may be specifying for the purchase and refurbishment from one supplier to future proof and extend the life of our chairs.

5 – Ongoing Relationship – Circular Procurement does not end at the point of delivery. Instead awarding a contract is the start of a relationship.

Alongside the **Procurement (UK) Bill, the Social Partnership and Public Procurement (Wales) Act** requires Contracting Authorities to have regard to the **Wales Procurement Policy Statement** to better align commercial activity to well-being objectives and places a mandate on public bodies to consider the long-term impact of all decisions. Broadly speaking for this Local Authority as with all others, Social Value is our commitment to prioritising social, economic, and environmental wellbeing for the community and its partners. In order to do this that “bridge” between procurement our buyers and the community is essential in order to make any of our social value outcomes truly meaningful. This means also that Procurement should move from a transactional activity to a strategic function within our organisation for us to realise our local policy ambitions.

Understood properly social value should be cumulative and if we can engrain the “socially valuable” into our culture and into our procurement process the combined weight of political leadership, officers and alignment with associated public sector organisations through the **PSB** will move this ambition from a tick box exercise and a mission into maximisation for the Vale of Glamorgan.

Review Findings

During the course of the review, the Group has considered the following:

- How the VOGC currently carries out its procurement function.
- The relationship between Ardal and the VOGC.
- The role of Ardal and hand offs between VOGC buyers.
- Overview of the Circular Economy
- Overview of Social Value
- Update(s) and testimony from ‘expert’ witnesses externally concerning the Circular Economy, Social Value and the Ardal Partnership from:
 - (i) Cardiff Met University Circular Economy Community Initiative - Jill Davies
 - (ii) Cardiff Council Ardal Partnership – Steve Robinson
 - (iii) RCT Council Head of Procurement – Marc Cumbie
- Update from the Council's dedicated Procurement Officer on procurement at the Vale of Glamorgan – Yvette Campbell.
- Update from the Buyers at VOGC.
- Update from the Council's Section 151 Officer.

- Summary of the Group's Work and Reflections on the Themes and Issues Raised.
- Final review of the recommendations report from the Task and Finish Group on how we can Embed Circular Economy Principles into the Procurement Function and Maximise Social Value Outcomes within the Vale of Glamorgan.

Agree scoping Objectives of the Review

The Task and Finish scoping objectives centred around incorporating decarbonisation and social value into the VOGC's Procurement Strategy. Agreed that there was a need for a background session to be convened for the Group to better understand public sector procurement, the circular economy and social value. The need to understand what Vale of Glamorgan systems were in place for the logging and monitoring of social value in tenders, what the thresholds were, and accountability/responsibility with the Ardal partnership arrangements. It was confirmed that relevant experts would be brought in to provide an introduction and background detail to the Group in order to support their understanding of the subject matter and challenges involved. It was decided that a mixture of remote and in person meetings be used for the Group with the suggestion being at least six to eight meetings to be undertaken prior to the conclusion and production of a report and recommendations back to the main Corporate Performance and Resources Scrutiny Committee.

The Group learnt that the VOGC has a devolved procurement function with circa 80 buyers who sit in their respected business areas working in a multi-functional capacity under the guidance of a procurement officer (seconded to ARDAL). Since April 2023 realising the limitations of this approach, the VOGC entered into a partnership with Cardiff, Monmouth and Torfaen Councils " **ARDAL**", to provide the additional resource of specialist category support, and the guidance to meet compliance with the new procurement legislation with the upcoming introduction of the **Social Partnership and Public Procurement (Wales) Act 2023** and an update of VOGC's existing Procurement Policy and Procedural Guidance. ARDAL was launched by Cardiff Council as a collaborative procurement partnership for managing and delivering procurement services for its participating councils. Ardal would also be supporting us to decarbonise our supply chain and creating a consistent approach to securing and managing social value outcomes, putting together a contract register and procurement spend data reports for the VOGC.

The Group acknowledged the challenges of accurately measuring Scope 3 carbon emissions with the current formula for carbon reporting for Local Authorities being cost based, so if the authority spent less, it showed less carbon and was not sophisticated enough yet to identify if a purchase was lower carbon/carbon neutral.

The expectation was that Buyers in the VOGC would refer any exercises with a value exceeding £75K (before tax) to Ardal with exercises below this being notified to them but not supported. Baring this in mind it was important for the Group to review the Council's buying arrangements and procurement processes for low value spend, and to ensure that this Local Authority has a plan and robust processes in place to work with local, Small Medium Enterprises (SMEs) to create more opportunities for them to bid through identification, engagement and advertising more of the lower value exercises.

The Procurement Act 2023 would help here with significantly enhanced transparency by requiring contracting authorities to publish various notices throughout the procurement lifecycle on a central digital platform. This would include notices for contract awards (both at the start of and following standstill) along with notices for contract management, breaches and non-compliance, kpi's and payments to suppliers. In all 23 different types of notices, along with the creation of a new central digital platform to make it easier for suppliers to find and bid for contracts.

At present as part of the VOGC's quality evaluation scoring of bids, buyers can choose to use the **Welsh TOMs Themes Outcomes and Measures Framework** to measure social value. Using the TOMS framework, as part of the evaluation of a procurement exercise, would help to capture the social value offers and provides a structured way to score (proxy values are attributed to each offer) each supplier. With this approach bidders are invited to respond to selected questions committing to the offer of local jobs, apprenticeships, support for charities, foodbanks as well as cultural and environmental measures. Attention needs to be given to ensure that these outcomes are delivered post procurement exercise and during the life of the contract. Evidence that this approach is being taken by VOGC Buyers, and that these offers are being delivered is critical.

Experts and other witnesses would be invited to the Group to provide clear definitions of both the circular economy and social value

[Presentation from Cardiff Met University – Jill Davies.](#)

An introduction to the Circular Economy, explaining the difference between a linear and a circular economy.

The Circular Economy provided a systems solution framework that tackled global challenges like climate change, biodiversity loss, waste, and pollution. These could help to reduce emissions by up to 45%. The 3 key principles involved were:

- Design waste and pollution out of systems
- Keep products and materials in use
- Regenerate natural systems

This in turn was underpinned by the 7 pillars of sustainability, such as energy, water, and biodiversity and new ways of thinking, with an emphasis on social value, i.e. sourcing locally, and the application of the '3 R's': reduce, reuse and recycle.

Finally, it was important when taking a Circular Economy approach to consider the following:

- Design processes to minimise waste, extend their lifespan or are easier to recycle or biodegrade.
- Find alternative materials or renewable resources to use in the Council's services.
- Source materials locally or from recycled sources.
- Reduce the amount of energy, water, and other resources used in the relevant processes.
- Encourage repair, refurbishment, or upgrading instead of disposal.
- Identify opportunities for collaboration or resource-sharing within the Council's supply chain to reduce waste.

- Innovate the Council's processes to further advance circular economy goals.
- Develop a culture of sustainability and continuous improvement throughout the Council.

The example of the work undertaken around circular economy principles at the Cwm Taff Health Authority was cited and a short video was shown outlining this both from a recycling perspective taking cardboard packaging and creating pet bedding, but also in terms of additional social value, i.e. through the employment of disabled and disadvantaged persons as part of the mission.

Following the presentation, the follow questions and debate on the topic were made by the Group.

Question - Are there best practice examples of Local Authorities using the waste that they have produced themselves and from their residents being put back into the local economy?

Response - It was explained that the first thing for Local Authorities to consider was why there was so much waste produced in the first place and how this could be reduced. Where waste was unavoidable, it was important to reuse, repair and repurpose this waste as much as possible such as utilising a 'library of things' and in Barry and Swansea there were shops which sold recycled items. It was vital that such services became more prominent and accessible. For procurement it was at the commissioning stage that the Authority needed to consider why it was buying something, what that item was made of and to design waste out of the specification, thinking about the whole lifecycle of the item to be procured, including whether it had an 'afterlife' in terms of reuse, repurposing or recycling.

The Chair referred to the need for, and importance of, behavioural and cultural change within the Council and its procurement services, to look at greater use of repurposing of existing items and products and to move away from manufacturing 'for the sake of it'. The Project Manager for CEIC cited the deconstruction of redundant buildings and the recycling of their Rolled Steel Joists (RSJs), as well as other types of local (Welsh) innovation, including reusable nappies and how something that grows naturally in our seas (seaweed) could have multiple uses in manufacturing, as an alternative source of animal feed, and for absorbing pollution from the sea. It was also important to look at 'products as a service', such as lighting and similar forms of leasing.

The Council would therefore need to look at how it procures its products and services, and to re-train its buyers in order to help achieve this cultural and behavioural change when it came to the circular economy, net zero and moving to 'a bricks not clicks' approach, going local and not relying on online Amazon purchase, and therefore more carbon intensive model of procurement to one which relied more upon local suppliers. Buyers would need to consider key questions around packaging, waste and the circular economy principles.

The Project Manager for CEIC explained the importance of getting Council buyers engaged in this area and for them to realise the importance of even small contributions to this process, i.e. where they buy products from and specifying what happens at the end of their life. She also mentioned that four organisations within the Vale of Glamorgan were already on board with the circular economy principles, who could help to build a wider network of public and private sector bodies in the Vale of Glamorgan embracing the Circular Economy.

Review of the Work of the Ardal Partnership – Steve Robinson.

The presentation included:

- An introduction, detailing the background to the Ardal Procurement Service and partnership, which arose organically following Ardal being approached by Monmouthshire Council to help support them deliver their procurement function, through a delegation of function approach. Subsequently, Torfaen and Vale of Glamorgan Councils joined this collaborative, regional initiative for socially responsible procurement over a 12-18month period, in conjunction with Cardiff Council. The services provided ranged from leadership and management through to governance and assurance, as well as process and system development, amongst others. The VOGC funded a day a week for a Senior Account Manager and one Category Officer from the Category Teams.
- Ardal's governance and operating structure was outlined, with the three Strategy and Development Teams and five Category Teams delivering support to all four Local Authorities. Governance also included a partnership steering group with senior officer representation from across the Local Authorities.
- The opportunities and challenges as part of this collaborative approach with Ardal were outlined, which included greater flexibility and resilience, developing category knowledge and opportunities to collaborate. However, there remained short-, medium-, and longer-term potential challenges that needed to be faced, i.e. the need to keep up with technological changes and pressures through to ongoing issues around recruitment and retention in a highly competitive and challenging jobs market for procurement practitioners and specialists.
- The key procurement objectives were outlined, with Ardal's and the Vale of Glamorgan's fully aligned and linked in with legislation in this area, i.e. the Council's aim to be carbon-neutral by 2030 and making procurement spend more accessible to local small business and Third Sector organisations.
- The development and embedding of a socially responsible procurement policy with member Authorities, tying in with Welsh Government thinking in this area around environmental, social, economic and cultural wellbeing outcomes.
- A key piece of work lay in developing and embedding suitable guidance for member Authorities to buy responsibly and the five key considerations this entailed, as aligned to the procurement cycle, which could be summarised as challenge what is being bought, consider the wellbeing impact, use-in house/existing contracts, be open, fair and transparent and the proactive management of contracts.
- The building of a complete and effective contract register and forward plan, including embedding wellbeing principles into contracts.

Following the presentation, the follow questions and debate on the topic were made by Group:

Question : for procurement exercises over £75k, what will Ardal be doing on the Council's behalf? Do you expect the Council's buyers to produce a completed pre-tender/commissioning form, specification and evaluation methodology before they approach you or will Ardal/s Category Team engage earlier and work with the Vale to co-produce them? Also, how does pipeline activity work with Ardal? Will you be horizon scanning for

opportunities to create collaborative Frameworks for all 4 Authorities, or will you be providing a service for each Authority individually?

Response : Ardal did not want to force collaboration but rather look at taking an organic approach which reflected areas where members had shown an interest in collaborating. i.e. both the Vale and Cardiff had formed a new housing partnership. From an operational pipeline delivery perspective, Ardal had relatively limited resources to support this – i.e. one seconded procurement officer and one FTE equivalent of additional resource. The Vale and other partners continued to operate a largely devolved model, with each authority having differing levels of maturity in terms of their procurement function. Due to this Ardal's aim was to be involved early in the procurement process by reaching out to the Major Project's Team around their Schools programme and to help strengthen guidance for partners around the procurement and pre-tender process. This would provide an informed touchpoint for services on what the route to market should be and what their evaluation methodologies could be. This approach would be co-designed with the relevant services who would develop specifications but would be challenged by Ardal e.g. changing buying practices to meet net zero.

Question : Will the Buying Responsibly Guide cover procurement exercises both above and below £75K so circular economy principles will be applied to everything we buy?

Response: Yes, that is correct. Ardal has developed a series of individual guides rather than one big guide because fewer buyers would be getting involved in purchasing high value *above threshold tenders. Most buyers would be involved in lower value exercises and the buying responsibly principles would need to be applied regardless. Ardal had developed a single document guide covering carbon reduction for all Authorities to use to help embed these principles and to foster further collaboration at a partnership, regional and national level.

Question: Within the commissioning/pre-tender information gathering process, when you consider the scope of what you are buying, in a circular economy it would be important to factor in and focus on the end of life for that product/service in terms of specifying what happens to it. Is this something that Ardal would be taking on board?

Response: Yes, this was already reflected in the guides i.e procurers in Cardiff Council were required to demonstrate that they had considered this, However, acknowledge that these are only "baby steps" and embedding these principles would need further work. Welsh Local Authorities were further ahead in this area than their English counterparts, but more could be done with the advantage that Welsh Councils have by now in terms of size, geography and strong political support for such measures.

Question: How are the wellbeing goals being defined and what considerations were being given to fair pay and working conditions?

Response: It was important that the wellbeing goals were achievable and deliverable. Ardal were developing guidance in collaboration with suppliers and contractors. Ardal would also be incorporating statutory guidance that was coming through from Welsh Government around the Social Partnership and Public Procurement Act. This would require Ardal to seek further information from contractors on the make-up of their workforce, their pay conditions of the workers involved in producing these working hours and conditions and embed these in their procurement process.

Question: We have touched upon the incoming new Procurement legislation, one of the additional requirements being the monitoring and reporting of wellbeing/ social value

outcomes to inform the production of an annual report. Would this be something that Ardal will be undertaking on our behalf, or will VoG need to do this itself?

Response: This will involve a significant change and Cardiff's experience of using Welsh TOMS (Themes Outcomes Measures) Social Value Portal, may require potentially a move away from this to a different more streamlined model. In Cardiff Council a Social Value Delivery Group had been set up to help achieve and monitor wellbeing goals and social value outcomes. This could possibly be extended to the other partner authorities. He also referred to work being undertaken jointly with the Vale around a new Housing Partnership and the development of more bespoke priorities to maximise social value.

Head of Finance/Section 151 Officer: The Council would be piloting updated contract procedure rules and put in place a minimum percentage of scoring requirement on social value with the evaluation methodology.

Question: For contracts now starting with a term that would take us into and over the 2030 date, what are Ardal doing to help buyers within member authorities to take account of this?

Response: Ardal had produced a Carbon Reduction Guide and had pulled together and shared relevant resources and information available to help buyers at the VOGC and other member authorities take the first steps in this area, i.e. the [Irish Government sustainability procurement tool](#) and the [WLGA Local Government Sustainability procurement tool](#). This would also involve greater collaboration between local authorities and Welsh Government, as well as at a regional level to address this challenge effectively through pooling resources. Ardal was working with the Vale around carbon data and to assess the Council's carbon footprint in line with Welsh Government guidance on such reporting. This would be broken down by area, with a significant carbon footprint (75-80%) coming from the procurement of goods and services. The use of Power BI reporting would help to 'drill down' where carbon use was. Carbon literacy training was another option that could be rolled out to Buyers in Local Authorities focussing on Scope 3 emissions and to discuss support from Natural Resources Wales and Welsh Government with training. Part of Ardal's approach was to get buyers, suppliers and contractors to start think about their carbon footprint and to quantify this, whilst not discouraging suppliers, bidders for contracts, etc. Under the Welsh Government Guidance Policy note, [WPPN 06/21](#) there is a requirement that carbon reduction plans will be necessary for tenders over £5Million. The approach Ardal would be taking for exercises below this will be more gradual, i.e. asking contractors to commit to putting in a carbon reduction plan in place within six months from the contract's award date.

Head of Finance/Section 151 Officer: It was important to have the robust policy strategies and guidance in place and to have SLT support at the highest level to mobilise the Vale's 80 buyers on the ground to report and monitor social value in a consistent manner.

Question: How can Ardal and the Vale of Glamorgan Council ensure our Local Contractors/Suppliers get more involved and submit bids for products and services that the Vale of Glamorgan Councils advertises tenders? Would Ardal's Supplier Relationship Management Teams (SRMs) work for the Vale of Glamorgan?

Response: Key to helping with this is the publication of forward work pipeline plans, a requirement of the new Procurement Act. Regarding Supplier Relationship Management this activity sat with the Category Management Team. To attract more Local Suppliers, it would also help to advertise more lower value exercises, particularly for those exercises falling under the £75k (less vat) threshold. When the new Social Partnership and Procurement Act comes in (February 2025) it would be a requirement for all exercises over 25K (before vat) to have a published contract award notice on Sell2Wales.

Question: As the new legislation focusses on public sector procurement contributing to net zero will small businesses be helped to decarbonise and will Welsh public sector bodies have the same carbon reporting, social value and decarbonisation requirements? Will a tool be provided to help capture this?

Response: Welsh Government had provided a legislative and policy framework in support of such moves but had not been proactive in providing help in turning this into practise. Currently, moves to involve large scale private contractors had not been realised yet, but the aim was to try to support and facilitate organisations to start their journey towards decarbonisation and social value through collaborative work, i.e. via Business Wales. Ardal was attempting to steer a more regional approach in working with local authorities and businesses to address the challenges presented by decarbonisation and maximising social value, as well as making this less burdensome, with a more consistent approach which would help businesses and public sector bodies with procurement.

Question: Would it be possible for the inclusion in procurement contracts (lower value) for a requirement for contractors to reduce energy use, even at a very modest level and for this to be monitored? This had been done previously as a requirement on European Social Fund projects, and evidence was required to be provided on a quarterly basis by the supplier to show a reduction in use.

Response: Such a contractual requirement could be included and would also be reflected in the new Welsh Government policy and legislation, i.e. annual monitoring of Scope 1, 2 and 3 emissions for contractors, and the aim to reduce the relevant project or contract's carbon impact. Again, a regional, collaborative, approach was needed to help standardise these types of measures across all Welsh authorities. It was important to make sure such measures were practical and achievable for businesses.

Social Value Monitoring and Reporting– Marc Crumby Head of Procurement Rhondda Cynon Taff (RCT) Council.

- The RCT Council's emphasis on mapping spending and procurement, including procurement locally or which had a local footprint. RCT Council had a dedicated officer who reviewed the mapping of spending data, to see where procurement was falling. Some key figures were referred to, including the 2023/24 spend of £201m to Welsh suppliers, with £71m going to suppliers within the RCT area.
- The setting up of a local business directory, that local suppliers or local businesses could register their details with RCT Council so we can contact them if tenders come up, using a power BI report to help categorise them and match them to a suitable tender. Subsequently RCT would contact the relevant local businesses aware of such tenders and signpost them to bodies such as Business Wales to help them put together a bid response for these tenders.
- Details on the RCT Council's carbon footprint, with 2/3 of this coming from procured goods and services. Also, as part of this:
 - The methodology used to make these carbon footprint calculations i.e. Tiers 1 and 2;

- The challenges and issues in using the Tiers 1 and 2 categories i.e. using a spend based calculation for Tier 1, which does not necessarily reflect any additional carbon usage and the difficulties that many smaller businesses will have to put a carbon reduction plan in place, and how to calculate this in terms of Tier 2 (and in light of Welsh Government issuing Policy Note **WPPN06/21**);
- The development by RCT Council of an effective first-of-its-kind, simple carbon calculator that could be used by external suppliers to RCT to report their carbon footprint of their goods and services. This would help local suppliers to know what their footprint was, so they could develop a carbon reduction plan and identify actions to help them reduce their footprint.
- The efforts of RCT Council to reduce carbon via an Updated Contract Strategy and Invitation to Tender (ITT) Documents, plus introducing the concept of the carbon footprint to suppliers via the tendering process.
- The journey of RCT Council in delivering Social Value, including the piloting of the Welsh Themes Outcomes & Measures (TOMS). RCT subsequently undertook a lesson learnt exercise and refined these (from 100 to 25 measures). These measures applied to all contracts across the Council where the estimated value was over £75k. Implementation and delivery were monitored by a Social Value Officer.
- The outcomes achieved so far were outlined in the presentation, ranging from Cultural, Environmental, Economic and Social, i.e. 85% of materials used on projects being recycled for a couple of RCT's projects.

Following the presentation, the following comments and questions were raised:

Question: It appeared that the VOGC had a higher level of carbon emissions compared to that of RCT, despite the latter Authority having a larger population and delivering the same level of services. How could these differences be accounted for? Also, were there any Welsh figures the Group could look at to provide more context.

Response: It was explained that the differences between the two Councils' carbon emissions could be due to a number of factors, i.e. RCT did not have a single large civic office or headquarters. Instead RCT had multiple offices that different services worked out of which would have an impact on energy consumption and maintenance inputs to its carbon emissions. RCT also had a greater number of outsourced leisure centres than other comparable Welsh authorities. It was also possible that the VOGC had a particularly 'heavy' year in terms of its Scope 3 emissions, due to its capital building programme and the costs incurred with these projects which would be reflected in the carbon emissions calculations.

Question: Does the new Procurement legislation concentrate on requirements around carbon reduction? Current carbon reporting tools and formulas do not help Local Authorities to fully understand their actual carbon emissions and therefore it's difficult to work out our carbon footprint.

Response: It was explained that the new legislation did not really address carbon emissions/reduction measures. Rather, such measures were being primarily driven by policy coming separately from Welsh Government. However, there was no central direction on how to achieve these measures, hence RCT developing its own Carbon Toolkit.

Question: What legal remedies do you have in place in your contracts that you can rely on should suppliers who have won contracts do not deliver on the social value promises they made?

Response: It was explained that RCT Council had not come across any instances of non-compliance or non-delivery by contractors as yet. RCT Council engaged early on with the contractor or supplier concerned, with the Social Value Officer meeting them in order to get an action plan in place, who would track delivery throughout the life of the contract. A few suppliers had come close to the end of their contract in terms of implementation, hence the need to have legal remedies drafted and in place as a precautionary measure of last resort, but it had not yet been necessary to use them.

Question: What was the RCT carbon calculator based on? i.e. was it based upon a database or spreadsheet, or a mathematical formula? If the latter, then could it potentially be adapted to be used for calculating social value?

Response: It was explained that the carbon calculator was based on the methodology used by Welsh Government, (but a far simpler version of it), for it to be easier and less onerous for suppliers to complete. The Themes Outcomes & Measures (TOMS) methodology used by many Local Authorities to score Social Value had proxy values for each outcome, but RCT had not undertaken that approach as the focus for them was firmly on the actual outcomes for the local community, rather than looking at a purely fiscal value.

Question: What procurement model does RCT Council use? The VOGC having a devolved function assigning buyers in each directorate or service line, whereas, Bridgend Council our neighbouring Council has a dedicated central team of procurement specialists which covers Categories for all service lines and directorates.

Response: RCT Council had a Corporate Procurement Department, made up of 16 officers who covered specific areas such as social care, construction, etc. and would support service areas in delivering procurements, normally involving purchases of over £75k. RCT Council departments had access to the tendering system and conducted purchases below the £75k threshold, however the Corporate Procurement Department had oversight of these orders so they could be tracked and managed more efficiently.

Question: How successful have the changes you made to your Contract Strategy document been? i.e. did service areas take on board the changes and adapt their approach?

Response: It was explained that there had been some criticism because there was lots of work and questions that needed to be addressed for this process at the start, covering all aspects of the contract (social value, carbon, Welsh language, biodiversity, etc.), but RCT Council's Senior Leadership Team strongly supported this approach in terms of governance. Ultimately, the service areas were the experts in this area in terms of what potential social value they could get out of it using TOMS and tackling carbon emissions.

Question: On the current status and success of the Carbon Toolkit and whether small, medium and larger enterprises had engaged, such as with the monitoring of Tier 2 carbon emissions?

Response: it was explained that it was still early days, as the Toolkit had only been introduced in Autumn of last year, following its development and testing. The Council's Carbon Net Zero Graduate was working through RCT's higher spend contracts and speaking with those suppliers to get them on board in terms of calculating the carbon footprint. Therefore, it was currently a work in progress. Suppliers who tendered for higher value contracts of £5m per year were expected to have a carbon reduction plan. However, a key

area of focus was also engaging with smaller businesses and supporting and 'nudging' them in order to achieve next zero.

Question: How long did it take RCT to put the Local Business Directory together?

Response: It was explained that it was launched about six months ago. This was created to help address the lack of such a database centrally, either Wales or UK wide, and to have a greater understanding of what RCT Council's local supply chain looked like. This was achieved by various means, including word of mouth, reaching out to business forums and social marketing to build a complete picture across RCT of all the suppliers. RCT's contract management system (used for its tendering process) contained a list of thousands of organisations that had submitted tenders in the past. Therefore, these suppliers were already on RCT's 'radar,' and they would get a prompt should tenders come up. It was thought crucial for RCT Council to seek out and engage with those suppliers who didn't currently bid for tenders. This engagement relied on the expert and local knowledge of the Council's various service areas. It was explained that discussions were ongoing with RCT's Business Rates Department to potentially access their lists of business with physical premises in RCT. The Licensing Department had also been spoken to, but due to GDPR considerations, their business information could not be easily shared.

Question: Does RCT ask questions during the commissioning process geared to create a 'greener' specification i.e. specifying using recycled rather than virgin materials?

Response: It was explained that such considerations had started to be made and RCT's contract initiation document incorporated sustainability criteria within it, as well as the Council moving away from single use items from the order catalogues they used.

Question: Has RCT reviewed the effectiveness of its process of matching what bidders were willing to offer in terms of Social Value with what local communities need?

Response: As part of RCT's lessons learnt exercise on the initial roll out of this process, greater links had been established between businesses and local community groups and third sector organisations as part of the social value initiative and for suppliers to offer their social value submissions.

Session in Council Chambers with Buyers from the Authority.

The Group welcomed a cross section of the VOGC's officers who undertook procurement and commissioning of services for the Council's various Directorates and Departments, due to this being a devolved role within the Council.

The Chair provided the background and context of the Task and Finish Group and why the various officers with procurement duties (Buyers) had been invited to this meeting, which included the following:

- Scope of the Task and Finish Group – review of the procurement function here to examine where in the procurement lifecycle the Council could embed Circular Economy principles to maximise Social Value Outcomes for the Authority.

- The move away from a ‘Linear Economy’ approach (Make-Take-Waste) to a ‘Circular’ one (Make-Use-Return) where we attempt to design waste and pollution out of what we buy, keep products and materials in use for as long as possible and regenerate natural systems. Doing this would contribute significantly to the Council’s attempts to reduce Scope 3 Carbon Emissions and thereby help the Council meet its net zero obligations by 2030.

The Chair followed this up by asking several key questions to the commissioners/buyers in relation to the Group’s work, which included the following:

1. How do you find out you have a procurement exercise pending?

In essence, notification of pending procurement exercises for Buyers was dependent on the ‘type’ and the nature of the request. Buyers cited three different scenarios:

- Expected/regular renewal procurement exercises.
- Those of an ‘ad hoc’ nature.
- Those related to specific projects.

The Buyers concerned would act as part of a ‘pipeline’ to their departments/directorates to find out when goods and services needed to be replaced and retendered for. The use of team databases, contract registers, in-house referrals the monitoring of trends (including market stability reports) and the use of a ‘community business tool’ were referred to in terms of how they keep records and are made aware of a pending procurement requirement, plus some Buyers said they work with Ardal.

Buyers said that they would undertake themselves those exercises for goods and services not covered by the Ardal partnership.

2. What are the considerations during the commissioning part of the exercise? Are there any sign off’s before you publish tenders in terms of the circular economy, social value and environmental considerations AND is there any governance around this?

Environmental measures were considered, i.e. for Social and Education Services, the level of emissions was considered in terms of deploying staff who may be using their own vehicle or a pool car to travel to their clients, and the use of local parks as venues. This tied in with the relevant Welsh Government and other legislation in this area.

In the area of landscape architecture, buyers who worked with play companies were keen to construct and maintain play parks in a more environmentally friendly way. However, it was felt that currently there wasn’t enough focus or percentage weighting given during the procurement process to this, and that a more longer-term, circular view and higher weightings should be considered to ensure that products such as park materials had as long a product lifetime as possible and to have refurbishment as a part of a ‘rolling’ programme of review in order to extend the product lifecycle.

The Procurement Officer (seconded to ARDAL) for the VOGC said that ARDAL were working on the development of social value guidance.

It was agreed that there was generally a lack of expertise amongst buyers on the evaluation of carbon reduction plans and the carbon emissions of services, goods and products and therefore more information was needed to help buyers.

A good case study was provided from a buyer from the Environment and Housing Services, where they stipulate the use of less carbon intensive and sustainable materials and modern methods of construction in conjunction with the Welsh Housing Quality Standard (WHQS) in their specifications, as well as an agreement to work in partnership with Cardiff Council and a building contractor for both authorities in the provision of social value/community benefits for the County, as well as minimising carbon in building and procurement of related materials, where possible. The representative from Environment and Housing Services stated that there had been no backsliding by contractors and that the social value framework and approach was 'hardwired' into their contracts, also steps to educate tenants in how to get the best results living in the new lower carbon housing and reduce energy usage effectively.

For Buyers in Highway Maintenance, a pipeline and register approach was undertaken, as well as ensuring that materials and products specifications were (where possible) including recycled materials, and contractors were required to provide social value outcomes as part of the commissioning and procurement process. It was stressed that it was important for the Council to have robust processes in place to record and monitor these social value outcomes and ensure that suppliers delivered on their promises. Surrey Council had taken this one step further and had created the 'Social Value Marketplace' platform whereby local community groups, charities and other third sector organisations could post their requests for help to which suppliers through the bid process could post their social value offers and respond to the requests for help posted by others providing an audit trail of the outcomes with reports that could be easily produced.

A Buyer from Building Services talked about the work they were doing in the department concerning the use of apprenticeships.

As part of the discussions on commissioning, the accessibility of undertaking works for the Council by new and smaller businesses was discussed, including the challenges in, and potential barriers to, utilising fledgling enterprises, contractors completing paperwork, using cross border contractors, and Council services having to operate on short term budgets which impacted commissioning and retention of external suppliers, providers, etc. However, the positives of commissioning services and products by the Council with external contractors and enterprises were also discussed, including the certainty provided by having the relevant frameworks, such as the WHQS, 'open days' for external contractors and the use of 'open' frameworks.

The Buyer from Social Services explained that they had a regular base of service providers that normally tendered for services and products. In part, this reflected some potential barriers and challenges within the commissioning and tendering process that new or alternative providers faced, i.e. the time of the year commissioning was undertaken could impact tenders; the completion time of the relevant forms could be disproportionate to the value of the contracts and tenders being undertaken, which impacted both commissioners and contractors. However, reference was made to the use of the Section 16 Forum; Section 16 placed a duty on local authorities to promote social enterprises, co-operatives, user-led services and other third sector organisations for the provision of care and support and preventative services. This would also assist with troubleshooting related issues and

challenges and encourage a 'lessons learned' approach on the tendering process. Business Wales could also help any new bidders with the tendering process and completing the forms.

The buyer from Supporting People/Housing Services explained that they had their own contracts registry. Analysis and mapping of this was needed to ensure the commissioning of new services took place on a timely basis, including via CELT+. There were less smaller companies bidding for tenders in this area, due to these largely having been amalgamated with larger bodies, such as Housing Associations. It was acknowledged that larger Providers had the resources to employ bid writers for tenders and contracts.

There was agreement among the Buyers and Commissioners in attendance that the £300k limit before permission to award tenders needing to go to Cabinet was in their opinion now probably too low due to inflation. The Procurement Officer for the Vale of Glamorgan Council (seconded to ARDAL) outlined the governance process for procurement exercises over £300k, with Cabinet approval needed, including a report referred to them pre-tender, as well as to senior legal and other Council officers. It was further explained that the length of time it took to undertake this process could be quite long between drafting a report and for this to be scheduled for the next available Cabinet meeting and then possibly on to the next Scrutiny meeting.

This process was described as different for Housing and Highways, with the use of Oracle Fusion for procurement governance sign off and payment approval. For procurement items over £75k, these tenders would go to the legal officers and the Head of Finance/Section 151 Officer for approval. For those higher value tenders requiring Cabinet approval, these needed to meet environmental and other considerations, including the Council's five ways of working.

3. What technical evaluation questions do you use to score your tenders? Do you ask questions on the circular economy? Carbon reduction? Social value?

A buyer from Supporting People/Housing Services said that Procurement evaluation methodologies were based on a 60/40 cost/quality weighting, with questions on carbon emissions being a relatively low priority, but there was a stronger approach to questions concerning social value.

Buyers and commissioners in attendance agreed that they would consider evaluating social value and decarbonisation questions, although this could vary by service area, with these being considered less relevant for ICT and Transport even on larger contracts and tenders. It was pointed out that in general scoring was kept to a 60/40 cost/quality weighting, with social value and decarbonisation being weighted as a small part of the quality method statement questions.

A buyer from the Landscape Architecture team suggested that a 'pass/fail' criterion or similar could be used at the qualification stage for carbon reduction and the circular economy, however, it was pointed out that this could run the risk of ruling out contractors and was better to be considered as part of the technical questions weighting and consideration.

4. Do you include the end-of contract life considerations in your specifications?

In general, this was not sufficiently considered within the specification or scored as a weighted question in the procurement process, and in certain circumstances buyers felt it was not applicable at all. It was discussed that there would be the need for Buyers to consider different end of life scenarios for different requirements e.g. products, goods and services.

A buyer from the Landscape Architecture team highlighted the difficulties with monitoring the end of life of certain products once they had been passed on to external bodies for further re-use, remanufacturing, disassembling etc.

The ICT buyer cited the work that his service line did around end-of life for products, with disposal impacted by specific regulations (Waste Electrical and Electronic Equipment (WEEE) regulations) and guidelines. A local company was employed to reuse the products by either breaking these devices down into their component parts or to supply them whole to charities and others to reuse and repurpose.

5. Do you ask for Carbon Reduction Plans?

Most of the procurement officers/commissioners in attendance agreed that suppliers of goods and services to the Council should be asked for Carbon Reduction Plans, but at present it was only happening for high value tenders. It was recognised that it would be extremely beneficial to have a shorter easier to use version of this document for lower value tenders.

A buyer from the Landscape Architecture team referred to using a U.S. website to see how to make procurement schemes more carbon neutral.

The Procurement Officer (seconded to ARDAL) for the VOGC stated that the VOGC would be considering guidance on how to evaluate such Carbon Reduction Plans. For lower value exercises the Council would also be asking for suppliers to evidence their own carbon usage assessments and plans for reduction. The RCT Suppliers Carbon Reduction template was being piloted by Cardiff Council, and there was going to be further discussion at the next meeting of the ARDAL Partnership Delivery Group on its effectiveness.

A Buyer from the Highway Maintenance Team stated that some of their contractors were already providing information on their carbon emissions and this would be used to help build a baseline for such data going forward and as part of Project Zero monitoring.

It was important for us to find out what our supplier's emissions were and work with them and make it a contractual requirement for them to reduce these. Unless the Carbon Reduction Plan was monitored and revisited annually through the life of the contract however it would be meaningless.

A buyer from Housing Services stated that the Cardiff and Vale Housing Partnership were looking to use a bespoke piece of carbon management software. It was important going forward that as part of the decision to purchase energy efficient/carbon reducing products, goods or services an estimate on not only the financial cost but the carbon emissions saved e.g. total cost of ownership benefit/investment in terms of the carbon reduction over its lifetime.

The buyer representing ICT stated that suppliers were keen to discuss how best to help us meet net zero and were looking for help and guidance on how to achieve and record this,

such as on a 'green' register. A representative from Housing Services stated the Council's Project Zero Team could assist with this.

6. Do you consider where products are coming from?

The above question was linked to considerations on low value procurement card spend.

The responses and comments, as part of this question and discussion, included:

The landscape architect buyer stated that they were tasked with sourcing in terms of value for money items based on cost from websites such as Amazon, rather than going local or considering the length of the supply chain (products coming from China) or purchasing on a carbon neutral' basis and would like this to change.

The Procurement Officer (seconded to ARDAL) for the VOGC stated that the purchase/procurement cards were intended for 'one-off', low value, purchases. It was further clarified that in the Authority the total combined expenditure for such cards was circa £50k per month so this was not a method of procuring that was relied upon with any regularity. With regards to any guidance on purchasing locally with the £25K (before vat) and under range it was explained that buyers could look to source locally advertising on Sell2Wales.

It was explained that some waste contracts that have already been tendered would still be in place due to the long contract period after 2030 and the Net Zero target date, but any changes that would be necessary could happen by way of a modification and contract variation.

Elected members felt that there was good work being undertaken in some areas by Council's buyers and commissioners who were very much on board with the principles of trying to embed circularity into the process and create greener specifications as possible, but others were not as far forward, and overall a more consistent approach to the identification, recording of data and monitoring of social value outcomes would be helpful. The devolved approach to procurement that the Local Authority had taken made it much more difficult to get that consistent approach, and for the buyers to learn from each other.

Other Local Authorities in Wales had appointed social value officers to take responsibility for this area of work.

A questionnaire was forwarded following the meeting to the procurers/commissioners in attendance, based on the points raised at the meeting, with 10 responding out of the 18 attendees (56%). An overview of their responses has been provided at Appendix F

Discussion on the Proposed Changes to the Procurement Policy and Strategy and Related Areas.

The Chair outlined to the Committee that due to the current review being undertaken by the Head of Finance/Section 151 Officer regarding the Procurement Policy and Guidance documents, it wasn't possible for Group at this time to review the amended documents, so instead the officer in question had come to Group to detail the proposed changes in order for the Group to consider these and help inform any further changes required.

The Head of Finance/Section 151 Officer explained that the VOGC had its own Procurement Policy and Contract Procedure Rules with a paper on this subject going to Full Council on 30th September 2024. A 'tidying up' exercise had been undertaken in preparation for the new legislation and regulations **The Social Partnership and Public Procurement (Wales) Act 2023** under the new timeline of February 2025. This included the removal of inconsistencies and out of date wording with reference to the [Public Contract Regulations \(PCR 2015\)](#).

The procurement process at the VOGC was highly devolved and reliant on buyers in the Authority holding multifunctional positions who undertook procurement duties in services, some of whom the Group had met at their previous meeting/workshop. These were part of a larger group of officers (approximately 80) who were informed of changes and new guidance to procurement via a wide-ranging email distribution list. The workshop had involved those officers who were doing the procurement as a greater proportion of their jobs. The benefits of having such a face-to-face session and conversation between officers had been noted, and having this two-way communication would be looked at as a future means of sharing information and practice between officers.

The Head of Finance/Section 151 Officer outlined to the Group some of the key issues around updating the procurement document suite, including the results and recommendations flowing from an internal audit on this, which would be shared. The purpose of this update was on compliance, making sure that the Council was doing what it should in terms of the rules of advertising and transparency as set out in the **Social Partnership and Public Procurement (Wales) Act 2023** aligning with the new Procurement Policy and Strategy which had been approved by Cabinet previously. Whilst the Strategy document covered a five-year period, it was important that it did not 'sit on the shelf' and remained a 'living', evolving piece of work which would be reviewed and updated on a regular basis.

Work was being undertaken by Ardal as part of this document review in order to ensure greater alignment, efficiency and consistency with operating procurement. The advertising thresholds were being reviewed with exercises under £25k (before tax) tied in with the new regulations coming through, and everything over £25k (before tax) needing to be published on to Sell2Wales.

The updated Procurement Code of Practice's aim was to ensure that all officers engaged in procurement and commissioning in the Council were compliant with contract procedures, etc. As part of this, Ardal had issued a set of guidance notes to provide a quick and easy summary so that the officers involved did not have to constantly refer to the full details and governance outlined in the procurement Code of Practice. Ardal would also offer support and guidance to officers purchasing goods and services over £25k (with officers required to notify Ardal of purchases falling under this threshold). However, for procurement exercises over £75k, officers would need to inform Ardal of the details of the proposed procurement and handover to Ardal at the stage for their Category Teams to subsequently take the lead on this.

The Head of Finance/Section 151 Officer was also looking to address the omissions and missing information and was therefore looking to get the views of the Group prior to finalising the updates on these documents and their being submitted to Cabinet for approval, thereby

ensuring that Group's ideas and suggestions aligned with the subsequent updates and changes.

Other related areas included the targets tied in with procurement, supply chains and Project Zero/new Carbon Management Strategy, with procurement and supply amounting to virtually 80 % of the Council's carbon emissions. Work was being undertaken with Ardal to include these considerations as part of the Procurement Policy and Strategy too.

The ongoing challenges for the Council in terms of its procurement capabilities were outlined, and the rationale behind the Council's decision to join the Ardal partnership. The Council had a very small team of dedicated procurement officers (consisting of two people, with one having been on long term sickness leave) and therefore, with little resilience in place, it remained a challenge for the Head of Finance/Section 151 Officer to have the bandwidth to undertake a review of procurement with competing priorities around accountancy, audit, property, etc.

There was an acknowledged gap in terms of procurement expertise at both the top and at the lower levels at the Council, which impacted consistency, data creation and collection, analysis and the maintenance of an up-to-date contract register. Subsequently money had to be invested into this area of work, but this remained a relatively low commitment monetary wise. Therefore, it was vital that there was a process and method to connect with the 80 buyers, actively engage with and support them.

Following the meeting of Full Council and subject to the decision to accept the changes to the documents made there in, the 80 buyers would be contacted about the changes and sent a hyperlink to, the updated Procurement Code of Practice and the new Contract Procedure Rules. The quick reference guides from Ardal would also be available for officers shortly.

The Head of Finance/Section 151 Officer was therefore looking to get the views of the Group prior to finalising the updates of these documents and being submitted to Cabinet for approval, thereby ensuring that their ideas and suggestions aligned with the subsequent updates and changes. The key areas for update and of interest to the Group included:

- The inclusion of spend analysis/data by procurement category.
- The inclusion of carbon emissions/'footprint' data.
- Four - five sections highlighting ethical procurement, carbon footprint, social value, etc.
- Reordering and separating out of some of the existing content so that the document had eight sections that would fully align with the eight procurement objectives i.e. climate, biodiversity, social care, etc and tying in with Ardal documentation.
- The inclusion of a greater emphasis on social value in the policy structure and procedures for tenders and contracts, as well as ensuring these were easily accessible to officers by condensing and summarising these measures.

Discussions had been undertaken with Ardal, the Insight Board and social care, regeneration and schools' colleagues on adopting a more streamlined set of Themes, Outcomes and Measures (TOMs) for buyers to select to include in their evaluation of social value deriving from work already done in this area at Cardiff Council.

Following the presentation, the following comments and questions were raised:

Question: How the implementation of the new legislation would be achieved by the Council within its current decentralised procurement framework?

Response: It was explained that Ardal had run a series of webinars, and all the Council's Buyers had been invited in order to receive training on the changes in procurement which were coming down the line, as well as training for the central team connected directly with Ardal. In terms of the strategic direction for these changes, the Head of Finance would champion and lead on implementing the procurement changes, in order to provide effective procurement and to meet objectives. Awareness raising on this area had also been undertaken with the Strategic Leadership Team (SLT).

The Head of Finance/Section 151 Officer also referred to the Code of Practice, which was now a 77-page document, due to the inclusion of larger charts to make them more accessible and visible to users. A slide deck would also be uploaded to StaffNet to reach as many officers as possible, setting out the procurement requirements, contract award delegations and the four pathways/thresholds, highlighting what buyers should be doing around using contracts, frameworks, evaluating tenders, etc. as well as reminding officers what the delegations in the Constitution were and who can approve a contract and award.

Question: Not having a centralised procurement function would make it naturally more challenging to ensure consistency of both approach and delivery of the ARDAL Partnership service, impacting the related area of carbon management and monitoring of suppliers, what resources were needed by the Council to make this area more robust?

Response: It was explained that the existing procurement strategy and policy already had the minimum expected and preferred standards when procurers went out to tender, with Ardal colleagues steering and supporting buyers. A differentiated approach was undertaken by the Council, meaning that the Council fully appreciated that different suppliers were at different stages of carbon management, with greater expectations that larger suppliers would be able to meet reporting standards and for contracts over £5m, suppliers were expected to provide a carbon reduction plan and confirm their commitment to achieving net zero. The existing policy and strategy already included sections on climate action and the circular economy.

Question: Would it be possible to provide additional help and resources to buyers in terms of report writing and to streamline this?

Response: The Head of Finance/Section 151 Officer explained that for up to a £300k contract award, Council buyers simply had to fill in a Delegated Powers template. This would be signed off either by a senior council officer or Cabinet Member, depending on the value of the contract. Above £300k, then a Cabinet report and/or an Emergency Powers template needed to be completed. Cabinet met fortnightly so reports and urgent requests for contracts could be addressed quickly. Both templates were relatively 'light touch' and therefore easy to complete. Consideration would also be giving to the practices undertaken by other member local authorities of Ardal, and to look at some of their higher thresholds for officer delegated authority to negate the need to go to Cabinet.

Question: In order to prove that the proper procurement process had been followed, would it be possible that the Delegated Powers to award a contract template could contain fields that require buyers to show due diligence and a compliant process had been followed – concerning the correct level of advertising had taken place, number of quotes requested, for a tender, the publication of the Sell2Wales notices etc., so that the 'sign off' was not just a budgetary matter, but a procurement compliance one too?

Response: It was explained that different Directorates approached these matters differently, i.e. with Finance, the Head of Finance worked closely with the teams concerned and would receive the necessary details (including the original tender report) prior to signing off a delegated authority and tender. There were common, minimum, requirements that all Directorates needed to meet in this area.

Reflections on the Group's Work and Assessment of the Recommendations.

In the concluding meeting of the Group, several suggestions were made in answer to the questions:

1. What have we learnt?
2. What is missing from the information we have collected?
3. Are we ready to provide recommendations?

The Committee discussed the format of the report, that the recommendations be covered off in sections and sit at the front of the report, to stop them being 'lost' within the body and details of the report. This would help to make the report more accessible to those people that just wanted to look at the key points and / or to view the more detailed parts of the report later, and, in future, look at the report against any subsequent action plan formed from the recommendations and to see what had been adopted or implemented. These would resemble an executive summary and the recommendations would be clear and upfront or standalone in terms of the format and structure of the report, even if this was to be broken into sections. Also, it was important to address within the report the associated costs and cost benefits that would come with the recommendations.

A rationale behind the recommendations made would be important, particularly those recommendations where extra resources would be required, i.e. concerning the proper management of social value outcomes on Council tenders. During the meeting, the Chair and the Group discussed the main recommendations and findings of the Task and Finish exercise, which included the following:

- That the Council maximised its social value outcomes from the procurement exercises it conducts.
- That there should be a Social Value Policy document to define social value and what that meant for the Council, aligned with our strategic goals, procurement legislation and the socially responsible procurement duty. The social value questions for the evaluation methodology also needed to be included here. It was important to incorporate into our Social Value Policy elements from the Ardal produced document, which was very good in detailing carbon reduction, social value and evaluation. Best practice from other Authorities, such as Preston Council, with regard to social value and procurement policies, and their use of a combination of quantitative and qualitative questions as part of a holistic approach with qualitative questions on what the supplier currently does in terms of social value, and then specific selected Themes, Outcomes and Measures (TOMs) quantitative measures for what they intend to do during the life of the contract would be good to consider too.
- That the Authority considers the use of an online platform to engage with the community, charities and third sector organisations to collaborate to improve the

social, economic and environmental wellbeing of the County by co-ordinating the delivery of meaningful social value outcomes based on the needs of the community * 'The Community Marketplace' used by Surrey Council.

- The Council's Procurement Strategy should be reviewed, to take stock of what the Council was going to do and what it hoped to achieve. The Chair cited Cardiff Council's procurement strategy as an example of a clear and more socially responsible approach. The Council needed to look at such examples of best practice and use those examples which were most relevant, with an emphasis on the wording for the strategy being clear, understandable and setting out how it will meet its wellbeing, social value and procurement objectives.
- The circular economy / procurement principles had to be clearly set out as the default position in such a document, ensuring that the reader fully understood the move away from a more linear approach to procurement.
- There would also be recommendations concerning training, particularly in light of the devolved nature of procurement, with approximately 80 buyers who also managed their regular jobs having to juggle procurement. A 'community of practise' approach was needed.
- Circular Economy Team from Cardiff Metropolitan University should come in and do some training with Council buyers to help everybody understand and be on the same page, both buyers and the heads of service as well.
- Linking in with the previous point (above), it was essential there was standardised documentation for all buyers to use when purchasing products and services, and that they should use the same pre-tender form where they considered the social value criteria and carbon reduction targets.
- That the Authority considers software to help keep a register of defunct assets ('Warp It') for the purpose of reusing, redistributing, sharing elsewhere.
- That the Group put forward the recommendation of a commissioning board as well, so that the Heads of Service could come together on a quarterly basis to talk to each other about their pipeline of activity to help the Council to effectively manage procurement activity in a planned way whilst enabling strategic oversight at whole organisation level
- There should be consistency of support for the Council's buyers, including a forum or network where they could regularly meet, share information and best practice, including a community of practise
- The appointment of a Social Value Monitoring Officer would also benefit in supporting, monitoring and evaluating, etc. buyers during the tendering process.
- There was a need for greater transparency concerning which officer(s) would be responsible for leading on the ARDAL Partnership work, in the implementation of the new procurement legislation, as well as ensuring the relevant documentation was up to date.
- To have a Local Supplier directory so a 'pool' of local suppliers as the Council's 'first tier' of service, and a plan of action to ensure more low value exercises are advertised to encourage local bidders.
- That the Council's buyers / officers with procurement responsibilities were given the necessary tools, information and guidance to help them undertake their procurement duties effectively and in compliance with the necessary legislation, circular economy principles,

- Greater transparency and data around the Council's spending and social value outcomes to ensure that Elected Members and others had the necessary insight and reassurance of what was being achieved in this area.

It was recognised that for change to be implemented these recommendations would need to be supported at all levels of the Authority, and that potentially this would be a 'learning curve' for Cabinet, to be made aware of the issues and details around current procurement measures for the Council through this report.

Further information and evidence was required from the Finance team in order to find out the amount spent so far on using Ardal's services, and how much of our procurement spend was going through Ardal to decide whether this represented good value for money and to confirm if their capabilities and expertise were being used as much as possible by the Council in terms of support around procurement, tendering, etc, since the inception of this relationship in April 2023. The group felt that it was essential for the Partnership work with Ardal to be transparent and accountable so we can have a clear understanding of how the partnership operates and is performing.

With the new procurement legislation coming in February 2025 Council would need to publish a contract register and a pipeline of planned procurements for the next two years which would assist transparency. Further it would need to prepare a report annually showing how well it had done in terms of achieving against its wellbeing goals. The monitoring to be undertaken by the proposed Social Value Monitoring Officer would also address the issues raised.

Conclusion

Every public pound spent is an opportunity to contribute to the well-being and sustainability of our society, and that is why the **Procurement (UK) Bill, the Social Partnership and Public Procurement (Wales) Act** is an important milestone as it strengthens the role of Social Value in procurement decisions, not only at the evaluation stage, but across the entire contract lifecycle. Section 19 of the Procurement Act gives a broader definition of value not just one of cost with the move from Most Economically Advantageous Tender (MEAT) to Most Advantageous Tender (MAT). Coupled with the introduction of the requirement to report on wellbeing social value outcomes the legislation is not just encouraging us to move this from a mission but to a quantifiable and meaningful action.

The Circular Economy applied to the procurement function is about minimising waste of resources and maximising the retention of resources and materials with what we buy and how we buy it. It is an ecological principle where we design waste out of the requirement, so we ensure that we do not buy virgin materials, we extend the functional use and include an exit/end of life consideration as part of our core specification. Buyers will need to prioritise circularity in procurement, seriously consider whether they really need to conduct a procurement, and only if there are no other options after service re-design, shared ownership models and service contracts have been considered should they go ahead. They will need to consider the origins and future of resources and materials, the re-use of existing materials, re-use of products, components or materials, the degree to which a product can be disassembled, and move away from traditional technical specifications and short-term business cases to functional demand and long-term value creation. By designing out waste and pollution from the outset, we can minimise the amount of waste generated and reduce

the burden on landfills and waste management systems. By making conscious choices about what we buy we can shift towards more sustainable consumption patterns and lead by example for businesses to follow, and they will follow, as in a world with ever reducing natural resources and geo-political instabilities this approach is a powerful lever for improving their profitability. By reducing the pressure on natural ecosystems, we can help to preserve biodiversity and ensure the long-term health of our planet.

Designing, implementing and evaluating social value questions is not an exact science, so it was clear from our review that ensuring that there is a clearly defined process, systems, standard documentation and adequate resources in place to do just this is essential. From our investigations, talks with Officers and presentations from neighbouring authorities made to the Task and Finish Group it was clear that research upfront to make these social value outcomes meaningful was an important activity that was being overlooked. All Councils have teams that are focused on consulting with communities in terms of regeneration and community support, however the challenge of forming a 'bridge' between procurement and community liaison teams so their knowledge can be integrated into procuring for social value along vertical and horizontal lines is one that many struggle with. Without clear priorities, and a lack of capacity for ongoing contract management regarding social value, valuable support to our communities that could be provided by our contracted suppliers is being lost, measurements are not being collected, and no one is being sufficiently held to account. Transparent and collaborative social value processes will not only enrich community life by improving social infrastructure by giving back to our communities, it will also improve trust and relationships between residents and the VOGC. The co-design and identification of the needs of our communities, monitoring and reporting of these subsequent outcomes will require adequate resourcing but would be a worthwhile investment as will create a more equitable, sustainable and prosperous future. Delivering social value has the potential to be transformational, it can bring opportunities to all, change lives and have a positive impact on the local economy.

Glossary of Terms.

- **WFG2015 and Socio-Economic Duty:** The overall aim of the duty is to deliver better outcomes for those who experience socio-economic disadvantage. Please refer to the link here for further information: [Socio-economic Duty: an overview | GOV.WALES](#)
- **Socially responsible procurement duty in the Social Partnership and Public Procurement (Wales) Act 2023:** a statutory duty on certain public bodies to consider socially responsible public procurement when carrying out procurement, to set objectives in relation to well-being goals, and to publish a procurement strategy (source: [Social Partnership and Public Procurement \(Wales\) Act 2023](#)).
- **Circular economy:** a system where materials never become waste and nature is regenerated. In a circular economy, products and materials are kept in circulation through processes like maintenance, reuse, refurbishment, remanufacture, recycling, and composting. The circular economy tackles climate change and other global challenges, like biodiversity loss, waste, and pollution, by decoupling economic activity from the consumption of finite resources. The core of this approach involves re-thinking the procurement life cycle, prioritising needs analysis, embracing reuse and repair, and incentivising sustainable sourcing and disposal practices. (source: [What is a circular economy? | Ellen MacArthur Foundation](#); page 6 to this report: [The Circular Economy](#)).
- **Social value / WPPN 003 Social Value Clauses/community benefits through Public Procurement:** in Wales Social Value is defined through the Well-Being of Future Generations (Wales) Act 2015 and guidance provided via WPPN 003 Social Value Clauses/community benefits through Public Procurement which places a mandate on public bodies to consider the long-term impact of all decisions, in terms of prioritising social, economic, and environmental wellbeing for the community and its partners (source: [Welsh Procurement Policy Note \(WPPN\) 003: Social value clauses/'community benefits' through public procurement \[HTML\] | GOV.WALES](#); page 6, [Social Value](#)).
- **In-built obsolescence:** in economics and industrial design, planned obsolescence (also called built-in obsolescence or premature obsolescence) is the concept of policies planning or designing a product with an artificially limited useful life or a purposely frail design, so that it becomes obsolete after a certain predetermined period of time upon which it starts to function in a decremental manner or suddenly ceases to function, or might be perceived as unfashionable (sources: [Planned obsolescence - Wikipedia](#); page 6, [Take-Make-Waste Linear Economy](#)).
- **TOMS Themes Outcomes and Measures Framework:** a framework to for recording and reporting areas such as social value.
- **Public Services Board (PSB):** brings together senior leaders from public and third sector organisations across the Vale of Glamorgan to work in partnership for a better future (source: <https://www.valepsb.wales/en/Home.aspx>).
- **Community of Practice (CoP):** refers to a group of people who share a common interest, profession, or passion and engage in collective learning to improve their skills and knowledge in a particular domain. Members of a CoP interact regularly, exchange ideas, and collaborate on solving problems, which allows them to build shared knowledge and deepen their expertise (source: [Communities of Practice | Boost](#)).
- **Procurement (UK) Bill:** the Bill seeks to reform the UK's public procurement regime to create a fairer and more transparent system. It also aims to support businesses by making public procurement more accessible to small businesses, and voluntary,

charitable and social enterprises, by enabling them to compete for public contracts (source: [The Procurement Act - a summary guide to the provisions - GOV.UK](#)).

- **Social Partnership and Public Procurement (Wales) Act 2023:** an Act of Senedd Cymru to make provision about sustainable development in accordance with a principle of social partnership; about socially responsible public procurement; establishing a Social Partnership Council for Wales; and for connected purposes (source: [Social Partnership and Public Procurement \(Wales\) Act 2023](#)).
- **ARDAL:** new name for the procurement service run by Cardiff Council, delivering collaborative partnership with Monmouthshire, Torfaen and the Vale of Glamorgan (source: [Ardal](#)).
- **Wales Procurement Policy Statement:** sets the strategic vision for public sector procurement in Wales. It will help to define progress against the well-being goals being pursued for future generations putting the Well-being and Future Generations (Wales) Act 2015 at the heart of all procurement decisions supporting to achieve the 'Wales we want'. It provided a framework for preventing problems and thinking about the long-term, while maximising opportunities to deliver economic, social, environmental and cultural well-being (source: [Wales procurement policy statement \[HTML\] | GOV.WALES](#)).
- **SMEs:** Small and Medium-sized Enterprises. These are businesses whose personnel and revenue numbers fall below certain limits, typically defined as having fewer than 250 employees, for example.
- **Third sector:** a term that refers to organisations that are not for profit and non-governmental. It is an umbrella term that covers a range of different organisations with different structures and purposes, such as charities, voluntary and community groups, and civil society organisations. The third sector is distinct from the public sector (the state) and the private sector (profit-making private enterprise).

Appendices

A. Members, Support Officers and Other Contributors

Elected Members of the Task and Finish Group:

Councillor Jo Protheroe (Chair)

Councillor Ewan Goodjohn (Vice Chair)

Councillor George Carroll (from June 2024)

Councillor Howard Hamilton

Councillor Sally Hanks

Councillor Stephen Haines (until May 2024)

Councillor Dr. Ian Johnson

Vale of Glamorgan Council officers:

Matt Bowmer (Head of Finance/Section 151 Officer)

Yvette Campbell (Procurement Officer • Exchequer Services (Corporate Insurance and Procurement))

Various officers with procurement roles across the Council's departments and directorates.

External Representatives and Witnesses:

Marc Crumby (Head of Procurement, Audit, Internal Risk and Transformation, Rhondda Cynon Taff Council (RCT))

Jill Davies (Project Manager for Circular Economy Innovation Communities (CEIC) Cardiff Metropolitan University)

Steve Robinson (Head of Commissioning and Procurement, Ardal Procurement (and Chair of the WLGA National Procurement Network))

B. Checklist for Scoping

Task & Finish Working Group

Project Brief: Procurement Policy and Strategy (*TBC = To Be Confirmed)

Relevant Scrutiny Committee(s):	Corporate Performance and Resources
Originating Scrutiny Committee Meeting(s):	<i>Please insert hyperlink to meeting agenda and minutes.</i> https://www.valeofglamorgan.gov.uk/Documents/ Committee%20Re ports/Scrutiny-CRP/2023/23-05-24/Minutes.pdf
Supporting Democratic Services Officer(s):	Mark Thomas

Task & Finish Project Name:	Review of the Vale of Glamorgan's Procurement Policy and Strategy.
Working Group Chairman:	*TBC (will be confirmed at the first meeting of the Task and Finish Group)
Working Group Members:	*TBC (should be agreed at the meeting of CP&R which considers this proposal and covering report).
External Witnesses and Council Officers:	Representatives, Officers from the Vale of Glamorgan Council (VOGC) (including Matt Bowmer, the Head of Finance/Section 151 Officer, buyers/procurement officers for VOGC), Ardal (shared procurement arrangements provider) and any other stakeholders, experts or witnesses identified as part of this exercise.

Project Aim(s):	An examination and review of the VOGC's Procurement Policy and Strategy 2022/23 to 2026/27, in particular, relating to the VOGC cutting it's Carbon Emissions from the Supply Chain by focusing on reviewing the Sustainable Procurement Strategy, the commissioning of
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	<p>Works/Goods and Services, drawing up of tender Specification and the evaluation strategy.</p> <p>Also, once awarded, what Contract Management and Monitoring (of social value and reduction of carbon emissions) is happening and what happens through to the Exit/End (decommissioning) of contracts with that focus on the Circular Economy.</p> <p>The above will be crucial due to the Procurement Reform and the Social Partnerships Bill coming in next year, with this legislation having a significant impact on procurement within the VOGC.</p>
<p>Project Objective(s):</p>	<p>The review will look to cover the key areas of the Procurement Policy, Strategy, processes and documents and to embed circular economy principles to enable maximised social value and decarbonization outcomes.</p> <p>The review will look to embed circular economy principles throughout the Council's procurement processes, to increase opportunities for the local supply chain and shortening supply chains to assist with decarbonisation.</p> <p>It will also help to ensure that the Policy/Strategy continues to maintain a streamlined, more 'punchier' approach to the policy objectives, including extra prominence to Project Zero and greater support for small and medium-sized enterprises (SMEs) and local businesses, an extra emphasis on social value and to ensure that the Council's suppliers help to pursue the Council's objectives.</p> <p>Crucially, the Group will need to talk to the buyers in VOGC to get an understanding of what they are doing in terms of process/ what the hand offs are with Ardal, and what consideration of social value, carbon reduction and circular economy principles at the present time is going into the commissioning of and specification writing of tenders. Also, the Group will need to talk to Ardal so they can understand what Ardal is actually doing for VOGC.</p>
<p>Project Timescales:</p>	<p>* TBC; but could include:</p> <ul style="list-style-type: none"> • Initial meeting to elect Chair and Vice Chair and to consider the scope, practices and options of the Task and Finish Group. • Background to procurement and the Council's Policy and Strategy. • The subsequent briefings and expert testimonies. • Consideration of Proposals and Recommendations. • Final report to be determined by the Scrutiny Committee, ideally, by no later than June 2024. • Referral to Cabinet for their consideration.

Resources and Budget:	VOGC Officers and Elected Members' time.
Working Methods:	<ul style="list-style-type: none"> • Meetings. • Visits. • Interviews. • Research analysis. • Discussions with External Witnesses and Council Officers, i.e. VOGC buyers/procurement officers and Ardal • Develop an action plan.
Evidence Formats:	<ul style="list-style-type: none"> • Briefing reports. • Presentations. • Background information – current Policies and legislation both current and future. • Site visits. • Consultation. • Interviews with Service Users and/or Expert/External Witnesses.
Relevant Research Information :	<ul style="list-style-type: none"> • The current Procurement Policy and Strategy for the VOGC, including the relevant Cabinet report and reference to Scrutiny as part of its process of adoption. • Procurement policies and strategies undertaken by other, similar local authorities as a point of comparison and consideration. • Any information highlighting best practice in either the public and/or private sector concerning procurement, in particular in terms of not only efficacy and 'Most Advantageous Tenders' or 'MAT' but also in terms of promoting sustainability, decarbonisation and being environmentally friendly as well as promoting other social goods, benefits and equitable work practices by suppliers.

Desired Outcomes:	<ul style="list-style-type: none"> • To review governance of the Procurement Policy and Strategy in terms of sustainability, decarbonisation and social value. • Shortening supply chains and increasing the percentage of overall spend and opportunities to local suppliers • To fully understand the Procurement Policy and Strategy, its challenges, and areas which may need improvement, further investigation and/or development, through the lens of the VOGC cutting its Carbon Emissions from the Supply Chain by reviewing the Sustainable Procurement Strategy. • To look at 'best practice' and innovative practices from other and/or similar local authorities, public sector bodies and those in the private sector, which could help inform and improve the
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	<p>Procurement Policy and Strategy, particular in in terms of social value, decarbonisation, fair working practices and working collaboratively with partners and suppliers.</p> <ul style="list-style-type: none"> •
Relevant Corporate Plan Well-being Objective(s):	<p>The Policy and Strategy, and therefore this Task and Finish piece, ties in with:</p> <ul style="list-style-type: none"> • The Future Generations Act. • Welsh Government policies on procurement. • Five Ways of Working. • Corporate Well-Being Objectives: <ul style="list-style-type: none"> ○ To work with and for our communities ○ To support learning, employment and sustainable economic growth ○ To respect, enhance and enjoy our environment.
Relevant Corporate Plan Well-being Action(s):	<ul style="list-style-type: none"> • Work innovatively, using technology, resources and our assets to transform our services so they are sustainable for the future. • Improve how we involve, engage and communicate with others about our work and decisions. • Ensure we have robust governance and scrutiny arrangements in place and support our elected members to fulfil their roles. • Take steps to minimise our negative impact on the environment and to influence others to follow our lead and consider how their actions may impact the natural and built environment. We will encourage residents, visitors and business to minimise waste, reduce carbon emissions and to consider how their actions may contribute to pollution. • Work with a range of partners to promote economic growth for the area.
Corporate Reporting Outcomes:	<p>That the subsequent report and the recommendations, comments and suggestions produced by the Task and Finish Group be submitted for consideration to Scrutiny Committee and, if appropriate, be forwarded to Cabinet for their review and endorsement.</p>

C. Timetable/list of meetings

The Task and Finish Group has met on 8 occasions, as follows:

Date	Agenda
30 th April 2024 at 6pm	<ul style="list-style-type: none"> • Appointment of Chair • Appointment of Vice Chair • Scope and Objectives of Review • Timetable of Review
29 th February 2024 at 5.00 pm	<ul style="list-style-type: none"> • Definition of Circular Economy Principles and Social Value • Further update on the Timetable of Review
26 th March 2024 at 5.00 pm	<ul style="list-style-type: none"> • Presentation on Ardal
30 th April 2024 at 5.00 pm	<ul style="list-style-type: none"> • Presentation on the work of Rhondda Cynon Taff Council in working towards their objectives on embedding circular economy principles throughout the procurement lifecycle
24 th June 2024 at 3.00pm	<ul style="list-style-type: none"> • To meet and discuss with a cross section of the Vale of Glamorgan Council's Commissioners/Procurers the wide range of procurement issues they cover
24 th September 2024 at 5.00pm	<ul style="list-style-type: none"> • Discussion on the Proposed Changes to the Procurement Policy and Strategy and Related Areas
5 th December 2024 at 5.00pm	<ul style="list-style-type: none"> • Reflections document (for members' consideration prior to the drafting of the final report)
23 rd January 2025 at 5.00pm	<ul style="list-style-type: none"> • To discuss and agree the report format, conclusions and recommendations for the final report to go back to Scrutiny and Cabinet
18 th June 2025 at 5.00pm	<ul style="list-style-type: none"> • To discuss the finalisation of the procurement report and matters relating to the review of the final report prior to submitting to Scrutiny and Cabinet

D. Total Annual Spend For 2023/2024 (April 2023 to March 2024) & 2024/2025 (April 2023 to March 2025)

Financial Year	Total Spend
2023/2024	£248.173M
2024/2025	TBC

E. Annual Spend on ARDAL Partnership 2023/2024 (April 2023 to March 2024) & 2024/2025 (April 2024 to March 2025)¹

Financial Year	Total Spend²
2023/2024	£194,754
2024/2025	£206,068

¹ This is the annual cost of being in the ARDAL Partnership, not the annual spend going through ARDAL. The data concerning the spend that is going through ARDAL is currently being worked on.

² Including the costs of a Vale employee seconded to the partnership.

F. Feedback from Vale of Glamorgan Buyers Questionnaire



VOG Buyers Q.xlsx