



Procurement Strategy

Contents

1	Introduction and Executive Summary
2	Definition of Procurement
3	Background
4	Strategic Context and Drivers 4.1 Co-operative Council and Community Wealth Building 4.2 City Plan 4.3 Making Savings 4.4 Social Value 4.5 Low Carbon 4.6 National Procurement Strategy 4.7 Ethics and Standards 4.8 Modern Slavery Act
5	Procurement Policy 5.1 Policy Scope 5.2 Procurement Principles
6	Procurement Strategy 6.1 Showing Leadership and Governance in Procurement 6.2 Procurement Procedure Rules 6.3 Procurement Organisational Arrangements 6.4 Category Management Principles 6.5 Collaborative Procurement 6.6 Employee and Trade Union Engagement
7.	Market Development and Supporting the Local Economy 7.1 Local Economy Support 7.2 Buy Sunderland First Scheme 7.3 Opportunity Awareness – NEPO Portal 7.4 Recognising the value of the Voluntary, Community and Social Sector (VCSE)
8.	Social Value Benefits through Procurement
9.	e-Procurement
10.	Supplier Relationship and Contract Management
11.	Performance Monitoring
12.	Contact Us
Appendix A – Commissioning / Procurement Roles and Responsibilities	
Appendix B & C - Supplier Charter & Construction Charter	
Appendix D - Social Value Realisation Case Study Examples	

1. Introduction and Executive Summary

The purpose of this Procurement Strategy is:

- to support the delivery of the council's key priorities as set out in its City Plan;
- support our co-operative council and community wealth building approach;
- provide a cohesive set of principles for consistently achieving value for money, improvement and innovation across all areas of council third party expenditure, whilst seeking wider social value benefits; and
- build on the good progress already achieved by the council.

Whether you are a councillor, senior manager or budget holder at the council, or one of our suppliers or partners, reading this strategy will help you understand what the council is setting out to achieve when procuring goods, works and services. It provides reassurance that we will continue to spend public money in a way which is fair, accountable and achieves the best value.

This strategy sets out the governance, roles and responsibilities and organisational arrangements in relation to procurement activity and encourages a 'joined up' way of working in the organisation to ensure innovation and opportunities are maximised whilst adopting a flexible and proportionate approach.

The council recognises the strategic importance of procurement, and as such the Cabinet Secretary is our councillor Champion for Procurement. The Cabinet Secretary supports the strategic direction in a local context but also on a regional basis as a member of the North East Procurement Organisation (NEPO) Sub-Committee for collaborative procurement.

The council operates a professional Corporate Procurement function which provides a supportive and professional service to all service areas, and council owned companies, to assist them with the delivery of their key priorities and statutory responsibilities.

A category management model is used to secure value for money and deliver strategic and service priorities through grouping related products and services to manage an annual spend circa £300m with approximately 4,500 third parties.

Our Procurement Policy, which applies to all external third party spend, is that the council commits to use its best endeavours to ensure that all procurement activity is:

- designed to secure the best outcomes within the finance available;
- economically and commercially effective;
- ethically, environmentally, socially responsible and supports the local economy;
- accountable and auditable; and
- legal.

There are many challenges facing local government, arising from significant reductions in local authority funding, new legislation, changing needs and expectations of residents and communities, healthcare integration, an ageing population, and the overall growth of the city - all of which put more pressure on council resources and services. These challenges provide an opportunity to consider new approaches to sustain public services and deliver economic regeneration. In doing so, the council's ambition is to collaborate with partners in the city (in all sectors: public; private; and voluntary, community and social enterprise sector (VCSE)) to deliver excellent outcomes for our residents, communities and businesses.

A key aim of this strategy is to ensure procurement activity achieves the desired outcomes whilst securing best value for money and maximising the local economic impact. In order to achieve this philosophy, the council has adopted various progressive procurement policies and practices such as:

- Supplier Charter which gives suppliers information about the standards of service they can expect when dealing with the council; and
- Buy Sunderland First scheme which utilises dedicated resources to focus on local market development and supplier engagement to ensure local businesses are given the opportunity to bid for council work.

Sunderland is a forward-looking city undergoing exciting transformation and economic regeneration. Effective procurement will have a key role to play in the implementation of the City Plan 2020-2030. Our procurement practices will be flexible, proportionate and responsive in order to support activity that can deliver our ambitions in the context of decreasing Government funding.

Having a strategy does not, by itself, lead to effective procurement. It is the commitment of Cabinet Members, Senior Management and procurement professionals; and council-wide consistent implementation of the strategy which are the important elements in its success.

2. Definition of Procurement

The impact of procurement is far greater than mere legal compliance and this strategy illustrates the significant contribution that effective procurement arrangements can make to a wide range of the council's statutory responsibilities, priorities and socio-economic agendas. These include contributing to a successful local economy including opportunities for SME's, supporting the VCSE, supporting greater equality and diversity, improving health and safety, and addressing ethical and environmental issues, all whilst achieving the best value for money.

Strategic Commissioning represents a systematic approach to planning and resourcing public services. Good procurement is an essential element of good commissioning and this strategy complements the council's various commissioning strategies and plans.

Cabinet Members and Senior Management (referred to within this document as Commissioners) decide on the most appropriate commissioning strategy for goods, works and services (e.g. whether to deliver in-house or secure from a third party, and the specification of requirements). This strategy covers how procurement options should inform this decision and when a decision is made to secure from a third party how this will be undertaken.

As commissioning and procurement are closely linked it is important to encourage and enable a 'joined up' way of working in the organisation to ensure innovation and opportunities are maximised whilst adopting a flexible and proportionate approach.

See **Appendix A** which sets out the key activities associated with both roles/functions to ensure the best outcomes are realised.

3. Background

The council spends circa £300m (revenue and capital) per annum with approximately 4,500 third parties for the provision of goods, works and services. The nature of our contracts is diverse covering a wide range of requirements including front-line services such as social care and support at home, construction and civil engineering contracts, highways maintenance and back-office support such as utilities, professional services and IT hardware and software.

The council has a successful procurement function, and has made a range of improvements over the past 10 years, including:

- centralising the procurement for all goods, works and services within a professional procurement function;
- introducing a Category Management approach;
- introducing and embedding the 'Buy Sunderland First' initiative, including changing procurement procedure rules to increase tender thresholds;
- signing up to Prompt Payment Code;
- conducting a comprehensive procurement review with external advisors resulting in the implementation of various improvement actions;
- forging links and engagement with regional business representatives including Federation of Small Businesses (FSB), North East Chamber of Commerce (NECC) and Construction Alliance North East (CAN);
- adopting Social Value commitments wider than the Social Value Act;
- introducing a Supplier Charter and Construction Charter;
- developing a market engagement team to support the local supply market; and
- introducing a suite of procurement performance indicators to measure and monitor procurement practice effectiveness (with a focus on local supply opportunities).

The council operates a professional Corporate Procurement function that is responsible for procurement activity £10,000 and above in conjunction with the service area commissioners. The procurement team, whose methodology is centred on a category management approach, works closely with service areas on a daily basis providing a professional service for over 400 projects per annum and manages the council's Contract Register which contains approximately 600 contracts with an estimated total contract value of £950 million.

For several years, the council has had in place designated resources to work on market development and supplier engagement, which has:

- increased opportunities for local suppliers, realising an increase in percentage of third party spend with local suppliers from **29%** in 2008/9 to **40%** 2018/19;
- led an annual programme of local supplier development events which includes training and awareness raising of the council's procurement processes; and
- held regular feedback sessions following quotation processes.

The council's third party spend with Sunderland based businesses in 2018/19 was £115,303,914 with 1,240 Sunderland businesses, accounting for 40% of the overall third party spend.

The council's third party spend with North East businesses (including Sunderland) in the same period was £190,699,686 with 2,487 North East businesses, accounting for 66% of the overall third party spend.

£46.9m of the third party spend with Sunderland businesses was with SME's (small to medium sized enterprises with less than 250 employees). A further £11.6m was spent with Sunderland's voluntary, community and social enterprise sector. All organisations were paid on average within 8.4 days from receipt of invoice. This is part of the council's commitment to SME's and the local economy.

The breakdown of the 2018/19 third party spend is shown in the table below:

Location	Spend (£)	%Age	No. Vendors	No. of Transactions
Local	115,303,914	40%	1,240	25,629
Regional (including local)	190,699,686	66%	2,487	65,101
National	99,098,925	34%	2,013	47,811
Total Spend	289,798,611		4,500	112,912

Supplier Charter

The council introduced a Supplier Charter in 2013 (**Appendix B**) to give suppliers and providers of goods and services information about the standards of service they can expect when dealing with the council. The Charter states twelve commitments it makes to its suppliers along with what the council expects in return. Performance against the Charter is monitored and reported annually to the Cabinet Secretary and Senior Management of the council.

Construction Charter

The council also introduced a Construction Charter in 2017 (**Appendix C**) to set out its expectations from contractors in relation to construction and civil engineering works.

4. Strategic Context and Drivers

There are many challenges facing local government, arising from significant reductions in local authority funding, new legislation, changing needs and expectations of residents and communities, healthcare integration, an ageing population, and the overall growth of the city - all of which put more pressure on council resources and services.

These challenges provide an opportunity to consider new approaches to sustain public services and deliver economic regeneration. In doing so, the council's ambition is to collaborate with partners in the city (in all sectors: public; private; and voluntary, community and social enterprise sector) to deliver excellent outcomes for our residents, communities and businesses.

4.1 Co-Operative Council and Community Wealth Building

Sunderland City Council is a Co-operative Council and in being so will act ethically in all its actions while adhering to and actively promoting its co-operative values of self-help, self-responsibility, democracy, equality, equity and solidarity. These values will underpin its decision making and actions which are embedded throughout the council's procurement activity.

The council is a member of the Cooperative Councils' Innovation Network (CCIN) which is a collaboration between local authorities who are committed to finding better ways of working for, and with, local people for the benefit of their local community.

The council is committed to realising the benefits and opportunities of implementing a Community Wealth Building approach to maximise local and social return in the city. This place-based approach to economic regeneration is framed around the co-operative values and along with this progressive procurement strategy will aim to support communities to help themselves in the city. By identifying and working with organisations that are tied to the City and have a long-term stake in its success (known as anchor institutions), the council will aim to harness existing local wealth by bringing together key stakeholders to drive the Community Wealth Building approach forward including:

- working with experts to fulfil our Community Wealth Building aspirations;
- forging links between our procurement and business investment teams; and
- working with anchor institutions to harness their procurement contribution towards Community Wealth Building.

For more information of the values and principals visit the following website:
<http://www.councils.coop/about-us/>

4.2 City Plan

Sunderland is a forward-looking city undergoing exciting transformation and economic regeneration. It has a global reputation as a welcoming and inclusive place in which to live, work, invest and play.

In 2019-2020 the council, alongside key partners in the city, adopted a new ambitious City Plan. Through its delivery Sunderland will be:

- a dynamic, digitally connected city where business invests, and regeneration continues, where people have access to great employment and education opportunities and the city centre boosts economic growth and prosperity;
- a healthy, cleaner and more attractive city where people enjoy good health and wellbeing, and live happy, independent lives; and
- a vibrant city where more people spend their leisure time, every neighbourhood is safe and welcoming, and where every resident can feel proud of where they live.

The City Plan also seeks to address the challenges the council faces and aims to set new approaches to the delivery of council services and collaborative working to contribute to the City Plan through a refreshed set of council values: “We innovate, we enable, and we are respectful”.

Effective procurement will have a key role to play in the implementation of the City Plan 2019-2030. Our procurement practices will be flexible, proportionate and responsive in order to support activity that can deliver our ambitions in the context of decreasing Government funding.

4.3 Making Savings

Since 2010 we have seen our spending power reduced by a third under the Government’s austerity programme, with £290m saved or raised in income by 2018/19. For 2018/19 alone it was over £27m, with a further £26m savings required in 2019/20.

A significant proportion of savings achieved have been secured through good procurement practices centred on a category management approach. Procurement and commissioning officers will continue to maximise efficiencies through:

- aggregating requirements and using more standard specifications where appropriate whilst considering the local, SME and VCSE supply base impact;
- recommending the optimum route to market for procurement opportunities informed by benchmarking, market intelligence and undertaking proportionate options appraisals;
- understanding, managing and reducing demand;
- operating as commercially as possible; and
- adopting a corporate approach to contract management to measure and monitor performance and costs to gain best value for money.

4.4 Social Value

The council's definition of social value is:

“Securing maximum impact on local priorities from the use of council resources. Looking at what additional benefits can be achieved with the resources available and realising wider social, economic or environmental benefits above and beyond the primary objectives of the initiative/works/service/programme being delivered.”

The council is required to consider how economic, social, and environmental well-being may be improved by the services that it commissions or procures, and how the commissioning and procurement processes may secure those improvements under the provisions of the Public Services (Social Value) Act 2012 (the Act).

We want to use the opportunity the Act provides to support residents, communities and businesses to become more resilient and reduce the demand on public services.

4.5 Low Carbon

The council has committed to the International Climate Emergency Declaration, seeking to reduce both the council and City's carbon emissions. Initial work has included baselining the council's carbon emissions and developing a suite of project proposals. A Carbon Board has been established to progress the partnership work. Moving forward procurement will have a key role to play ensuring our pre-procurement consideration supports our ambitions and commitments.

4.6 National Procurement Strategy

The council has been committed to the vision, outcomes and recommendations as set out in the 2014 National Procurement Strategy for Local Government. The recommendations set out in the 2014 Strategy were considered from a local context and embedded within current working practices.

The latest 2018 National Procurement Strategy for Local Government and its associated toolkit has recently been developed to help councils set objectives in relation to maturity levels within the following themes:

- Showing leadership.
- Behaving commercially.
- Driving community benefits.

The council has used the diagnostic exercise included within the National Strategy to assess the level of its maturity as falling between the 'Mature' or 'Leader' principles and behaviours; and has taken account of the national document in developing this Strategy. The Corporate Procurement function will keep abreast of national guidance / good practice and will take action where appropriate to ensure procurement practices remain robust, effective and efficient.

4.7 Ethics and Standards

The council delivers many services through contracting out or the entering of partnership arrangements with other organisations which may be in the public, private or VCSE sectors. Even in these circumstances, the authority remains responsible for compliance with its statutory duties and the exercise of the relevant functions.

High ethical standards are important for society as a whole, particularly where public money is being spent on public services or functions and for users of public services. As such all council procurement shall be undertaken in line with the seven Principles of Public Life from the Report of the Committee for Standards in Public Life (The Nolan Report) which are:

- **Selflessness:** Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their families or their friends.
- **Integrity:** Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that may influence them in the performance of their official duties.
- **Objectivity:** In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
- **Accountability:** Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- **Openness:** Holders of public office should be as open as possible about all their decisions and the actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
- **Honesty:** Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- **Leadership:** Holders of public office should promote and support these principles by leadership and example.

4.8 Modern Slavery Act

The Modern Slavery Act 2015 (the “Act”) came into effect in the UK on 29th October 2015, with the aim to prevent and tackle modern slavery. Section 54(1) of the Act contains a ‘transparency’ provision to rout out slavery in supply chains, ensuring that no slavery is linked to British products or services.

This provision requires certain organisations to produce and publish an annual slavery and human trafficking statement each year, which must summarise the steps organisations have taken to ensure that slavery is absent from their supply chains. The provision applies to organisations which:

- carry on a business or part of a business in the UK;
- supply goods or services; and
- have an annual global turnover of £36m or more.

The council is committed to understanding and mitigating risks of slavery and human trafficking in its corporate activities and supply chains. An annual statement is published which sets out the council's commitment and associated actions to understand all potential risks and steps it has taken to aim to ensure that there is no slavery or human trafficking in its business and supply chains. The council expects the same high standards from all of its contractors, suppliers and other partners.

To ensure our procurement practices do not directly or indirectly support slavery, the council has signed up to the Co-operative Party Charter Against Modern Slavery which means the council will:

- train its corporate procurement team to understand modern slavery;
- require its contractors to comply fully with the Modern Slavery Act 2015, wherever it applies, with contract termination as a potential sanction for non-compliance;
- challenge any abnormally low-cost tenders to ensure they do not rely upon the potential contractor practising modern slavery;
- highlight to its suppliers that contracted workers are free to join a trade union and are not to be treated unfairly for belonging to one;
- publicise its whistle-blowing system for staff to blow the whistle on any suspected examples of modern slavery;
- require its tendered contractors to adopt a whistle-blowing policy which enables their staff to blow the whistle on any suspected examples of modern slavery;
- review its contractual spending regularly to identify any potential issues with modern slavery;
- highlight for its suppliers any risks identified concerning modern slavery and refer them to the relevant agencies to be addressed; and
- refer for investigation via the National Crime Agency's (NCA) national referral mechanism (NRM), any of its contractors identified as a cause for concern regarding modern slavery.

5. Procurement Policy

5.1 The council's Procurement Policy, which applies to all external third party spend, is that the council commits to use its best endeavours to ensure that all procurement activity is:

- designed to secure the best outcomes within the finance available;
- economically and commercially effective;
- ethically, environmentally, socially responsible and supports the local economy;
- accountable and auditable; and
- legal.

5.2 Procurement Principles

In furtherance of the above Policy, the Procurement Principles set out below shall underpin all procurement activity.

Procurement Principles	
1	To ensure procurement incorporates and supports the council's key priorities and strategic service delivery outcomes.
2	To ensure procurement activity complies with the Public Contract Regulations and underpinning principles of equal treatment, non-discrimination and transparency.
3	To deliver a category management approach ensuring that commissioning and procurement is joined up and decision-making, including options appraisal, is transparent, accessible and consultative.
4	To seek procurement savings whilst delivering value for money (VFM).
5	To consider how procurement activity can support community wealth principles, sustainability, local economic development, social value and equality and diversity objectives.
6	To fully consider procurement collaboration with other public bodies and partnering arrangements with suppliers.
7	To ensure all procurement is undertaken by suitably skilled and experienced staff with high ethical standards.
8	To manage and maintain a Supplier Relationship and Contract Management Framework to facilitate the performance monitoring of contracts by commissioners.
9	To ensure procurement is efficient (including the use of e-procurement techniques) and timescales are minimised.
10	To ensure the council has appropriate and proportionate controls, systems and standards to manage procurement risk including prevention of fraud and error.
11	To provide transparency of contract arrangements and future opportunities to the market.
12	To ensure the burden on bidders is minimised.
13	To ensure suppliers are paid on time in accordance with contractual arrangements.
14	To enhance our commissioning and procurement relationship with the voluntary, community and social enterprise sector (VCSE).
15	To engage with representative bodies as appropriate (e.g. Trade Unions, Business representative groups).

6. Procurement Strategy

This section sets out how the procurement policy and principles will be achieved.

6.1 Showing Leadership and Governance in Procurement

The council recognises the strategic importance of procurement, and as such the Cabinet Secretary is our councillor Champion for Procurement. The Cabinet Secretary supports the strategic direction in a local context but also on a regional basis as a member of the North East Procurement Organisation (NEPO) Sub-Committee for collaborative procurement.

Strategic procurement activity requires multi-discipline officers from Corporate Procurement, Finance, Legal and commissioners who work together as a 'one team approach' on key projects/contracts to design and implement solutions. Senior representatives from the corporate functions monitor all new council procurement activity and review performance via a suite of agreed key performance indicators. These arrangements are fluid and proportionate and encourage communication and joint working relationships between each specialism.

The roles and responsibilities of commissioners and procurement professionals are set out in **Appendix A**.

The council engages with local supplier representative groups with the objective of developing and maintaining effective relationships to drive improvement in procurement practices.

Michael McMeekin, Area Leader, Federation of Small Businesses (FSB) said:

“Despite some tough challenges Sunderland City Council has continued to demonstrate strong leadership in helping small businesses supply the council with goods and services.

In the past year alone we have seen 500 smaller businesses win contracts worth £26m demonstrating the genuine commitment the council has to working with local suppliers. These contracts make a huge difference for smaller businesses across the city and the region.

We will continue to work with the council to ensure smaller businesses are the top priority when it comes to contract opportunities.”

The council will continue to engage with key representatives from across market sectors (including the local Chamber of Commerce, Federation of Small Businesses and the VCSE sector) as well as internal representatives to discuss the following areas:

- Future procurement opportunities (long and short term).
- Current procurement policies and practices.
- Information on procurement key performance indicators relating to spend and procurement activity in Sunderland.
- Receive feedback on procurement issues faced by the different market sectors and to consider how improvements are made.

6.2 Procurement Procedure Rules

All procurement undertaken by public bodies is regulated by law and the council will continue to maintain detailed Procurement Procedure Rules (PPRs) within its Constitution to ensure all procurement is undertaken legally and supports the achievement of best value for money.

The PPRs are kept under review to ensure they stay fit for purpose and reflect current legislative requirements and strategic priorities. A revision of the PPRs in 2012 resulted in increasing the quotation threshold to the EU Procurement Regulations threshold for goods and services, facilitating a significant increase in engagement and spend with the local supply market.

The PPR's shall be kept under review as procurement legislation changes, for example following the UK leaving the European Union.

6.3 Procurement Organisational Arrangements

The council's Corporate Procurement function has worked under a Category Management model since 2009. This approach has worked well and produced significant savings for the council.

Corporate Procurement draws upon expertise and resource from other teams as required and work closely with service area commissioners and the commercial legal team to maintain strong / close joint working.

The key roles and responsibilities of the procurement function are as follows:

- Undertake spend analysis to establish and maintain management information on portfolios of spend within the council.
- Identify and measure influencable third party spend against local supply chain.
- Apply category management tools and techniques to identify contract opportunities and undertake procurement.
- Produce and maintain a workplan of procurement activity and forecast opportunities.
- Agree the specific procurement route for all procurement activity over £10,000 to ensure value for money is achieved and social value benefits are considered in accordance with council PPRs and Public Contract Regulations.
- Provide professional advice, guidance and support on all council procurement related matters.
- Maintain the council's Contract Register.
- Role of chair at quotation and tender evaluation stage.
- Assist service areas with the delivery of procurement savings whilst ensuring quality of services.
- Act as key liaison with the North East Procurement Organisation to facilitate collaborative procurement where it is appropriate.
- Provide a market development and engagement role.

- Provide local supply market support by gathering intelligence of capabilities and capacity to ensure maximum opportunities are given to these suppliers/providers wherever possible for each procurement undertaken.
- Manage and undertake validation role of the council's e-quotes in accordance with the 'Buy Sunderland First' initiative.
- Contribute to service assessments to provide market intelligence and relevant benchmarking data to aid options appraisal.
- Manage and maintain the Corporate Supplier Relationship Management and Contract Management Framework.
- Lead on Contract Management for Corporate Contracts.
- Management of the council's Purchase to Pay Processes and Systems.
- Administer the council's e-procurement systems.
- Provide and validate accurate data for supplier e-catalogues.
- Management of the council's Purchase Card Scheme.
- Management of the council's Travel Management System.

6.4 Category Management Principles

The category management principles require proactive procurement category strategies/options appraisals; understanding and knowledge of category-based markets; analysis of supply and demand; understand of expenditure on and off contract; specific understanding of local supply markets; effective relationship management both internally and externally; monitoring of legislative changes; and effective contract management.

The Category Managers within Corporate Procurement plan their activity based the following specialist categories:

- Social Care – Children's & Adults
- Healthcare
- Professional Services
- ICT and Telecoms
- Business Support
- Facilities Management
- Construction, Repairs and Maintenance

These categories are considered to fit the supply market in order to allow competition and commercial intelligence to be applied to secure and demonstrate value for money. They shall be kept under review and adjusted as appropriate in agreement with the Cabinet Secretary.

Detailed spend analysis is conducted for all third party spend to produce category plans. It is recognised that some categories of spend and their specific sourcing strategies will be driven by corporate policies to manage demand, for example, ICT hardware and software, mobile telecoms, uniforms, and travel and accommodation. The relevant Director/Assistant Director will be responsible for developing any appropriate policies and will work with Corporate Procurement to support the implementation of these policies.

The category management framework maintains a comprehensive range of standard operating procedures which promotes a joined-up way of working between procurement and commissioners at the design stage. This encourages co-productive relationships and maximises opportunities for innovation to help commissioners provide better ways to provide more responsive services that reduce costs over time.

For all categories of spend, an appropriate procurement and category sourcing strategy for the delivery of the required demand will be produced. This is a risk and opportunity-based approach which includes the following:

- Detailed analysis of spend (backward and forward looking).
- Detailed analysis of current contractual commitments and consideration of any required exit strategies.
- Gaining market intelligence to inform options appraisal.
- Undertaking consultation for early market engagement to allow suppliers to form consortia when necessary.
- Establishing any regional collaborative opportunities for each procurement.
- Analysis of any switching costs and whole life costings.
- Understanding the forecast demand of requirements.
- Analysis of local, SME, and VCSE supply market.
- Analysis of supply market as a whole to understand its competitive nature.
- Consideration of social value benefits as part of the contract opportunity.
- Options appraisal of approaches to the market, consideration of suitability of an outcome-based specification, and procurement options including lotting strategies which are reflective of the supply market e.g. local / VCSE / SMEs.
- Understanding financial pressures to address through commercialism and income generation.
- Undertake risk and opportunity-based assessments to establish the relevance and address the proportionality of requirements within each procurement in relation to:
 - Social Value benefits
 - Business Continuity management
 - Equality and Diversity impact
 - Financial Assessment options
 - Health and Safety
 - Ethical considerations
 - Supplier Relationship and Contract Management

6.5 Collaborative Procurement

The council is a full member authority of the North Eastern Procurement Organisation (NEPO) public buying consortium which was established in 1976. NEPO operates a hub and spoke model to undertake high-value procurements in major strategic areas of spend including construction and energy on behalf of all the North East Local Authorities whom have pledged strong commitment to work together. In pursuit of our collaborative objectives, NEPO and its member authorities work together on policy related matters and speak with a single cohesive voice with regard to public sector procurement in the North East.

NEPO governance arrangements include the region's 'Directors of Resources' who advise a Collaborative Procurement Sub-Committee on the delivery of the Procurement Work Programme, Performance Management and future opportunities.

Regional Collaborative Procurement is also represented through the Local Government Association National Advisory Group which is a group of senior local government procurement professionals who develop and influence national procurement policy and activity. This ensures the region is represented nationally.

Key objectives of NEPO are as follows:

- To deliver significant savings to the north east public sector through collaborative procurement.
- To support and develop the region's supply base, making it better able to win public sector contracts.
- To act as a strategic, commercial, efficient and technology enabled body that is able to mobilise the procurement and commissioning talent of North East Local Authorities for the benefit of the region.

The council is represented on Collaboration North East (CNE), a network of senior procurement leads from the NEPO Member Authorities whose purpose is to:

- shape and lead on procurement policy across the region and influence work undertaken nationally;
- identify and share best practice to maximise the benefits of good procurement and adopt at a local level where appropriate;
- highlight the role of procurement in supporting wider policies, improvements and efficiency savings;
- identify obstacles to efficient and Collaborative Procurement and identify how these might be resolved;
- champion Collaborative Procurement at a local level to improve understanding, develop positive working relationships and overcome barriers; and
- support the development of the Collaborative Procurement Work Programme and where appropriate provide resource to enable the delivery to maximise the use of resource and expertise across the region.

The council is one of the largest users of the NEPO portfolio, participating in over 40 procurement solutions and will continue to utilise collaborative arrangements where it can demonstrate value for money and meet the procurement objectives of the council. Each collaborative opportunity including NEPO contracts are assessed for suitability and economic impact for Sunderland prior to commitment.

6.6 Employee and Trade Union Engagement

The council is fully committed to engaging and consulting with employees and trade unions with regard to changes that may affect employees, including procurement.

In relation to any changes that affect the workforce arising from procurement activity, the following principles will be observed.

- Sharing information with Trade unions and employees, in advance of decisions being made, to allow meaningful consultation to take place.
- Providing within the proposed plans sufficient time for engagement and consultation with trade unions and employees to enable their views to be considered fully, which may include holding meetings / workshops in order to identify or discuss potential options.
- Including trade unions in all employee communications.
- Providing regular updates on progress, considering a range of communication channels that best fit the needs and circumstances of employees.
- Inviting trade union representation to all employee meetings, considering any comments made and providing timely responses.
- Prior to deciding to outsource any service, the council will consider the option of the implementation of an in-house service improvement plan.
- The council will comply with the requirements in relation to the Fair Deal guidance with regard to the employee pensions when undertaking our outsourcing.

7. Market Development and Supporting the Local Economy

7.1 Local Economy Support

As the focus of this strategy is to ensure procurement activity achieves the desired outcomes whilst securing best value for money and maximising the local economic impact, resources from the Corporate Procurement function will continue to focus on local market development and supplier engagement.

Corporate Procurement will continue to carry out an annual analysis of local spend in Sunderland to identify:

- Value and percentage of spend with local suppliers / providers.
- Value and percentage of this spend by company type (e.g. Micro, Small, Medium sized businesses, VCSE).
- Success of local suppliers / providers in bidding for council opportunities broken down by business category.

In addition, further analysis of the local market is undertaken on a procurement by procurement basis. This analysis includes investigating the capacity and capability of the local market to meet a specific procurement requirement. Where a local market is identified Corporate Procurement will then undertake the actions identified in the Supplier Charter to support local suppliers / providers.

The council also commits to ensuring that all tenders issued will incorporate a supplier briefing event to ensure there is full understanding of the opportunity and to clearly explain the tender documents and the standard that is required to be submitted.

7.2 Buy Sunderland First Scheme

Buy Sunderland First (BSF) is a scheme from Sunderland City Council which seeks to ensure that local businesses are given the opportunity to quote for council work.

 The logo for 'Buy Sunderland First' features the words 'BUY', 'SUNDERLAND', and 'FIRST' stacked vertically in a bold, orange-to-red gradient font. A downward-pointing arrow is integrated into the letter 'Y' of 'BUY'.	<p>The council introduced the BSF scheme via an online quotation system in April 2010. The BSF approach is now used for <u>quotation</u> activity via the NEPO Portal up to the applicable EU threshold for goods and services (as at March 2020: £189,330). This approach maximises quotation (lower value) opportunities for local suppliers.</p>
<p>Anyone interested in registering to bid for contracts with Sunderland City Council can do so at www.nepo.org. The system is free of charge and supported by a helpdesk. The details are:</p> <ul style="list-style-type: none">• NEPO Portal (www.nepo.org)• Helpdesk Telephone: 0330 005 0352• Helpdesk Email: portal@nepo.org	

The BSF approach and impact is measured and monitored on a regular basis to ensure there is a clear focus on supporting local suppliers. The following actions are managed and undertaken by Corporate Procurement to support the BSF principles:

- Local suppliers to be invited to all quotation opportunities where a local market exists.
- If there is a service area requirement to invite non-local companies to quote (for example, for areas of low market coverage), this will be checked and validated by Corporate Procurement.
- Engage with local suppliers that are invited to quote to ensure they are aware of the opportunity and understand how to use the online quotation system.
- Contact is made with local suppliers that don't submit a bid to identify the reasons why and encourage future bids. In addition, unsuccessful local suppliers will be contacted by the team to offer feedback on their response.

The introduction of the Buy Sunderland First scheme for all quotes has been well received by all stakeholders; including Elected Members, council buyers, local suppliers, representative bodies and other authorities. The key achievements between April 2010 and April 2019 are listed below:

- Successful registration of over 4,500 suppliers/organisations, with over 1,600 within Sunderland.
- Over 14,000 invitations to Sunderland suppliers to quote.
- 4,868 contracts awarded, with local suppliers being invited to bid for 3,651 (75%) of these procurements.
- Over £60 million being awarded through quotes since April 2010 with local suppliers being awarded contracts worth over £17 million (29%).

7.3 Opportunity Awareness via the NEPO Portal

The NEPO (North East Purchasing Organisation) Portal system is used to issue the council's quotation and tender opportunities. Quotation activity continues to follow the Buy Sunderland First scheme methodology to support the local economy, whilst tenders are advertised on the system and suppliers that have expressed an interest in that category area are notified of the opportunity. To ensure that local suppliers are bidding for quotations and tenders a number of actions are carried out:

- Market engagement to ensure local suppliers have registered on the NEPO Portal.
- Where required, work with specific groups of local suppliers to raise awareness of contract opportunities and encourage the submission of bids.
- Engage with suppliers who expressed an interest in a tender opportunity but didn't submit a bid to identify the reasons why and encourage future bids.

The Corporate Procurement page on the Sunderland City Council website contains useful information on procurement and guidance on how to bid for council opportunities.

The website can be accessed by visiting www.sunderland.gov.uk -> **Businesses -> Tenders, Contracts and Procurement**

The following information can also be found on the website:

- Council's Contract Register – this register includes information on the council's contract and framework arrangements, contract periods, descriptions, approximate values and current suppliers. The information is updated monthly and can be used by suppliers to plan when contracts are published for renewal and/or used to approach current suppliers to investigate sub-contracting opportunities.
- Planned Procurement Activity – This plan includes details of future contract opportunities, estimated tender dates and the category manager's contact details. The future opportunities plan is updated monthly and can be used to find out when future contract opportunities are issued.

7.4 Recognising the value of the Voluntary, Community and Social Sector (VCSE)

Procurement has an essential role to play to ensure that when opportunities for service provision occur that the VCSE sector has an equal opportunity to quote or tender as appropriate.

This will include levels of engagement providing, as appropriate, training and support to local VCSE organisations that wish to bid for opportunities with the council, to ensure they are able to compete for delivery contracts, have the skills to submit viable tenders, be fully aware of the legal framework and able to convey the value that working with the sector can bring.

The Corporate Procurement service have in the past attended the five Area VCS Network meetings in Sunderland to give an overview of procurement, raise awareness of training available and discuss any issues relating to procurement. Links will also be forged with the newly established voluntary, community and social enterprise sector alliance in Sunderland which is sector-led and supported by the council and partners.

8. Social Value benefits through Procurement

Since the introduction of the Public Services (Social Value) Act, the council has committed to make best use of its powers when considering how the goods, works and services we procure over the quotation threshold might improve the economic, social and environmental well-being of the area.

Social value potential is considered at the preparation stage of procurement and where opportunities are apparent, the target measures and evaluation methodology approach are incorporated into the procurement documentation which is then monitored through contract management arrangements.

The integrated, systematic approach used by the council has led to several positive social value benefit outcomes to support residents, communities and businesses, such as employment for young people not in education, employment or training and the increased use of local sub-contractors. See **Appendix D** for specific social value realisation case study examples.

Procurement work closely with the council's Policy function to ensure that the Dynamic, Healthy and Vibrant City themes of the City Plan and their associated commitments are reflected in procurement opportunities on a risk and proportionate basis which includes embedding social value across the council.

Following the launch of the City Plan, the council are producing new aspirational Neighbourhood Investment Plans (formally known as Local Area Plans) for its five neighbourhood localities (Coalfield, Washington, North, West and East). These plans underpin the City Plan and are produced following significant resident engagement, alongside partners including the VCSE sector. The five Neighbourhood Investment Plans clearly articulate the actions and priorities that must be delivered, across the neighbourhoods in Sunderland to ensure residents are able to live healthy and happy lives within vibrant and safe neighbourhoods. The plans will be used to consider potential social value opportunities within procurement activity and provide further insight to the supply market when bidding for contract opportunities which include social value.

In addition to the local priorities, the council will also consider other key policy commitments through its procurement activity and contractual arrangements to inform both goods/service/works specification of requirements as well as understanding appropriate social value opportunities.

The council declared a Climate Emergency in 2019 and supports the UK commitment to the Paris Climate Agreement to limit global warming to 1.5°C. To make its fair contribution towards the Paris Climate Change Agreement and meet UK government commitments to be carbon neutral by 2030, the council will be developing suitably ambitious plans based on data and planned investments that are realistic and deliverable to reduce environmental impact and promote a culture of reduce, reuse and recycle. Our procurement activity shall support the delivery of this commitment.

The council is also committed to significantly reducing and working towards ultimately removing the use of unnecessary single use plastics from operations. The council would like to encourage and enable partners, schools, businesses and the residents of the city to play their part and will empower suppliers to think of ways to off-set against its emissions/environmental footprint in the delivery of its contracts with the council.

The council is working with the North East Procurement Organisation (NEPO) and its members to promote a regional best practice approach to Social Value. This work includes the adoption of the National Themes, Outputs and Measurements (TOMs) model to procure, deliver and measure Social Value outcomes across a number of collaborative pilot projects in a meaningful way.

In order to continuously improve and maximise social value outcomes at the commissioning design stage of procurement activity, the council has also adopted the TOMs model at a local level to ensure opportunities are aligned with the council's priorities.

9. e-Procurement

Electronic procurement is essentially “doing business” electronically and therefore having the potential to make all of the procurement process more efficient. The council recognises the business improvement potential that effective e-commerce can facilitate and has already made a significant investment in its e-commerce systems to automate and integrate the Procure to Pay (P2P) process.

The council is committed to making even better use of e-commerce solutions to improve procurement efficiency and effectiveness. It aims to continue to reduce the cost of the procurement process for the council and its suppliers, and to encourage suppliers to adopt e-procurement methods. The use of SAP e-procurement module functionality has enhanced the procurement management information by incorporating electronic catalogues representing contracted and non-contracted spend by suppliers.

The council also use other e-commerce systems such as purchase cards, e-tendering and quotations via the NEPO portal and will continue to consider other e-procurement opportunities for the future.

10. Supplier Relationship and Contract Management

A corporate Supplier Relationship Management and Contract Management Framework was agreed and introduced in 2015/16.

Supplier relationship management is a structured approach to working with suppliers to create a mutually beneficial environment that facilitates delivery and maximises innovation in contracts, whilst contract management is a process that ensures the expected outcomes and benefits of contracts are realised.

The framework provides a strategic and structured approach to the management and practical application of supplier management and contract management on a risk and proportionate basis. The objective is to maximise the benefits of working with third party providers, whilst securing innovation to maximise cost savings / efficiencies, support managers in their roles as commissioners and introduce accepted best practice in the management of contracts.

Corporate Procurement, working with the commercial legal team, ensures effective contract and performance management is integrated fully into the procurement framework to ensure outcomes are delivered. Category Managers will work with commissioners to ensure a suitable contract management framework is in place prior to contract award and ensure roles and responsibilities are clearly defined for both council and supplier personnel.

11. Performance Monitoring

11.1 Key Performance Indicators

Performance against the strategy will be monitored and reviewed on an annual basis to ensure the council continuously improves in these changing and financially challenging times.

A suite of Corporate Procurement Key Performance Indicators are also used to monitor procurement activity across the council. They are to inform the relevant key stakeholders including the Cabinet Secretary, senior council officers associated with procurement, including finance and legal and external representatives representing the supply base to provide assurance that procurement activity is achieving the desired aims and supporting the priorities of the council.

The key information reported includes:

- Procurement savings achieved
- Timescale for completion of tenders
- Timescale for completion of quotations
- Number of tenders/quotes opportunities received by local suppliers
- Number of tender and quotes awarded to local suppliers
- Monthly spend with local and regional suppliers
- Feedback from post-tender questionnaires

The KPIs are recognised as an important tool to record and monitor procurement performance and impact on supply market and are used to drive improvements in procurement practices within the council.

12. Contact Us

If you would like to understand more about our procurement activity and how to do business with the council, please visit our website at www.sunderland.gov.uk under the section Business (tenders, contracts and procurement).

Commissioning / Procurement Roles and Responsibilities

The table below is shown as a guide only as it is recognised that the exact level of interaction and support of procurement activity will be different and dependent upon the skills, knowledge and experience of the parties involved and will be proportionate to the complexities and risks of the contract. The key objective is that all parties work together when required to ensure the best possible outcome is realised. *To clarify, the table shows all areas where a procurement option is selected by the commissioner, although it is recognised that this is only one option. The activities are not an exhaustive list and are not necessarily in order of relevance but are typical to that of each stage.*

Stage	Commissioner (Director/Assistant Director/Manager)	Category Manager (Corporate Procurement)
Analyse	<ul style="list-style-type: none"> • Service intelligence (forward and backward-looking data), i.e. demographics • Identification and assessment of need(s) • Customer engagement • Determination of desired outcomes • Market engagement • Stakeholder engagement – Members & Partners • Employee & Trade Union engagement 	<ul style="list-style-type: none"> • Baseline information, for example financial (i.e. unit costs / previous expenditure / budget information) • Market assessment / intelligence / testing • Benchmarking
Plan	<ul style="list-style-type: none"> • Options Appraisal – agree option to be proposed / taken forward (in-house or external) • Service re-design • Employee & Trade Union engagement • Prioritisation of needs • Specification (inputs/outputs/outcomes) • Agree evaluation criteria (with Category Manager) • Agree performance criteria • Risk assessment • TUPE implications • Cabinet Report (if appropriate) • Approvals via Chief Officer • Identify contract manager(s) and contract administrators • Consider exit strategies and consider in options appraisal 	<ul style="list-style-type: none"> • Risk and opportunity-based assessments – Health and Safety, Contract Management, Sustainability, Equalities and Business Continuity • Consider Social Value opportunities • Local supply chain position and opportunities • Commercial options appraisal, considering routes to market, collaborative opportunities, exit strategies and potential switching costs • Consider applicability of Regulation 77 of the Public Contract Regulations 2015 (e.g. for a public service mutual) • Forecast savings, cost avoidance, budget pressure reductions • Whole life costings • Commercial considerations appraisal including – scope, issues, form of contract options in conjunction with legal services
Do	<ul style="list-style-type: none"> • Undertake technical evaluation process of bids • Lead on portfolio holder communication • Lead on change management - exit strategies and mobilisation plans (when a supplier/provider changes) • Employee & Trade Union engagement • Contract Management Plan – agree activities internally and externally with contractors 	<ul style="list-style-type: none"> • Tender pack preparation • Manage and co-ordinate tender/quote process • Chair evaluation panels • Award contract • Support on mobilisation of new contract and potential demobilisation of previous contract • Contract Management Plan – ensure completed by commissioner/s and agreed with contractors
Review	<ul style="list-style-type: none"> • Mobilise contract and performance management arrangements • Evaluate and provide feedback into the analyse stage 	<ul style="list-style-type: none"> • Produce procurement outcome report – savings/cost avoidance/budget pressure reduction/added value • Provide contract management framework and support • Attend contract review meetings (commercial considerations) • Engaged on any contractual issues by commissioner/variations of contract/ contract extensions

Supplier Charter

Council Objectives	2018/19 Outcomes Achieved
Operate lawful procurement processes that ensure all rules and policies are fairly applied, which also minimises the cost to suppliers and allows equal access to relevant information	All procurement opportunities over £5k were carried out using the NEPO Portal system with lawful procurement and evaluation processes. Please see below for details: <ul style="list-style-type: none"> • 108 procurement opportunities (Quotes & Tenders) were issued in 2018/19 via the NEPO Portal • 32% of opportunities by value were awarded locally and 67% awarded regionally • 95% of bidders were either satisfied or very satisfied with the procurement process
Encourage a wide and diverse range of suppliers to compete for council business	Procurement officers attend local meetings (e.g. Public Health, VCSE and NECC events). Over 700 suppliers (74% of these were based in the North East region) were contacted to advise of procurement opportunities by telephone, email and face to face.
To provide free and easy access to Sunderland's electronic tendering system (NEPO Portal), which gives suppliers the opportunity to quote for procurements that are deemed low risk.	The NEPO Portal offers free and easy access for local suppliers to the council's procurement opportunities. A minimum 2:1 local ratio is maintained for quotations (where a local market exists). Over 2,000 quote invitations were issued, 92% quote invitations were sent to local suppliers (where a local market existed).
Unless there are compelling business reasons, Sunderland City Council will advertise all tender opportunities via the NEPO Portal (www.nepoportal.org)	The NEPO Portal system has been used to advertise all tender opportunities from Sunderland City Council. 130 tender submissions were received via the NEPO Portal. 17 (24%) tender submissions were received from local suppliers, 61 (47%) were received from regional suppliers.
Where appropriate and practicable, Sunderland City Council will balance opportunities with value for money by considering the division of larger contracts into smaller lots, to give SMEs and the Voluntary and Community Sector an equal chance to tender for them.	During the scoping (pre-procurement) stage, the lotting structure design of all Framework based procurement opportunities were considered in terms of the supply market to determine if they could be broken down into smaller lots to reflect the market. This resulted in 5 Framework Agreements being established which consisted of 83 lots to reflect the market.
Conduct a supplier brief or supplier awareness day which will help suppliers submit compliant tenders.	Supplier procurement opportunity briefs are carried out for all tenders issued by the council. In 2018/19 the council carried out 19 supplier procurement opportunity briefs.
Minimise dissatisfaction and respond to enquiries in a courteous and timely manner.	All enquires (general and/or relating to a specific procurement) were responded to in a courteous and timely manner.
Publish guidance on tender/quote documentation in appropriate locations; provide clear specifications; where possible avoid unnecessary and onerous contract terms and only ask for information which is required for legal, monitoring or evaluation purposes.	Procurement guidance is published and regularly updated on the council's Internet and NEPO Portal. Client specifications and evaluation criteria are clear, transparent and only ask for required information
Offer constructive feedback in writing to suppliers after award of contracts.	Written feedback is provided to all bidders who have submitted a tender response while verbal feedback is provided to local suppliers who were unsuccessful when bidding for council quotations. Feedback provided to all 130 tender bidders and verbal feedback provided to over 100 local suppliers.

Where invoices are not in dispute, to meet contractual payment terms.	Invoices not in dispute and with a related order number are paid within contractual payment terms. 98.2% of undisputed invoices were paid within 30 days with 8.4 days the average timescale for payment of invoices.
Ensure all contracts awarded are published via the council's Contracts Register, along with any opportunities for future tenders, which will be easily accessible on the council's internet page.	The council's Contract Register and procurement forward plan was updated and published on the Sunderland City Council website 13 times.
Comply with the National Procurement Concordat which sets out the way we work to make it easier for small to medium sized enterprises (those with less than 249 employees) to do business with the council.	The actions carried out by Sunderland City Council to meet the requirements of this supplier charter comply and go beyond the guidelines in the National Procurement Concordat
Supplier Objectives	2018/19 Outcomes Achieved
Suppliers contribute to the council's Corporate Objectives to achieve positive social, economic and environmental impacts on the community and the wider environment in Sunderland, including maximising the use of local supply chains	Social Value opportunities were considered and included in the council's procurement activity over £5k (where appropriate). Suppliers are required (where appropriate) to contribute to the council's Social Value requirements when bidding for contract opportunities.
Seek to deliver value for money and continuous improvement throughout the life of the contract.	The council adopted a corporate Supplier Relationship Management and Contract Management Framework in 2016. Suppliers are requested to work with the council to monitor and maximise contract performance including ongoing improvements.
Ensure compliance with all relevant legislation and recognise the council's duties under EU and UK law in respect of public procurement activity.	All opportunities issued and awarded by the council are carried out using lawful procurement and evaluation processes. Suppliers are required to adhere to these processes and legal obligations.
Suppliers operate with competency and efficiency and to the highest standards of professionalism and integrity, with particular regard to their employees and suppliers / sub-contractors, but also in their dealings with the council's customers and staff.	Suppliers are required to commit to the council's equality and diversity requirements when bidding for contract opportunities both in relation to their employment and service delivery impact (where relevant to the subject matter).
Work collaboratively with the council, suggesting innovative ways to improve quality and reduce cost and/or wastage.	Collaborative working is supported through market engagement days, supplier briefings and appropriate procurement process and subsequent contract / supplier management. Suppliers should engage in appropriate contract management with the council and are encouraged to make improvement suggestions.
Provide feedback on procurement processes and potential barriers to business.	Suppliers are encouraged to provide feedback following the procurement process. The council received 40 feedback questionnaires from suppliers.
Inform the council as early as possible when issues and problems arise, so that we can work together to find a mutually satisfactory solution.	Good working relationships exist between the Category Manger, Contract Manager and supplier's which help to identify and resolve any issues. No complaints were received from suppliers.
Support the use of basic technology (i.e. email and internet access), which enables suppliers and the council to benefit from participation in the council's e-sourcing processes.	Access to NEPO Portal is free and open to all suppliers. Support is provided through market engagement events and helpdesk. Positive feedback has been received from suppliers regarding the ease of use and accessibility of the council's e-procurement systems.

<p>Pay suppliers and subcontractors promptly and in line with the council's payment terms.</p>	<p>Clauses have been included in procurement terms and recent EU regulations to ensure prompt payments from suppliers to their subcontractors.</p>
<p>Conduct communications with the council in a courteous and timely manner and ensure any request to release information (e.g. Freedom of Information Act 2000) is made within the permitted timescales.</p>	<p>Good working relationships exist between the council and contracted suppliers with all communications conducted in a courteous and timely manner. Supplier engagement group provides a useful forum for communications. Suppliers regularly assist and respond in a timely manner to the council when asked to support FOI's.</p>

Construction Charter

The council is committed to upholding and maintaining standards on all construction projects where it procures on behalf of the residents of the City. We expect all construction companies who secure contracts from the council to fully comply with this charter.

The health and safety of all workers is paramount and consequently we require all contractors to implement and adhere to our minimum standards for health and safety, as set out in our procurement documents. In addition, we require all contractors, where applicable, to provide suitable quality welfare facilities fit for purpose in accordance with the Construction Design and Management Regulations of 2015.

We expect a quality finished project of the highest standard that meets the aspirations of the residents of this council. Consequently, we shall require that all successful contractors engaged on these projects will demonstrate that their employees have the appropriate skills and competences to be employed on the project. Contractors shall ensure they are in a position for this to be verified by the council if and when requested.

The council is mindful of the industry skills shortage and is committed to working with all contractors, where appropriate, in developing industry skills (apprenticeships, adult trainees and career progression) and educational attainment for disadvantaged people and all age groups within our communities.

The council recognises that all construction workers must be employed in line with the Employment Rights Act 1996 as amended and expects contractors to fully comply. The council and its contractors agree it is not acceptable for any one party to use or make any reference to any form of blacklist.

The council expects that all contracted construction companies adhere to the National Minimum Wage Act 1998, as amended, and commend any move companies make towards becoming a Foundation Living Wage employer: <http://www.livingwage.org.uk>

The council has signed up to the Prompt Payment Code and is committed to paying its contractors and subcontractors promptly and in line with the council's payment terms.

The council supports the 'Get Britain Building' campaign which is aimed at supporting and sustaining the construction industry in Great Britain. Consequently, where appropriate the council will look to BES6001 certification and other sustainable industry standards such as BREEAM and Green Guide when sourcing construction products.

Social Value Realisation Case Study Examples

The Northern Spire Project

A highway/road bridge situated on the west side of the city over the River Wear connecting the Wessington Highway to Pallion. Awarded to Farrans Victor Buyck Joint Venture. The social value achievements realised from this contract were officially acknowledged as an exemplar project for client, contractor and community engagement and Sunderland were shortlisted in the category of Community Engagement Project of the Year in the 2018 Construction News Awards held on 12 July 2018.

Social Value - Community Engagement Activity	Proposed Output	Benefits Achieved
Work Placement (16 – 19 years)	3	56
Work Placement (14 – 16 years)	1	7
Curriculum Support Activities – individual engagement	3	3
Graduates - persons	1	9
Apprentice Starts - persons	3	5
Existing apprentices - persons	2	4
Apprentices completions - persons	1	1
Jobs Advertised through local employment vehicles	8	16
Aspire – persons	20	47
Site Visits	10	97
Teacher Insight Visits – persons	20	24
Research Projects	3	4
Considerate Constructors Scheme Presentation - persons	20	29
Safety Sam Visits	2	6
Careers in Construction – persons	20	1,560
Employability Skills Workshop - persons	25	91
Pupils reached during School Visits (additional statistic)		1,992

The A19 Enterprise Zone Highways Infrastructure works

Contract for highways infrastructure works awarded to Esh Construction Ltd whose team of Added Value Coordinators set up, managed and coordinated the added social value activities for the duration of the contract, from tender stage to project completion which achieved the following:

Social Value	Benefits Achieved
Apprentices (Project initiated)	3
Apprentices (existing)	5
Work Experience Placements (school students)	25 days
Undergraduate Placement	1
School engagement programme	5 schools, 600 pupils
Primary School STEM programme	6 schools, 280 pupils
Site Visits	50
Charitable donations	£1,838

Sunderland Strategic Transport Corridor (SSTC3)

The latest link in the dual carriageway between the A19 and the City Centre. The SSTC3 project links the Northern Spire phase 2 of SSTC to Phase 1 St Mary's Way / Livingstone Road Re-alignment. The contract was awarded to Esh Construction Ltd. This project was used to pilot the national Themes, Outcomes and Measures (TOMS) social value toolkit which provides a minimum reporting standard for measuring social values in a fair and transparent way.

Key themes included in the various social value target measures are centred around the following:

- **Jobs** by promoting local skills and employment through activities such as school visits, training opportunities, apprenticeships, improved employability of young people;
- promoting **Local Supply Chain**; and
- initiatives aimed at creating a **Healthier Community**.

The total social value commitments have a community value worth of **£23,160,116** to the City of Sunderland and will be managed through the council's contract management and supplier relationship plans.