

FINANCE AND CORPORATE SERVICES PORTFOLIO DECISION SCHEDULE



13 March 2013

at 4.00 pm

in Committee Room C, Civic Centre, Hartlepool

Councillor Paul Thompson, Cabinet Member responsible for Finance and Corporate Services will consider the following items.

1. KEY DECISIONS

No items.

2. OTHER ITEMS REQUIRING DECISION

- 2.1 Irrecoverable Debts – Council Tax – *Chief Finance Officer*
- 2.2 Treasury Management Advice Arrangements – *Chief Finance Officer*
- 2.3 Commissioning and Procurement Strategy 2013-2014 – *Assistant Director (Resources)*

3. ITEMS FOR INFORMATION

No items.

4. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS

No items.



5. **LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION)
ORDER 2006**

EXEMPT ITEMS

Under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in the paragraphs referred to below of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006

6. **EXEMPT KEY DECISIONS**

- 6.1 The West Hartlepool Technical Day School Old Boys (WHTDSOB)
RUFC – *Assistant Director (Resources) (Para 3)*



FINANCE AND CORPORATE SERVICES PORTFOLIO

Report to Portfolio Holder
13 March 2013



Report of: Chief Finance Officer

Subject: IRRECOVERABLE DEBTS – COUNCIL TAX

1. TYPE OF DECISION/APPLICABLE CATEGORY

Non Key Decision

2. PURPOSE OF REPORT

- 2.1 To seek the Portfolio Holder's approval to write-out a number of Council Tax debts which are now considered to be irrecoverable.

3. BACKGROUND

- 3.1 The Council's financial procedure rules provide that any debt due to the Council of £1000 or more can only be written-out with the express permission of the Portfolio Holder.
- 3.2. After the award of appropriate discounts, exemptions and council tax benefit, the council collects annually about £35.5m of Council Tax covering over 42,000 properties. Whilst every effort is made to collect debts due to the Council, certain debts become irrecoverable, and this report seeks the Portfolio Holder's agreement for their write-out.
- 3.3. The Council's performance in collection of Council Tax is positive. In 2011/12 97.2% of Council Tax due for the year was collected in the year it was billed. This performance ranked Hartlepool as 2nd across the Tees Valley authorities. After 5 years, in excess of 99.2% of Council Tax will have been collected and the Council continues to vigorously pursue recovery of the remaining amounts.
- 3.4. The Council's Revenues & Benefits Teams are proactive in encouraging the public to report cases of suspected fraud to the Council. For absconded debtors, should any forwarding address become apparent during the course of any investigations, the council tax debt would be reinstated on to the system, and enforcement action would recommence.

- 3.5. If any payment is subsequently received in respect of any of the individual debts referred to in this report, the relevant debt will be reinstated on the council tax system.

4. FINANCIAL IMPLICATIONS

- 4.1. In terms of the total council tax debit to be collected, the amount written out continues to be very low and is well within the financial planning assumptions underpinning the council's budget.
- 4.2. The appendices attached to this report detail the individual business rates debts over £1000, and the reasons why each debt remains unrecovered:

Appendix A – Deceased Individuals

Appendix B – Absconders

Appendix C - Miscellaneous

Appendices A, B and C contain exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (para3), information relating to the financial or business affairs of any particular person (including the authority holding that information)

All debts submitted for write-out from the accounting records have been comprehensively scrutinised by officers.

5. RECOMMENDATION

- 5.1. That the Portfolio Holder agrees to write-out irrecoverable Council Tax debts to the value of £15,081.95.

6. REASONS FOR RECOMMENDATION

- 6.1 To ensure the appropriate accounting treatment of debtors within the council's financial systems and financial accounts.

7. APPENDICES AVAILABLE ON REQUEST, IN THE MEMBERS LIBRARY AND ON-LINE

- 7.1 None. All appendices are exempt items.

8 BACKGROUND PAPERS

8.1 No background papers.

9. CONTACT OFFICER

John Morton
Assistant Chief Finance Officer
Email: john.morton@hartlepool.gov.uk
Contact: 01429 523093

FINANCE AND CORPORATE SERVICES PORTFOLIO

Report To Portfolio Holder
13 March 2013



Report of: Chief Finance Officer

Subject: TREASURY MANAGEMENT ADVICE
ARRANGEMENTS

1. TYPE OF DECISION/APPLICABLE CATEGORY

Non-Key Decision.

2. PURPOSE OF REPORT

- 2.1 To detail proposals for extending the existing contract for Treasury Management Advice Services.

3. BACKGROUND

- 3.1 On 12th September 2012 a report was taken to Finance and Corporate Services Portfolio where approval was given to extend the current Treasury Management Advice contract with Sector for a further year subject to the costs being within the current budget provision. Further to those negotiations with Sector it has been identified that additional annual savings could be achieved by entering into a three year contract.

4. PROPOSALS

- 4.1 Refer to exempt Appendix A. **This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3) Information relating to the financial or business affairs of any particular person (including the authority holding that information).**
- 4.2 There are a limited number of providers of Treasury Management Advice services and owing to the specialist nature of the contract and the knowledge our current providers have of Hartlepool Borough Council it is the view of myself and the Assistant Director (Resources) that this service is exempt from the usual procurement route under Part A – 1. Application of Contract Procedure Rule, Paragraph (ii). It is therefore proposed that the

contract with Sector be extended by a further three years to 31st March 2016 with annual break clauses.

- 4.3 There are a number of benefits that would arise from the continued provision of services by Sector. Sector provide a number of services to the council including Investment and Debt Management advice, up to date economic information and forecasts and advice on compliance with the Treasury Management Code of Practice and the Prudential Code. The required services have been maintained throughout the period and efficient working arrangements have been developed.
- 4.4 In the current economic climate, and uncertain market conditions, the Council needs an advisor who understands our positions and can help the Council manage it's Treasury Management activities in uncertain times. Owing to the value of the contract there is no real scope for making revenue savings, especially as the two major local authority advisors merged in 2010.
- 4.5 However the real cost of the contract is the quality of the advice and support by the advisor. Over a sustained period the Treasury Advisors have helped the Council achieve significant one-off benefits and ongoing savings in Treasury Management arrangements. This includes advice on restructuring debts prior to the housing stock transfer and ongoing advice to restructure debt to achieve recurring savings.
- 4.6 In the future advice and market intelligence will be needed to help manage the transition from the current strategy of netting down investments and borrowing to a strategy which addresses the underlying borrowing requirement by taking out new external loans. The timing of these decisions will be critical to the long term financial position of the Council and to managing Treasury Management costs within a significantly reduced budget for 2014/15 as a saving of £1m has now been built into the Medium Term Financial Strategy from 2014/15. This will be a challenging position to manage given the historically low level of the Bank Rate and how the transition to a "normal" level of interest rates will be managed.

5. RECOMMENDATIONS

- 5.1 It is recommended that the Portfolio Holder authorises the Chief Finance Officer to enter into a three year contract with Sector to continue to provide Treasury Management Advice until 31 March 2016.

6. REASONS FOR RECOMMENDATIONS

To ensure the continuation of Treasury Management Services until 31st March 2016.

7. APPENDICES AVAILABLE ON REQUEST, IN THE MEMBERS LIBRARY AND ON-LINE

None.

8. BACKGROUND PAPERS

Treasury Management Advice Arrangements, Report of the Chief Finance Officer, Finance and Corporate Services Portfolio 12th September 2012.

9. CONTACT OFFICER

Chris Little
Chief Finance Officer
Civic Centre
HARTLEPOOL
Tel: 01429 523003
E-mail: chris.little@hartlepool.gov.uk

FINANCE AND CORPORATE SERVICES PORTFOLIO

Report to Portfolio Holder

13 March 2013



Report of: Assistant Director (Resources)

Subject: COMMISSIONING AND PROCUREMENT
STRATEGY 2013-2014

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Non Key Decision.

2. PURPOSE OF REPORT

2.1 To provide an update and seek endorsement of the Commissioning and Procurement Strategy for 2013 - 2014.

3. BACKGROUND

3.1 Current Government legislation and regulations firmly identify the future role of Local Government to be that of commissioner of services, with service provision being obtained from the most economic, efficient and effective sources, whether they are within the public, private or voluntary sectors, and/or combinations or partnerships thereof. The thrust of the legislation is to improve outcomes for local people including the local economy.

3.3 The Council is seeking to deliver this strategy through its Corporate Procurement Team (CPT). The CPT will provide advice and support through the commissioning and procurement cycle as well as undertaking tendering exercises, utilising e-tender technology.

4. COMMISSIONING AND PROCUREMENT STRATEGY

4.1 The Commissioning and Procurement Strategy for 2013 - 2014 is attached to this report as **Appendix 1**.

4.2 The objectives of the Strategy need to be strategically aligned with the Council's priorities as detailed in the 2012/13 Corporate Plan. These priorities are described in the following extract from the Corporate Plan:

‘Priorities**Overall Aim/Vision**

The Council’s overall aim remains: -

“To take direct action and work in partnership with others, to continue the revitalisation of Hartlepool life and secure a better future for Hartlepool people”.

The Council’s aim is based on the Hartlepool Partnership’s new long term vision, agreed in July 2008, looking 20 years ahead is: -

“Hartlepool will be a thriving, respectful, inclusive, healthy, ambitious and outward looking community, in an attractive and safe environment, where everyone is able to realise their potential.”

4.3 The Commissioning and Procurement Strategy describes:

- the current situation in relation to national, regional and local procurement activities,
- commissioning and procurement at Hartlepool Borough Council,
- the Council’s approach to corporate and social responsibility in the context of its procurement activities;

and

- provides useful information to procurers by describing the various procurement processes available to officers and how to decide which one to follow.

4.4 Procurement at Hartlepool Borough Council

This part of the strategy explains where responsibility and accountability sits amongst the various parties involved in Council procurement, from Members to senior management through to those involved in operational procurement activities.

Following on from this, the strategy describes what is meant by commissioning and procurement and the impact these activities have on important stakeholders and areas of spend, i.e. the Voluntary and Community Sector (VCS) and Public Health Commissioning.

To support officers in their procurement activities, a quick guide to the various procurement routes open to officers is provided in the strategy’s appendices.

The strategy describes the procurement principles to which the Council adheres, designed to ensure that we maximise the benefits our procurement activities can deliver and support the Council’s priorities in terms of health and safety, equality and sustainability.

The strategy also covers a range of general issues and activities, stating the Council's approach, for example, around how we will interact with suppliers, stakeholders and collaboration partners. In the current economic climate where Council's have to look critically at the services they deliver the strategy focuses on the issue of service delivery options appraisal, describing the range of options available and expanding into the decision making process which surrounds options appraisal in an attached appendix.

4.5 Corporate and Social Responsibility

This part of the strategy starts by focussing on recent legislative changes which impact upon the Council and its procurement practices, i.e. the Public Services (Social Value) Act 2012 and the 'Right to Challenge' element of the Localism Act. The strategy describes in broad terms the actions the Council will have to take to comply with this legislation and look for local benefits that can be derived from and by suppliers.

The latter part of this section describes the actions the Council has taken to support local businesses, both through the development of its own Contract Procedure Rules and also through its use of e-procurement technology.

5. FINANCIAL CONSIDERATIONS

- 5.1 Whilst the Strategy itself has no financial implications, the delivery and implementation, through individual procurements must produce the best value for the Council and delivery savings wherever possible.

6. LEGAL CONSIDERATIONS

- 6.1 The Strategy sits alongside the need to comply with EU and UK Procurement regulations and the Council's Contract Procedure Rules which protect the Council and individual officers.

7. EQUALITY AND DIVERSITY

- 7.1 The Strategy covers the requirement to be open and transparent in any commissioning and procurement that the Council undertakes.

8. ASSET MANAGEMENT

- 8.1 There are no asset management implications.

9. STAFF ISSUES

- 9.1 There are no staffing implications in relation to the strategy itself but individual procurement decisions can have implications which need to be addressed on a case-by-case basis.

10. SECTION 17 OF THE CRIME AND DISORDER ACT 1998 CONSIDERATIONS

- 10.1 There are no implications.

11. CONSIDERATIONS

- 11.1 The Portfolio Holder is the Council's Procurement Champion and it is therefore important that updates and developments are considered at appropriate times.
- 11.2 This strategy is currently undergoing a consultation process across the Council and, whilst a small amount of feedback is still outstanding, represents the views and priorities of the Council.
- 11.3 The Strategy will be shared with officers, Members our suppliers and partners and will be available on the Council's Website. Training and briefing sessions will be arranged with key groups.

12. RECOMMENDATIONS

- 12.1 That Portfolio Holder endorses the Commissioning and Procurement Strategy for 2013 – 2014.
- 12.2 The Portfolio Holder is asked to acknowledge that the endorsement is given on the basis that further minor amendments may be made to the document by the Assistant Director (Resources) to accommodate any appropriate feedback received following completion of the consultation.

13. REASONS FOR RECOMMENDATIONS

- 13.1 To update the previous strategy, ensuring that developments in legislation which have an impact on the Council's commissioning and procurement activities are incorporated into the Council's methods of operation.

14. APPENDICES AVAILABLE ON REQUEST, IN THE MEMBERS LIBRARY AND ON-LINE

- 14.1 Not applicable

15. BACKGROUND PAPERS

15.1 None

16. CONTACT OFFICER

Graham Frankland
Assistant Director (Resources)
Regeneration and Neighbourhoods
Civic Centre
Victoria Road
HARTLEPOOL
TS24 8AY

Telephone: 01429 523211

E-mail: graham.frankland@hartlepool.gov.uk

1. INTRODUCTION	8
1.1 National Context.....	8
1.2 Regional Context	9
1.3 Local Context	10
2. PROCUREMENT AT HARTLEPOOL BOROUGH COUNCIL.....	10
2.1 Implementation Responsibility And Accountability	10
2.1.1 Corporate Management Team.....	10
2.1.2 Members	10
2.1.3 Heads of Service, Managers and Team Leaders.....	11
2.1.4 Corporate Procurement Team	11
2.2 Efficient And Effective Commissioning And Procurement	12
2.2.1 Definition of Commissioning and Procurement.....	12
2.2.2 Purpose of Commissioning and Procurement	13
2.2.3 Voluntary and Community Sector (VCS) Strategy	13
2.2.4 Community Pool.....	14
2.2.5 Public Health Commissioning.....	14
2.3 Objectives	15
2.3.1 Procurement Principles.....	15
2.3.2 Procurement Policies, Procedures And Eu Directives	16
2.3.3 Analysis Of Spend	17
2.3.4 Procurement Option Appraisal (Services).....	17
2.3.5 Contract Specification	18
2.3.6 Evaluation Of Tenders.....	18
2.3.7 Capital Assets And High Risk Procurement Projects	18
2.3.8 Collaboration And Shared Procurement	19
2.3.9 Risk	19
2.3.10 Business Continuity.....	20
3. CORPORATE & SOCIAL RESPONSIBILITY	20
3.1 Sustainability And Social Goals.....	20

3.2	Public Services (Social Value) Act 2012.	21
3.3	Localism Act 2011 – “Right To Challenge”	21
3.4	Developing The Local Economy And Voluntary Sector	21
3.5	E-Procurement.....	22
3.6	E-Procurement Of Common Commodities.....	22
3.7	Equalities And Supplier Diversity.....	23
3.8	Local Suppliers	23
3.9	Contract And Supplier Management.....	24
Appendix 1	OPTIONS APPRAISAL	25
1.	Withdrawal.....	25
2.	Improved internal service management.....	25
3.	Joint commissioning.....	26
4.	Market testing.....	26
5.	Externalisation (1)	27
6.	Externalisation (2) A contract supplemented by a formal “partnership” arrangement.....	27
7.	Transfer	27
8.	Hybrid options.....	28
Appendix 2	PROCUREMENT ROUTES.....	30

1. INTRODUCTION

1.1 National Context

In its May 2010 Spending Review, the Coalition set out a programme of savings to be made throughout Government, including through the renegotiation of contracts with major suppliers, which naturally has a 'knock-on' effect into the Local Government sector.

The Government have identified that it is becoming increasingly important for decision makers to challenge the assumption that 'big is best' in procurement contracting and to consider new and better ways of purchasing Government goods and services with SME's.

The Government has recognised the potential of small and medium enterprises (SME's), which account for 50% of turnover in the UK economy but only win around 6.5% of procurement contracts, and has set out a plan for increasing this share to 25%.

In addition to the above, the Local Government Association (LGA) have identified that Council spend in the private and voluntary sectors is worth over £62bn each year. Councils recognise the need to maximise the opportunities that procurement provides in ensuring value for money, and in helping support their local economy. This is particularly so as councils wrestle with an average 28% reduction in their funding during the current Spending Review period, as well as the wider economic downturn.

The changing landscape of council contracting arrangements includes increasing numbers of shared service arrangements, pooling of resources and working with a range of providers. Reductions in funding mean that councils are seeking better value for the tax payer as services are reconfigured, and there is more co-production with citizens and the voluntary sector.

After consultation the LGA has launched a Local Government Procurement Pledge to highlight the sector's commitment to greater collaboration with business, SME's and the voluntary sector, to help drive improvements and efficiencies in how councils procure goods and services.

The pledge makes the following commitments on behalf of the Local Government sector:

Local government will use all efforts to use procurement to help:

- Deliver value for public money
- Drive local social and economic growth and regeneration
- Provide inclusive services through a diverse supplier base.

To this end we pledge to increase our efforts:

- to promote and implement procurement processes that are less bureaucratic and burdensome,
- to build our skills, capacity and expertise in procurement,

- to engage effectively with users, citizens, community organisations and partners to ensure that the goods and or services being procured meet their needs and where appropriate involve them in the procurement process,
- to engage effectively with suppliers through market days, pre-procurement dialogue, and provide transparent feedback, making them aware of trading opportunities and securing their input and expertise,
- to use procurement in a socially and environmentally responsible way, promoting fair employment practices, ethical sourcing practices, and environmental sustainability wherever possible,
- to engage with the Chambers of Commerce and the Federation of Small Businesses, voluntary sector representatives (as set out in their voluntary sector Compact) and other representative trade & industry bodies,
- to seek feedback from suppliers and use this learning to further improve procurement processes,

and;

- to promote collaborative working where appropriate using the Professional Buying Organisations; Government Procurement Service and others to make best use of existing expertise, resources, and to share best practice

In addition to the above, the Public Services (Social Value) Act 2012 has been introduced. The Act requires public authorities to consider a range of issues around how the letting of a contract might improve economic, social and environmental wellbeing. Whilst the scope of the Act is limited to services contracts with a value in excess of the prevailing EU Public Procurement threshold, Hartlepool Borough Council fully supports the aims of the Act and will, additionally, endeavour to implement its principles and practices, where appropriate, for contracts with a value below the prevailing EU Public Procurement threshold.

As described above, Hartlepool Borough Council, like so many other Council's, face challenging financial issues as a result of current economic conditions. These pressures have added real urgency to the efficiency agenda and the need to look at new ways of delivering public services and ensuring that all third party spend is necessary, efficient and gives value for money.

1.2 Regional Context

Hartlepool Borough Council continues to work collaboratively with other public bodies, and not just within the Local Government sector. We are active members of the North East Procurement Organisation (NEPO) and also work closely, although on a more informal basis, with our fellow Tees Valley Local Authorities.

By working collaboratively to develop new regional and local supply arrangements we have been able to develop closer working relationships and use new leverage, knowledge and expertise in our own procurement environment.

Work is currently underway in relation to a three borough collaboration which may yet result in even closer working relationships with Darlington and Redcar & Cleveland Borough Councils with possible extension to other Tees Valley Authorities where appropriate.

1.3 Local Context

The status and importance of procurement in the public sector is growing and there is increasing pressure on the Council to improve procurement performance for a number of reasons. Most importantly:

- Procurement has a critical role to play in supporting the Council's need to improve value for money and service performance.
- It is critical that the optimum procurement routes and the 'whole life' costs of a contract are considered.
- Through the application of the above, savings are realised, enabling the released funds to be channelled into priority services or into reducing the Council's net capital and/or revenue expenditure.
- As a public body, the Council is required to comply with the EU Public Procurement regulations and is accountable for achieving best value
- Implementation of e-procurement processes is a key element in improving procurement efficiency.
- The Council seeks to improve the local economy by stimulating and encouraging opportunities for local businesses, making use of the opportunities the Public Services (Social Value) Act 2012 affords, with regard to tender evaluation and subsequent contract award.
- The Council has a role to play in structuring its requirements in such a way that the local Voluntary and Community Sector are not prevented, albeit within the limitations of the Council's resources, objectives and requirements, from competing for Council funding and contracts.

2. PROCUREMENT AT HARTLEPOOL BOROUGH COUNCIL

2.1 Implementation Responsibility and Accountability

2.1.1 Corporate Management Team

The Corporate Management Team, through the Assistant Director (Resources) – Regeneration and Neighbourhoods as the corporate lead for Procurement, is responsible for owning, leading, driving and challenging services to implement the procurement strategy and to ensure its success.

2.1.2 Members

To provide political commitment to this strategy, the Finance and Policy Committee has lead responsibility for procurement and will ensure that procurement is recognised and proactively considered in the political processes of the Council and its partners.

2.1.3 Heads of Service, Managers and Team Leaders

Operational responsibility for procurement of a value less than £60k (or £100k for Works) rests with individual managers throughout the Council. They manage and undertake procurement activity in line with the strategy and acting within the Contract Procedure Rules (CPR's) specified in the Council's Constitution. They are expected to implement any good practice guidance provided by the Corporate Procurement Team and to contribute to the sharing of information around good practice, to improve the procurement performance of the Council.

Departmental commissioners and procurers are also responsible, as budget holders and Client managers, for development of specifications, development of contract conditions particular to the service/products/works required, and following contract award, for the ongoing management of the contract.

2.1.4 Corporate Procurement Team

The team has responsibility for managing all tender activity and all EU tenders. The team also advises service areas on issues around smaller value quotes.

The team provides an interface between the Council and the collaborative procurement partners it engages with.

The team is responsible for ensuring that all Council spend is compliant with EU Procurement Regulations.

The Corporate Procurement team are also responsible for the development of contract conditions for corporate contracts, and following award, for the management of the corporate contract.

In addition to procurement activities, the team also provides bid management services for areas of the Council tendering to win business with other organisations and a disposals service.

2.2 *Efficient and Effective Commissioning and Procurement*

2.2.1 Definition of Commissioning and Procurement

The starting point for the Commissioning and Procurement strategy are the definitions of Commissioning and Procurement.

COMMISSIONING

Commissioning can be defined as:

“The process for deciding how to use the total resource available in order to improve outcomes in the most efficient, effective, equitable and sustainable way”. It includes the whole cycle of planning from assessing needs, designing services and securing and funding delivery.”

Commissioning covers the activities and processes used by the Council in making decisions about how best to provide a wide range of services, for example children’s services, adult services or health services.

PROCUREMENT

The term 'Procurement' has a far broader meaning than simply purchasing, buying or contracting. It is about securing services, products or building works that best meet the needs of users and the local community in the widest sense. It incorporates the 'Whole Life' approach to assets or service contracts, dealing with every stage from the initial definition of needs, through to the end of the useful life of the asset or service contract.

The National Procurement Strategy for Local Government defines procurement as "The process of acquiring goods & services to meet the customer's requirement while achieving the optimum combination of whole life costs & benefit". For the purposes of this guidance 'Procurement' is defined as any form of arrangement entered into by Council officers for:

The supply or disposal of goods or materials.

The hire, rental or leasing of goods or equipment.

The execution of works.

The delivery of services, including those offered by consultants.

These definitions demonstrate the differences between commissioning and procurement. The Council has the option to award grants as an alternative to executing a competitive tendering process, the decision around which route to use being made based upon knowledge of the service to be delivered and the marketplace available to deliver the service.

2.2.2 Purpose of Commissioning and Procurement

Commissioning and Procurement is at the heart of everything that the Council does to achieve its objectives at every level.

It covers the process of acquiring goods and commissioning services and works either from third parties or through in-house sources and covers the entire cycle from identifying needs through to the end of a contract. It is important that the Council sets clear rules for the procurement of these goods, services and works to ensure that procurement is carried out with openness, integrity and accountability, that the probity and transparency of the process is evidenced and that the Council is fulfilling its responsibilities.

The Council recognises that procurement is not the responsibility of one team, but requires an organisation-wide approach.

The decision making process with regard to the various procurement routes is detailed in Appendix 2.

It is important to note that there is an explicit requirement that, where they exist, in-house services are used for the provision of goods, services and works. As a result of the services being delivered by in-house resources, there is no procurement process to follow, a potential cost saving in itself.

2.2.3 Voluntary and Community Sector (VCS) Strategy

Outside of its commissioning activities in relation to social care, children's services, and adult's services the Council also commissions services from the Voluntary and Community Sector (VCS) and has sought to describe its relationship with the sector through the development of its VCS strategy.

The Council adopted its VCS strategy in late 2012, combining the former Hartlepool Compact and Voluntary Sector Strategy into one comprehensive document. Developed in partnership with public sector partners and the VCS, the document clearly outlines the Council's commitment to the commissioning process when working with the VCS and the implications that this may have in terms of capacity, skills, training and resources. The shared undertakings outlined within the 3 objectives of the strategy form the basis of the working relationship between partners whilst informing the commissioning processes that the Council adopts. These objectives are as follows:

- Have a say
To ensure that voluntary and community sector organisations are able to comment on and influence public sector strategies and service delivery plans, in order to develop more reliable and robust policies and strategies that better reflect the community's needs and wishes.
- Take Part and Deliver
To improve the relationship between public sector partners and the VCS within Hartlepool in managing and using resources to achieve a strong and

prosperous VCS that contributes to the delivery of good public services within the town.

- Strengthen and Develop

To ensure a strong and diverse VCS that promotes inclusion across the town as well as a clearer understanding of community groups within the sector as a whole. The VCS is able to get involved, build capacity and develop, strengthening the local communities that they serve.

2.2.4 Community Pool

One tangible element of the VCS strategy is the Council's 'Community Pool' arrangement. This is a pool of funding which is targeted at specific Council priorities and these are addressed by undertaking competitive procurements for each. There is a general fund which forms part of the pool and this provides an opportunity for organisations to apply for grants to support their work. Clearly any grants awarded do not duplicate the work supported by other contracts let by the Council.

2.2.5 Public Health Commissioning

The government has reorganised the way public health services are delivered in England.

At a National level this has resulted in the creation of a new body, within the Department of Health, called Public Health England and at a local level, health improvement functions have moved into local authorities (LAs) and will be allocated a ring fenced budget.

As a result of this reorganization, the Council now has responsibility for the commissioning of Public Health contracts, an activity which will be managed and organized by the Council's Director of Public Health with support being provided by the Council's Corporate Procurement Team.

There are a variety of tactical procurement strategies which the Council can employ. The choice of which strategy to pursue affects the procurement route to be followed, the scope of a contract, the scale of a contract etc.

All of these decisions impact upon the suppliers in the marketplace and can either encourage, discourage or even prevent suppliers from bidding for Council work.

As a result of the importance of these decisions, officers are required to record details of and the rationale behind the procurement strategy to be employed. As a minimum, the details must include the following:

- Scope of the contract
- Reasons for tender packaging and structure of lots
- Basis of any price/quality split to be used in the evaluation process

To ensure that these decisions are available for review, this information will be retained for audit purposes and in the event that the relevant Policy Committee requests a review of the procurement process.

Further information on the issues which impact upon the chosen procurement strategy is described in the Council's Contract Procedure Rules.

2.3 Objectives

The objectives of the Corporate Procurement Team are strategically aligned with the Council's priorities as detailed in the 2012/13 Corporate Plan.

These priorities are described in the following extract from the Corporate Plan:

'Priorities

Overall Aim/Vision

The Council's overall aim remains: -

"To take direct action and work in partnership with others, to continue the revitalisation of Hartlepool life and secure a better future for Hartlepool people".

The Council's aim is based on the Hartlepool Partnership's new long term vision, agreed in July 2008, looking 20 years ahead is: -

"Hartlepool will be a thriving, respectful, inclusive, healthy, ambitious and outward looking community, in an attractive and safe environment, where everyone is able to realise their potential."

2.3.1 Procurement Principles

Procurement activity supports the Council's aims and priorities in several ways:

- a) Where services are delivered via third parties, we will implement contractual solutions which enable the Council to ensure that our suppliers provide high quality public services which meet the needs of residents and improve the quality of life of the community.
- b) Wherever possible we will contribute to the revitalisation of Hartlepool life by providing opportunities to local suppliers to supply to the Council, without compromising the drive to obtain best quality at optimum cost.
- c) We will assist in controlling costs by cost effective procurement, through ensuring the best possible commercial deals with suppliers and the development of cost effective procurement processes, operated in accordance with EU directives.

- d) We will endeavour to work only with suppliers with clear policies supporting equality and diversity and who oppose any form of prejudice and discrimination.
- e) We will ensure that suppliers have appropriate health and safety policies, processes and procedures in place to ensure the safe delivery of products and services, thus contributing to a safer community.
- f) We will endeavour to ensure that sustainability issues are fully taken into account in sourcing products and services to protect and improve our environment.
- g) Where suppliers aspire to improve their policies, processes and procedures we will work with them to help them achieve this aspiration.

2.3.2 Procurement Policies, Procedures and EU Directives

1. Procurement is governed by the Council's Contract Procedure Rules. In order to assist major procurements and to ensure that the above principles are adhered to, the following protocols will be adhered to:
 - We will provide potential suppliers with clear specifications of our requirements at the earliest possible stage and ensure these are understood.
 - For high value purchases (over the EU procurement thresholds) we will always publish our tender evaluation criteria at the tender stage to make clear to prospective suppliers how we intend to select the preferred supplier. We will follow and keep up to date with legislation and provide continuous learning opportunities for procurement staff.
 - The EU Remedies Directive came into force on 20 December 2009 and affects all procurement activity after that date. The directive provides rights to an unsuccessful tenderer to pursue the Council for damages if the Council has failed to comply with the EU Procurement legislation. The Council's constitution requires any tendering that exceeds the EU threshold to be managed by the Corporate Procurement Team to reduce any contractual or supply risk transferring to the Council.
 - We will offer to provide feedback (in writing or face to face) all parties to a tendering process as to why they were or were not successful.
 - Contracts will only be placed on the Council's standard terms and conditions or appropriate industry standards (e.g. JCT/NEC for works contracts), except with the authority of the Council's Legal Services section.
 - The Council will work collaboratively with other regional and sub-regional procurement groups in order to be able to deliver best value to the Council taxpayer.
 - The Council has implemented an electronic procurement system and will continue to embed this and expand its use and functionality wherever possible.

2.3.3 Analysis Of Spend

Expenditure analysis is an ongoing activity to inform the Council's areas of focus, including identifying opportunities to aggregate and contract for areas of spend currently 'below the radar'. Procurement arrangements in all these areas offer opportunities to develop new supply arrangements through local suppliers and support the local economy.

2.3.4 Procurement Option Appraisal (Services)

There are seven approaches that local authorities can take when choosing an appropriate service delivery option. These are:

- Withdraw from the activity. This is not likely to be possible for most major areas of the authority's activity. However, it may be possible for aspects of a service. It is clearly possible where the authority has *powers* rather than a duty to do things.
- Provide the service through an improved in-house approach. There will still need to be improvement targets and a plan for how they will be reached. There will still be public monitoring of service delivery.
- Joint commissioning involves joining with other local authorities or public bodies to jointly provide or purchase services. It can include delegation of powers to another authority, pooling of budgets, working with other government agencies, or arrangements with non-profit organisations.
- Market testing i.e. competition with an in-house bid.
- Externalisation i.e. competition without an in-house bid.
- Transfer includes circumstances where the authority's client role is passed to another organisation. This may be a not for profit organisation, such as a housing or community association, or a public/private partnership such as Joint Venture Company. In these cases the authority retains a residual interest (rights to nominate people to use the service, a seat on the board) as in housing stock transfers or some transfer of leisure services, or minority shareholding, as in the case of joint-venture companies.

This situation could become more commonplace as a result of successful challenges through the community right to challenge facility provided through the Localism Bill (described later in this document).

- Hybrid options. In reviewing a service or function the authority must consider whether to break up activities currently treated as a single service or delivered through a single contract, and, equally, to consider whether to amalgamate services currently delivered separately. Where a service includes a variety of different types of activity, the option most likely to deliver best value may well be different for different activities. In such cases, the best value choice will involve different choices for different parts of the service and will be led by the

Council's service commissioners who have expertise in relation to the services required and the marketplaces which exist to deliver these.

Appendix 1 of the document provides a summary of the circumstances which will influence the choice of procurement route.

2.3.5 Contract Specification

In order to achieve maximum benefits from contracts with third parties, the Council will focus on improving the specification for contracts and the terms of the contracts.

It will seek specialist advice on the drafting of its major contracts and improve the drafting skills of its staff. Where appropriate it will consider innovative contractual arrangements which provide the flexibility to respond to changing needs over the term of the contract.

The Council will continue to make use of the north east council's harmonised tender documents in order to help simplify our processes for potential suppliers.

2.3.6 Evaluation of Tenders

Evaluation of tenders will be conducted in accordance with the latest EU directives, relevant case law and Government Procurement Service (GPS) guidance will be based strictly on criteria and the respective weightings published in the tender documentation.

The use of evaluation criteria will be proportional to the size of the procurement. For lower cost requirements simplified criteria can be applied, however, depending on the complexity and level of risk associated with the contract, it may be deemed necessary to use more sophisticated criteria.

Wherever possible the Council will seek to award contracts on a competitive, most economically advantageous basis and, where appropriate, an evaluation and comparison of whole life costs will be performed and considered in making award recommendations.

Where the Council elects to use a price/quality evaluation split, this will be defined prior to the procurement commencing and an agreed marking mechanism will be developed which describes the ratio. Decisions taken with regard to the price/quality split ratio will be appropriate and justifiable.

2.3.7 Capital Assets and High Risk Procurement Projects

In the event that the Council does not have the necessary in-house expertise to manage the procurement of major capital assets and/or high risk service projects, it will appoint subject matter experts to advise it on the procurement as required to ensure optimal value for money and risk management.

The Council recognises that procurement should not end with the provision of the capital asset or award of the service contract but involves the whole-life cost and it uses whole-life cost analysis to support bid analysis and comparison, including, where appropriate, disposal costs.

2.3.8 Collaboration and Shared Procurement

Hartlepool Borough Council (HBC) is a member of NEPO (the North East Procurement Organisation), along with the other 11 regional Council's. In addition, HBC works closely with the other Councils in the Tees Valley sub-region, through the Tees Valley Joint Procurement Group (TVJPG).

NEPO is a shared resource funded through Local Authority subscriptions. It provides a range of services to its members including management of the region's e-procurement portal, which is used extensively across HBC, and a range of contracts for generic goods and services used by Council's across the region, e.g. gas and electricity, food, stationery etc.

Currently NEPO's funding model provides a rebate to Council's based upon the value of the transactions each Council has made against NEPO contracts. HBC use this rebate to part fund the Corporate Procurement Team.

On a less formal basis, HBC also works with other Council's in the Tees Valley through the TVJPG. This collaboration takes the form of a monthly meeting at which the respective Council's Heads of Procurement meet and develop ideas and opportunities for collaborative contracts. Typically the contracts will be frameworks developed by one of the group with an allowance included for other authorities in the sub-region to use the arrangement should it suit their purposes to do so.

There is no direct funding provided to this group and attendance at meetings and subsequent contracting activities are absorbed within current resources.

In addition to these collaborative activities there is an additional area of work relating to wider collaboration between Hartlepool Borough Council, Redcar & Cleveland Borough Council and Darlington Borough Council.

2.3.9 Risk

The Council will make sure that any risk to the authority or the community it serves is properly recognised in all its procurement dealings. It will identify risks, evaluate their potential consequences and effectively manage those risks accordingly at every stage of procurement.

Risk in procurement is the potential exposure to financial, legal and reputational damage through either an unplanned event or unwanted outcome happening. In anticipating and managing risks the Council will carry out a thorough investigation of all risks prior to any procurement activity, to ensure that the appropriate sourcing strategy is chosen.

In terms of the Council's procurement process, most risks can be categorised in four areas, as follows:

- Strategic – e.g. long term impact of bad decision or poor implementation.
- Procedural – e.g. failure to comply with legislation, internal procedures, processes, codes.
- Legal – e.g. illegal or unethical practices or lack of documentation.
- Operational – e.g. poor contract management, failure to deliver, terms do not meet requirements/expectations.

It is important that these risks are recognised where they exist and measures taken to mitigate them.

2.3.10 Business Continuity

Business continuity is the process of preparing for and responding to a disaster event or situation that could have a serious impact on the delivery of the Council's services. All contracts for key service provision, or which support in-house services which are named in the Council's Business Continuity arrangements, have approved business continuity plans in place which will ensure continuity of service in the event of normal service disruption.

Depending upon the service being tendered, the Council will include a condition that bidders must provide details of their business continuity plans. Failure to have such plans in place may result in the rejection of an offer.

3. CORPORATE & SOCIAL RESPONSIBILITY

3.1 Sustainability and Social Goals

Hartlepool Borough Council recognises its responsibility to carry out its procurement activities sustainably: providing value for money and in an environmentally and socially responsible manner. Sustainable procurement safeguards the long-term interests of the communities in Hartlepool and this policy supports the delivery of Hartlepool's Community Strategy.

We recognise our role in encouraging our suppliers and contractors to minimise any negative impacts of their activities and to promote economic and community regeneration associated with the products and services they provide.

As part of our commitment to sustainability, we will consider whole-life costing wherever appropriate. This is achieved during the options appraisal stage of the procurement process where staff need to be aware of the true or whole life cost of the product.

In addition, where relevant and suitable, the Council will endeavour to secure commitment from bidders to offer training, apprenticeships etc. in the event they

are awarded a contract. This approach has proved successful with construction type contracts.

3.2 Public Services (Social Value) Act 2012.

The Council has amended its CPR's to accommodate the requirements of the Public Services (Social Value) Act 2012.

The Act's purpose is to require public authorities to have regard to 'economic, social and environmental well-being' in connection with public services contracts and for connected purposes.

Hartlepool Borough Council will now consider, prior to undertaking the procurement process, how any services procured (whether covered by the Public Contracts Regulations 2006 or otherwise) might improve the economic, social and environmental wellbeing in areas which we exercise our functions. Furthermore we will consider how we can secure such improvements as part of the process.

3.3 Localism Act 2011 – “Right To Challenge”

Once a decision has been made to procure a service following acceptance of a challenge submitted under the 'Community Right to Challenge' legislation, the Council's Contract Procedure Rules come into effect.

As with all other procurement activities undertaken by the Council, the procurement procedure will be selected by assessing the value of the contract to be awarded.

Given the possible nature of the services subject to challenge, care will be taken to ensure that evaluation criteria are utilised which reflect the Council's obligation to secure Best Value and meet the requirements laid down in the Public Services (Social Value) Act 2012, i.e. to consider how the procurement can promote or improve the social, economic or environmental well-being of the authority's area.

In addition, care will be taken to ensure that Third Sector and Voluntary & Community Sector organizations are not excluded from bidding for services as a result of the Council incorporating requirements which are not proportional to the value of the service and any associated risks relating to public safety, service delivery, service continuity etc.

In addition to the above, any planned procurement activity will take into account any pre-existing contractual obligations the Council may have. This may result in decisions being required on whether to extend or terminate an existing contract.

3.4 Developing the Local Economy and Voluntary Sector

For the purpose of this strategy document, the term 'local supplier' refers to any company whose presence in the Borough of Hartlepool provides significant local

benefits to the community, through employing staff, offering training opportunities and demonstrates a commitment to the local economy.

HBC is keen to support its local supply base and provides training workshops for local suppliers which can range from tendering workshops to sessions about certain elements of procurement.

HBC also provides support to local business organisations and has worked on several occasions with the Federation of Small Businesses (FSB).

HBC's procurement pages on its corporate website include a 'Selling to the Council' guide which is designed to make it easier for potential suppliers to do business with us.

Our constitution also requires that all sub-tender level business opportunities which are normally placed through a quotation-gathering process must include a minimum of 2 (where available) local suppliers on the list of bidders to be invited.

3.5 E-Procurement

The Council recognises that e-procurement provides significant opportunities for substantial expenditure savings, reduced transaction costs and improved operational efficiency.

All tenders are now carried out using the Council's e-procurement portal and all quotations over £2000 are also required to be managed using the e-procurement 'quick quotes' system.

The Council also makes extensive use of corporate purchase cards which provides an aggregated billing (one monthly invoice to create savings in transaction costs) facility, and stationery ordering is carried out using an on-line system.

3.6 E-Procurement of Common Commodities

Many of the goods and services procured by the Council are common to other councils. NEPO and the Tees Valley Joint Procurement Group (TVJPG) has become the main forum for jointly purchasing common commodities throughout north east or Tees Valley councils. In some cases, electronic reverse auctions can be used to achieve the lowest price against a pre-defined 'basket' of requirements.

The Council's strategy is to continue with this partnership with other councils wherever prudent, and to this end we maintain regular contact with NEPO and the TVJPG to identify when suitable opportunities arise.

3.7 Equality and Supplier Diversity

As a Council, we deliver services to customers and value our employees equally, irrespective of their ethnicity, gender, age, religion or belief, disability, sexual orientation or any other irrelevant factor. We recognise and value difference and respect our staff and service users as individuals.

To ensure that the Council procures goods, works and commissions services in a way which promotes equality and diversity, we strive to:

- have a fair and accessible procurement process
- make sure that where contractors deliver services on our behalf, they do so in a way which meets the needs of all our residents and/or employees

By being proactive in these two areas, the Council will help to achieve its vision of creating an ambitious, healthy, respectful, inclusive, thriving and outward-looking community, in an attractive and safe environment, where everyone is able to realise their potential.

We will also be meeting our statutory duties to eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010 against individual's relevant protected characteristics.

The Council will ensure a fair and accessible procurement process by continuing to:

- simplify the guidance available to potential suppliers about how we procure goods, works and services
- make information about the Council's procurement opportunities more accessible including, for example, attending 'Meet the Buyer' events and updating information on the website
- engage with suppliers and provide training to them where appropriate.

When we use contractors to deliver services on our behalf, we will make sure that they do so in a way which meets the needs of all our residents and/or employees by:

- seeking information from tenderers about their equality and diversity policies and practices
- including equality and diversity clauses as a standard feature in contracts to ensure contractors meet relevant statutory duties

3.8 Local Suppliers

The Council's contract procedure rules include a requirement that, wherever possible, a minimum of two local suppliers are to be given the opportunity to submit quotations for Council requirements.

This, coupled with the requirements of the Public Services (Social Value) legislation, provide the Council with the ability to offer local suppliers

opportunities win business from the Council and to demonstrate the benefits that a local supply base can provide.

3.9 Contract and Supplier Management

Contract management is the management of contracts made with customers, vendors, partners, or employees. Contract management includes negotiating the terms and conditions in contracts and ensuring compliance with the terms and conditions, as well as documenting and agreeing any changes that may arise during its implementation or execution. It can be summarised as the process of systematically and efficiently managing contract creating, execution, and analysis for the purpose of maximising financial and operational performance and minimising risk.

The Council implements a range of contract management practices, with the majority of effort being focussed on high value / high risk contracts. Some contract management arrangements incorporate clear governance and reporting arrangements extending through to the Council's corporate management teams.

Appendix 1 **OPTIONS APPRAISAL**

Each option will be appropriate in particular circumstances and some of the options can manifest themselves in different ways. The following tables set out when each option may be more, or less, appropriate. The bullet points are *alternative* reasons why the option may be more or less suitable; they are not checklists of conditions that must be met.

1. *Withdrawal*

The authority decides that it should withdraw from providing a service or taking part in an activity.

More suitable

- Evidence of no need or demand for the service;
- Other providers can continue without intervention or support from the local authority;
- Costs of the service or activity considerably outweigh benefits;
- Service or activity makes no contribution to corporate objectives.

Less suitable

- Doubts about the evidence;
- Uncertainty about whether the alternative providers do meet existing needs or demands;
- Potential for future service development.

2. *Improved internal service management*

Service is provided in-house. Management may be through traditional hierarchy, internal trading arrangements, or service level agreements. The authority may involve, or consult, users in decisions about overall objectives and in monitoring service quality.

More suitable

- The existing internal service is, or is close to, meeting local targets and national standards;
- There is no supply market;
- Costs of externalisation are likely to be high;
- High impact if service fails.

Less suitable

- Poor existing internal services;
- Need for external investment;
- Active, competitive, market with established suppliers;
- Service is easy to specify and monitor.

3. Joint commissioning

Two or more public service organisations agree to commission or provide services together. There is no 'client' or 'contractor' and the organisations are jointly involved in management.

More suitable

- Services are provided from a single point (e.g. a one-stop-shop, or a call centre);
- Participating organisations are willing to agree mutual objectives in the interests of the joint service;
- Financial and other risks can be shared on an equitable basis;
- Participating organisations do not have the wide range of expertise or sufficient resources to deal with all requests for service but the volume of requests does not justify investment by each authority;
- Sharing resources, staff, etc. will produce significant economies and improve quality;
- All participating organisations require the same, or very similar service;
- Clear lines of responsibility and accountability can be established.

Less suitable

- Organisational identities and imperatives are more important than a seamless service;
- There are no obvious and willing partners;
- Legal constraints cannot be overcome.

4. Market testing

The in-house organisation competes with external service providers to win the work.

More suitable

- The pressure of competition is necessary to ensure improvements or clarity of definition in in-house performance;
- There is an active and competitive supply market;
- The service is easy to specify and monitor;
- A new service area is being developed where there is the possibility of both in-house provision and the use of external provision;
- In-house performance can be benchmarked against competition.

Less suitable

- Potential suppliers likely to suspect the authority is 'going through the motions' and not bid;
- Staff are unlikely to make the improvements necessary;
- The costs of preparing for competition (both client and contractor) outweigh benefits;
- The authority's service objectives go beyond a simple cost calculation;
- The in-house team has no real chance of winning;
- Market testing is suggested as a last ditch effort to avoid externalisation.

5. Externalisation (1)

Service is provided by external organisations that compete to do the work. Management is through the specification, which sets out the work to be done, and the contract conditions that form the basis of the relationship between client and service provider.

More suitable

- Poor existing internal services, or new services where internal supply is thought inappropriate;
- There will be a clear client/contractor relationship;
- There is an active, competitive market with established suppliers;
- Benefits of using the market outweigh the costs;
- Service is easy to specify and monitor.

Less suitable

- Internal service management is demonstrably best value;
- Opportunists or monopolists dominate the market;
- The Council's service objectives go beyond a simple cost calculation;
- Service is difficult to specify and monitor;
- Other methods of provision offer better value.

6. Externalisation (2) A contract supplemented by a formal “partnership” arrangement

The services are supplied through a contract that places greater emphasis on shared objectives and on the relationship with the supplier.

These arrangements are also referred to as “partnering arrangements”.

More suitable

- The service is difficult to specify and monitor;
- The authority wants to work with an organisation it can “do business with” rather than one that just “does the business”;
- It is possible to agree on a programme of future innovation;
- There is a high level of mutual trust between authority and suppliers;
- External suppliers can offer savings, innovation, or other benefits that cannot be found in-house.

Less suitable

- Opportunists dominate the market;
- The service is easy to specify and monitor;
- In-house supply is more likely to deliver best value;
- The Council's main objective is to achieve savings.

7. Transfer

The authority ceases to be the ‘client’. That role is taken over by another organisation. This may be residents’ association, community group, charity, co-

operative or trust. The authority may still have a residual role, for example, a seat on the board, nominating people for services; grant aid; or by subsidising service delivery to the public.

More suitable

- The activities of, or services provided by, the organisation fit with the Council's overall objectives;
- The local authority and other organisations agree on the level of accountability required;
- Community groups already exist or are being formed;
- Services are provided to the community or the community and individuals make a contribution to the service;
- Community groups have, or can be trained in, necessary management skills;
- The authority has a commitment to community development and the involvement of communities in service management;
- Organisational independence is necessary to ensure users' trust or 'ownership' of the service or activity;
- Where transfer offers advantages financially or in other ways by means of the legal standing of another organisation, for example, a trust.

Less suitable

- The Council has clear service objectives that it wants to achieve;
- The service is significant (in financial or operational terms) and needs close management, specification, and monitoring;
- Personal or highly regulated services;
- It would be more appropriate (in line with Best Value and the authority's policies) to make contracts, or partnering arrangements, with local or community businesses;
- There is little, or no, community interest in service management and delivery;
- There is an active supply market and no policy gain can be made by transfer.

8. Hybrid options

The authority decides that no single option is appropriate. The service includes a variety of different types of activity, or the "Best Value" tests applied to different parts of the service come up with different answers.

More suitable

- A "service" is made of discrete aspects that have different Best Value tests applied to them;
- Areas of excellence exist side-by-side with services that need considerable improvement;
- Different elements make clearly different contributions to overall service delivery and Best Value;
- There is a wide range of user needs which are best met in different ways;
- External resources can most effectively be used to support in-house services rather than competing with them;
- Evidence from the review is equivocal.

Less suitable

- The service is easy to specify and monitor;
- The service is a clearly definable single service;
- The service is made up of so many separate elements that a hybrid approach could lead to an unmanageable complexity of contracts, agreements, and inter-dependencies;
- Economy and effectiveness are served best by a single service delivery organisation.

Appendix 2 PROCUREMENT ROUTES

The following diagram provides a summary of the questions Council Officers should ask themselves once a need for goods or services has been identified.

