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Welcome to the Procurement Unit '5 in 5 briefing'
(5 articles in 5 minutes).

We want to hear from you. Please give us your feedback, good **or** bad.

- Is there anything you would like to see in future newsletters?
- Please **Click Here** to complete our quick questionnaire (3 questions).

Or Email us at: cpu.5in5@leeds.gov.uk

Wayne Baxter
Chief Procurement Officer



1. YOUR Contract Information System



In these times of credit crunch and recession, getting best value for money is increasingly important and as such reducing off contract expenditure is a high priority for the council.

Before the credit crunch, the government set targets of reducing overall expenditure by 3%, this target must be met and you will have to play your part. The contract procedure rules (**rule 8.1**) state that where a contract is in place it must be used. If this does not happen and an individual is shown to repeatedly purchase off contract, disciplinary measures may be taken (**rule 1.5**).

Designed as a one-stop, web accessible contract database with price lists and current information on how to order goods, services or works, the contract information system should be the first place you look for contract info.

To read more please **Click Here**.

2. Corporate Confidential Waste Destruction



The existing corporate contract for secure disposal of confidential office waste has been upgraded. The contract now includes the provision of secure, confidential waste bins for the office floor. Yorwaste will begin providing the NEXUS bin system in April 2009.

A new policy on Records Retention and Disposal has recently been approved and sets out the requirements for the appropriate disposal of information, including confidential material.

There will be a council wide move towards the use of secure bins in the work place for disposal of material deemed to be confidential.

[Click Here](#) to read more.

3. Revised Green (Responsible) Purchasing Guide



The council has held a Green (Responsible) Purchasing Guide for nearly a year. The guide offers advice around how to maximise the sustainability of purchasing decisions across the authority by using provisions set aside in contracts to their full potential. For instance, the stationery contract can be used to source refillable pens, which alleviate the use of plastic and offer financial savings over time

The purpose of this article is to communicate the fact that the guide has been updated to reflect the changes that have been made to contracts and the natural evolution of the sustainability agenda. Importantly, the word 'green' has been replaced with 'responsible' as it was felt that the latter is more representative of the full scope of sustainability (or, social responsibility). The logic is that in the spending of taxpayer's money, we must always display a responsible attitude and demonstrate prudence through the choices we make. Our stakeholders expect us to address environmental, societal, and economic issues, which is why socially responsible procurement has grown to such prominence at the global level.

[Click Here](#) to read more.

4. VAT to be charged on wages of employment agency staff from April 2009



Where an organisation charges fees which are exempt from VAT, the business or organisation is not able to recover the VAT on costs incurred in the delivery of their service. For example, charities who provide welfare services exempt their charges from VAT, but are unable to recover VAT incurred on expenditure relating to the delivery of the service.

To date organisations who exempt the charges for their services and who use temporary staff to deliver these services have been able to mitigate the cost of irrecoverable VAT by using the staff hire concession.

Under the concession, employment businesses who supply the temporary staff are able to charge VAT only on their commission, provided the business or organisation pays the worker directly and accounts for the PAYE and NICs directly to HMRC.

From 1 April 2009 the staff hire concession will be withdrawn. This means that organisations who use temporary staff will face increased irrecoverable VAT costs, as VAT will be chargeable on both the value of the wages and the commission relating to the temporary staff supplied.

To read more please [Click Here](#).

5. Mortgage Rescue Scheme contract awarded



Leeds City Council has acted as the lead partner for the Golden Triangle Partnership. The council has completed a successful procurement exercise and awarded a contract for the administration of the pilot Mortgage Rescue Scheme.

Leeds City Council in partnership with the City of York Council and Harrogate Borough Council formed the Golden Triangle Partnership to develop and deliver innovative solutions to increase the amount of affordable housing in the Golden Triangle area.

The Golden Triangle area is the area between Leeds, York and Harrogate which suffers from very high house prices and leaves many people unable to afford their own homes.

The Golden Triangle Partnership is responding to current market conditions and has developed a range of flexible options to assist homeowners who are facing financial difficulty to enable them to remain in their home.

To read more please [Click Here](#).

1. CIS – YOUR Contract Information System



Purchasing Card the preferred purchasing method

The council estimates that there is an average saving of £12 per invoice when a purchasing card is used. Understandably the council would like people to use a purchasing card wherever possible. CIS tags purchasing card enabled suppliers with the above 'PCARD' icon and provides detailed, supplier specific information on how to use your card with them.


WebFAB Orders

CIS gives the creditor reference of each supplier to enable you to easily select the correct contract and supplier you want to purchase from.

How can CIS help you?

Besides containing standard contract information, there are several built in features that you should be taking advantage of:

My Contracts:

This feature allows you to track any updates to contracts you use regularly. When a supplier changes, it's very easy to just continue using who you've always used when ordering goods. CIS will email you with any updates to contracts you've got saved in your 'My Contracts' section. When viewing the contract, just click the button,  located in the top right corner of the contract information screen.

Site Feedback:

This feature allows you to easily inform us of problems you may encounter, suggestions for improvements or anything else you may want to say. Just click the link on the upper left side of any screen.

Contractor Feedback:

We included this feature because we want to know if you're satisfied with the service our suppliers are providing, good or (hopefully not) bad. Giving us feedback in this way helps us monitor the performance of suppliers and ensures we maintain a high standard of service. You'll find the link to this on the upper left side of any screen.

If you're not already registered go to <http://cis.leeds.gov.uk/Login.aspx> and click on the 'Register' link, from there just follow on screen instructions.

We aim to deal with any feedback or queries within a 24hr period (excluding weekends).

For further information please contact:

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2. Corporate Confidential Waste Destruction



This contract provides secure vetted destruction of confidential waste to ensure we meet our obligations under the Data Protection Act 1998. At a corporate level the contract will tighten our control for legal and environmental compliance of this waste stream, and will improve our knowledge of the extent of this service use across the council. This should assist us with our continual improvement of future service provision for office based confidential waste destruction.

Current service arrangements with Yorwaste for bag collection will continue, but after the new lockable bins come into force from 1st April 2009 all sensitive material will have to be disposed of into a secure waste disposal bin.

Price & Service

Container	Weekly Rental	Service Charge	Disposal	4 Weekly cost
Nexus 100 (100litre)	£0.90	£1.71	£4	£9.31
Nexus 140 (140litre)	£1.34	£2.55	£4	£11.91

- Nexus bins will be serviced directly by Yorwaste, and access to contents will not be available to council staff unless specifically requested.
- All bins will be emptied every 4 weeks automatically unless additional 'on demand' collections are requested.
- So in addition to the rental charge, each collection charge consists of the service charge plus the disposal charge. Single 4 weekly collection price displayed in table.

New Yorwaste contact information.

Carol Knaggs
 Telephone: 01609768863
 Email: carol.knaggs@yorwaste.co.uk

or

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3. Revised Green (Responsible) Purchasing Guide



By making small changes to our buying, we, as a council, can make significant inroads towards meeting our corporate aspirations on environmental protection, societal improvement, and

economic prosperity. Indeed, changing our approach to procurement is crucial, especially when considering the massive impact that various policies, strategies, and laws will have on our operations during the coming decades; for example, the Climate Change Act, which will force us to switch to a low carbon economy.

The guide itself is made up of a suite of three documents:

Part 1A - Introduction & Commodity Guidance (A Practical Guide for Purchasers)

The introductory document describes the purpose of the guide before defining sustainability and explaining its significance to the council's work. It endeavours to give enough background information to equip departmental purchasers with the knowledge they need to understand and implement sustainable procurement. The bulk of the document falls under the header 'commodity guidance', which is split into sections relevant to the everyday purchasing activities undertaken by departmental purchasers, covering categories such as 'paper' and 'stationery', which can be used for quick reference. Ultimately, the document is a practical tool that will enable buyers to maximise the sustainability of their purchases.

Part 1B - Appendices

Appendix I is a 'Checklist for Sustainable Purchasing', which provides a simple account of how a purchaser might go about putting sustainable purchasing into practice.

It tells them about the types of attributes they should be looking for when scoping sustainable products or services. For example, purchasers may look to acquire products that have been manufactured using sustainable process or contain high recycled-content. Appendix II provides an introduction to eco-labels and standards, explaining what they demonstrate, using a number of diverse examples, broken down into specific areas, such as environmental management systems (EMSs) and food. Finally, appendix III is a glossary of terms, which defines a wide range of technical terms that apply to sustainability.

Part 2 - Further Information: Sustainable Procurement and its Importance

Part 2 is an educational document rather than a practical tool. It's a companion to the guide's primary sections, parts 1A and 1B, and is intended as a reference for any council officer wishing to find out more about why socially responsible procurement is so important. It considers the principles and frameworks forming the foundations of sustainable procurement before explaining the key drivers pushing the agenda forward and concluding with an explanation of the council's contribution to it so far. Part 2 of the guide also offers an overview of how sustainable procurement fits in with other cross-cutting initiatives being undertaken across the council. This document is relevant to any officer involved, directly or indirectly, in purchasing supplies or services but is especially relevant to strategic officers wanting an overview of the concept.

The new, updated guide will be uploaded to the procurement intranet pages by the end of March, once our annual intranet review has been finalised. If you have any questions in the interim, please contact:

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Sustainable Procurement Officer

4. VAT to be charged on wages of employment agency staff from April



The position up to 1 April 2009 is that if the recipient of staff (the hirer) pays the relevant costs directly i.e. remuneration to the staff member, PAYE, NICs to HMRC, these payments do not form part of the value of the supply by the employment business to the hirer. The only value on which the employment business would charge VAT is their commission charge.

The position - post 1 April 2009 will be that even if the recipient of staff (the hirer) pays the relevant costs directly to the employee and to HMRC, these payments WILL form part of the value of the supply by the employment business to the hirer and VAT will be chargeable on this value (as well as on the commission charge)

If the hirer of the staff uses the staff to deliver services which are exempt from VAT (e.g. health, welfare, education, financial services), the cost to hirer of using temporary staff to deliver the service will increase from 1 April 2009. VAT will be chargeable by the employment business on both the value of the staff members' wages and the employment business' commission, but there is no recovery of the VAT by the hirer when it relates to services which are exempt from VAT.

The increase in irrecoverable VAT for the businesses and organisations who hire temporary staff will lead to issues about how the extra VAT cost should be met, either through absorption by the supplier or passing on to the customer.

Representations on the cost of the withdrawal of the staff hire concession have been made to HMRC and the Treasury by charities and other organisations who will be affected. Lobbying is ongoing, but unless this is successful, VAT will be charged on the value of temporary staff wages. Where this creates additional cost for the charity or organisation, this will be a factor in setting the fees for service delivery.

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5. Mortgage Rescue Scheme contract awarded



In response to the effect of the 'credit crunch' on households and at the same time as the government has introduced a National Mortgage Rescue Scheme the Golden Triangle partnership has appointed Guinness Northern Counties to administer the Mortgage Rescue scheme's administrative process including arranging the valuations of properties, marketing of the scheme and securing the release of the equity loan from the partnership.

The purpose of the scheme is to prevent homelessness and support homeownership. The scheme will provide an equity loan secured against the property to eligible homeowners in priority need, experiencing financial difficulty with their mortgage and/or secured loan payments, and will provide support and access to financial, housing and debt advice. Where homeownership cannot reasonably be sustained, the Loan will be provided to allow sufficient time for a homeowner to sell their property. This will assist the homeowner in attaining the open market value of their property.

All homeowners who are provided with assistance under the scheme will be provided with advice and assistance with their future housing options, which could include signposting to other agencies and liaising with housing associations/local authority to consider other low cost affordable housing opportunities. The homeowners will be required to take independent financial advice on their financial situation to ensure a referral to this scheme is the most suitable solution to their housing situation.

It is hoped that this pilot scheme will prevent up to 60 homeowners within the Golden Triangle area from having their home repossessed and initially ran until the end of March 2009 and has now been extended for a further twelve months until 31st March 2010.

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