

Subject:	Sustainable Procurement Policy for Brighton & Hove City Council		
Date of Meeting:	19 January 2012		
Report of:	Director of Finance		
Lead Cabinet Member:	Finance and Central Services		
Contact Officer:	Name:	Guy Stapleford	Tel: 29-4059
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Key Decision:	Yes	Forward Plan No: CAB25851	
Ward(s) affected:	All		

1. SUMMARY AND POLICY CONTEXT:

- 1.1 The Council's approach to procurement is a key tool for delivering its priorities. This report sets out a new Sustainable Procurement Policy with supporting Toolkit and a Sustainable Procurement Policy for Timber and Wood. It also sets out a revised Code of Practice for Equalities and Diversity Monitoring. These documents directly support two priorities in the Corporate Plan 2011-15: Creating a More Sustainable City and Tackling Inequality.
- 1.2 The Sustainable Procurement Policy has been aligned to the City Climate Change Strategy which was approved by Cabinet on December 8th 2011 and the principles of One Planet Living. The Code of Practice for Equalities and Diversity Monitoring in Procurement has been aligned with the Council's Single Equality Scheme, an update of which was approved by Cabinet on June 9th 2011.

2. RECOMMENDATIONS:

- 2.1 That Cabinet approves the Sustainable Procurement Policy set out in Appendix 1, along with the associated outcomes set out in Appendix 2 and the supporting Sustainable Procurement Toolkit set out in Appendix 3.
- 2.2 That Cabinet approves the Sustainable Procurement Policy for Timber and Wood Derived Products set out in Appendix 4.
- 2.3 That Cabinet approves the revised Procurement Code of Practice: Equalities and Diversity Monitoring in Procurement set out in Appendix 5.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 Sustainability is an important consideration at community, business and team levels, reflecting the impact our decisions have on the city's environmental, social and economic well-being. It is relevant in day-to-day management practice as well as in how we plan, procure and deliver our services, and relates to both what we do and how we do it.

- 3.2 The need to deliver sustainable procurement was set out in The Sustainable Procurement National Action Plan produced in 2006 by a task force set up by the then Secretary of State for the Environment, Food and Rural Affairs and the Chief Secretary to the Treasury. The National Sustainable Action Plan defines sustainable procurement as:

“A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation but also to society and the economy while minimising damage to the environment.”

- 3.3 The council’s approach has been delivered previously through the Procurement Code of Practice (CoP): Sustainability. As a result of the new Corporate Plan priorities, the development of the City Climate Change Strategy and the council’s commitment to the principles of One Planet Living this approach has been completely reviewed and refreshed.
- 3.4 The challenge the council faces is to ensure that its supply chain, with which it spent approximately £280m in 2010/11, aligns itself and actively supports the council in delivering upon its objectives around social, economic and environmental sustainability. Many public bodies (e.g. Greater London Authority, Olympic Delivery Authority, Manchester City Council and Leicester City Council) are using their procurement processes and procedures to influence supply chain behaviour in order to address exactly this challenge.
- 3.5 It is recommended in 2.1 that the council adopt a separate Sustainable Procurement Policy as set out below to embed the principles of sustainability in all procurement activity, making it a business as usual approach, rather than being reserved for discrete projects. The Code of Practice: Equalities and Diversity Monitoring in Procurement’ has been revised to reflect the Equalities Act 2010 and be consistent with the objectives of the sustainable procurement policies. This is set out in more detail below. It is important that sustainability and equalities are not viewed in isolation when making procurement decisions on behalf of the council.

Sustainable Procurement Policy

- 3.6 To date, the council has made a number of very strong commitments in addressing sustainability within the city. Notably, in being the first local authority in the UK to achieve joint certification for its events and venues under two internationally recognised environmental management standards, developing a corporate Environmental Policy statement and in a number of strategic contracts, such as the Housing Strategic Partnership, the School Meals and Leisure Management contracts.
- 3.7 To ensure that social, environmental, ethical and economic sustainability is included in all the councils purchasing decisions a policy is needed to connect the council’s high level priorities with its procurement practices. The Sustainable Procurement Policy has been created to address this gap and build upon the commitment outlined in the Procurement Strategy, approved by Cabinet in 2008.

- 3.8 The Policy and the commitments within it sets out how sustainability should be embedded into every procurement process or purchasing decision, directly making reference to some of the key areas for the council, such as the Carbon Reduction Commitment. To ensure consistency, the terminology has been directly drawn from the One Planet Living framework and the councils own material on sustainability and environmental management.
- 3.9 For the first time, the Sustainable Procurement Policy will be measured by a number of identified 'outcomes'. These are outlined in Appendix 2, and are clear and stretching targets to ensure that the Policy is monitored and its impact is measurable, further demonstrating the council's commitment and holding the authority fully accountable. Progress against these targets will be reviewed and reported upon on an annual basis.

Sustainable Procurement Toolkit

- 3.10 The CoP has been revised to create a toolkit, based on the principles of the One Planet Living framework, which is designed to provide practical support to officers of the council in ensuring that all purchases deliver on the aims and objectives of the Sustainable Procurement and the Timber and Wood derive products Policies. There are sections covering the following One Planet Living Principles:
- Zero Carbon
 - Zero Waste
 - Sustainable Transport
 - Sustainable Materials
 - Local and Sustainable Food
 - Sustainable Water
 - Equity and the Local Economy
- 3.11 Whereas before the CoP offered general advice and guidance on the areas officers should consider, the revised toolkit is more directive on what officers can and can not do as well as providing numerous, minimum and best practice examples which officers can cut and paste directly in to their tender documents. As an example, the toolkit provides a clause to make it easier to monitor carbon in the councils supply chain in order to improve the carbon budget information.
- 3.12 The toolkit now emphasises the importance of ethical procurement, ensuring that as a council we, as a minimum, support the principles of ethical trade or ethical sourcing by operating in line with the Ethical Trading Initiatives Base Code. Ethical sourcing tries to ensure that decent minimum labour standards are met in production of a whole range of products, going beyond solely considering Fair Trade, which is primarily concerned with the trading relationship. It also builds on the principles of providing a living wage, supporting the Corporate Plan outcome of "Access to Quality Employment with wages that pay for a decent standard of living".

WWF 'What wood you choose' campaign and the Sustainable Procurement Policy for Timber and Wood Derived Products

- 3.13 The council has made a pledge to improve the purchasing of timber and wood products across all departments, in support of the WWF's ['What wood you](#)

[choose](#)' campaign. The campaign aims to highlight the illegal timber trade and its negative effects on forests, people and wildlife using Indonesian and the Congo Basin as two focal regions. The campaign also highlights the benefits that sourcing FSC certified products has on the forests, as well as the species and people that depend on them.

- 3.14 As a consumer of forest products, the council has a responsibility to ensure that the procurement of these products is not at the expense of the future of the world's forests, but positively supports responsible forest management. In order to move forward from the Bronze pledge, a policy is needed to ensure that the council commits to only purchasing products which either come from legal and sustainable sources or are recycled. Agreeing and implementing this policy will ensure that the Council meets the requirements of the Gold, and highest level, pledge, where we *"will ensure that we only buy recycled, certified or sustainable and legal timber products across all our [services]"* and *"will set up a recording and monitoring system to ensure the forest products we procure meet the requirements of our policy"*

Revised Procurement Code of Practice: Equalities & Diversity Monitoring in Procurement

- 3.15 Corporate Procurement, in consultation with the Equalities Team, has revised the council's Procurement Code of Practice: Equalities and Diversity Monitoring in Procurement. This builds on the council's Single Equality Scheme and Action Plan. This revision explains to officers the benefits of promoting equalities in procurement and provides guidance to help officers define whether equalities are a core contractual element for service, goods and works contracts. As with the Sustainable Procurement Policy, the revised Code of Practice gives a step by step guide through each procurement stage.
- 3.16 The revised Code of Practice also ensures that anti-discrimination provisions in the Equality Act 2010 are adhered to in the questions that officers may include in their tender documents. In addition, the Code of Practice offers a brief overview of European and UK procurement case law, giving a practical demonstration to officers why they are not permitted to ask certain things from bidders.

4. COMMUNITY ENGAGEMENT AND CONSULTATION

- 4.1 These documents are designed to support the Sustainable Community Strategy, the Corporate Plan priorities, the City Climate Change Strategy and the Single Equality Scheme all of which have been subject to extensive consultation and engagement.
- 4.2 Ongoing engagement with the community and voluntary sector and local and SME organisations has helped to inform the content of the proposed documents. A constructive ongoing dialogue between the Corporate Procurement team and the community & voluntary sector and local organisations has resulted in changes to the procurement process and the introduction of training workshops. As an example the toolkit particularly considers barriers to tendering, local advertising and supporting a sustainable local economy as a direct result of this feedback.

- 4.3 Officers from the following service areas and teams have been consulted: City Infrastructure, Planning & Public Protection, Housing & Social Inclusion, Property and Design, Audit and Business Risk, Policy, Performance & Analysis, Planning Strategy and Sustainability.
- 4.4 Officers from the Equalities Team have been consulted in the revision of the Procurement Code of Practice: Equalities & Diversity.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 There are no direct financial implications arising from the approval of the council's Sustainable Procurement Policy.

It is not possible to quantify the future financial implications that may arise on procurement decisions under this policy. However all procurement decisions will continue to have value for money assessments undertaken as part of the evaluation stage of the procurement process to ensure that value for money is achieved through the life of a contract.

Finance Officer Consulted: Heather Bentley

Date: 22/12/11

Legal Implications:

- 5.2 Approving the council's Sustainable Procurement Policy is an executive function that Cabinet is entitled to exercise. There is no legal requirement on the council to develop and adopt such a policy but doing so is clearly in line with the council's Corporate Plan 2011-2015, which has sustainability as one of its five priorities.

Paragraph 5.8 below highlights the legal parameters of including sustainability provisions in the council's procurement process.

Lawyer Consulted: Oliver Dixon

Date: 20/12/11

Equalities Implications:

- 5.3 The corporate Procurement Policy commits the council to work more effectively with a diverse range of suppliers, such as micro, small and medium sized enterprises, black, minority ethnic owned enterprises, those with majority ownership from a group protected by legislation (disabled, women, older people etc) and community and voluntary organisations.
- 5.4 The Sustainable Procurement Policy will complement and strengthen the work already undertaken by Corporate Procurement to remove the barriers for the types of suppliers identified above when bidding for council contracts.

Sustainability Implications:

- 5.5 The Sustainable Procurement and Timber and Wood derived products policies have been developed to facilitate the delivery of the council's commitment to

adopt new sustainable and ethical standards through council procurement processes and supply chain management.

- 5.6 Adopting these policies and subsequently monitoring their effectiveness will result in a positive sustainability impact as they will ensure that sustainability is embedded within all procurement decisions across the whole council.

Crime & Disorder Implications:

- 5.7 None identified.

Risk and Opportunity Management Implications:

- 5.8 The main risk is that the council is seen to be anti-competitive or restrictive in the way it tenders for goods, service or works, by making sustainability a contract requirement or part of the evaluation criteria. The EU Procurement Rules permit sustainability requirements to be included in contracts let by public authorities where they directly relate to the product or service being procured, and they are supported by the contracting authority's objectives. Adopting such policies ensure sustainability is at the core of our business activities and the guidance given in the toolkit will ensure that the measures implemented remain relevant to the contract being procured.

- 5.9 Each procurement process involves the application of a risk appraisal. Individual elements of the Sustainable Procurement Policy are addressed within this.

Public Health Implications:

- 5.10 Implementing the Sustainable Procurement Policy ensures that the Council is committing to addressing social sustainability within its tender processes by facilitating the employment of local labour and apprentices, offering training and development opportunities.

Corporate / Citywide Implications:

- 5.11 Having a corporate Sustainable Procurement Policy will demonstrate that the council is taking a leading role in making Brighton and Hove the UK's most sustainable City, ensure it leads by example for its suppliers and highlight the councils corporate objectives.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 The primary option to be considered is whether to have a Sustainable Procurement Policy or not. The experience of other local authorities is that it is beneficial to have such a policy. This is because such a policy provides a basis for the inclusion of social, economic and environmental sustainability considerations in procurement and supply chain management which help deliver strategic objectives around local community growth and development.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 The Sustainable Procurement Policy and its associated outcomes will ensure that the principles of sustainability and One Planet Living are embedded

throughout the work of the council, particularly through our procurement practices.

- 7.2 A sustainable Procurement Policy is an important tool to ensure that we lead by example and encourage our suppliers and contractors to align themselves with our commitments.
- 7.3 These policies will ensure that the council is able to deliver on its commitment to adopt new sustainable and ethical standards, as set out in the Corporate Plan 2011-2015.

SUPPORTING DOCUMENTATION

Appendices:

1. Sustainable Procurement Policy
2. Sustainable Procurement Policy Outcomes (2012/13)
3. Sustainable Procurement Toolkit
4. Sustainable Procurement Policy for Timber and Wood Derived Products
5. Procurement Code of Practice: Equalities and Diversity Monitoring in Procurement

Documents in Members' Rooms:

1. Sustainable Procurement Toolkit

Background Documents:

None