

BRECKLAND COUNCIL

CABINET – 8 January 2008

REPORT BY THE EXECUTIVE MEMBER ADRIAN STASIAK

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SUSTAINABLE PROCUREMENT POLICY FOR BRECKLAND COUNCIL

Summary: This report recommends an addition to the Council's existing Procurement Strategy to incorporate a Sustainable Procurement Policy to comply with the targets emanating from the Sustainable Procurement National Action Plan and to compliment the Environmental Strategy for the Council which is out for consultation at the present time.

1. INTRODUCTION/BACKGROUND

- 1.1 The National Procurement Strategy issued in October 2003 set a number of targets for Local Government. One of these targets was that each Authority should "adopt a corporate procurement strategy, ensuring it is aligned with corporate objectives" by 2004. The Council's 3 year Procurement Strategy was approved in December 2005 and focussed on ensuring that the Council achieved Best Value from its Procurement activity, and incorporated an action plan aimed at delivering the requirements of the National Procurement Strategy. A further recommendation from the National Procurement Strategy was that "smaller councils would need to create a focal point and co-ordinate procurement across the council." As a result the Procurement Officer was appointed on a fixed term contract and charged with the embedding and policing of the Corporate and national Procurement strategy.
- 1.2 As part of the Governments 2005 Sustainable Development Strategy a Sustainable Procurement Task Force was set up. Its terms of reference were "To develop a National Action Plan for ensuring that public procurement fully contributes to sustainable development in the UK, reflecting the principles set out in the sustainable development strategy and the existing E.U., domestic and legal framework governing public procurement". This task force made recommendations which now form the basis of the Sustainable Procurement National Action Plan. These recommendations fall into six categories which are, lead by example, set clear priorities, raise the bar, build capacity, remove barriers and capture opportunities to deliver sustainable procurement. Targets have been set for 2007, 2008 and 2009. The Council is required to achieve level 3 by the end of 2008/9 and level 5 in one area although there is no indication of any penalties imposed by Central Government if these targets are not achieved. However the sustainability issue is likely to become more important over the next few years.

2. KEY DECISION

- 2.1 This is a key decision.

3. COUNCIL PRIORITIES

- 3.1 The matter raised in this report falls within the following Council priorities:
 - A safe and healthy environment
 - A well planned place to live which encourages vibrant communities
 - A prosperous place to live and work

4. MAIN BODY OF REPORT

- 4.1 The high level target sustainable procurement actions required to achieve these levels are shown at Appendix A. The Council's existing Procurement Strategy remains valid and must continue to be delivered, embedded and policed but the actions from the Sustainable Development Strategy must now also be implemented.
- 4.2 It is evident that what and how the Council buys and acquires goods, services and capital, makes a big difference, both to its ability to deliver sustainable development and to its credibility with those it seeks to influence. In business, this is seen as a core piece of risk and reputation management, as well as a way of implementing corporate strategy and the Council should adopt a similar approach. Unsustainable purchasing of timber, food, cars/travel and many other areas has a high reputational risk and is seen by pressure groups, the press and society at large as unacceptable. Leading businesses are making far more rapid progress than central and local government in addressing these risks. The sustainable working group developed an expenditure prioritisation methodology based on assessing risk, scope to do more and procurer influence to achieve prioritisation of areas of public sector spend. They regarded taking responsibility for their purchasing and the impact of their supply chain as a key part of their risk management, and found it difficult to understand why public sector leaders did not consider unsustainable procurement as a risk.
- 4.3 At present there is no streamlined and integrated framework in government to ensure that policies take account of environmental, economic and social considerations. The sustainable task force recommended that developing such a framework would be a good way to guide both policy and procurers in how to take non-monetary benefits into account and the OGC's recently published guidance on Social Issues in Purchasing, which touches on ethical contracting, training, encouraging social inclusion and consideration of racial, disability and gender equality issues as well as ILO standards, provides a good platform for building the links between better policy making and delivery of policy through procurement. It also touches on collective agreements and the process of excluding abnormally low tenders where they contravene labour laws and conditions. Achieving maximum impact in the public sector must mean delivering best value, including the higher quality, wealth generation and often productivity levels that consideration of appropriate social issues can yield.
- 4.4 The Sustainable Procurement Action Plan at Appendix A has been reviewed and some progress has been made against the level 1 targets but further work is required if the Council is to meet the targets set and some immediate recommendations are made to Cabinet in this report to facilitate the delivery of these actions.
- 4.5 However, the Sustainable Procurement Action plan is only part of a wider Environmental Strategy for the Council which is subject to consultation and will put forward a number of Environmental Aims covering topics such as:
- Environmental Management
 - Environmental Awareness
 - Energy
 - Waste, Water and Air Quality
 - Transport
 - Built and Natural Environment
 - Green Procurement

- 4.6 Early action is required on the Sustainable Procurement Action Plan in conjunction with the consultation phase of the Environmental Strategy. Two Green Procurement aims have been identified in the Environmental Strategy as follows:
- Implement initiatives which seek to minimise the environmental impact of all Council purchases of goods and services
 - Work in partnership with our suppliers and contractors to minimise the environmental impacts of their goods and services
- 4.7 This report recommends these are adopted as the overarching Procurement Sustainability Principles supported by the Green Purchasing Policy which is already part of the Council's Procurement Toolkit on which Service Managers are currently being trained and on which Members will be trained in the near future. The Green Purchasing Policy is attached at Appendix B for information.
- 4.8 The action plan also requires the Council to have a Sustainable Procurement Policy. A suggested Policy is shown at Appendix C and it is recommended that this is adopted and included as an update to the Council's Procurement Strategy.
- 4.9 Therefore, in order to facilitate progress in delivering the Sustainable Procurement Action Plan a number of immediate recommendations are made as follows:
- Appoint a Member Sustainable Procurement Champion
 - Agree the two overarching Procurement Aims as the Procurement Sustainability Principles for the Council supported by the Green Purchasing Policy at Appendix B and include these as an addendum to the existing Procurement Strategy
 - Adopt the Sustainable Procurement Policy at Appendix C as an addendum to the current Procurement Strategy.
- 4.10 This will ensure that all the strategy and policy documents are captured in one overarching document; The Procurement Strategy. Once these key recommendations are implemented it will then be possible to address some of the other actions involving training and embedding these sustainable policies in order that the Council can work towards level 2 and 3 during 2008/09.

5. OPTIONS AVAILABLE

- 5.1 Approve the recommendations in this report to facilitate delivery of the National Sustainable Procurement Action Plan and achievement of a level 3 in the required timescale
- 5.2 Not approve the recommendations in this report and therefore not be able to facilitate delivery of the National Sustainable Procurement Action Plan and achievement of a level 3 in the required timescale

6. REASONS FOR RECOMMENDATION(S)

- 6.1 Appointing a member sustainable procurement champion would ensure that the sustainability agenda in terms of procurement would be represented at Council.
- 6.2 Adopt the two overarching Procurement Aims as the Procurement Sustainability Principles for the Council. These will be reviewed when the National Improvement and Efficiency Strategy is launched (this strategy is the successor to the National Procurement Strategy and is due to be launched imminently).
- 6.3 Adopt the Sustainable Procurement Policy at Appendix C as an addendum to the current Procurement Strategy until the national Improvement and Efficiency Strategy is launched.

7. **RECOMMENDATION(S)**

The recommendation is to:

- 7.1 Appoint a Member Sustainable Procurement Champion.
- 7.2 Agree the two overarching Procurement Aims as the Procurement Sustainability Principles for the Council supported by the Green Purchasing Policy at Appendix B and include these as an addendum to the existing Procurement Strategy
- 7.3 Adopt the Sustainable Procurement Policy at Appendix C as an addendum to the current Procurement Strategy.

Appendices:

Where appropriate, this report has taken account of the need for compliance with

- The Council's Equal Opportunities Policies and Gender Equality Scheme
- Section 17, Crime & Disorder Act 1998
- Human Rights Act 1998

Section 40, Natural Environment and Rural Communities Act 2006

Appendices

Appendix A – National Sustainable Procurement Action Plan (high level)

Appendix B - Green Purchasing Policy

Appendix C - Sustainable Procurement Policy