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22 February 2008

To: All Members of the Cabinet Procurement Committee
c.c. All other persons receiving Procurement Committee agenda

Dear Member,

Cabinet Procurement Committee - Tuesday, 26th February, 2008

I attach a copy of the following report for the above-mentioned meeting which was not available at the time of collation of the agenda:

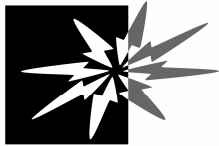
12. SUSTAINABLE PROCUREMENT (PAGES 1 - 36)

(Report of the Director of Corporate Resources): To outline the proposed sustainable procurement strategy and policy and explain how the Council's spending power can be utilised in support of sustainable development and contribute to achieving the Greenest Borough Strategy.

Yours sincerely,

Richard Burbidge
Cabinet Committees Manager

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Haringey Council

Agenda item: Sustainable Procurement Policy and Strategy

[No.]**Procurement Committee****On February 21 2008**Report Title: **Sustainable Procurement Policy and Strategy**Forward Plan reference number (if applicable): **29**Report of: **Director of Corporate Resources and Chief Financial Officer**Wards(s) affected: **All**Report for: **Key decision****1. Purpose**

1.1 The report outlines the proposed Sustainable Procurement Strategy and Policy of Haringey Council. Cabinet Procurement Committee is requested to recommend to Cabinet the adoption of the Sustainable Procurement Policy and Strategy by the Council.

2. Introduction by the Cabinet Member for Resources

2.1 This Policy and Strategy will ensure on implementation that the Council achieves Value for Money and meets some of the CAA requirements. I commend this document.

3. Recommendations

3.1 That Cabinet Procurement Committee recommends to Cabinet the adoption of the Sustainable Procurement Policy and Strategy as set out at Appendix 1.

Report Authorised by: **Gerald Almeroth, Chief Financial Officer**

Contact Officer: **Joanna Chambers, Business Support Officer (Procurement),**
Joanna.Chambers@haringey.gov.uk, 020 8489 3937

4. Head of Legal Services Comments

- 5.1 Local authorities have the power under S. 2 (1) of the Local Government Act 2000, to adopt and implement any procurement strategy/ policy likely to promote or develop the economic, social or environmental well-being of their area. Furthermore, the EU Directive on Public Procurement (Directive 2004/18/EC) as implemented in the UK by the Public Contracts Regulations 2006 (“the EU Regulations”) now empower local authorities to take environmental and social factors into consideration in the procurement process.
- 5.2 In exercising the above powers however, regard must be had to the fundamental procurement principles of transparency, non-discrimination and procedural fairness embodied in the Council’s Contract Standing Orders and the EU Regulations
- 5.3 Legal Services should be contacted on the legal aspects of the procurement pursuant to the policy as per usual practice.
- 5.4 The Head of Legal Services confirms that there are no legal reasons preventing CEMB from approving the recommendations in Paragraph 3 of this report.

5. Local Government (Access to Information) Act 1985

- 5.1 [List background documents]
- 5.2 [Also list reasons for exemption or confidentiality (if applicable)]

6. Strategic Implications

- 6.1 The Sustainable Procurement Strategy and Policy directly support the Council’s Greenest Borough strategy and Sustainable Community strategy.

7. Financial Implications

The adoption of the policy and strategy does not in itself commit the Council to incurring costs. The decision making on individual procurements will be made at the time of each transaction and that is when there will be choices in terms of cost and achievement of sustainability. Clearly value for money and affordability for the Council will remain a key principle in these future decisions.

8. Equalities Implications

- 8.1 The Council is committed to using its procurement function and process to advance its equal opportunities policy aims.
- 8.2 In this regard, the Council in its Equality Public Duties Scheme (2006) its Guide to Equality in Procurement (2007) and its Equal Opportunities Policy (2007), commits to including equalities considerations at every stage of the procurement process in to ensure that the process is fair, transparent and accessible to all, so that local

businesses especially small – medium sized enterprises, Black and ethnic minority business, women and the community and voluntary sector run social enterprises have the opportunity to tender for council contracts.

8.3 The Council is also committed to using its economic power to ensure whether in partnership or through contractual arrangements for the provision of goods, services or works on its behalf, that people it does business with have due regards to the Council's equal opportunities obligations and are able deliver on them.

8.4 The Sustainable Procurement Policy and Strategy proposed in this report captures the essence of the Council's equalities commitments in regard to procurement.

8.5 This is reflected in the vision statement of the strategy, in its statement of aims and objectives, and in its policy context statement, which reiterate the Council's commitment in the Equality Public Duties Scheme adopted by the Council in December 2006, and in the key action statement which includes the use of the Council Guide to Equality in Procurement as a key document to guide implementation of the strategy.

8.6 On the whole, when fully implemented, the Sustainable Procurement Policy and Strategy 2008-2012 as proposed will contribute to promoting equality of opportunity in Haringey

9. Consultation

9.1 The Sustainable Procurement Strategy and Policy have been developed in line with UK government and Local Government Association recommendations, in support of the Greenest Borough Strategy, and in consultation with members and officers of the Better Haringey Member Working Group. Consultation on the Sustainable Community Strategy in 2006 showed that Haringey's communities wanted Haringey to be the "greenest borough in London", an "economically sound and prosperous borough", and a borough with "good community cohesion with people respecting each other and their environment". Feedback from the Better Haringey Green fair in 2007 told us that the Council should ensure it follows its own advice, indicating that our communities expect us to lead by example. And initial consultation on the Greenest Borough Strategy in 2008 has shown that our communities expect the Council to put addressing our impact on climate change as a top priority for action.

9.2 The strategy is high level and proposes the development of a three year implementation programme to deliver the strategy. This detailed programme will be developed in consultation with Better Haringey and the relevant Heads of Service, many of whom will also be required, as procurement Category Managers, to develop implementation programmes for their respective category. This programme will be developed by the end of September 2008 and will address the implementation and enhancement of the strategy over a four year period.

10. Background

10.1 Appendix 1 outlines the proposed Sustainable Procurement Policy and Strategy of Haringey Council. It explains how Haringey's spending power can be utilised in

support of sustainable development and will contribute to achieving the Greenest Borough Strategy, in particular Priority 4: Leading example – managing the Council sustainably and Priority 5: Sustainable design and construction.

- 10.2 Sustainable Procurement can be defined 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, whilst minimising damage to the environment” *‘Procuring the Future’, Sustainable Procurement Task Force, Defra, June 2006*
- 10.3 Procurement is a considerable element of an organisation’s economic power. As a local authority with responsibility for spending public money, Haringey has a duty to ensure it is spent in the community’s interests now and for generations to come.
- 10.4 To deliver outcomes that support sustainable development, the procurement process must take account of social, economic and environmental objectives.
- 10.5 In line with the Council’s Equal Opportunities Policy, the Equality Public Duties Scheme and the Council’s Guide to Equalities in Procurement, the social objectives in this Strategy embrace the promoting of equality of opportunity at all stages of the procurement process.
- 10.6 The strategy and policy have been developed in support of the Greenest Borough Strategy and following the increasing UK government emphasis around sustainable procurement. This includes the UK Sustainable Procurement Task Force, which identified benefits arising from adopting sustainable procurement as: better stewardship of taxpayers’ money; environmental and social benefits; public sector support for innovation; encouragement for more environment-friendly technologies; better management of risk; mitigation of concerns about upfront costs through less waste; better information about purchasing patterns; and improved supplier relationships and management. All these elements of sustainable procurement are, at the same time, examples of good procurement practice.
- 10.7 In addition to offering real value for money over the long term and contributing to meeting the targets in Greenest Borough Strategy (e.g. reducing CO₂ emissions), adoption of the strategy and policy will demonstrate leadership of the borough. This will show Haringey living its values.
- 10.8 There are also increasing regulatory and policy requirements in the UK and Europe, primarily around financial reporting, waste management, energy use and sustainable production and consumption. The UK government has set the target for the UK to among the EU leaders in sustainable procurement by 2009, an aspiration shared by the Local Government Association. There are higher expectations of Councils in leading the corporate social responsibility agenda locally.
- 10.9 In order to help authorities take the steps needed to bring about sustainable procurement, the UK Sustainable Procurement Task Force has developed a Flexible Framework for implementation. The Flexible Framework outlines, step by step, the

things that organisations need to achieve in order to implement sustainable procurement. It breaks this into 5 levels of achievement: from foundation, at Level 1; through to leading, at Level 5. Following a self assessment against the flexible framework, Haringey is currently averaging Level 1.5.

10.10 This framework has been endorsed by the Local Government Association and is recognised in the new Comprehensive Area Assessment (2008/09) as an indication of effective use of resources. The Strategy (Appendix 1) calls for Haringey to work in line with this framework.

11. Conclusion

11.1 To deliver outcomes that support sustainable development, the procurement process must take account of social, economic and environmental objectives.

11.2 Other benefits include demonstrating compliance with government recommendations, delivering real value for money over the long term, managing our reputation risk, compliance with regulatory requirements, and supporting the Greenest Borough Strategy.

11.3 Haringey should therefore implement sustainable procurement practices in line with the Flexible Framework developed by the UK Sustainable Procurement Task Force.

12. Use of Appendices / Tables / Photographs

12.1 Appendix 1: Sustainable Procurement Policy and Strategy

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Haringey Council

Sustainable Procurement

Policy and Strategy 2008-2012

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Proposed Sustainable Procurement Policy

Haringey Council recognises its role in furthering sustainable development through its procurement of goods, services and works. Procurement decisions can have major social, economic and environmental impacts, both for current and future generations.

Our Policy is to use Haringey Council's spending power to deliver outcomes that support sustainable development.

The Council recognises the need to lead by example and by carrying out our purchasing activities in line with best practice we will:

Minimise the environmental impacts of our contracts including the production of waste, use of resources, emissions to air, releases to water, contamination of land and destruction of habitats, wildlife and biodiversity.

Specify the use of environmentally preferable and fairly traded materials and products; ask potential suppliers to submit prices for more sustainable goods and materials and ensure full and fair consideration is given to the costs and benefits of these alternatives.

Ensure our built environment is well designed, well placed and durable, to encourage social inclusion and life long learning, enhance community safety, protect against crime, alleviate fuel poverty and deliver a sense of pride.

Appraise the potential for environmental and social improvements, local economic opportunity and community benefit during vendor qualification and tender evaluation and ensure that environmental and social criteria are used in the award of contracts.

Research and promote best practice in the sustainable procurement of supplies, services and works and raise awareness of this among elected members, council staff, the public and other stakeholders.

Develop sustainable procurement skills within the Council and support the employment prospects of Haringey's workforce through increasing vocational prospects, employer engagement initiatives and work experience opportunities.

Comply with and aim to exceed all relevant UK and EC procurement, environmental, social and H&S regulations, industry guidance, codes of practice and voluntary agreements, and expect the same level of compliance from our suppliers and contractors.

Provide procurements that deliver end user requirements by ensuring a sound options appraisal process, exploring shared services, internal providers and

<p>collaboration with external suppliers to provide the right solution and Whole Life value.</p>
<p>Ensure that the goods, works and services procured by the Council are manufactured, delivered, used and disposed of in an environmentally and socially responsible manner.</p>
<p>Strengthen the local economy by working with the local business community, including Small and Medium Enterprises, Black Asian and Minority Ethnic businesses, social enterprises and the voluntary sector so they are ready to compete and have access to procurement opportunities.</p>
<p>Promote equality by ensuring that every Council contract, whether it is intended for a service, goods or works, meet the needs of all those it is intended to benefit, however diverse they may be.</p>
<p>Understand the diversity of council expenditure, predict likely demands and trends and implement strategies that will maximise council resources and deliver quality services over the long term.</p>
<p>Engage our suppliers to improve supply chain management, by working with key vendors, educating them on sustainable procurement and our policies, persuading them to utilise more sustainable products and working practices, and encouraging them to propose innovations which improve the sustainability of their tender responses.</p>
<p>Build good relationships with neighbouring authorities and suppliers, seeking shared opportunities and benefits.</p>
<p>Collaborate with other organisations, such as the GLA and other local authorities to improve knowledge and understanding of sustainable procurement and to seek shared opportunities and benefits.</p>
<p>Adopt mechanisms and indicators to monitor and review the performance of vendors and achieve continuous improvement in our supply chain.</p>
<p>Measure our progress against clear and transparent performance indicators to chart how the Council has used its spending power to deliver outcomes that support sustainable development.</p>

Sustainable Procurement Strategy 2008-12

1 Foreword

Haringey Council is strongly committed to protecting the natural environment and improving the quality of life for everyone in the borough and we recognise that effective procurement of best value supplies, services and works is crucial in supporting the social, environmental and economic priorities contained within our Sustainable Community and Greenest Borough Strategies.

This Sustainable Procurement Policy & Strategy demands a systematic, measured and continuous improvement approach, recognising that sustainable procurement must be meaningful and substantial.

This Strategy aims to:

- Encourage awareness of sustainable procurement throughout the Council, within our supply chains and amongst the Haringey community
- Demonstrate how sustainable procurement objectives align with best practice procurement
- Identify areas in which we will prioritise implementation
- Outline our key objectives for implementing sustainable procurement

There is much work to be done to realise this Strategy and we will work closely with our strategic partners and suppliers to determine the best way forward.

Our aim is to continually improve and to use the Council's spending power in such a way that best serves the citizens and environment in which we live and work.

Councillor Charles Adje

Cabinet Member for Corporate Resources

2 Executive Summary

2.1 Vision

To ensure that sustainability is an implicit consideration during all stages of the procurement process and that the Council's procurement activities support wider social, economic and environmental objectives, in ways that offer real long-term benefits to all.

2.2 Summary

This document outlines the proposed Sustainable Procurement Strategy of Haringey Council. It explains how Haringey's spending power can be utilised in support of sustainable development.

Procurement is a considerable element of an organisation's economic power. As a local authority with responsibility for spending public money, Haringey has a duty to ensure it is used in the community's interests now and for generations to come.

Sustainable Procurement can be defined 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, whilst minimising damage to the environment" *'Procuring the Future', Sustainable Procurement Task Force, Defra, June 2006*

By managing the Council sustainably in a systematic way, Haringey will not only show leadership by 'living its values' but will also deliver real value for money.

2.3 Outcomes and Objectives

Our objectives reflect the proposed Sustainable Procurement Policy (pp.4-5) and will support sustainable outcomes for Haringey:

Outcomes:	Objectives:
Minimising the environmental impacts of our contracts	To specify minimum standards for environmentally preferable and fairly traded materials and products
Delivering real value for money	To ensure that the Whole Life Cost of our procurements is considered
	To identify the social, environmental and economic diversity of council expenditure and predict likely demands and trends including their likely impact on the diverse sections of the Haringey population and service users
A well managed sustainable supply chain	To work with our key vendors on sustainable procurement and our procurement needs
	To adopt mechanisms and indicators to review and achieve continuous improvement in our supply chain, including the extent to which it is applied to SME, BAME, voluntary and social enterprises
Embedded sustainable procurement practices	To research and promote best practice in sustainable procurement
	To increase the sustainable procurement skills of our staff within the Council
	To provide clear leadership on sustainable procurement
A strong sustainable local economy	To increase our use of SME, BAME, voluntary and social enterprises
A sustainable constructed environment	To ensure our built environment is well-designed, well-placed, durable, meets the needs of our communities and has regard for our environment and our biodiversity.

2.4 Key actions: How we will achieve our outcomes

In order to meet our objectives, a systematic effort to mainstream sustainable procurement in line with existing public sector recommendations and broader strategic objectives, such as the Council's Greenest Borough strategy, is required.

We will work in line with and build upon the Flexible Framework (Appendix 1) developed by the government sponsored UK Sustainable Procurement Taskforce. The Flexible Framework outlines, step by step, the things that organisations need to achieve in order to implement sustainable procurement. It breaks this into 5 levels of achievement: from foundation, at Level 1; through to leading, at Level 5.

Following a self assessment against the flexible framework, Haringey is currently averaging Level 1.5.

Our aim is to:

September 2009 – achieve Level 2 across all areas of the Flexible Framework (Appendix 1)

September 2010 – achieve Level 3 across all areas of the Flexible Framework

September 2012 – achieve Level 4 across all areas of the Flexible Framework

A supporting programme of implementation will be developed by the end of September 2008 in support of this strategy. This will address the implementation and enhancement of the strategy over a four year period. It will also include the development of minimum standards for council contracts in collaboration with the category management programme.

Working with Our Partners

We recognise that our strategic partners, in particularly the Haringey Strategic Partnership, will be important in achieving our aims and we will work with them to share information and support the implementation of sustainable procurement practices across the borough.

2.5 Key Links

This strategy has been developed in support of and will contribute to achieving the Greenest Borough Strategy, in particular *Priority 4: Leading by example – managing the Council sustainably* and *Priority 5: Sustainable design and construction*.

It also links to the following Council strategies and plans:

- The Sustainable Community Strategy

- The Council Plan
- The Local Area Agreement
- The Regeneration Strategy

Our asset management programmes, such as the Decent Homes and Building Schools for the Future initiatives, will also need to consider this Sustainable Procurement Policy and Strategy.

We will also consider the Haringey Strategic Partnership and Local Area Agreement in implementing the strategy, in order to support the implementation of sustainable procurement practices across the borough

We will ensure that links to these and any new initiatives are fully explored and considered in the programme that will outline the implementation of this strategy.

3 Introduction and overview

This document outlines the proposed Sustainable Procurement Strategy of Haringey Council. It explains how Haringey's spending power can be utilised in support of sustainable development.

Procurement is a considerable element of an organisation's economic power. As a local authority with responsibility for spending public money, Haringey has a duty to ensure it is used in the community's interests now and for generations to come.

Sustainable Procurement can be defined 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, whilst minimising damage to the environment” *‘Procuring the Future’, Sustainable Procurement Task Force, Defra, June 2006*

By managing the Council sustainably in a systematic way, Haringey will not only show leadership by 'living its values' but will also deliver real value for money.

4 Outcomes and Objectives

Our objectives reflect the proposed Sustainable Procurement Policy (pp.4-5) and will support sustainable outcomes for Haringey. They have been developed in line with UK government and Local Government Association recommendations and in support of the Greenest Borough strategy (see *Section 5: Context*, pp.13-18). The plan for achieving these objectives is outlined in *Section 6: Key actions*, p.19)

Objective:	What this means:
To specify minimum standards for environmentally preferable and fairly traded materials and products	The Council will establish standards such as achieving a BREEAM Excellent standard in all of our new build construction projects, energy appliances to be A-Rated, increasing percentages of recycled materials used and the purchase of fairly traded materials.
Outcome: Minimising the environmental impacts of our contracts	

Objectives:	What this means:
To ensure that the Whole Life Cost of our procurements is considered	The Council will improve its ability to deliver value for money by amending our contract standing orders to adopt a whole life costing approach in its options appraisals.
To identify the social, environmental and economic diversity of council expenditure and predict likely demands and trends including their likely impact on the diverse sections of the Haringey population and service users	<p>The Council will identify and work with our key corporate suppliers by using a spend/risk analysis, and additionally for category managers to work with our key suppliers in each of the Council defined procurement categories.</p> <p>Haringey will prioritise in the categories of construction, facilities management, waste, energy, water, transport and food. The Council will also consider new products and services it may wish to pioneer, particularly in the use of carbon saving or recycled goods.</p>
Outcome: Delivering real value for money	

Objectives:	What this means:
To work with our key vendors on sustainable procurement and our	The Council will develop a supplier engagement programme, promoting sustainability in the supply chain. We will communicate our sustainable

procurement needs	procurement policy and strategy and recognise the achievements of our suppliers in supporting this.
To adopt mechanisms and indicators to review and achieve continuous improvement in our supply chain, including the extent to which it is applied to SME, BAME, voluntary and social enterprises	The Council will identify indicators to measure the sustainability of its supply chains in high risk impact areas, making our supply chains more efficient and more inclusive and minimising their impact on our environment.
Outcome: A well managed sustainable supply chain	

Objectives:	What this means:
To research and promote best practice in sustainable procurement	The Council will be actively involved in the Greater London Authority Sustainable Procurement project and ensure participation in any support offered and any collaborative procurement exercises.
To increase the sustainable procurement skills of our staff within the Council	Sustainable procurement training will be offered to key staff and is currently included in the Council's training programme. More detailed training is required for category and contract managers and refresher training made available to more experienced staff. Sustainability will be included in staff induction. Beyond training, best practice case studies will be used to support contract specifications and specialist support brought in as necessary to help manage complex or high risk specifications. Haringey will embed sustainable procurement within contract specifications, tender evaluation, monitoring of outputs and outcomes and supplier engagement, offering additional training and support to the relevant category and contract managers.
To provide clear leadership on sustainable procurement	With corporate sponsorship, general reporting and monitoring of progress can continue to be fed into the Better Haringey steering group as part of the broader Greenest Borough Strategy. The Council will adopt a clear sustainable procurement policy for use by officers and to enable suppliers to clearly understand our requirements.

Outcome: Embedded sustainable procurement practices

Objective:	What this means:
<p>To increase our use of SME, BAME, voluntary and social enterprises</p>	<p>The Council will build on its current SME Capacity Building support. There is an opportunity to develop and expand use of third sector suppliers (voluntary and community sector), ensuring that longer-term funding is available for them to develop a business offering. Key suppliers will be reasonably expected to provide local employment and training.</p>

Outcome: A strong sustainable local economy

Objectives:	What this means:
<p>To ensure our built environment is well-designed, well-placed, durable, meets the needs of our communities and has regard for our environment and our biodiversity.</p>	<p>The Council will require its construction designers, consultants and contractors to apply good practice in sustainable construction to all new builds and refurbishments. We will consider the implications of our construction on social inclusion, life long learning, community safety and the environment.</p>

Outcome: A sustainable constructed environment

5 Context

This section outlines the relationship between procurement and the sustainability agenda, how this aligns with Haringey's Greenest Borough Strategy and the strategic context in which this strategy has been developed.

5.1 Procurement in context

Procurement activities and processes underpin the Council's ability to obtain best value in all the goods, services and works that it requires. Corporate Procurement's role is to provide strategic direction, general advice, technical and regulatory guidance, develop policies, systems and compliant processes to ensure that a responsible, fair and inclusive procurement is embedded throughout the Council.

The Corporate Procurement Unit generally considers the following to ensure this happens routinely:

- Corporate Policies
- Elected Members
- Senior Management
- Devolved departmental purchasing
- Suppliers and Partners
- Stakeholders

The term "procurement" relates to the process of acquiring goods, services and works, from stationery to service delivery partnerships, from street furniture to new roads, from the initial concept (identification of need) through to the end of the useful life of the asset or service contract. Procurement ranges from the negotiation of contracts for the supply of routine goods and services through to the more complex partnership arrangements such as Public / Private Partnerships (PPP), joint commissioning with other public sector organisations and construction projects.

5.2 The Greenest Borough Strategy

Haringey Council has outlined its commitment to becoming one of the greenest boroughs in London by developing a Greenest Borough Strategy. The strategy provides a coordinated approach to achieving two of the Sustainable Community Strategy priorities: 'an environmentally sustainable future' and 'people at the heart of change'. It also reflects the Council's priority to create a 'Better Haringey: cleaner, greener and safer'.

The Greenest Borough Strategy has identified six priorities:

- Improving the urban environment;
- Protecting the natural environment;
- Managing environmental resources efficiently;
- Leading by example – managing the Council sustainably;
- Sustainable design and construction; and
- Promoting sustainable travel.

This Sustainable Procurement Strategy outlines how Haringey's spending power can be utilised in support of sustainable development and will contribute to achieving the Greenest Borough Strategy, in particular *Priority 4: Leading example – managing the Council sustainably* and *Priority 5: Sustainable design and construction*.

5.3 Sustainable Procurement Background

It is evident that what and how the public sector buys and acquires goods, services and works, makes a big difference both to its ability to deliver sustainable development and to its credibility with those it seeks to influence. Haringey has already taken steps towards sustainable procurement, demonstrated by its BREEAM (Building Research Establishment's Environmental Assessment Method) Excellent rated Sixth Form Centre.

Haringey Council spent £1,042 million in 2006/7, representing a compelling opportunity to build on Haringey's existing efforts and support the delivery of improved sustainable outcomes in a systematic way.

5.4 The Sustainability Agenda

Public perception of sustainability issues has grown considerably in the past few years, with media attention on the social and environmental impacts of climate change, deforestation, flood defences, social injustice, excessive waste production and recycling, health impacts of intensively farmed and calorie rich foods, Fair Trade products and animal welfare.

These views are reflected in Haringey. Consultation on the Sustainable Community Strategy in 2006 showed that Haringey's communities wanted Haringey to be the "greenest borough in London", an "economically sound and prosperous borough", and a borough with "good community cohesion with people respecting each other and their environment". Feedback from the Better Haringey Green fair in 2007 told us that the Council should ensure it follows its own advice, indicating that our

communities expect us to lead by example. And initial consultation on the Greenest Borough Strategy in 2008 has shown that our communities expect the Council to put addressing our impact on climate change as a top priority for action.

Partly in response to stricter regulations and environmental lobbying, the European Union and UK Government have developed the following strategic context to minimise the detrimental effects of our consumer society:

UK National Procurement Strategy for Local Government, ODPM/LGA, October 2003

Recommendation that all local authorities should “use procurement to help deliver corporate objectives including the economic, social and environmental objectives set out in community plans, and that every council should build sustainability into its procurement strategy, processes and contracts.”

Securing the Future: The UK Government Sustainable Development Strategy, DEFRA March 2005

Securing the Future set out the UK’s goal of becoming a leader within the EU on sustainable procurement by 2009 and established the following four priority areas for immediate action:

- Sustainable consumption and production
- Climate change and energy
- Natural resource protection & environmental enhancement
- Creating sustainable communities and a fairer world

5.5 Sustainability and Procurement

a) Supporting sustainability through the procurement process

To deliver outcomes that support sustainable development, the procurement process must take account of social, economic and environmental objectives.

We are able to use our expenditure to provide leadership to persuade manufacturers, suppliers and consumers to change purchasing habits. An example of this is the market transformation for white goods, where A, and now A+ rated appliances are considered not only best available technology (BAT) but standard. For our capital programme and major projects, there is considerable scope for achieving sustainable outcomes. This includes:

- Transport choice

- Facilities design
- Supporting local economies
- Employment practice
- Re-use of assets
- Minimising impact on natural resources
- Minimising energy and water use
- Minimising pollution
- Preserving and enhancing bio-diversity

To do this, we must recognise that sustainable development is the way we do things and the way we think. It needs an approach that cuts across directorates and requires a long term view beyond electoral cycles.

b) Delivering real Value for Money

As well as supporting sustainable development, the public sector needs to procure sustainably because it is a guaranteed way of offering real value for money over the long term.

Common misconceptions are that “cheapest price” is the same as “value for money” and that “efficiency” in terms of environmental resource efficiency is interchangeable with “sustainability”.

By considering this in our procurement decisions, we can achieve better value for money for our taxpayers.

5.6 The UK Sustainable Procurement Task Force

The issues outlined above have been recognised for some time as presenting opportunities to do things better, but also with an increasing recognition that practical application across the public sector has been limited. To address this, the government established a business led Task Force with a remit to focus on the social, economic and environmental dimensions of public procurement and devise a National Action Plan to deliver the UK procurement objective.

The Task Force concluded that for the UK to reach this goal, a systematic effort to mainstream sustainable procurement was required. It was identified that there would be significant benefits from doing this: better stewardship of taxpayers’ money; environmental and social benefits; public sector support for innovation; encouragement for more environment-friendly technologies; better management of risk; mitigation of concerns about upfront costs through less waste; better information about purchasing patterns; and improved supplier relationships and management.

All these elements of sustainable procurement are, at the same time, simply examples of good procurement practice.

Procuring the Future - Sustainable Procurement National Action Plan: Recommendations from the Sustainable Procurement Task Force. *Department for Environment, Food and Rural Affairs, June 2006*

The Sustainable Procurement Task Force published *Procuring the Future* in June 2006.

It recommended that the UK government needed to:

- a) Lead by example** – providing clear direction from the top of the organisation
- b) Set Clear Priorities** – based on organisational spend analysis and/or the impact of the project and to prioritise significant categories where leverage can be applied.
- c) Raise the Bar** – organisations should give clear signals to the marketplace on future requirements and work with suppliers to identify future needs and raise mandatory minimum standards
- d) Build Capacity** - procurement should be carried out by people whose procurement skills have been developed appropriately.
- e) Remove Barriers** - actual or perceived and put in place the right budgetary mechanisms
- f) Capture Opportunities** - for innovation and social benefits and enabling suppliers to access the public sector with innovative solutions.

The Flexible Framework

In order to help organisations understand and take the steps needed to improve procurement practice and bring about sustainable procurement; the Task Force developed the Flexible Framework (Appendix 1).

The framework identifies 5 levels of success across the themes of: People; Policy, Strategy and Communications; Procurement Process; Engaging Suppliers; and Measurements and Results. While the focus of the framework is sustainable procurement, it also represents the basics of good procurement generally, ensuring compatibility between existing procurement processes and any changes that sustainable procurement might bring.

UK Government Sustainable Procurement Action Plan: Incorporating the Government response to the report of the Sustainable Procurement Task Force. *Department for Environment, Food and Rural Affairs. March 2007.*

Informed by the findings of the Task Force, this action plan describes the actions to be taken by the UK Government in order to be among the EU leaders in sustainable procurement by 2009.

Local Government Sustainable Procurement Strategy: Incorporating the Local Government Response to the Report of the Sustainable Procurement Task

Force and to the UK Government Sustainable Procurement Action Plan - Improvement and Development Agency (IDeA), the Local Government Association (LGA) and the North East Centre of Excellence, November 2007

This strategy document supported the Task Force recommendations and recommended the prioritisation of action around construction and facilities management, waste management, energy, transport and food. It also supported the UK government ambition to be among EU leaders on sustainable procurement by 2009.

London Focus - Joining the Gaps in Sustainable Procurement, November 2007

The Greater London Authority, funded by London Centre of Excellence, commissioned a project to:

- understand the position of London Boroughs and the GLA group in the development of their sustainable procurement plans
- identify gaps and opportunities
- develop a pan-London action plan

The project is intended as the first stage of a journey to develop the public sector in London as a world-leading exponent of sustainable procurement and looked at the performance of London Boroughs and the GLA family of organisations.

A pan-London action plan is under development to bring the capital's Boroughs and the GLA family organisations quickly forward, starting from a realistic assessment of how these organisations are currently performing. It will set two clear pathways for action – one for action at a pan London level, and one for each organisation to follow – based around the themes of the Flexible Framework.

5.7 Promoting Equality through Procurement

As a Council, we are committed to promoting equality through procurement. Our approach in this regard consists of three types of action:

Promoting equality of opportunity for council contracts

We can achieve this by opening up the supply chain so that all local businesses have the opportunity to successfully tender for council contracts. The Council will ensure that the tender process is fair, transparent and accessible to all. The Council will include equalities considerations at every stage of the procurement process including:

- Select List of Suppliers;
- Tendering;
- Tender Evaluation;
- Award of Contracts.

The Council will continue to work with local business umbrella organisations such as the Chamber of Commerce, Ethnic Minorities Business Forum, and local small businesses to promote awareness of the Council tendering process.

Influencing people we do business with

This will continue to apply whether in partnerships or contractual arrangements for the provision of good, services or works on behalf of the Council. The Council will continue to operate a tender evaluation process embedded with equalities criteria and that are essential elements in contract performance monitoring.

Taking account of equalities issues when drafting contract specifications

We believe that it is essential that goods, services or works provided on behalf of the Council must not only meet the fit-for-purpose and value-for-money criteria, but must also account of the needs of users in their diversity. This will include taking account of the needs of ethnic groups, women, children and young people, people with disability, older people, lesbians and gay men, bisexual and transgender as well as religion or belief groups. For this reason officers will consider equalities issues when drafting contract specifications to ensure appropriate equalities outcomes once a contract has been awarded.

6 Key actions

6.1 Overview of implementation

In order to achieve the objectives outlined in Section 4, a systematic effort to mainstream sustainable procurement in line with the Flexible Framework and broader strategic objectives, such as the Council's Greenest Borough Strategy and Equalities in Procurement, is required.

In order to undertake this, Haringey will work in line with and build on the Flexible Framework developed by the Sustainable Procurement National UK Taskforce. Following a self assessment against the flexible framework, Haringey is currently averaging Level 1.5.

Our aim is to:

September 2009 – achieve Level 2 across all areas of the Flexible Framework (Appendix 1)

September 2010 – achieve Level 3 across all areas of the Flexible Framework

September 2012 – achieve Level 4 across all areas of the Flexible Framework

A supporting programme of implementation will be developed by the end of September 2008 in support of this strategy. This will address the implementation and enhancement of the strategy over a four year period. It will also include the development of minimum standards for council contracts in collaboration with the category management programme. We will ensure that any links to existing or new strategies are fully considered in the development of the implementation programme.

We will also work with our strategic partners to support the implementation of sustainable procurement practices across the borough.

6.2 Resource implications

As sustainable procurement is essentially the application of best practice procurement (delivering value for money), the cost of implementation should be largely absorbed by existing resource directed towards procurement.

It is expected that there will be some programme management resource requirements, however these can also be applied through existing arrangements.

There may be additional costs surrounding procurement training and supplier engagement. Also, in specifying higher minimum standards for our goods works and services, higher upfront costs may apply, but these will be considered on a whole life basis.

7. Contact

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9. Glossary

BAME – Black, Asian and Minority Ethnic (BAME) refers to those in Mixed, Asian or Asian British, Black or Black British, Chinese and Other ethnic groups.

Biodiversity - Biodiversity encompasses the whole variety of life on Earth. It includes all species of plants and animals, but also their genetic variation, and the complex ecosystems of which they are part. It is not restricted to rare or threatened species but includes the whole of the natural world from the commonplace to the critically endangered.

BREEAM - Buildings Research Establishment Environmental Assessment Method. It is the most widely used means of reviewing and improving the environmental performance of buildings. It is increasingly accepted in the UK construction and property sectors as offering best practice in environmental design and management. New Government buildings are expected to meet excellent BREEAM ratings, and refurbished ones "Very Good".

Corporate Procurement - the provision of strategic direction, general advice, technical and regulatory guidance, policies, systems and compliant processes to ensure responsible procurement is embedded throughout the Council

Category management – the management of expenditures and supplier performance in specific buying categories in order to improve efficiency

Defra - Department for the Environment, Food and Rural Affairs

Fair Trade – “an alternative approach to conventional international trade. It is a trading partnership which aims at sustainable development for excluded and disadvantaged producers. It seeks to do this by providing better trading conditions, by awareness raising and by campaigning” (*Fairtrade Foundation, Oxfam and Traidcraft*)

Flexible Framework - developed by the government sponsored UK Sustainable Procurement Task Force, the Flexible Framework outlines, step by step, the things that organisations need to achieve in order to implement sustainable procurement.

Small and Medium-sized Enterprises (SMEs) - small-scale entrepreneurial private enterprises: they are usually defined as having less than 250 employees.

Social enterprise - A social enterprise is a business with primarily social aims whose surpluses are reinvested for that purpose in the business or in the community, rather than being driven by the need to deliver profits to shareholders and owners.

Sustainable procurement - “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, whilst minimising damage to the environment” (*‘Procuring the Future’, Sustainable Procurement Task Force, Defra, June 2006*)

Value for Money (VFM) - Optimum combination of whole-life cost and quality to meet the user's requirement

Voluntary enterprise - A type of community enterprise which is run in a business-like fashion but which depends on volunteer labour. Examples would include most community cafes, food co-operatives and credit unions.

Whole Life Costing (WLC) - Whole life costing is based on the principle that financial, environmental and social costs accrue to each part of a product or service during its whole life cycle, not just at the point of buying and using the service. Purchasers should consider the key stages of a product/service's lifespan – design, raw material, sourcing, manufacture, delivery, use and disposal and identify the potential social, environmental and economic impacts and costs both positive and negative for each stage when evaluating a range of products. When taking this approach is often the case that the cheapest purchase price is not always the best value when comparing products over their whole lifespan.

Appendix 1: The Flexible Framework. From Procuring the Future: Sustainable Procurement National Action Plan, Sustainable Procurement Task Force 2006

	Foundation	Embed	Practice	Enhance	Lead
	Level 1	Level 2	Level 3	Level 4	Level 5
People	Sustainable procurement champion identified. Key procurement staff have received basic training in sustainable procurement principles. Sustainable procurement is included as part of a key employee induction programme.	All procurement staff have received basic training in sustainable procurement principles. Key staff have received advanced training on sustainable procurement principles.	Targeted refresher training on latest sustainable procurement principles. Performance objectives and appraisal include sustainable procurement factors. Simple incentive programme in place.	Sustainable procurement included in competencies and selection criteria. Sustainable procurement is included as part of employee induction programme.	Achievements are publicised and used to attract procurement professionals. Internal and external awards are received for achievements. Focus is on benefits achieved. Good practice shared with other organisations.
Policy, Strategy & Communications	Agree overarching sustainability objectives. Simple sustainable procurement policy in place endorsed by CEO. Communicate to staff and key suppliers.	Review and enhance sustainable procurement policy, in particular consider supplier engagement. Ensure it is part of a wider Sustainable Development strategy. Communicate to staff, suppliers and key stakeholders.	Augment the sustainable procurement policy into a strategy covering risk, process integration, marketing, supplier engagement, measurement and a review process. Strategy endorsed by CEO.	Review and enhance the sustainable procurement strategy, in particular recognising the potential of new technologies. Try to link strategy to EMS and include in overall corporate strategy.	Strategy is: reviewed regularly, externally scrutinised and directly linked to organisations' EMS. The Sustainable Procurement strategy recognised by political leaders, is communicated widely. A detailed review is undertaken to determine future priorities and a new strategy is produced beyond this framework.
Procurement Process	Expenditure analysis undertaken and key sustainability impacts identified. Key contracts start to include general sustainability criteria. Contracts awarded on the basis of value-for-money, not lowest price. Procurers adopt Quick Wins.	Detailed expenditure analysis undertaken, key sustainability risks assessed and used for prioritisation. Sustainability is considered at an early stage in the procurement process of most contracts. Whole-life-cost analysis adopted.	All contracts are assessed for general sustainability risks and management actions identified. Risks managed throughout all stages of the procurement process. Targets to improve sustainability are agreed with key suppliers	Detailed sustainability risks assessed for high impact contracts. Project/contract sustainability governance is in place. A life-cycle approach to cost/impact assessment is applied.	Life-cycle analysis has been undertaken for key commodity areas. Sustainability Key Performance Indicators agreed with key suppliers. Progress is rewarded or penalised based on performance. Barriers to sustainable procurement have been removed. Best practice shared with other organisations.
Engaging Suppliers	Key supplier spend analysis undertaken and high sustainability impact suppliers identified. Key suppliers targeted for engagement and views on procurement policy sought.	Detailed supplier spend analysis undertaken. General programme of supplier engagement initiated, with senior manager involvement.	Targeted supplier engagement programme in place, promoting continual sustainability improvement. Two way communication between procurer and supplier exists with incentives. Supply chains for key spend areas have been mapped.	Key suppliers targeted for intensive development. Sustainability audits and supply chain improvement programmes in place. Achievements are formally recorded. CEO involved in the supplier engagement programme.	Suppliers recognised as essential to delivery of organisations' sustainable procurement strategy. CEO engages with suppliers. Best practice shared with other/peer organisations. Suppliers recognise they must continually improve their sustainability profile to keep the clients business.

<p>Measurements & Results</p>	<p>Key sustainability impacts of procurement activity have been identified. Simple measures based on achieving all aspects of the Foundation level of the flexible framework are put in place and delivered.</p>	<p>Detailed appraisal of the sustainability impacts of the procurement activity has been undertaken. Measures implemented to manage the identified high risk impact areas. Simple measures based on achieving all aspects of the Embedding level of the flexible framework are put in place and delivered.</p>	<p>Sustainability measures refined from general departmental measures to include individual procurers and are linked to development objectives. Simple measures based on achieving all aspects of the Practising level of the flexible framework are put in place and delivered.</p>	<p>Measures are integrated into a balanced score card approach reflecting both input and output. Comparison is made with peer organisations. Benefit statements have been produced. Simple measures based on achieving all aspects of the Enhancing level of the flexible framework are put in place and delivered.</p>	<p>Measures used to drive organisational sustainable development strategy direction. Progress formally benchmarked with peer organisations. Benefits from sustainable procurement are clearly evidenced. Independent audit reports available in the public domain. Simple measures based on achieving all aspects of the Leading level of the flexible framework are put in place and delivered.</p>
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