



**Haringey** Council

Agenda item: Sustainable Procurement Policy and Strategy

**[No.]**

**Report for Cabinet**

**On March 18 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 adopt the Sustainable Procurement Policy and Strategy as set out at Appendix 1.

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#### **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 CO<sub>2</sub> 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