

Public Document Pack

**Democratic Services Section
Legal and Civic Services Department
Belfast City Council
City Hall
Belfast
BT1 5GS**

17th April, 2025

MEETING OF STRATEGIC POLICY AND RESOURCES COMMITTEE

Dear Alderman/Councillor,

As previously notified to you, I enclose a copies of the reports for the following items to be considered at the meeting to be held at 9.30 am on Friday, 18th April, 2025.

Yours faithfully,

John Walsh

Chief Executive

AGENDA:

2. **Restricted Items**

(a) Summer Community Diversionary Programme Assessments (Pages 1 - 20)

3. **Matters referred back from Council/Motions**

(a) Council Banking Arrangements/Ethical procurement framework (Pages 21 - 26)

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By virtue of paragraph(s) 3 of Part 1 of Schedule 6
of the Local Government Act (Northern Ireland) 2014.

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Subject:	Ethical Procurement Policy Update
Date:	18 th April 2025
Reporting Officers:	Trevor Wallace, Director of Finance Nora Largey, City Solicitor/Director of Legal & Civic Services
Contact Officers:	Trevor Wallace, Director of Finance Nora Largey, City Solicitor/Director of Legal & Civic Services

Restricted Reports													
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>												
<p>Please indicate the description, as listed in Schedule 6, of the exempt information by virtue of which the council has deemed this report restricted.</p> <p>Insert number <input style="width: 30px; height: 20px;" type="text"/></p> <ol style="list-style-type: none"> 1. Information relating to any individual 2. Information likely to reveal the identity of an individual 3. Information relating to the financial or business affairs of any particular person (including the council holding that information) 4. Information in connection with any labour relations matter 5. Information in relation to which a claim to legal professional privilege could be maintained 6. Information showing that the council proposes to (a) to give a notice imposing restrictions on a person; or (b) to make an order or direction 7. Information on any action in relation to the prevention, investigation or prosecution of crime 													
<p>If Yes, when will the report become unrestricted?</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">After Committee Decision</td> <td style="width: 5%;"></td> <td style="width: 25%; text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>After Council Decision</td> <td></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Sometime in the future</td> <td></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Never</td> <td></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>		After Committee Decision		<input type="checkbox"/>	After Council Decision		<input type="checkbox"/>	Sometime in the future		<input type="checkbox"/>	Never		<input type="checkbox"/>
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Call-in
Is the decision eligible for Call-in? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report or Summary of main Issues
1.1	The purpose of this report is to update members in relation to the work to date on the Council's Ethical Procurement Policy and, pursuant to the decision of SP&R meeting of 21 st February 2025, provide details in relation to the Council's banking arrangements.
2.0	Recommendations
2.1	Members are asked to: <ul style="list-style-type: none"> • note the update in relation to the work on the Council's Ethical Procurement Policy; • consider the proposed policy approach; • agree that an interim Ethical Procurement Policy is developed pending a review of the Social Value Policy to include wider ethical procurement considerations; and • agree that the Council goes out to tender for a new banking provider pending adoption of the interim Ethical Procurement Policy.
3.0	Main report
3.1	<p><u>Key Issues</u></p> <p>Ethical Procurement Policy</p> <p>At its meeting on 23rd February 2024, SP&R Committee agreed that a report would be brought to Committee on the following Notice of Motion:</p> <p><i>“This Council deplores those corporations that profit from protracted armed conflict and systematic violations of human rights, particularly in the context of Israel’s continuing brutal assault on the people of Gaza and escalating settler terrorism in the West Bank, Russia’s ongoing war of aggression against Ukraine, and other conflicts around the world. With this motion, the Council encourages companies to meet their obligations to avoid contributing to adverse human rights impacts through their own activities, and to prevent or mitigate human rights abuses linked to their operations.</i></p> <p><i>The Council is aware of the crucial role of local authorities and their public procurement procedures in ensuring respect for human rights by companies, as well as their obligations under widely accepted business and human rights norms – as laid down in the UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises,</i></p>

and the Global Sullivan Principles (1999) – to promote respect for human rights by companies with which they do business.

The Council affirms that every endeavour is made to ensure that councils tender processes are consistent with the above principles, including under the Fourth Geneva convention relative to the Protection of Civilian Persons in Time of War and under customary international humanitarian law, prohibiting the importation or sale of goods or services originating in occupied territories.

This Council resolves to adopt a rights-based Ethical Procurement Policy (EPP) that takes fully into account existing obligations and standards. The EPP will incorporate widely accepted and precisely formulated international standards and explain clearly how the policy will be implemented. The primary aim of the EPP is to ensure that human rights obligations are properly acknowledged, observed and respected at all stages of the procurement process.”

3.2 Members will be aware that the phrase ‘ethical procurement’ covers a wide range of issues relating to the ethical and sustainability goals of an organisation. It is effectively a company’s Code of Conduct which sets out the principles which guide a company to proactively eliminate unethical practices throughout its supply chain.

3.3 The UN Guiding Principles on Business and Human Rights outlines the corporate responsibility to respect human rights, including due diligence in supply chains, ensuring ethical procurement by preventing human rights abuses and providing remedies when violations occur.

3.4 Therefore, whilst the Notice of Motion specifically refers to human rights abuses in conflict, ethical procurement is a much wider concept and its intrinsically linked to the Council’s existing procurement policies (procurement policy and social value procurement policy) and how suppliers are already tested in relation to organisational behaviours.

3.5 Members will also note that there are significant legal constraints in relation to matters which can be taken into account when undertaking procurement exercises. For example, the Local Government (Miscellaneous Provisions) (Northern Ireland) Order 1992 Precludes councils from taking into account what it defines as non-commercial matters. These include:

	<ul style="list-style-type: none"> a) the terms and conditions of employment by contractors; b) any involvement of the business activities or interests of contractors with irrelevant fields of Government policy; c) the country or territory of origin of supplies to, or the location in any country or territory of the business activities or interests of, contractors; d) any political, industrial or sectarian affiliations or interests of contractors or their directors, partners or employees; e) financial support or lack of financial support by contractors for any institution to or from which the council gives or withholds support.
3.6	<p>The Procurement Act 2023 'the Act' includes mandatory and discretionary exclusionary grounds for suppliers who have been convicted of a range of offences including money laundering, fraud, corporate homicide and human trafficking and other similar type dishonesty offences. The Council has procurement procedures in place to ensure these exclusion grounds are considered for all relevant procurements in accordance with our obligations under the Act.</p>
3.7	<p>Next Steps</p> <p>Given the other broader matters which relate to ethical procurement are already included in existing procurement policies, it is proposed that a review of the social value procurement policy is undertaken to potentially expand on current ethical procurement provisions i.e. human rights. Such a review would be timely as it would also allow for the policy to be updated in light of the developing low carbon procurement policy.</p>
3.8	<p>This review would ensure an aligned 'sustainable procurement policy' is put in place setting out clear expectations of standards for suppliers regarding ethical, social value and environmental/low carbon considerations, having regard to the international guidance set out in this report, and how this might be factored into tender evaluations.</p>
3.9	<p>A paper will be presented to the Social Policy Working Group in May 2025 setting out in more detail what this review will entail, potential timescales etc. Pending that overarching piece of work, officers will bring forward proposals for a potential interim policy in the coming months should it appear that this would address members concerns quicker than the overall review. This will be considered by the Social Policy Working Group in the first instance, the minutes of which are reported to SP&R Committee.</p>

	<p>Committee is asked to consider whether it is content for this approach.</p> <p>Banking arrangements</p> <p>3.10 Having banked with Northern Bank/Danske bank for numerous years, to achieve value for money, and in line with procurement guidance, the council issued a tender for its banking services in March 2011. However, due to the Minimum Financial Rating required, none of the tenderers were successful.</p> <p>3.11 Having reviewed the specification, the tender was re-issued in June 2011. Following the conclusion of the tender process the contract was awarded to Barclays Bank with a contract start date of January 2012, a contract length of 3+1+1 and a go live date of 20th February 2012.</p> <p>3.12 The contract was then retendered in 2016, again in line with procurement guidance, and was awarded to Barclays, with a start date of January 2017 and a contract length of 3+1+1.</p> <p>3.13 During the financial year 2021/22 the council was in the process of tendering for a new financial system. Due to the potential impact of changing banks during the implementation of a new finance system, a 2-year extension of contract for banking services awarded to Barclays Bank was approved at SP&R in January 2022.</p> <p>3.14 It was also noted at that time that Banking services were exempt under the Public Contracts Regulations and therefore not a procurement activity but continued use of Barclays Bank for banking services was required whilst the new financial system was being implemented. The Procurement Act 2023 has narrowed the exemption for banking services so the Council can no longer avail of this exemption.</p> <p>3.15 Members approval will be sought in May SP&R contracts report to go out to tender for a new banking provider whilst the ethical procurement considerations are developed as described above As part of that tender process, officers will consider how Council can include additional appropriate requirements in relation to ethical procurement, particularly around the international guidance discussed in this report and the issue of gross human rights violations.</p>
4.0	Financial & Resource Implications
4.1	There are no implications associated with this report.

5.0	Equality or Good Relations Implications / Rural Needs Assessment
5.1	There are no implications associated with this report. Any draft policy will be subject to equality and rural needs screening.
6.0	Appendices – Documents Attached
6.1	None