# Belfast SOCIAL POLICY WORKING GROUP City Council

Subject:	Sustainable Procurement Policy
Date:	13 <sup>th</sup> May 2025
Reporting Officer:	Noleen Bohill, Head of Commercial and Procurement Services 'CPS'
Contact Officer:	Lewis Murray, Strategic Category Manager, CPS

1.0	Purpose of Report or Summary of main Issues	
	To provide Members with an update on proposed amendments to the current Social Value Procurement Policy 'SVPP' and ask Members to approve and/or provide further feedback on the proposed approach i.e. publish a new Sustainable Procurement Policy.	
2.0	Background	
	The Council has two procurement policies in place:	
	<ol> <li>Social Value Procurement Policy - this external facing policy, introduced in June 2022, outlines the Council's commitment and strategic approach to embedding social value into its procurement processes, supported by a two-step toolkit and officer training. It sets the expectations for suppliers and stakeholders in supporting the Council's ambitions around inclusive growth and sustainability</li> <li>Procurement Policy - this internal policy (currently being updated in line with the Procurement Act 2023) sets out the standards of behaviour, actions, and procedures expected of Officers when procuring goods, services, and works for the Council. It also includes defined requirements around sustainable and ethical procurement practices, ensuring that these principles are embedded in day-to-day procurement activity. It incorporates:         <ul> <li>Sustainability aims aligned with the Belfast Agenda and Inclusive Growth Strategy</li> <li>Ethical procurement expectations for both officers and suppliers, underpinned by the Council's Code of Conduct</li> <li>Compliance with legislative requirements (e.g. Modern Slavery Act, Fair Employment)</li> <li>Guidance on local supplier inclusion for low-value quotations</li> <li>Chartered Institute of Procurement and Supply 'CIPS' Ethics Kite Mark accreditation and annual training for officers</li> </ul> </li> </ol>	
	Together, these policies ensure procurement activity reflects the Council's values of fairness, transparency, inclusion, and environmental responsibility.	

Since these policies have been implemented, the Council has committed to a number of other strategies and action plans which will require extending the scope/ influence of the Council's procurement policies. These include:-

- 1. Climate Action Plan (and Corporate Plan) which sets out a number of procurement actions including:
  - Develop a sustainable/ low carbon procurement policy and supplier guidance documents to support a transition to an inclusive, net zero and resilient future
  - Through sustainable procurement, aim to use local suppliers to the Council to reduce miles travelled within the confines of procurement legislation and Local Govt Act restrictions
  - Scope out a strategy to increase renewable and low-carbon energy use through corporate power purchase agreements
- 2. Single Use Plastics 'SUP' Policy (draft/ in development) which includes a number of procurement related actions to reduce the use of SUP in the Council's supply chains.
- 3. Sustainable Food Policy (draft/ in development) which includes a number of procurement related actions about how we procure food in a sustainable way.
- 4. Notice of Motion at Feb 25 SP&R and update paper at March 25 SP&R regarding developing a new ethical procurement policy
- 5. Race Equality Action Plan to be reviewed when available

At April's S,P&R, members approved a review of the Social Value Policy to include wider ethical procurement considerations. As per the paper approved by members, 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.

### 3.0 Sustainable Procurement

The term 'Sustainable Procurement' is widely accepted across organisations in the public and private sector to mean the integration of ethical, social, economic and environmental criteria into an organisation's procurement processes.

Some examples include:

<u>Chartered Institute of Purchasing and Supply</u> defines it as 'Sustainable procurement supports the sustainability goals of the organisation and optimises the environmental, social, and economic impacts over the life cycle of the product or service.'

Sustainable Procurement Task Force defined it 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."

The International Organisation of Standardisation (ISO) (ISO 20400 sustainable procurement accreditation) defines sustainable procurement/ development as "integrating the goals of a high quality of life, health and prosperity with social justice and maintaining the earth's capacity to support life in all its diversity. These social, economic and

environmental goals are interdependent and mutually reinforcing. Sustainable development can be treated as a way of expressing the broader expectations of society as a whole."

A recent benchmarking exercise conducted by CPS when considering a new sustainable/low carbon procurement policy, found that across the UK and Ireland 'sustainable procurement' is used as an overarching term that includes ethical, social, economic and, environmental/low carbon considerations.

#### Some examples include:

 <u>The City of Edinburgh Council</u> - Sustainable Procurement Policy Cambridge County Council – Sustainable Procurement Strategy

In order to address current open actions as described in section 2, it is an opportune time to develop one externally facing procurement policy, positioned as a Sustainable Procurement Policy.

The most effective way to achieve this is to update/develop our SVPP and any associated toolkits and guidance.

## 3.0 Potential development/improvements of the current SVPP for the new Sustainable Procurement Policy

At this stage the following areas have been considered as key development/improvements areas:

#### **Ethical Procurement**

Expand further on the visibility and scrutiny of our supplier's supply chains and
associated business operations to ensure supply chain practices adhere to ethical
standards. These standards typically include labour rights, environmental
sustainability, fair trade practices, and human rights. This might include supply
chain audits/mapping, associated reporting and application of contract remedies for
any found unethical practices e.g. termination.

#### Social Value

 Build on the good work done to date with the SVPP but refine certain areas based on lessons learned to date e.g. short duration projects and review initiatives, points and weightings to ensure these are fit for purpose Align the current social value initiatives, associated scoring and evaluation with developments in ethical and environmental/ low carbon procurement

#### Environmental/ Low Carbon

- Set out expectations from our suppliers on Scope 3 emission data reporting and how the Council will use this data
- Suppliers to publish and report progress on carbon reduction plans
- Develop a toolkit for Officers to use to improve consistency when including low carbon standards in specifications when procuring goods, services and works to help lower the Council's carbon footprint. This would include procurement related actions under SUP policy and Sustainable Food policy.

Current supplier guidance document and toolkit for Officers would be updated to incorporate these requirements.

All updates/additions will also be reviewed in line relevant legislation to ensure compliance i.e. Local Govt Act and Procurement Act.

#### 4.0 Recommended approach

It is recommended that the SVPP and associated guidance and toolkit is updated, as outlined above, to create a new Sustainable Procurement Policy.

Benefits of doing so include:

- Alignment with definitions and wider understanding of what Sustainable Procurement incorporates and approaches by other GB and Irish councils
- Simplified approach and consistent message to our suppliers with one externally facing procurement policy
- Allows us to build on the positive outcomes the SVPP has delivered to date and refine/ develop these further
- Provides a clear message to our suppliers of the Council's approach to procurement and the associated ethical, social, economic and environmental standards expected
- Easier to manage and co-ordinate guidance and training for Officers
- Easier to monitor and manage outputs under the one policy
- Easier to manage future developments in line with sustainable procurement best practice and Council strategies and corporate plans.

In addition, the Council's internal facing Procurement Policy would be reviewed and aligned with the content of the Sustainable Procurement Policy.

#### 5.0 Proposed timescales and next steps

The most complex area of work is in the environmental/ low carbon standards workstream which will take longer to finalise due to the level of work involved in researching and developing the low carbon toolkit including wider stakeholder engagement required. This is to ensure any standards included are achievable, affordable and will make a material impact to the Council's carbon footprint.

Interim policy updates could be adopted sooner and applied via work instructions to Officers whilst the Sustainable Procurement Policy is finalised should any be a priority during FY25/26 e.g. ethical procurement considerations.

The aim is for the Sustainable Procurement Policy to be drafted and implemented before the end of FY25/26 subject to any public consultation and Council ratification, if required.

Progress updates will be presented and discussed at each SPWG during 25/26.

Members are welcome to send through any feedback/ input to the Sustainable Procurement Policy content to Lewis Murray in CPS at any time for consideration.