

COVERING NOTE

FOR THE ATTENTION OF:
Equalities Board

For information

Subject / Title: Draft Sustainable and Ethical Procurement Policy and Equalities and Diversity in Procurement Supplier Guide

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The Council is developing a new Sustainable and Ethical Procurement Policy to replace the existing Sustainable Procurement Policy (2015-19). Sustainable procurement means that an organisation meets their needs for products and services in a way that benefits not only the organisation but society and the economy too, whilst minimising damage to the environment. Using procurement to add social value to the borough can also save significant costs in the long-term, in line with our Council Plan and Early Help strategy. With a new Climate Action plan, Fairer Enfield policy and Modern Slavery Strategy, it is timely for the organisation to renew and reaffirm its commitment to sustainable and ethical procurement.

Alongside this policy there will be practical documentation to help officers and suppliers adhere to the policy. This includes an Equalities and Diversity in Procurement Supplier Guide which communicates to suppliers and potential supplier how the Council expects its suppliers to comply with the Equality Act and Fairer Enfield policy.

Policy Overview

The policy outlines the Council's commitment to procure value for money goods, works and services, whilst maximising social value, protecting the environment and ensuring human rights are upheld in supply chain. It sets out our commitments and our expectations of suppliers. The policy includes a framework for minimum, enhanced and preferred standards for each area. This framework provides details of what an organisation needs to do or provide to meet minimum standards and where they can add additional value to contracts.

The policy will be implemented gradually, initially targeting the largest contracts. Where suppliers do not yet meet minimum standards, the Council will support suppliers by signposting organisations to relevant information and guidance. Depending on the size and type of the contract or supplier, organisations could be asked to work towards the minimum standards over the lifetime of the contract.

The policy focuses on four priority areas:

Social Value: Social Value is achieving additional economic, social and environmental benefits over and above the direct purchasing of goods, works and services in line with Council Plan priorities. In line with the Council's Contract Procedure Rules, officers must consider the inclusion of a 10% evaluation weighting for social value in all procurements over the EU threshold and are strongly encouraged to include up to a 10% weighting in all procurements tendered through open competition. The policy includes a Social Value Framework, aligned to Council Plan priorities, for suppliers when developing social value proposals.

Ethical Procurement: The Council will ensure that products and services are ethically sourced, that human rights are upheld in supply chains and that equality and diversity are promoted in employment and service provision. This section sets out minimum requirements and where employers can add more value for the following areas:

- Labour and employment practices
- London Living Wage
- Equality and Diversity
- Prompt and fair payments
- Modern Slavery
- Prevention of corruption
- Sustainable Food

The policy includes a commitment to increasing the number of contracts where the London/Real Living Wage is paid, with an ambition to only work with organisations who pay the London/Real Living Wage over the medium term.

Supporting the Local Economy: Through its procurement activities, the Council will create high quality employment and training opportunities for residents and support local businesses in line with the Council Plan priority to create an economy that works for everyone. The policy sets out how the Council will support more Micro Small and Medium Enterprises (MSMEs) and Voluntary, Community and Social Enterprises (VCSEs) to participate in its supply chain. It outlines how suppliers can support the local economy and create employment and training opportunities.

Climate Action: In line with the Climate Action Plan, this policy sets out how the Council will minimise carbon emissions and reduce the risk of any negative impact on the environment. This section focuses on suppliers setting strong foundations and committing to working towards more sustainable practices as a minimum, with more advanced organisations able to add value through enhanced and preferred standards. This section includes clear 'assessment requirements', where relevant, to make it easy for suppliers to know what to provide.

Work to date

- Internal engagement with Enfield Council services, departmental procurement boards and the Corporate Equalities Board
- Engagement with external stakeholders including current suppliers and the Voluntary and Community Sector.
- The Executive Management Team agreed draft of the policy for further development with internal colleagues and a second phase of external engagement.

- Policy drafted to reflect feedback received – current draft of the policy is attached to this briefing.
- Action Plan and practical documentation to support delivery of the policy is in development.

External Engagement

We ran a short engagement period to understand maturity levels and attitudes towards sustainable and ethical practices, and how this might vary between organisations. This comprised of a questionnaire that was completed by 42 suppliers across a mix of sizes and sectors and interviews with a small selection of suppliers.

Key findings:

- Suppliers are enthusiastic about delivering social value and believe it is important for the Council to have clear statements and objectives around social value.
- A high majority of respondents reported having an Equality and Diversity policy and a whistleblowing policy which are minimum expectations in the policy.
- Most respondents stated that they paid the London Living Wage and reported that this resulted in increased motivation and retention rates for employees and improved reputation of the organisation.
- Many suppliers are still at the early stages of their climate action journey and the policy approach as set out above supports this.
- Suppliers highlighted key challenges in implementing sustainable and ethical practices: costs, time and resource necessary to implement sustainable practices and the pace at which sustainability targets are evolving. To ensure that suppliers are not overburdened when bidding for Council contracts, the implementation of the policy will be gradual and proportionate.

We are running a second phase of engagement in July, seeking views on the draft policy. Stakeholders can send any responses on the draft policy to consultation@enfield.gov.uk.

Equalities and Diversity in Procurement Supplier Guide

As part of the Fairer Enfield programme, the Council is reviewing its processes to ensure equalities are embedded across the whole organisation. This includes procurement and the Council's supply chain. The Equalities and Diversity in Procurement Supplier Guide sets out the Council's commitment to equalities and diversity within procurement and how suppliers to the Council will be expected to support these aims and behaviours. This includes ensuring that they are adhering to the Equalities Act as a minimum, that they are supporting the Council's equality aims set out in the Fairer Enfield policy and that they are treating their own staff fairly.

This Guide is part of the implementation plan to improving equalities in procurement. It is one of the deliverables set out in the Local Government Assessment Tool for the implementation of equalities in procurement. It is anticipated that this guide will be regularly reviewed and updated as the council gains maturity in this area.

Next steps

- The draft policy is now available for stakeholders to feedback until 30 July 2021 and the policy is being taken to relevant boards and committees for comment.
- The feedback will be analysed, and the policy finalised based on feedback received.
- The policy will be signed off at Cabinet in October 2021 with a gradual implementation and training for staff from October onwards.