

London Borough of Enfield

Equalities Board – 17th March 2023

Subject: Update on the Sustainable and Ethical Procurement Policy

Cabinet Member: Councillor Lever

Executive Director: Fay Hammond

Purpose of Report

1. To provide an update on the implementation on the Sustainable and Ethical procurement policy. The report also provides information on how Procurement Services is supporting local business suppliers.

Relevance to the Council Plan

2. The sustainable and ethical procurement policy is aligned with the Council Plan, the Climate Action plan and Fairer Enfield Policy and supports delivery of these through the design and delivery of procurement projects.

Background

3. At the Equalities Board meeting dated 15th July 2021, officers from Procurement Services shared information on the development of a new Sustainable & Ethical Procurement Policy to replace the previous Sustainable Procurement Policy which expired in 2019. Development of a new policy was timely to update it to align with and drive refreshed organisational priorities, as set out in the Council Plan, Climate Action Plan and Fairer Enfield.
4. At the meeting officers summarised the work carried out to date which included:
 - Research and benchmarking
 - Engagement with internal services
 - Engagement with external stakeholders and suppliers
 - Development of action Plans, staff training and practical documentation
5. Officers also set out the next steps which included:
 - Second phase of external engagement
 - Analysis of engagement results
 - Finalising the policy based on feedback
 - Presentation at departmental procurement boards to share the toolkit and policy implementation
 - Presentation at the Voluntary Sector Strategy Group

- Presentation at the Finance and Performance Scrutiny Panel
 - Cabinet sign-off
 - Implementation of the policy
6. From the extensive consultation and engagement carried out with stakeholders there was broad support for the new policy and Cabinet approved the policy in February 2022.
7. The key features of the new Sustainable and Ethical Procurement policy are summarised as follows:

A focus on four priority areas: social value, ethical practices, supporting the local economy and climate action.

- In each of these areas the policy sets out our commitments as a commissioner and our expectations of suppliers.
- This includes a framework for minimum, enhanced and preferred standards for specific areas in sustainable and ethical procurement.
- This framework details what a supplier should do as a minimum when seeking to work with the Council.
- The framework also includes enhanced standards, which go beyond these minimum requirements, and preferred standards which are considered best practice.
- How the framework is used will be dependent on each individual procurement and will always be proportionate to the contract.
- Where suppliers or those bidding for contracts do not yet meet minimum standards, the Council will support these organisations by signposting them to relevant information and guidance to ensure that they can meet them in the future.
- The policy also includes a Social Value Framework which sets out Enfield's Council Plan priorities and provides examples of activities the Council would like to see from suppliers when developing their social value proposals.

The new Sustainable and Ethical Procurement Policy has specific areas relating to equalities, diversity & inclusion (see appendix 1). These are:

- Labour and employment practices
- Equality and Diversity
- Modern Slavery

8. Following Cabinet approval, the following actions have been carried out:
- Presentation of the policy at the Senior Leadership Forum to present an overview of the policy across the organisation
 - Training and induction sessions are available on the Council's training platform for officers to support implementation and understanding of the policy
 - Promotion of the policy within Staff Matters

- Publication of the policy on the Council's website and internal Procurement Services microsite
 - Introduction of new templates and toolkits for contract managers to support them, including templates for contract meetings which include monitoring of delivery of social value, sustainability and equalities, diversity & inclusion for that contract.
9. To further support the Sustainable and Ethical Procurement Policy and wider social value, the Council developed a set of 'Enfield TOMS' (Themes, Outcomes and Measures) from the National Toms. These allow the Council to show potential suppliers the areas of social value that it wants to focus on by 'weighting' these with more points. These Enfield TOMS were developed through cross council workshops and alignment to the Councils Plan. Included in these are specific TOM's relating to employment of local residents, people with a disability, long term unemployed, ex-offenders to try and promote more work opportunities and easier access to work for those groups.
10. Procurement Services was restructured between May 2021 and went live with a new structure in March 2022 along with the recruitment of new staff to vacant posts. During implementation of the new structure, new assurance processes and procedures have been introduced to ensure a consistent approach to procurement across the service and assure decision makers of the highest procurement standards for projects. Business case reports are required at procurement strategy and contract award stages and reports must demonstrate how key policies, including the new Sustainable & Ethical Procurement Policy have been applied proportionately to each project.

Main Considerations for the Panel

11. Procurement leads work with Service Departments to embed the Sustainable and Ethical Procurement policy, and how will it be applied within the commissioned contract, selecting which elements of the policy are to be used, or the relevant TOMs are selected which align to the department's objectives and their relevance to the Council Plan. The requirements of the Service Department drive the questions in the tender packs for the procurement evaluation.
12. A Social Value Portal is being implemented to support reporting on social value, and TOMs. Where appropriate procurement projects will contain equality, diversity, and inclusion specific questions in the tender documentation, to give more weighting to suppliers that are supporting ED&I positive initiatives, and standard processes.
13. Procurement Services continue to support the Modern Slavery Board, and any actions arising from this forum. There are modern slavery clauses within Enfield's contract Terms & Conditions, to allow termination of contracts where modern slavery is found within the supplier's supply chain.

14. It is recognised that the successful delivery of the Sustainable and Ethical Procurement Policy, is reliant on robust contract and performance management. Whilst contract management is the responsibility of the service / commissioning departments, the Procurement Services restructure created two dedicated posts to support effective contract management across the Council. Part of these postholder's duties includes the development of a Contract Management Framework to underpin and develop a culture of efficient contract management. As part of the implementation of the contract management framework and training of contract managers, a central monitoring methodology will be developed to create the conditions for effective contract management and ensuring this includes all elements of the sustainable and ethical procurement policy as included in the tendered contract.

15. As part of the wider social value elements of the policy, Procurement Services continues to maintain the Council's commitment to promote the use of local suppliers. Currently the Council spends around £40m with local suppliers which equates to around 14% of the Council contracted spend. Local spend is increasing year on year.

16. 22/23 Local Procurement (contract) Spend

Local - £40,552,749 - 14%

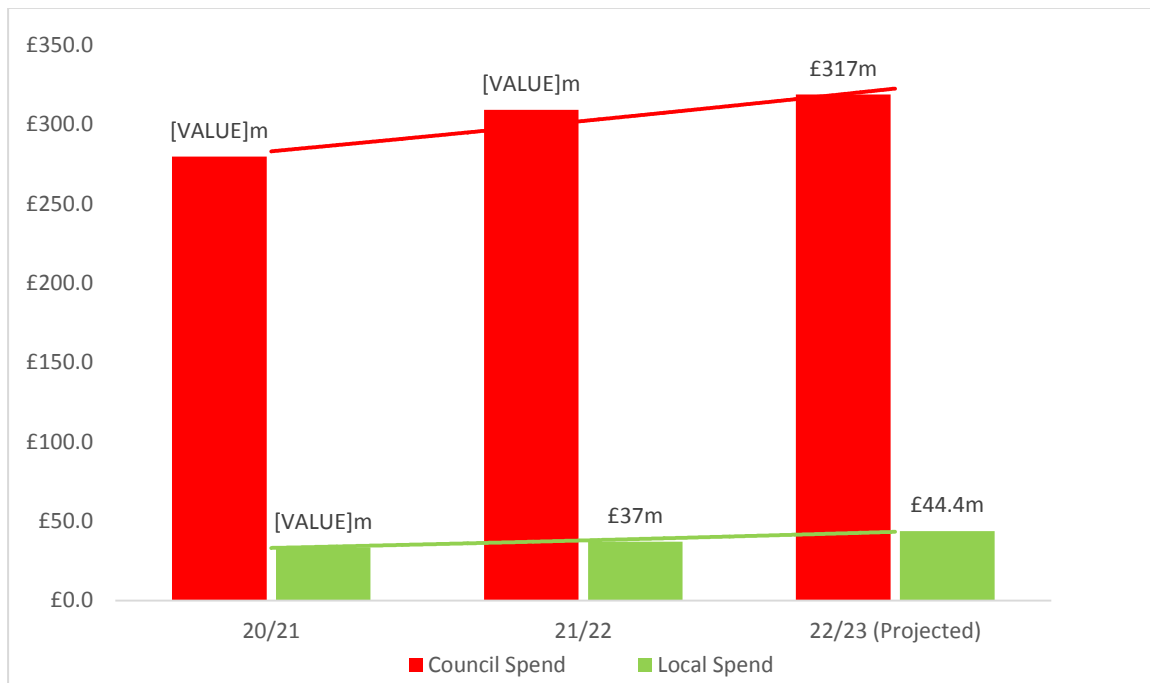
Non-Local - £250,307,811 – 86%

2022/23 Spend



■ Local ■ Non Local

Local Spend 3 three trends



17. Our top ten local Procurement (contract) suppliers by spend. These mostly fall into social care, temporary accommodation or construction.

| Supplier Name | Net Value | Comment |
|-------------------------------------|-----------|--------------------------------|
| NORTH MIDDLESEX UNIVERSITY HOSPITAL | £5.1m | 0 - 19 service |
| S.W.BRUCE & CO LTD | £4m | Construction |
| WATES LIVING SPACE (MAINT) LTD-LINB | £2.9m | FM contract - build the change |
| LOUISIANA PROPERTIES LTD | £1.3m | Temporary accommodation |
| WATES PROPERTY SERVICE LTD | £1m | FM Contract |
| RIGHT CHOICE SERVICES LTD | £0.9m | Emergency Housing |
| URBAN LAND MANAGEMENT LTD | £0.8m | Emergency Housing |
| THE RIVERSIDE GROUP LTD | £0.7m | Emergency Housing |
| AUTUMN GARDENS | £0.7m | Social Care setting |
| ENFIELD CARERS CENTRE | £0.7m | Carer support provision |

18. Rule 14 of the Contract Procure Rules states that local quotes must be sort, by services when carrying out procurement.

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| Up to £25,000 | 1 local quote where possible |
| £25,000 – Up to Public Contracts Regulations (PCR) threshold | 2 local quotes where possible |

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| PCR threshold and above | Consider how to support / develop the local market within the procurement and consider Social Value |
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19. In addition, officers from Procurement Services have been working closely with the Economic Development Team supporting organisations such as Enterprise Enfield, Business in The Community, Federation of Small Businesses and the North London Chamber of Commerce & Enterprise to engage with local business and provide information on how to do business with the Council, advice on guidance on bidding for public sector contracts and where to find opportunities.

20. Procurement Services has produced an Equalities and Diversity supplier guide, to support suppliers to meet the council's objectives and requirements in these areas.

21. New legislation for public sector procurement is currently making its way through the legislative process. The Procurement Bill and National Procurement Policy Statement increases emphasis on social value, and the inclusion of local suppliers and SME's. The Sustainable and Ethical Procurement Policy will need to be reviewed against the new legislation along with the Council's Contract Procedure Rules and other key policies to ensure that they are in line with new legislation and how Enfield can increasingly support and drive sustainable and ethical procurement

Conclusions

22. That the Sustainable and Ethical Procurement policy is supporting the Council's Fairer Enfield Policy.

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Appendices

Appendix 1 – Excerpt from Sustainable and Ethical Procurement policy on labour and employment policy.

Appendix 2 - Excerpt from Sustainable and Ethical Procurement policy on Equality and Diversity

Appendix 3 - Excerpt from Sustainable and Ethical Procurement policy on modern slavery

Appendix 4 – link to equalities supplier guide

Background Papers

The following documents have been relied on in the preparation of this report:
EQIA for Sustainable and Ethical Procurement Policy



Draft EQIA
Sustainable and Ethical

Appendix 1 – Labour and employment Practices

| Minimum | Enhanced | Preferred |
|--|---|--|
| <p>Supplier adheres to the Ethical Trading Initiative (ETI) Base Code:</p> <ol style="list-style-type: none"> 1. Employment is freely chosen. 2. Freedom of association and right to collective bargaining are respected. 3. Working conditions are safe and hygienic. 4. Child labour shall not be used. 5. Living wages are paid. 6. Working hours are not excessive. 7. No discrimination is practised. 8. Regular employment is provided. 9. No harsh or inhumane treatment is allowed. | <p>Supplier avoids the excessive use of unfair and zero-hour contracts. Supplier only uses zero-hour contracts when clearly beneficial to both employer and employee.</p> <p>Supplier provides access to training and professional development opportunities for employees.</p> | <p>Supplier demonstrates commitment to working practices which promote staff wellbeing. Examples include providing mental health and wellbeing training to staff, having a flexible working policy, providing opportunities for physical activity at work, providing access to comprehensive and multidimensional wellbeing programmes etc.</p> <p>Supplier holds employer accreditations, such as Disability Friendly, Stonewall, Investors in People, etc.</p> |

Appendix 2 – Equality and Diversity

| Minimum | Enhanced | Preferred |
|--|---|---|
| <p>Supplier complies with any applicable obligations under the Equality Act 2010.</p> <p>Supplier has an Equality and Diversity policy. Policies should be clear, up to date and cover all aspects of operations, including implementation and monitoring of the</p> | <p>Supplier provides equality and diversity training to all employees.</p> <p>Supplier examines existing policies and practices to identify barriers to equal opportunities and creates an action plan which clearly states how progress will be monitored.</p> | <p>Supplier provides equality and diversity training to all employees and supply chain staff.</p> <p>Supplier provides employment and training opportunities for priority target groups, i.e., people affected by disability, Ex Service Personnel, care leavers, long term unemployed, long term unemployed over 50,</p> |

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| <p>policy.</p> <p>Supplier collects and analyses workforce monitoring data. Please see the Mayor of London's Workforce Data Equality Guide for guidance.</p> <p>Supplier reviews recruitment, selection, promotion, training and termination procedures to ensure no discrimination is being practised.</p> <p>Works Contracts Supplier complies with provisions of the Unite Construction Charter (Appendix C), including its supply chain.</p> <p>Service Contracts Supplier delivers services which are accessible and appropriate to meet the diverse needs of citizens and communities.</p> | <p>Supplier collects and monitors equalities data from its employees; uses this data to assess how effective their policies are at recruiting and promoting staff from underrepresented groups; and takes action to actively recruit staff from these groups.</p> <p>Service Contracts Supplier collects and monitors equalities data from service users; uses this data to assess how effective the service is at reaching and improving outcomes for diverse communities; and takes action to further improve accessibility and reach of its service as a result.</p> | <p>young offenders, ex-offenders, NEETS (aged 18 – 24).</p> <p>Supplier is taking steps to improve supplier diversity, in particular increasing the number of ethnic minority owned businesses, Micro, Small and Medium Enterprises (MSMEs) and Voluntary and Community and Social Enterprises (VCSEs) in their supply chains.</p> <p>Service Contracts Supplier engages with residents to design, manage and deliver the service through consultation and community engagement.</p> <p>Financial Wellbeing The supplier supports staff with access to safe methods of borrowing such as Credit Union.</p> |
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Appendix 3 – Modern Slavery

| Minimum | Enhanced | Preferred |
|--|--|---|
| <p>Supplier complies with the Modern Slavery Act 2015, wherever it applies.</p> <p>Relevant suppliers must state and demonstrate their compliance with the reporting requirements set out in Section 54 relating to transparency in supply chains.</p> | <p>Supplier incorporates modern slavery requirements into their contracts.</p> | <p>Supplier undertakes a supply chain mapping exercise which identifies potential modern slavery risks and develops an action plan to mitigate any risks.</p> |

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| <p>Supplier has their own whistleblowing policy which enables staff to raise suspicions of unlawful and unethical employment practices, including modern slavery.</p> | | |
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Appendix 4 – Equality and Supplier Guide

[Equalities and Diversity in Procurement Supplier Guide \(enfield.gov.uk\)](http://enfield.gov.uk)