
Socially Responsible Procurement Policy

Reason for this Report

1. To enable the Committee to feed into consultation on the Socially Responsible Procurement Policy, providing a pre-decision scrutiny opportunity to feed comments and observations into Cabinet decision-making.

Background

2. The Committee's Terms of Reference includes responsibility for scrutiny of the Council's arrangements for Commissioning and Procurement.
3. Attached at **Appendix 1** of this report is Cardiff's draft Socially Responsible Procurement Policy, currently out to consultation. Consultation has been undertaken with:
 - The Council's Community Benefits Board, whose responsibility is to ensure that the Council takes a corporate approach to the delivery of community benefits and maximises the community benefits delivered across the Cardiff.
 - Major contractors such as Wates and Knox and Wells.
4. The Policy has also been circulated to following for comments:
 - The Welsh Government Team responsible for developing the Code of Practice: Ethical Procurement in Supply Chains.
 - City Deal Community Benefits Strategy Working Group members.
 - Cardiff Commitment Officer Group.

- Cardiff's Third Sector Council.
4. In March 2017, the previous Policy Review and Performance Scrutiny Committee undertook pre-decision scrutiny of the Council's Procurement Strategy for 2017-20. The Strategy focussed on the delivery of social, economic, environmental and cultural well-being through the way the Council manages procurement activity.
 5. The Strategy states that delivery of this high-level outcome would be through the Council applying the same kind of improvements to employment, training and apprenticeship opportunities to its external spend as it has recently generated through its own workforce.
 6. The Strategy includes the creation of a Community Benefits Board whose remit is to maximise the delivery of such benefits across the Council, overseeing the development of a wider Social Responsibility Policy and Charter aimed at promoting fair work practices across our suppliers and contractors.
 7. Development of the Strategy was informed by Welsh Government's Code of Practice on Ethical Employment in Supply Chains launched in March 2017, which covered a range of employment issues, such as Modern Slavery and human rights abuses, blacklisting, false self-employment, the unfair use of umbrella schemes, zero hours contracts, and payment of the Living Wage.
 8. The Committee welcomed the new Procurement Strategy approach, aiming to deliver commercial and social value, offering more flexibility whilst acting smarter, buying responsibly, collaborating and engaging. Members were particularly interested in the potential procurement holds for generating non-tangible community benefits, such as apprenticeships.

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9. The Socially Responsible Procurement Policy attached at **Appendix A** supports the Council's Procurement Strategy focus on three Welsh Government initiatives, *Community Benefits* and *Ethical Employment in Supply Chains and Opening*

Doors Charter. These concepts are clearly described on page 6. Cardiff was the first Welsh Council to sign up to the Government's Code of Practice for Ethical Employment in Supply Chains.

10. The Policy provides an overarching framework to secure a joined up approach to the delivery of procurement that embodies the Well-being of Future Generations Act, the Wales Procurement Policy Statement, Cardiff What Matters Strategy and the Capital Ambition. Its six priorities are:

- Local Training and Employment
- Think Cardiff First
- Partners in Communities
- Green and Sustainable
- Ethical Employment
- Promoting the Wellbeing of Young People and Vulnerable Adults

11. To support the above ambitions the Council intends to:

- Expand the remit of the Community Benefits Board so that it becomes the Social Responsibility Board
- Promote the Policy
- Incorporate Community Benefits clauses in tender and contract documents
- Implement a Social Responsibility Charter to encourage commitment from other organisations
- Effectively manage the community benefits of all contracts.
- Where contracts exceed £1million, apply the Welsh Government Measurement Tool.

12. At page 8 of **Appendix 1** Members will find the list of strategic actions proposed to deliver each of the six priorities.

13. The Policy also addresses the governance and management of Community Benefits, setting out that the Community Benefits / Social Responsible Board, led by a Cabinet Member Champion Councillor Chris Weaver and senior managers

across the Council will meet quarterly to review delivery, provide challenge, scrutinise contractors' performance and develop an annual Socially Responsible Procurement Report.

Scope of the Scrutiny

14. At the meeting Members will be provided with an overview of the Socially Responsible Procurement Policy, and may wish to test the likelihood of the Council successfully delivering the high-level outcomes, based on the actions listed for achieving each strategic priority on page 8.
15. In attendance to answer Members questions will be Councillor Chris Weaver, Cabinet Member for Corporate Services and Performance, Christine Salter, Corporate Director Resources, and Steve Robinson, Operational Manager Commissioning and Procurement.

Legal Implications

16. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

17. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATION

The Committee is recommended to:

- (i) Consider the Socially Responsible Procurement Policy;
- (ii) Agree whether it wishes to relay its comments and observations in a response to the consultation, and for consideration by the Cabinet.

DAVINA FIORE

Director, Governance & Legal Services

14 September 2017