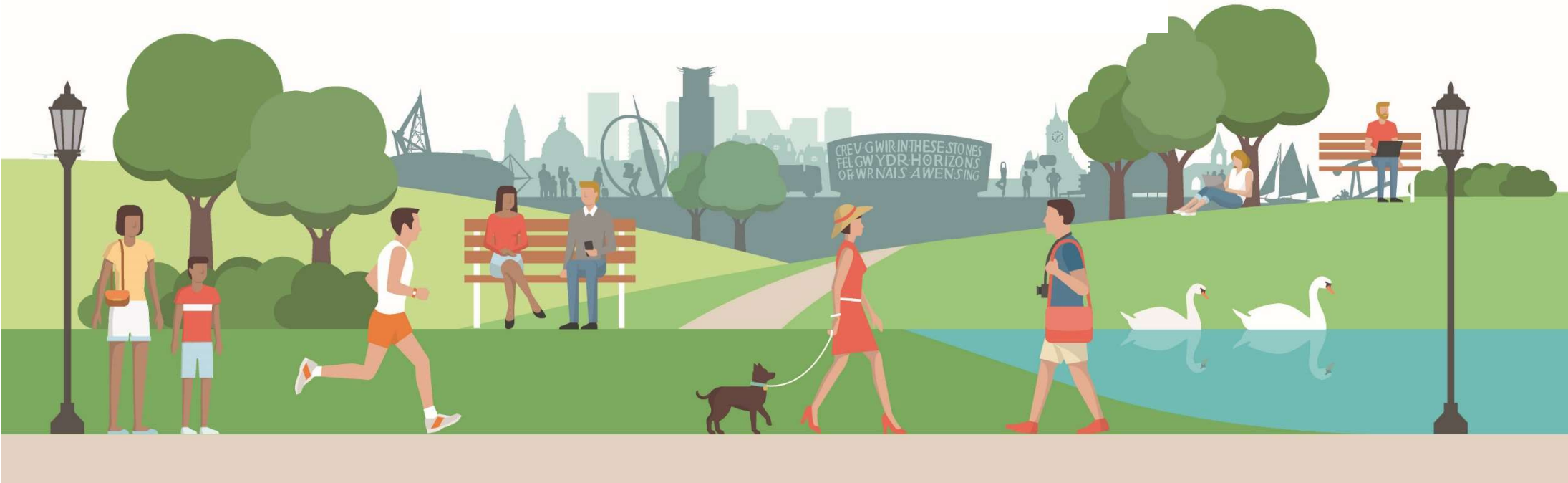




Appendix 1

CARDIFF COUNCIL

SOCIALLY RESPONSIBLE PROCUREMENT POLICY



CONTENTS

FOREWORD

INTRODUCTION

WELSH POLICY DRIVERS

CARDIFF'S POLICY DRIVERS

WHAT ARE COMMUNITY BENEFITS?

WHAT IS ETHICAL EMPLOYMENT?

WHAT IS OPENING DOORS CHARTER?

PRIORITIES AND DELIVERY

1. Local training and employment
2. Think Cardiff first
3. Partners in communities
4. Green and sustainable
5. Ethical employment
6. Promoting the wellbeing of young people and vulnerable adults

GOVERNANCE AND MANAGEMENT

MONITORING AND REPORTING

FOREWORD

The Capital Ambition statement clearly demonstrates the Administration's commitment to prioritising social, economic and environmental wellbeing for the city and city-region. The Council recognises that the way in which it manages the £390 million it spends annually with suppliers and contractors can make a significant contribution to this priority.

The Council has already demonstrated a clear commitment to this agenda. The Council was the first public sector organisation in Wales to formally sign-up to the Ethical Employment in Supply Chains Code of Practice and was made Living Wage Champion for Wales 2017/18 by the Living Wage Foundation. The Council has increasingly sought to incorporate Community Benefits into its major contracts but recognises that it is an area where further improvements need to be delivered over the next 3 years. This will include providing greater clarity to the market by listing the community benefits that the Council wants to see delivered in its tender documentation.

This policy will look to build upon and consolidate the progress that has been made by drawing together a number of different legislative requirements, policy initiatives and aspirations into a single coherent framework underpinned by six key priority themes:



INTRODUCTION

Cardiff Council is the largest local authority in Wales and is responsible for the delivery of a wide range of statutory and discretionary public services. The Council delivers its services directly through its own workforce and through private and third sector organisations. The Council spends over £390 million a year procuring a diverse range of goods, services and works from over 8,000 suppliers, service providers and contractors.

The Council has a responsibility to manage public money with probity, to ensure that value for money is achieved and to manage it in such a way that wider Council objectives can be supported. The Council's Procurement Strategy 2017-2020 set an increased focus on the delivery of social, economic, environmental and cultural well-being through the way in which it manages its procurement activity. This Policy places a particular focus on three key Welsh Government initiatives:

- **Community Benefits** – drives the creation of employment and training opportunities including apprenticeships, support for small and medium sized enterprises and delivery of community, educational and environmental initiatives
- **Code of Practice Ethical Employment in Supply Chains** – focuses on ensuring a high standard of ethical employment practices by our suppliers, service providers and contractors
- **Opening Doors: the Charter for SME Friendly Procurement** - seeks to create a fair and open environment in which we can all do business together and address issues of particular concern to SMEs.

This Socially Responsible Procurement policy aims to provide an overarching framework for the delivery of these initiatives , the wider associated legislative and policy driven requirements and importantly delivery of the Council's own commitments as set out in the Capital Ambition. This will ensure that the Council maximises the social, economic, environmental and cultural wellbeing that it delivers through its procurement activity.

WELSH POLICY DRIVERS

The Wellbeing of Future Generations (Wales) Act 2015, which came into force on 1 April 2016, focuses on improving the social, economic, environmental and cultural well-being of Wales. The aim of the Act is to help create a Wales that we all want to live in, now and in the future. The Act recognises the important role procurement can play:



“The role of procurement will be an important part of how a public body allocates resources under the Act. It is expected that public bodies comply with their existing legal obligations in relation to procurement and that they also apply the Wales Procurement Policy Statement which adopts the Sustainable Procurement Task Force’s definition of sustainable procurement. This sets out the procurement practices and the specific actions expected of every public sector organisation in Wales”.

The Social Services and Well-being (Wales) Act 2014 introduces a duty on local authorities and local health boards to promote the development (in their area) of not for profit organisations to provide care and support for carers, and preventative services. These models include services across the range that make up the third sector - social enterprises, co-operative organisations, co-operative arrangements, and user-led services.



In accordance with the Act, the Cardiff and Vale of Glamorgan Integrated Health and Social Care Partnership has established a regional forum to support social value based providers to develop a shared understanding of the common agenda, and to share and develop good practice. The aim of the forum is to encourage a flourishing social value sector which is able and willing to fulfil service delivery opportunities.

The Wales Procurement Policy Statement (WPPS) establishes a number of key principles by which the Welsh Government expects public procurement to manage across Wales.

This includes a number of principles that directly support the delivery of the Wellbeing of Future Generations Act namely:

- *Social, Economic and Environmental Impact*
- *Community Benefits*
- *Open and accessible competition*
- *Simplified standard processes across the public sector*
- *Policy Development and Implementation*



Prosperity for all: The national strategy is designed to drive integration and collaboration across the Welsh public sector, and put people at the heart of improved service delivery.

It identifies five priority areas – early years, housing, social care, mental health and skills.

Welsh Government Initiatives

Community Benefits – Delivering Maximum Value for the Welsh Pound

Code of Practice – Ethical Employment in Supply Chain

Opening Doors: The Charter for SME Friendly Procurement

CARDIFF'S POLICY DRIVERS

The Council's commitment to social, economic, environmental and cultural well-being is reflected in the Cardiff's Local Well-being Plan objectives, which are clearly aligned to the Wellbeing and Future Generations Act. This commitment has been reinforced through the publication of **Capital Ambition**. The Capital Ambition restates the Council's commitment to Social Responsibility and to payment of the Living Wage.



is the Council's five-year plan for the city, which outlines its vision for Cardiff to become a leading city on the world stage. The plan focuses on four main areas:

- **Working for Cardiff** - Making sure everyone who lives and works here can contribute to, and benefit from, the city's success.
- **Working for Wales** - A successful Wales needs a successful capital city.
- **Working for the future** - Managing the city's growth in a sustainable way.
- **Working for public services** - Making sure public services are delivered efficiently, effectively and sustainably in the face of rising demands and reduced budgets.

CARDIFF



The Council's Procurement Strategy 2017-2020 set an increased focus on maximising social, economic, environmental and cultural wellbeing through its procurement activity. To this end it is committed to the delivery of community benefits, including employment and apprenticeship opportunities, and the promotion of fair working practices including payment of the Living Wage.



'**THE CARDIFF COMMITMENT**' – sets out the Council's vision that "All young people in Cardiff make a successful transition from compulsory schooling to ongoing education, training and the world of work and are enabled to reach their full potential." The goal of the Cardiff Commitment is to ensure that all young people in Cardiff eventually secure a job that enables them to reach their full potential, whilst contributing to the economic growth of the city. Community Benefits will be used to support the delivery of this goal.



Cardiff is one of only three cities to be part of the **CHILD RIGHTS PARTNER PROGRAMME** having been successful in an application process in December 2016. Cardiff is aiming to use the framework provided by Unicef to embed a child's rights approach across a range of public services in four areas: Outcomes for Looked After Children, Locality Working, Commissioning and Child Friendly Streets.



The overarching goal of the **CITY DEAL** is to improve the economic conditions in the area, however the specific aims of the Cardiff Capital Region can be summarised as: "Improve productivity; tackle worklessness; build on foundations of innovation; invest in physical and digital infrastructure; provide support for business and ensure that any economic benefits are felt across the region".

WHAT ARE COMMUNITY BENEFITS?

The Welsh Government Community Benefits Guidance 'Delivering Maximum Value for the Welsh Pound' provides an overview of the Community Benefits that the public sector should be looking to deliver. The Guidance sets out six broad categories of Community Benefits which are shown in the diagram.



In line with the Wales Procurement Policy Statement the Council applies Community Benefits clauses to all appropriate procurements where such benefits can be realised and applies the Measurement Tool to all such contracts over £1million to capture and report the outcomes.

The Council will continue to utilise Community Benefit Clauses in all contracts above £1million and look to utilise them in contracts below this threshold. It is the role of those planning to consider on a contract-by-contract basis the potential for community benefits to be delivered through the procurement process and the most appropriate way of achieving this.

To date Community Benefits have largely been delivered on the Council's construction and building maintenance contracts. This Policy seeks to deliver Community Benefits across all appropriate Council contracts. This will require a step change in how the Council utilises Community Benefits clauses in its tendering process.

WHAT IS ETHICAL EMPLOYMENT?

The 'Ethical Employment in Supply Chains' Code of Practice was launched in 2017 by the Welsh Government. It aims to support the development of more ethical supply chains delivering contracts for the Welsh Public sector. All organisations are encouraged to sign up to the Code and businesses in public sector supply chains are expected to adopt it. The Code is to ensure that workers in public sector supply chains are employed ethically and in compliance with both the letter and spirit of UK, EU and international laws. The code has 12 commitments which cover issues shown in the diagram.



Cardiff Council was the first in Wales to pay its staff the 'real' Living Wage in 2012 and is the longest accredited Living Wage Council in Wales. The Council has a proud track record of promoting fair work practices. On 16th March 2017, Cardiff Council became the first Welsh Council to commit to sign up to the Welsh Government's Code of Practice for Ethical Employment in Supply Chains.

WHAT IS OPENING DOORS CHARTER?

Opening Doors: the Charter for SME Friendly Procurement has been produced through Value Wales. This Charter is part of a programme of actions to deliver a consistent approach to procurement across the public sector in Wales while at the same time addressing issues of particular concern to SMEs. Cardiff Council is committed to actively encourage its main suppliers to provide opportunities for SMEs to deliver elements of appropriate contracts. It is also committed to encourage its main suppliers and SMEs to embrace sustainable development ethos within their organisations.

The Council has taken a number of positive steps to improve support to businesses to supply us with goods, services or works. These include publishing the Selling to Cardiff Council guide, continuously modernising our technology, developing a contract and framework calendar, encouraging suppliers and contractors to submit consortia or collaborative bids for Council work, participating in regular 'Meet the Buyer' events with Business Wales, use of Lotting Strategies and applying the SQUID approach developed by Welsh Government.

PRIORITIES AND DELIVERY



This Policy aims to provide an overarching framework to ensure a joined up consistent approach to the delivery of 'Socially Responsible Procurement' that encapsulates Wales-wide and Cardiff policy drivers. To aid this the Council has identified the following six priorities that represent its values and beliefs. This policy sets out the Council's ambition and commitment in respect of these key priorities and to support its delivery the Council will:

- Oversee implementation of the policy through its Social Responsibility Board.
- Develop and maintain a Social Responsibility Toolkit to support both suppliers and buyers to maximise the delivery of social value.
- Publicise and raise awareness of the Council's social responsibility objectives to ensure that suppliers and contractors are clear about what we want them to deliver.
- Develop and implement a Socially Responsible Procurement Delivery Plan for inclusion in tender documents so that suppliers, providers and contractors can set out how they will support implementation of the policy.
- Manage delivery of community benefits through effective contract management arrangements and ensure that contractors utilise the Welsh Government Measurement Tool to measure delivery on appropriate contracts over £1million.

Local Training & Employment

We want:

To create inclusive employment and training opportunities for local people in order to reduce unemployment and raise the skills level of our local workforce, especially in target groups such as long term unemployed.

We will:

- Require bidders for contracts worth over £1m to make a commitment to provide employment and training opportunities.
- Encourage our contractors to create more opportunities for apprenticeships, work placements and jobs.
- Work in partnership with employers, training providers and employment services to promote and co-ordinate access to local employment and training opportunities.
- Seek opportunities to work with Primary and Secondary schools through the "Cardiff Commitment" to equip young people of Cardiff with the right skills to match the requirements of the labour market.
- Maximise benefits from the City Deal and other major development opportunities to create employment and training.
- In line with Cardiff Commitment encourage suppliers and contractors to work with schools and colleges, offering work experience and business awareness to students, care leavers and NEETs, especially those from disadvantaged areas or communities.

Think Cardiff First

We want:

To take account of the social and economic impacts of buying locally when commissioning and contracting, and want our suppliers and contractors to do the same

We will:

- Increase the number of opportunities advertised by the Council through Sell2Wales, advertising opportunities locally where appropriate
- Consider the use of lotting strategies and acceptance of consortia bids to improve access to higher value contracts
- Encourage our suppliers and partners to buy locally and where appropriate make it a requirement for key contractors to advertise supply chain opportunities through Sell2Wales and to hold Meet the Buyer Events.
- Work with partners such as Business Wales, Business in Focus and South Wales Chamber of Commerce to improve the skills of local SMEs to access public sector business opportunities.
- Promote our Selling to Cardiff Council guide and continue to standardise and simplify our procedures and processes in line with Welsh Government guidance.

Partners in Communities

We want:

To play an active role in the local community and community support organisations, especially in those areas and communities with the greatest need.

We will:

- Encourage our suppliers to make a local impact by supporting initiatives to improve local facilities and by encouraging them to operate paid staff volunteering schemes to support local community groups and initiatives.
- Promote volunteering and social action through the Cardiff Volunteer Centre, Volunteering Wales website and the Cardiff Volunteer Portal.
- Make opportunities (both directly from the Council and through our contractors) accessible to a diverse supply base including the third sector, social enterprises and local suppliers. Also provide mentoring and support to assist these organisations to tender for and deliver these supply opportunities where necessary.
- Help to support the health and wellbeing of communities in which the business operates by for example linking with local schools and colleges, other local businesses and residents' groups to help run or sponsor activities / events, which will directly benefit those living there.
- Promote diversity, inclusion, equality and fairness – target effort towards those in greatest disadvantage and tackle deprivation across the city.

Green and Sustainable

We want:

To protect the environment, minimise waste, reduce energy consumption and use other resources efficiently.

We will:

- Seek, in partnership with suppliers and contractors, to minimise any negative environmental impacts of goods, services and works purchased, across their life cycle from raw material extraction to end of life.
- Ensure that we follow sustainable procurement policies and processes which will exploit the opportunity to minimise energy consumption, carbon footprint, waste, pollution production of greenhouse gas emissions and detrimental environmental impacts while encouraging others to do likewise.
- Eliminate unnecessary waste by adopting the “reduce, reuse, recycle” philosophy and supporting circular economy and sharing economy through 'Think before you purchase – do you really need it, could something else be used, or could we hire or borrow it?'
- Procure fair trade products where possible (fair trade supports farmers and workers in developing countries through better prices, decent working conditions and a fair deal).

Ethical Employment

We want:

To employ the highest ethical standards in our own operations and those within our supply chain.

We will:

- Implement and embed the Code of Practice: Ethical Employment in Supply Chains through tackling modern slavery, human rights abuses, blacklisting, false self-employment, unfair use of umbrella schemes and zero hours contracts.
- Encourage our suppliers and contractors to become accredited Living Wage employer through promoting the Cardiff Council “Real” Living Wage Accreditation Support Scheme
- Organise employer workshops to promote the Living Wage, initially targeted at the construction sector.
- Build a scored Fair Work Practices question into relevant tender documents to include sections on Living Wage, unfair use of umbrella schemes, zero hour contracts and False Self-Employment Practices.
- Encourage suppliers and contractors to have flexible working practices, LGTB / Gender reassignment friendly work policies which are inclusive in their equality training.

Promoting Wellbeing of Young People and Vulnerable Adults

We want:

Together with the support of entire community including local businesses, to safeguard and promote the rights of children, young people and vulnerable adults

We will:

- Help make communities places where all citizens, including the most vulnerable, feel safe, and are able to have their voices heard and their rights promoted through the implementation of a Child Rights approach and a Dementia Friendly City approach.
- Provide safeguarding advice and guidance.
- Ensure contractors are able to identify abuse or exploitation and take responsibility for reporting concerns in an appropriate and timely way.
- Ensure that all suppliers of care and support services that the Council purchases for its service users must have the necessary safeguarding policies, procedures and training in place and where required, be registered where appropriate registration body.
- Encourage contractors to promote and sponsor opportunities for children and adults who are in need of care and support i.e. events for carers.

GOVERNANCE AND MANAGEMENT

The Social Responsibility Board will oversee the delivery of the Socially Responsible Procurement Policy. The Cabinet Member who acts as the Council's Community Benefits and Ethical Employment Champion chairs the Board. It includes senior managers from across the Council, with other key stakeholders invited to attend as required. The Board meets on a quarterly basis.

REPORTING AND MONITORING

Successful contractors and suppliers will be required to provide regular monitoring information outlining Community Benefits delivery progress. The Contract Manager will be responsible for ensuring the supplier / contractor is meeting their Community Benefit obligations and providing information to the Commissioning and Procurement team on a quarterly basis. The Commissioning and Procurement Team will be responsible for reviewing the Community Benefit information and submitting regular reports to the Welsh Government and the Social Responsibility Board.

The Community Benefits Board will review the Community Benefits Register on a regular basis, providing challenge, scrutinise contractors performance where necessary and make recommendations to Senior Management Team and/or Cabinet as required. The Board will also oversee the development of an annual Community Benefits Report, including case studies, so that progress is widely reported, including to Welsh Government.