

SOCIALLY RESPONSIBLE PROCUREMENT STRATEGY 2022-2027

**FINANCE, PERFORMANCE AND MODERNISATION
(COUNCILLOR CHRIS WEAVER)**

AGENDA ITEM: 4

Reason for this Report

1. To obtain Cabinet approval for the adoption of the Socially Responsible Procurement Strategy 2022-2027 and delegate to the Corporate Director of Resources authority to approve any updates from time to time in line with legislative updates.

Background

2. The Council delivers its services directly through its own workforce, and through private and third sector organisations. The Council spends over £550 million a year procuring a diverse range of goods, services and works from over 8,000 suppliers and contractors.
3. The Council has a responsibility to manage public money with probity, to comply with UK and Welsh legislation, and to ensure that value for money is achieved. Procurement is also increasingly seen as an agent for the delivery of a number of key local and national priorities such as decarbonisation, fair work, delivering community benefits and supporting local businesses and communities. This Strategy sets out the Council's key procurement priorities through to 2025 and the key changes that it will make to improve the management of its external spend on goods, services and works.
4. The Socially Responsible Procurement Strategy (2022-2027) replaces the Council's Procurement Strategy and Socially Responsible Procurement Policy which had a number of key objectives including increasing the Community Benefits delivered through Council contracts and promoting a Fair Work agenda.
5. In terms of increasing the delivery of Community Benefits through Council contracts, the Council has been piloting use of the National TOMs (Themes, Outcomes and Measures) for Wales Social Value Framework. The framework is essentially a list of typical community benefits, that tenderers select what they will commit to deliver over the

period of the contract. The Council uses the Social Value Portal system to capture contractors' TOMs commitments and to monitor / manage their delivery over the period of the contract. As a result, current live contracts include social value commitments which will deliver £6,384,437 of social value. They include:

- 101 tonnes of carbon reductions
 - 2,447 miles of car miles saved
 - 577 tonnes of waste reduction
 - £1,934,800 of community support
 - 4,954 hours of apprenticeship opportunities
 - 3,865 hours of volunteering
 - 6,293 hours of career support sessions.
 - 347 weeks of work experience
6. In terms of Fair Work Cardiff has been recognised as a Living Wage City. The Living Wage City Partnership which is led by the Council has increased the number of accredited Living Wage employer from 82 in 2019 to over 180. In addition, over 64,000 workers are now employed by accredited Living Wage employers up from 27,250 in 2019 and nearly 8,000 workers have received a pay rise to at least the RLW in Cardiff up from 4,525 in 2019. This has contributed to Cardiff having one of the lowest proportions of jobs (11.6%; 24,000 jobs) paying below the RLW among major UK cities in 2021, compared to 20.7% (42,000 jobs) in 2017 (ONS ASHE data). Cardiff University calculate that an additional £39million has gone into the Cardiff economy as a result of worker uplifts to the real Living Wage.

Issues

7. The Socially Responsible Procurement Strategy 2022-2027 places an increased emphasis on the delivery of these priorities by focusing on the delivery of seven Key Procurement Objectives:
- Contributing to the Council's aim to be a Carbon-Neutral City by 2030.
 - Making procurement spend more accessible to local small businesses and third sector.
 - Improving Fair Work and Safeguarding practices adopted by suppliers.
 - Increasing community benefits and social value delivered by suppliers.
 - Securing value for money and managing demand.
 - Ensuring legal compliance and robust and transparent governance.
 - Promoting innovative and best practice solutions.
8. This Strategy has been informed by the Cabinet's vision for Cardiff, Stronger, Fairer, Greener, and by Welsh Government legislation and policy including the Wellbeing of Future Generations Wales Act, Wales Procurement Policy Statement, the Code of Practice – Ethical

Employment in Supply Chains and both the Procurement Bill and Social Partnership and Public Procurement (Wales) Bill which are due to become legislation towards end of 2023. As the Bills are not yet legislation, Cabinet is requested to delegate to the Corporate Director of Resources authority to approve any updates from time to time in line with legislative updates.

9. The delivery of this Strategy will be managed through an annually updated Delivery Plan with progress reported and published on an annual basis.

Scrutiny Consideration

10. The Strategy will be considered by members of the Policy Review and Performance Scrutiny Committee on 18 October 2022 and any comments received will be circulated at the Cabinet meeting.

Reason for Recommendations

11. Approval of the Socially Responsible Procurement Strategy 2022-2027 will establish the Council's key procurement objectives through to 2027 and the key changes that it will need make to improve the management of its external spend on goods, services and works.

Financial Implications

12. The Socially Responsible Procurement policy sets out seven key procurement objectives that contribute to the Stronger, Fairer, Greener vision for Cardiff. The delivery of the policy will take place within existing resources, through the Council's usual procurement and contract management processes. Whilst there are no immediate financial implications arising from this report, over time, costs associated with procuring goods and services could potentially increase, depending on how suppliers interpret the promoted values and manage any impact on their cost base.

Legal Implications

13. The report recommends approval of the draft procurement strategy and seeks to delegate approval to the Corporate Director. The purposes and reasons for the strategy are set out in the report.
14. As set out in the report and strategy, a new procurement bill (Bill) is due to come into legislation. The purpose of the Bill is to introduce revised legislation for the processes and procedures governing public procurement. It will be a revision of the current procurement law regime (including the repeal of the Public Contracts Regulations 2015) which are derived from EU Directives. In addition, the Social Partnership and Public Procurement (Wales) Bill (SPPP Bill) is also due to come into legislation and proposes to place procurement obligations on defined Welsh public bodies, requiring them to carry out procurement in a socially responsible way.

Equality Duty

15. In considering this matter, the Council must have regard to its public sector equality duties under the Equality Act 2010 (including specific Welsh public sector duties). This means the Council must give due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. The protected characteristics are: age, gender reassignment, sex, race – including ethnic or national origin, colour or nationality, disability, pregnancy and maternity, marriage and civil partnership, sexual orientation, religion or belief – including lack of belief.
16. When taking strategic decisions, the Council also has a statutory duty to have due regard to the need to reduce inequalities of outcome resulting from socio-economic disadvantage ('the Socio-Economic Duty' imposed under section 1 of the Equality Act 2010). In considering this, the Council must take into account the statutory guidance issued by the Welsh Ministers ([WG42004 A More Equal Wales The Socio-economic Duty Equality Act 2010 \(gov.wales\)](#)) and must be able to demonstrate how it has discharged its duty.

Well Being of Future Generations (Wales) Act 2015 - Standard legal imps

17. The Well-Being of Future Generations (Wales) Act 2015 ('the Act') places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible.
18. In discharging its duties under the Act, the Council has set and published well being objectives designed to maximise its contribution to achieving the national well being goals. The well being objectives are set out in Cardiff's Corporate Plan 2022-25. When exercising its functions, the Council is required to take all reasonable steps to meet its well being objectives. This means that the decision makers should consider how the proposed decision will contribute towards meeting the well being objectives and must be satisfied that all reasonable steps have been taken to meet those objectives.
19. The well being duty also requires the Council to act in accordance with a 'sustainable development principle'. This principle requires the Council to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the Council must:
 - Look to the long term
 - Focus on prevention by understanding the root causes of problems
 - Deliver an integrated approach to achieving the 7 national well-being goals
 - Work in collaboration with others to find shared sustainable solutions

- Involve people from all sections of the community in the decisions which affect them
20. The decision maker must be satisfied that the proposed decision accords with the principles above; and due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible using the link below: <http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

General

21. The decision maker must also be satisfied that the proposal is within the Policy and Budget Framework, if it is not then the matter must be referred to the Council. All decisions taken by or on behalf 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 of behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Council 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
22. The decision maker should also have regard to, when making its decision, to the Council's wider obligations under the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards.

HR Implications

23. There are no HR implications arising directly from this report.

Property Implications

24. There are no specific property implications in the Socially Responsible Procurement Strategy report. However, the Strategic Estates team will assist and advise where necessary on any property issues required to deliver any relevant proposals within the strategy.

RECOMMENDATIONS

Cabinet is recommended to:

1. Approve the Socially Responsible Procurement Strategy 2022-2027.
2. Delegate authority to the Corporate Director of Resources to approve any updates to the strategy from time to time in line with changes in legislation.

SENIOR RESPONSIBLE OFFICER	Chris Lee
	Corporate Director Resources 14 October 2022

The following appendices are attached:

Appendix 1 – Socially Responsible Procurement Strategy 2022-2027