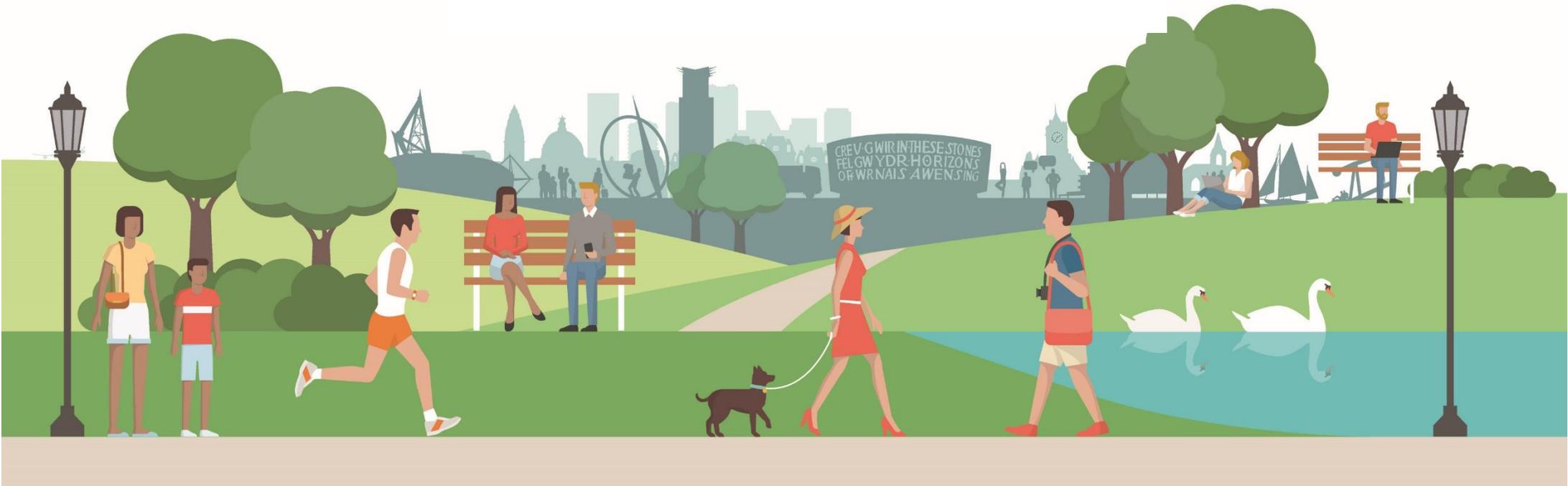




CARDIFF COUNCIL

SOCIALLY RESPONSIBLE PROCUREMENT POLICY

Draft



CONTENTS

1. Foreword
2. Introduction
3. Welsh Policy Drivers
4. Cardiff's Policy Drivers
5. What are Community Benefits?
6. What is Ethical Employment?
7. What is Opening Doors Charter?
8. Priorities and Delivery
 - a. Local Training & Employment
 - b. Think Cardiff First
 - c. Partners in Communities
 - d. Green and Sustainable
 - e. Ethical Employment
 - f. Promoting the Wellbeing of Young People
and Vulnerable Adults
9. Community Benefit Clauses
10. Governance and Management
11. Monitoring and Reporting

FOREWORD



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 we can support wider Council objectives. The Council's Procurement Strategy 2017-2020 set an increased focus on the delivery social, economic, environmental and cultural well-being through the way in which it manages its procurement activity with 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** - The following Charter clearly sets out our commitment to changing the way we do business in Wales and also seeks support in helping 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 over-arching framework for the delivery of these initiatives and the wider associated legislative and policy driven requirements. The aim of this policy is to 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 social enterprises, co-operative organisations, cooperative arrangements, user-led services and the third sector.



Local authorities with local health board providers must also establish regional forums 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*

Community Benefits – Delivering Maximum Value for 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 and environmental wellbeing is reflected in the Cardiff's Local Wellbeing Plan objectives, which are clearly aligned to the 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.



CAPITAL
AMBITION
OUR COMMITMENT IS HOW WE GROW

- the new administration's five-year plan for the city, outlines the Council's 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.

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, Child Friendly Streets.



Text to insert

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 below.



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's procurement processes mean that Community Benefits are

considered for all procurements over £150,000, and these are recorded on our Procurement Plans. To date the majority of contracts where community benefits have been delivered have been construction or building maintenance related projects.

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 processes.

WHAT IS ETHICAL EMPLOYMENT?

The Ethical Employment in Supply Chains Code of Practice has been designed by Welsh Government to support the development of more ethical supply chains to deliver contracts for the Welsh Public sector and third sector organisations in receipt of public funds. Businesses based in Wales and businesses involved in Welsh public sector supply chains will also be encouraged to adopt the Code. 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 covers the following issues:



- Modern Slavery and human rights abuses
- Blacklisting
- False self-employment
- Unfair use of umbrella schemes and zero hours contracts
- Paying the Living Wage

In signing up to the code, organisations agree to comply with 12 commitments designed to eliminate modern slavery and unethical employment practices. The Cardiff Council is already taking action to implement and deliver the majority of the 12 Commitments. This includes

already being an accredited Living Wage organisation, having a written whistle-blowing policy and strengthened pre-qualification checks and monitoring including clauses in our terms and conditions. "

Cardiff Council was the first Council in Wales to pay all 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.

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 the Wellbeing of Future Generations Act, the Social Services and Well-being Act, the Wales Procurement Policy Statement, Cardiff Local Wellbeing Plan and the Capital Ambition. To aid this the Council has identified the following six priorities:



This policy will set out the Council's ambition and commitment in respect of these key priorities and to support delivery the Council will:

- Establish a Socially Responsible Procurement Board chaired by our Community Benefits and Ethical Employment Champion
- Raise awareness of the Council's social responsibility objectives through promotion of this Policy
- Incorporate Community Benefits Action Plans and Clauses into relevant tender documents (see section X)
- Manage of 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
- Develop and implement a Social Responsibility Charter which will seek a commitment from organisations across Cardiff, including our suppliers, providers and contractors, to support us in the delivery of these priorities
- Develop and implement a supporting toolkit and training for both suppliers and buyers
- Publish and co-ordinate Council priorities to ensure that suppliers and contractors are met co-ordinate what we want them to deliver

Local Training & Employment

We want:

To create 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 through a Community Benefits Action Plan
- 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 labor market
- Maximise benefit from the City Deal and other major development opportunities to create employment and training.

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:

- Work with partners to support local businesses, social enterprises and SMEs to access tender opportunities.
- Work with partners such as Business Wales, Business in Focus, South Wales Chamber of Commerce to improve the skills of local SMEs to access public sector business opportunities
- Increase the number of opportunities advertised through Sell 2 Wales and advertise opportunities locally where appropriate
- Encourage our suppliers and partners to buy locally
- Promote our Selling to the Council guide and continue to standardise and simplify our procedures and processes.

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:

- Make a local impact by improving local facilities and areas, by encouraging our suppliers to operate paid staff volunteering schemes.
- Encourage suppliers and contractors to work with schools and colleges, offering work experience and business awareness to students, especially those from disadvantaged areas or communities.
- 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 and 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 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, to minimise any negative environmental impacts of goods and services 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, waste, pollution production of greenhouse gas emissions and detrimental environmental impacts while encouraging others to do likewise
- Reduce our carbon footprint
- Eliminate unnecessary waste by adopting the “reduce, reuse, recycle” philosophy
- Explore the opportunity for greater collaboration with neighboring local authorities on the delivery of recycling services including shared infrastructure services.

Ethical Employment

We want:

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

We will:

- Promote 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 section on Living Wage, unfair use of umbrella schemes and zero hour contracts and False Self-Employment Practices
- Implement and embed the Code of Practice, actions will include:
 - Appointing an Anti-Slavery and Ethical Employment Champion
 - Incorporating relevant statements into the Council’s Whistle Blowing Policy
 - Deliver Modern Slavery and ethical employment training to procurement team
- Work with Welsh Government, WLGA and other Councils to develop and implement the Code
- Work with Legal to ensure that relevant clauses within Welsh Government Guidance are built into standard tender documents

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 welfare of children, young people and vulnerable adults businesses

We will:

- Work towards becoming a UNICEF “Child Friendly City” as part of a partnership programme focused on child rights
- Ensure that services we provide or commission across Cardiff safeguard people’s rights and dignity
- Enhance the support for young people when they leave local authority care, making sure that they’re given the opportunities to succeed through community benefits delivered from our contracts
- Endeavour to create an organisational culture where staff, councillors and contractors are sensitive to abuse and exploitation and take responsibility for and feel confident in reporting concerns.
- Require organisations that the Council contracts with or that provide the Council with services, to apply this policy and have appropriate safeguarding training and procedures in place
- Ensure that all suppliers of personal care and support services that the Council purchases for its service users must have the necessary safeguarding policies, procedures and training in place and be registered where appropriate with the Care and Social Service Inspectorate Wales (CSIW)

COMMUNITY BENEFITS ACTION PLANS

The Council will utilise Community Benefit Clauses in all contracts above £1,000,000 and look to utilise them in contracts below this threshold. It is the role of those planning the procurement to consider from the outset 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.

Community Benefit clauses are requirements that aim to deliver wider benefits in addition to the core purpose of a contract. These clauses will be focused on contributing to the delivery of some of the six broad categories of community benefits and thereby delivering a range of well-being benefits.

CONTRACTUAL - All Contractual Community Benefits form part of the contract and suppliers will have a contractual obligation to deliver these commitments. Appropriate contract conditions will be included to provide a remedy for failure to deliver Contractual Community Benefits. Contractual Community Benefits can be incorporated in the following ways:

CORE - Community Benefits included as contractual obligations and evaluated as part of the tender process (e.g. Targeted Employment and Training Initiatives). A weighting of between 5% and 20% (TO BE AGREED) of the total evaluation criteria will be attributed to Evaluated Community Benefits.

NON – CORE

- Community Benefits proposals will be offered by the supplier but will not be assessed as part of the tender evaluation. Community Benefits offered and accepted by the Council will however form part of a supplier's contractual obligations to deliver. This method will be utilised when evaluated Community Benefits are not appropriate, e.g. within multi-lot framework agreements.
- Specific mandatory requirements may be stipulated within the specification, e.g. advertising sub-contracting opportunities or Targeted Recruitment and Training requirements (New Entrants, Work Placements etc.).

VOLUNTARY - The Council may seek to encourage Voluntary Community Benefits for a particular procurement activity. This will not form part of the evaluation, or indeed place a contractual obligation on the supplier; however those which are offered and accepted by the Council will be reported in the Corporate Procurement Annual Report. Delivery of Voluntary Community Benefits will be monitored through management information provided by the supplier and as part of the Contract and Supplier Management process.



GOVERNANCE AND MANAGEMENT

The Social Responsibility Board will oversee the delivery of 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 Commissioning and Procurement Team will review all monitoring information in consultation with relevant contract managers and once validated outcomes will be recorded in a Community Benefits Register.

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.

COORDINATION OF OPPORTUNITIES