

This Report will be made public on 18 July 2008

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report Number **C/08/22**

To: Cabinet
Date: 6 August 2008
Status: Non-Key Decision
Corporate Director: Kathryn Beldon
Portfolio Holder: Councillor D D Monk, District Secretary for Finance

SUBJECT: SUSTAINABLE PROCUREMENT POLICY

SUMMARY: Sustainable Procurement is the process of purchasing goods and services that takes into account the social, economic and environmental impact that such purchasing has on people and communities whilst still achieving value for money.

Sustainable Procurement means improving the efficiency of public procurement while at the same time using public market power to bring about major environmental and social benefits locally and globally.

This report sets out the proposals for the Sustainable Procurement Policy.

REASONS FOR RECOMMENDATIONS:

Cabinet is asked to agree the agenda and policy because:

- a) The agenda sets out our commitment to support the Improvement Efficiency South East request to support sustainable procurement in Kent.
- b) Section 19 of the Council's approved Corporate Procurement Strategy – states – 'Ensure environmental sustainability is considered in all procurement exercises'. The Sustainable Procurement policy will aid this.
- c) The Sustainable Procurement Strategy will assist the Council with it's obligations under the Nottingham Declaration signed 20 June 2007.

RECOMMENDATIONS:

1. To receive and note report C/08/22.
2. To support the approach taken by Improvement Efficiency South East as detailed at section 2 of the report.
3. To adopt the Sustainability Policy as detailed at Appendix A to this report

1. INTRODUCTION AND BACKGROUND

1.1 Sustainable Procurement

Sustainable Procurement is the process of purchasing goods and services that takes into account the social, economic and environmental impact that such purchasing has on people and communities whilst still achieving value for money.

Sustainable Procurement means improving the efficiency of public procurement while at the same time using public market power to bring about major environmental and social benefits locally and globally.

1.2 National Procurement

The public sector has a vital role in furthering sustainable development, through its procurement of buildings, goods, works and services. The UK Government Sustainable Development Strategy 'Securing the Future' (published March 2005) has committed the public sector to lead by example in delivering these objectives.

'Securing the Future' established the business led Sustainable Procurement Task Force to bring about change in public sector procurement practice. The aim is for the UK to be recognised as a leader in sustainable procurement across Europe and the World, by 2009. The Sustainable Procurement Task Force challenged the UK government to use its immense buying power to make rapid progress to its objectives. The government accepted this challenge and at the beginning of March 2007 published the 'UK Government Sustainable Procurement Action Plan' detailing how it intends to take Sustainable Procurement forward in the public sector.

Local authorities were consulted during the summer, the outcomes of which are yet to be published. There is however, a general expectation that local authorities will be required to take forward the recommendations contained within the action plan, many believing that this will form the new National Procurement Strategy. The action plan is in the form of a flexible framework containing 5 different levels that Councils will need to achieve, starting with the achievement of level 1 by summer 2008.

2. SHEPWAY DISTRICT COUNCIL'S PROPOSED APPROACH

2.1 Shepway District Council's Corporate Procurement Strategy states under the section Capture Diversity and Sustainability Opportunities – 'Ensure environmental sustainability is considered in all procurement exercises'. We therefore need to ensure that our current tendering processes are enhanced through the introduction of a Sustainable Procurement Policy and an action plan. The draft Sustainability Procurement Policy is attached at Appendix A for members' consideration.

2.2 The Kent Buying Consortium (of which Shepway District Council is a part) is made up of all Councils in Kent. The current national agenda on climate

change and sustainability has resulted in sustainable procurement now being one of the top priority work areas for the group. In addition to this, Improvement Efficiency South East (IESE) has initiated a major project with the aim of assisting all 74 local authorities within the region to achieve Level 1. In order to achieve this IESE are working to raise awareness across the region, to create a standard package of information which authorities can then adopt into their own processes, and to implement more environmentally friendly alternatives across a range of commonly bought products.

2.3 Each of the counties within the ISES region have been asked to put forward one authority within their county to act as an exemplar authority on Sustainable Procurement for that area. The role of an exemplar authority is to lead the way on implementing all of the recommendations contained within Level 1, which are:

- Raise awareness within the authority
- Sign-up to a Sustainable Procurement Policy
- Identify a Sustainable Procurement Champion
- Insert a standard sustainability clause into all future contracts
- Embed sustainability environmental questionnaire at ITT stage
- Lead on reviewing environmentally friendly alternatives for a selected product range

Canterbury City Council is the Exemplar Sustainable Procurement Council for the Kent Buying Consortium Group and can offer advice and guidance to other Councils within Kent on implementing the best practice documentation.

2.4 In June 2007 the Council signed The Nottingham Declaration. By signing the Declaration we have committed to producing a Climate Change Strategy within 2 years – ensuring that tackling climate change is a cornerstone of the council’s strategy.

3. RISK MANAGEMENT ISSUES

3.1 A summary of the perceived risks is as follows:

Perceived Risk	Seriousness	Likelihood	Preventative Action
Failure to endorse the Sustainable Procurement Policy could mean that we fail to comply with all legislation relevant to sustainability.	Medium	Low	Ensure that the Policy is agreed and actioned.

4. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

4.1 Legal Officer's Comments (LM)

Public bodies must have regard to biodiversity when exercising its functions. The adoption of a Sustainable Procurement Policy will formalise the Council's procurement policy and will assist the Council in complying with its legal obligations and as well as adopting best practice.

4.2 Finance Officer's Comments (LB)

There are no financial implications arising specifically from the adoption of the Sustainability Procurement Policy. IESE are not expecting districts to make a contribution towards their work. Any financial implications arising from tenders for contracts will be considered on an individual basis in line with Contract Standing Orders.

4.3 Diversities and Equalities Implications

There are no specific Diversities and Equalities Implications arising from this report but they would be considered with all new contracts let.

5. CONTACT OFFICER AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting:

*Margaret Creed – Procurement Manager
Tel: 01303 853377
Email: Margaret.creed@shepway.gov.uk*

The following background documents have been relied upon in the preparation of this report:

None

Appendix:
Appendix A – Sustainable Procurement Policy

Appendix A

SUSTAINABLE PROCUREMENT POLICY

Shepway District Council recognises it has a vital role in furthering sustainable development, through its procurement of goods, works and services. Procurement decisions have a major socio-economic and environmental implication, both locally and globally, now and for future generations. The Council will therefore strive to:

People, Education and Awareness

- Educate, train and encourage internal purchasers to review their consumption of goods and services, reduce usage and adopt more environmentally friendly alternative products
- Communicate the sustainable procurement policy to all staff, suppliers and stakeholders

Policy, Strategy and Procurement Process

General:-

- Promote and embed best practice for sustainable procurement
- Work in partnership with other SE Region councils to maximise sustainable procurement gains

Environmental products:-

- Consider the costs and benefits of environmentally preferable goods, suppliers and services
- Wherever possible and practicable, specify a requirement in line with nationally or regionally agreed minimum specifications
- Where such exact specification is not possible, offer a facility for suppliers to submit offers for environmentally friendly alternatives

Environmental construction, biodiversity and recycling:-

- Set targets for Carbon Management, BREEAM and sustainable construction, refurbishment and maintenance. (**see note below)
- Fulfil obligations under the Biodiversity duty as part of Sustainable Development plans (**see note below)
- Investigate opportunities for recycling, reduced usage, bulk delivery and better packaging

Socio-Economic:-

- Fully support the Councils commitment to the Small Business Friendly Concordat and Voluntary and Community Sector Compact
- Ensure that where appropriate and allowable, Sustainability Criteria are part of the supplier evaluation process and are used in the award of contracts

Engaging Suppliers

- Communicate the Council's sustainability objectives to our suppliers
- Encourage and persuade suppliers to adopt environmentally friendly processes and supply environmentally friendly goods and services as part of their Corporate Social Responsibility
- Address barriers to the Council doing business with Small Business and Voluntary sectors

Measurements and Results

- Comply with all legislation relevant to sustainability
- Collaborate with IESI to meet the targets of a Joint Action Plan
- Support achievement of local Council targets for Sustainability improvement

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Lead Member

Chief Executive

This policy is an official statement of Shepway District Council as of.....

****Notes**

- **BREEAM**

BREEAM is the world's longest standing and most widely used environmental assessment method for buildings. It sets the standard for best practice in sustainable development and demonstrates a level of achievement. It has become the vocabulary used to describe a building's environmental performance).

- **BIODIVERSITY**

.Local authorities in England and Wales have a key role to play in the conservation of biodiversity and this is now recognised and formalised within Section 40 of the Natural Environment and Rural Communities (NERC) Act 2006, where :“Every public body must, in exercising its functions, have regard, so far as is consistent with the proper exercise of those functions, to the purpose of conserving biodiversity.

Biodiversity is the variety of life on earth, and includes all species of plants and animals and the habitats that support them.

Biodiversity describes our natural wealth, which makes up the living landscape around us, sustains ecological systems and enhances our quality of life.

Given its enormous benefits, our responsibility to conserve biodiversity is unquestionable.

Biodiversity can contribute to:

- *climate change adaptation and mitigation*
- *pollution control and air, water and soil quality*
- *stronger communities, learning, health and well-being*
- *stronger local economies*
- *local character and distinctiveness.*

Notes taken from BREEAM and DEFRA websites