



PROCUREMENT

Report to: STAR Joint Committee
Date: 11th February 2019
Report for: For Decision
Report of: Procurement Business Partner

Report Title

Responsible Procurement Strategy 2019-22

Summary

The purpose of this report is to seek agreement to the implementation of the proposed Responsible Procurement Strategy 2019-22

Recommendations

The recommendation of this report is that STAR Joint Committee agrees to the implementation of the Responsible Procurement Strategy 2019-22 set out in this report

Contact person for access to background papers and further information:

Name: Michael Sellors
Phone: 07580 292661

Background

Financial Impact:	None
Legal Impact:	The strategy highlights the importance of national legislation such as Modern Slavery Act
Human Resources Impact:	None
Asset Management Impact:	None
E-Government Impact:	None
Risk Management Impact:	None
Health and Safety Impact:	None

Consultation

No public consultation required

Reasons for Recommendation(s)

This Responsible Procurement Strategy replaces the existing STAR Councils' Procurement Strategy 2017-20. It builds on and enhances the current strategy to make it more attuned to the ethics and principles of responsible procurement.

1. Procurement Strategy 2017-2020

1.1. The Procurement Strategy 2017-20 was agreed by STAR Joint Committee on 9th August 2017.

1.2. STAR Procurement has achieved substantial outcomes and benefits for our partners through our 2017 strategy where we:

- Welcomed our 4th Full Partner, Tameside Council;
- Demonstrated the success of our Local Investment project with an 11% increase in Rochdale Councils spend with local businesses, resulting in an additional £13m of local money retained within the borough;
- Achieved savings totalling £10.56m for our partners¹;
- Were awarded the CIPS Corporate Ethics Mark for our work on responsible and ethical procurement activities;
- Won the iNetwork – Connected Procurement and Commissioning Innovation Award for our Flexible Purchasing System (FPS) for Greater Manchester for Learning Disability (LD) and Autism;
- Conducted various supplier engagement and market awareness events on a number of tenders, including overarching Meet the Buyer events;
- Achieved commitments from suppliers to the STAR partners of 121 employment opportunities (worth £312k) and 269 apprenticeships / training opportunities² (worth £469k);

¹ Across F/Y 2017/18 & up to Q3 FY 2018/19

² Across F/Y 2017/18 & up to Q3 FY 2018/19

2. Responsible Procurement

2.1. Responsible Procurement is the act of sourcing services, goods, and/or works in a responsible way that takes into account ethical and sustainable considerations, including: economic, social, labour, and environmental factors, whilst always aiming to procure and act in a way that is morally right.

3. Responsible Procurement Strategy 2019-22

3.1. This Responsible Procurement Strategy replaces the Procurement Strategy 2017-20. It builds on and enhances the current strategy to make it more attuned to the ethics and principles of responsible procurement.

3.2. This revised draft strategy aims to advance our achievements and looks to STAR Procurement to provide leadership by:

- Engaging regionally and nationally to understand areas of good practice;
- Providing a single voice for the STAR partners on procurement and supplier management issues;
- Engaging with our partners' strategic suppliers;
- Facilitating and supporting further collaborative and partnership working between our partners and the wider public sector;

3.3. This revised strategy continues to follow the STAR 5 STAR Objectives of Commercial, Communities, Collaboration, Compliance and Champions. It does however include commitments to ethical and sustainable procurement including Modern Slavery and environmental issues.

3.4. The draft Responsible Procurement Strategy is included in Appendix 1

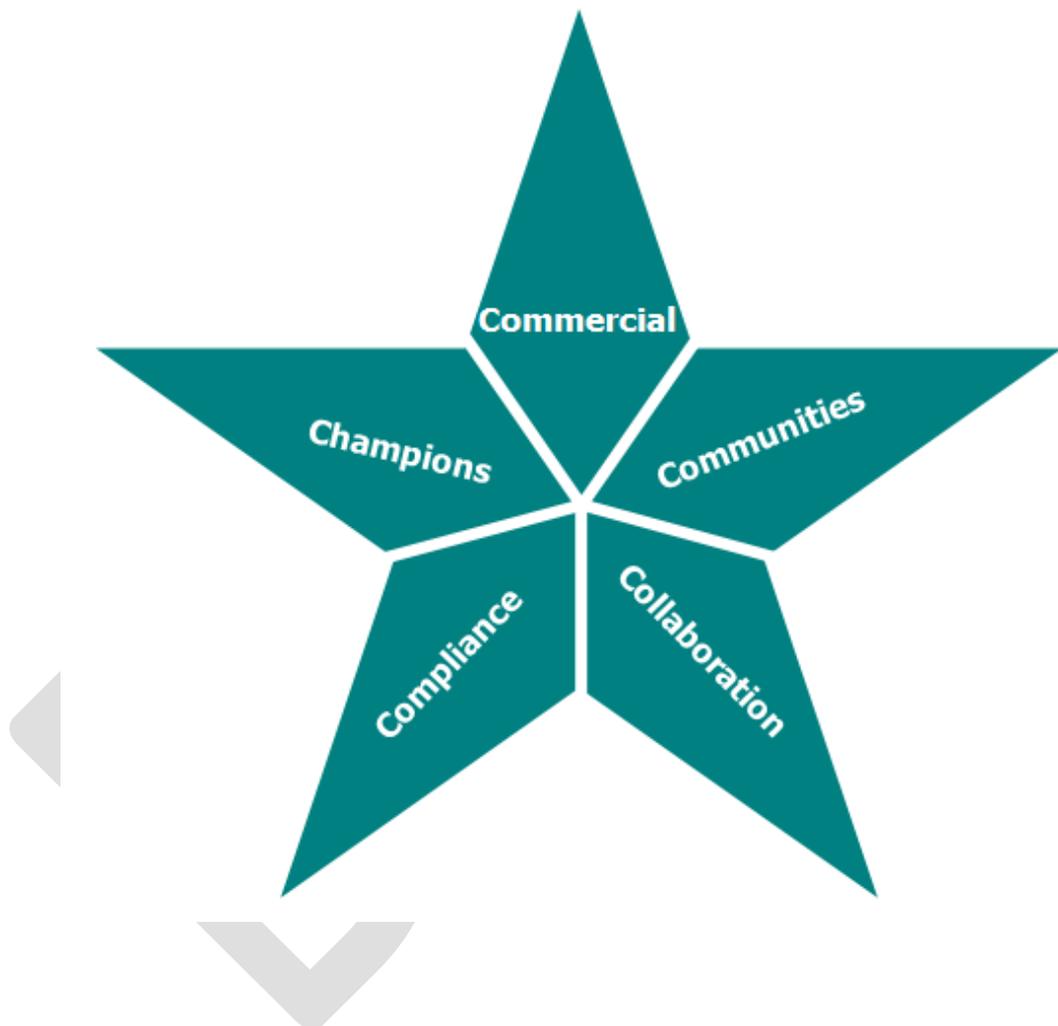
4. Recommendations

4.1. It is recommended that Joint Committee agrees to the implementation of the Responsible Procurement Strategy 2019-22 set out in this report

Appendix 1: Responsible Procurement Strategy 2019-22

STAR

PROCUREMENT



OUR RESPONSIBLE PROCUREMENT STRATEGY 2019-2022

1. Introduction

STAR Procurement is the shared procurement service between Rochdale, Stockport, Tameside, and Trafford Councils. We also have relationships with a number of other partners for the provision of a variety of our procurement services. This Responsible Procurement Strategy outlines how we will conduct procurement on behalf of all of our partners.

What is Responsible Procurement?

Responsible Procurement is the act of sourcing services, supplies, and/or works in a way that takes into account ethical and sustainable considerations, including: economic, social, labour, and environmental factors, whilst always aiming to procure and act in a way that is morally right, open, fair, and transparent.

Responsible Public Procurement:

- ★ Is about improving the quality and cost effectiveness of delivering public services to citizens
- ★ Is a mechanism to challenge current service arrangements and find new models for service delivery
- ★ Will achieve better realised savings that can be channelled back into priority services
- ★ Can achieve added value benefits to citizens through effective use of supply chains
- ★ Ensures that our partners deliver best value
- ★ Uses our professionalism and planning can help prevent financial loss to the Council and support our services and reputation

Why is Responsible Procurement Important?

Local government has a total revenue budget of c.£44billion¹ per annum, STAR Procurement recognises that procurement decisions can have a major socio-economic and environmental implication, both locally and globally, now and for future generations. The associated procurement activity is critical to ensuring that not only is best value being obtained, but that public money is spent in a way that protects both people and the environment and is vital to:

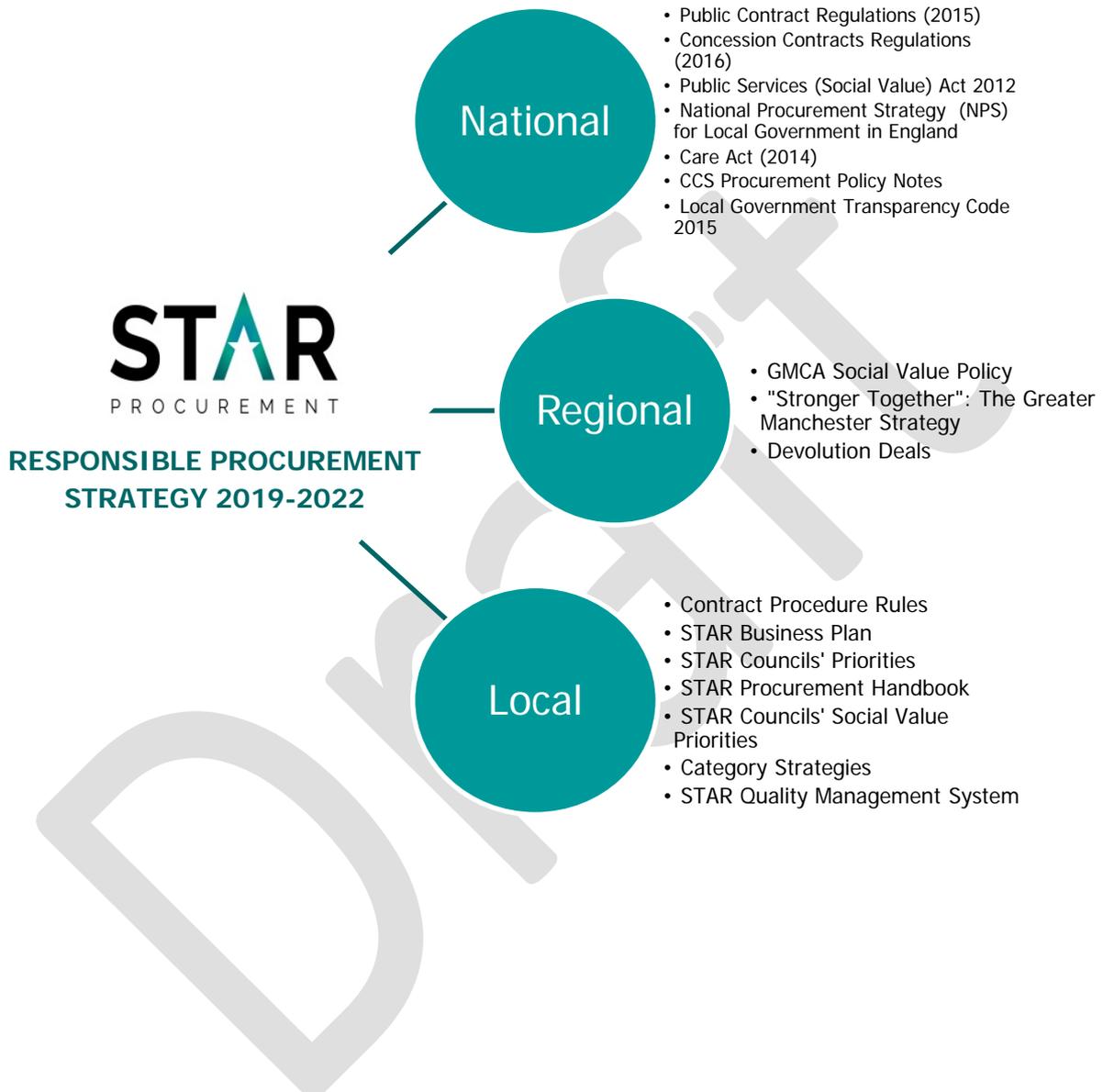
- ★ Furthering Sustainable development
- ★ Stimulating innovation
- ★ Avoiding unnecessary costs

We recognise our responsibility to take a robust approach to ethical and sustainability issues, especially around modern slavery and human trafficking, which we are absolutely committed to preventing, within our partner's supply chains.

¹ Core spending power: final local government finance settlement 2017 to 2018

Strategic Influence on Public Procurement

There is a complex and multi-layered influence on our procurement activity through global, national, regional, and local policies and legislation. Our Procurement Strategy is designed to provide clarity as to how we will embed this strategic context into what we do. The diagram below is not exhaustive but gives an indication of the strategic context in which we operate.



2. Our Strategy

Responsible Procurement Strategy 2019

This 2019 strategy aims to advance these achievements and looks to STAR Procurement to provide leadership by:

- ★ Engaging regionally and nationally to understand areas of good practice
- ★ Providing a single voice for the STAR partners on procurement and supplier management issues
- ★ Engaging with our partners' strategic suppliers
- ★ Facilitating and supporting further collaborative and partnership working between our partners and the wider public sector
- ★ Advancing our activities around ethical and sustainable behaviours, especially around Modern Slavery and the protection of the environment
- ★ Re-affirming our commitment to considering the social, economic, and environmental consequences of what is procured at all stages of the life-cycle

STAR Procurement will continue to promote the three key priorities set out in the National Procurement Strategy for Local Government in England (NPS) 2018:

- ★ Showing Leadership
- ★ Behaving Commercially
- ★ Achieving Community Benefit

The STAR Procurement Business Plan identifies five objectives which will underpin all of our activity over the coming three years. This strategy should be read in conjunction with our Business Plan, which collectively demonstrate how we will deliver these objectives through procurement activity, and deliver against the three priorities of NPS 2018.

Objectives

Objective 1: Commercial

By adopting a wide range of approaches, as necessary, we will continue to:

- ★ Ensure we work to maximise the outcomes for, and value for money spent / received by, our partners
- ★ Deliver savings
- ★ Retain a category management approach
- ★ Analyse and identify spend
- ★ Conduct early market engagements
- ★ Undertake Risk Based Sourcing
- ★ Increase our partner's spend with local companies
- ★ Work collaboratively across all of our partners and across Greater Manchester
- ★ Ensure suppliers improve on their delivery of social value commitments
- ★ Create commercial opportunities (including income generation)



We will also further progress:

- ★ Driving efficiencies from our partners' current contractual bases by promotion of a planned approach to:
 - Managing risk
 - Compliance
 - Contract reviews
 - Commercial management, and
 - Supplier Relationship Management

Objective 2: Communities



Communities

There are a number of activities that we will continue to perform to give local suppliers and SMEs the best possible opportunity to supply and provide services to our partners. These activities will also ensure our partner's local community's benefit from their respective Councils spend.

We will help ensure that our partners enter into contracts with businesses that will add value and deliver benefits to local and global communities beyond the predominant purpose of the contract.

We will continue to:

- ★ Embrace Social Value in all procurement activity (where relevant and proportionate)
- ★ Make Social Value a Key Performance Indicator in contracts
- ★ Ensure both financial and non-financial outcomes are promised by bidders
- ★ Embrace e-procurement
- ★ Engage face to face with our stakeholders through events, drop in sessions, meet the buyer sessions, and training
- ★ Where appropriate and available, procure requirements in line with current best practice standards and technical and quality specifications, including [Government Buying Standards](#)
- ★ Require compliance with labour and sustainability requirements

We will advance and further improve:

- ★ Our identification of spend
- ★ The amount spent by our partners with local businesses and Small to Medium Enterprises (SME)
- ★ How contract management of Social Value outcomes is undertaken to ensure delivery
- ★ How suppliers to our partner's demonstrate their commitment to improving ethical and sustainability practices locally and globally, and uphold the core expectations set out in Annex 1 to this strategy, and how they will address the additional expectations, where relevant and proportionate, as set out in this annex.
- ★ Our proactive work to ensure that all supplies, works and services procured for our partners are sourced ethically and sustainably, throughout the supply chain, for e.g.

through procurement activity, contract management, risk assessments, action plans, investigations, and audits

Objective 3: Collaboration



As a collaborative procurement service we have the skills and expertise to continue to help drive this agenda and secure measurable outcomes.

We already collaborate across our four partners as well as across other Local Authorities and health organisations across Greater Manchester, and value the fact that we are stronger together. We will advance on our activities to undertake:

- ★ More effective collaboration across Greater Manchester and the North West by engaging with our partner's "anchor institutions"
- ★ Better delivery of a wider range of outcomes across Greater Manchester and the North West
- ★ Better assurance that collaboration still supports our communities through the effective use of lotting strategies and through active engagement with our clients and suppliers.

We will continue with:

- ★ Supplier relationship management
- ★ Engaging with suppliers and markets to further drive innovation and collaborative work across the region.

Objective 4: Compliance



Procurement is rarely "black and white", therefore we adopt a risk-based approach to ensure that we do not let the rules that focus on values stifle innovation and creativity.

We will maximise the opportunities for innovation by:

- ★ Ensuring we provide an appropriate amount of structure
- ★ Allowing for flexibility and agility of approach based around risk first
- ★ Ensuring simplicity and speed to market
- ★ Providing training to staff, our partners, and suppliers on various aspects of the procurement cycle, social value, ethics, and sustainability to ensure we work collaboratively to tackle compliance
- ★ Ensuring our partner's suppliers comply with specifications, standards required of them, and compliance with core expectations set out in Annex 1 to this strategy, and how they will address the additional expectations, where relevant and proportionate, as set out in this annex
- ★ Conducting robust data analysis so we can manage, plan, monitor, and report on our and our partner's suppliers activity
- ★ Use data to inform our strategic procurement and collaborative approach

Objective 5: Champions



We champion procurement and collaboration to support public service reform and transformation. We will continue to:

- ★ Use our skills and expertise to develop our added value
- ★ Ensure that we promote the very best world-class strategic procurement to share and support wider partners
- ★ Ensure that we champion Social Value, sustainable and ethical behaviours in all that we do
- ★ Ensure that our partners (councillors and senior staff) are engaged and champion STAR, procurement and collaboration, and STAR activities and achievements

Draft

Annex 1: Core Supplier Expectations

Core Expectations

STAR Procurement expects all suppliers (and their sub-contractors) to our partners to:

- ★ Not engage in criminal conduct or activity;
- ★ Comply with labour and environmental laws;
- ★ Adopt and conduct their trading activities in accordance with the [Ethical Trading Initiative \(ETI\) Base Code](#), which is based on the International Labour Organisations (ILO) internationally recognised [Code of Labour Standards](#);
- ★ Confirm commitments as set out in the [Co-operative Party Charter Against Modern Slavery](#);
- ★ Ensure workers are aware they may join a trade union and are not to be treated unfairly for belonging to one;
- ★ Comply with labour and other appropriate laws (e.g. The Equality Act 2010);
- ★ Not engage in human rights abuses;
- ★ Not engage in environmental abuses;
- ★ Provide fair payment for supplies, works and services through the supply chain;
- ★ Provide workers with fair wages;
- ★ Not to blacklist workers;
- ★ Act Ethically and sustainably in how they manage and operate their business, including the provision of services, manufacture and/or delivery of supplies, or provision of works;

Additional Expectations

STAR Procurement expects, where relevant and proportionate, all suppliers (and their sub-contractors) to:

- ★ Provide their services, manufacture and/or delivery of supplies, or provision of works that are accredited to recognised standards (or at least match the requirements of relevant accreditations without actually being accredited) across ethical considerations, for e.g.:
 - [International](#), [European](#), or [British](#) Standards;
 - [EMAS](#);
 - Good agricultural standards and practices ([GlobalG.A.P.](#));
 - Consumer facing standards (e.g. [Fairtrade](#), [Rainforest Alliance](#), [Tea Sourcing Partnership](#));
 - Furniture ([FSC](#) and [PEFC](#));
 - Social accountability [SA8000](#));

We also expect where relevant and proportionate, all suppliers (and their sub-contractors) to work with us and our partners to:

- ★ Contribute to the GM ambition of being a low carbon area by helping to create a more sustainable GM, UK, and globe by creating a lower carbon supply chain;
- ★ Contribute to the GM ambition to [dramatically reduce avoidable single use plastics](#) in the region;
- ★ Contribute to the GM ambition of more local jobs and apprenticeships in the region;

Annex 2: Useful Links

General Links

[Ethical and Sustainable Procurement pages](#) of the STAR website

[Social Value pages](#) of STAR Website

[STAR Website](#)

Labour Standards

[Ethical Trading Initiative \(ETI\) Base Code](#)

[Co-operative Party Charter Against Modern Slavery](#)

[International Labour Organisations \(ILO\) internationally recognised Code of Labour Standards](#)

Technical Standards

[British Technical Standards](#)

[European Technical Standards](#)

[International Technical Standards](#)

[EMAS](#)

[Good agricultural standards and practices \(GlobalG.A.P\)](#)

[Furniture \(FSC and PEFC\)](#)

Consumer Facing Standards

[Fairtrade](#)

[Rainforest Alliance](#)

[Tea Sourcing Partnership](#)

[Social accountability SA8000](#)

GM Sustainability Priorities

[Dramatically reduce avoidable single use plastics](#)