

Committee Name and Date of Committee Meeting

Cabinet – 20 January 2020

Report Title

Ethical Procurement Policy

Is this a Key Decision and has it been included on the Forward Plan?

Yes

Strategic Director Approving Submission of the Report

Sharon Kemp, Chief Executive

Report Author(s)

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Ward(s) Affected

Borough-Wide

Report Summary

Ethical behaviour is at the core of the Council's procurement activity and the Council expects the suppliers it does business with to share similar values and ethical ethos in the way they deliver their services. This Policy sets out a range of measures and policy decisions / commitments that have been taken by the Council over the years (including the recent Social Value Policy) to achieve this and drive ethical practice, with the aim to encompass this into one comprehensive policy.

Recommendations

1. That approval be given to the Ethical Procurement Policy.

List of Appendices Included

Appendix 1 Initial Equality Screening
Appendix 2 Ethical Procurement Policy

Background Papers

Cabinet / Council decisions on:

[Fair Trade Status](#)
[Charter for Sustainable British Steel](#)
[Corporate Safeguarding Policy](#)
[Equality & Diversity Policy](#)

[Cooperative Charter Against Modern Slavery](#)
[Social Value Policy](#)
[Climate Change Emergency](#)

Consideration by any other Council Committee, Scrutiny or Advisory Panel
Overview and Scrutiny Management Board – 15 January 2020

Council Approval Required

No

Exempt from the Press and Public

No

Ethical Procurement Policy

1. Background

- 1.1 The Council spends c£300m per annum with third party suppliers/contractors on a range of Goods, Works and Services. Procurement is therefore considered an enabler in assisting the Council to deliver its strategic objectives by using its purchasing power to drive socio-economic and environmental improvements for its residents and society at large through its supply chain.
- 1.2 To achieve this, it is imperative that the Council adopts robust ethical procurement practices and gives clear consideration of the outcomes and expectations it places on its supply chain when undertaking procurement activity.

2. Key Issues

- 2.1 Over recent years the Council has made positive commitments to drive forward ethical practises in its procurement activity and change / improve behaviours in its supply chain through a range of policy statements / commitments, which are in addition to the ethical criteria set out in the Public Contracts Regulations 2015 (the legislation governing public procurement).
- 2.2 This range of policy statements/commitments include:
- Supporting the principles of Fair Trade
 - Supporting the 'Charter for Sustainable British Steel'
 - Approving the Corporate Safeguarding Policy
 - Approving the Council's Equality and Diversity Policy
 - Adopting the Cooperative Party's Charter against Modern Slavery
 - Approving the Council's Social Value Policy
 - Declaring a Climate Change Emergency
- 2.3 These policy statements / commitments have all been treated as individual decisions. The aim of this Ethical Procurement Policy is to pull all these individual commitments / decisions into one comprehensive policy.
- 2.4 When future commitments surrounding ethical procurement activity are made by Council / Cabinet updates to the Ethical Procurement Policy will be carried out accordingly
- 2.5 A copy of the proposed Ethical Procurement Policy is contained at Appendix 1.
- ### **3. Options considered and recommended proposal**
- 3.1 Following the review of existing practice and the approach taken by other authorities, the recommended option is to adopt the Ethical Procurement Policy.

4. Consultation on proposal

4.1 Consultation was conducted for each of the individual policies / commitments / decisions.

5. Timetable and Accountability for Implementing this Decision

5.1 The policy will become immediately effective following approval.

5.2 For all new procurement activity, consideration will be given to during the pre-procurement phase to the key themes (where appropriate) making up the Ethical Procurement Policy and documented through the pre-procurement business case.

6. Financial and Procurement Advice and Implications

6.1 This policy pulls together the range of actions already being conducted within procurement around ethical behaviour and practice and the way the Council commissions and procures services, and the expectations it places on its supply chain.

6.2 As such there are no direct implications arising from the recommendations detailed in this report. Implications were considered for each of the individual policies at the time they were agreed.

6.3 The procurement team are however responsible for ensuring Service Areas give due consideration to the key themes identified in the Ethical Procurement Policy. As the procurement team are working with Service Areas in embedding the Social Value Policy, it will also seek to ensure this Ethical Procurement Policy is also understood and considered.

6.4 The new policy does not directly impact the Council's budget position, it makes the Council's procurement process more robust and increases value for money from a social value perspective ensuring that suppliers meet a certain ethical standard. It is possible that any new standards to be agreed by Council or Cabinet may lead to an existing supplier being removed from use, and replaced with a more expensive supplier, due to them not meeting the new standards. However due to the work the Council has done in previous years, referenced within this report, this risk is minimal.

7. Legal Advice and Implications

7.1 There are no direct legal implications with this policy. The policy adequately describes the requirements of the law (particularly the Public Contracts Regulations).

8. Human Resources Advice and Implications

8.1 There are no direct Human Resources (HR) implications as a result of this report.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 This policy reinforces decisions / commitments already made which contribute towards ethical practice in procurement. The outcomes from these individual decisions / commitments support the Council's priorities: "Every child has the best start in life" and "Every adult secure, responsible and empowered", from ensuring that appropriate safeguarding arrangements are in place for vulnerable individuals through to seeking education and employment support through the Social Value policy.

10. Equalities and Human Rights Advice and Implications

- 10.1 An initial Equalities Screening Assessment has been completed.

11. Implications for Ward Priorities

- 11.1 This policy reinforces decisions / commitments already made which contribute towards ethical practice in procurement. the outcomes from these individual decisions / commitments support the Thriving Neighbourhood Strategy priorities including:
- 11.2 "Vulnerable People are Protected"; through the approval of the Council's Safeguarding policy and the adoption of the Cooperative Charter Against Modern Slavery, and
- 11.3 "People from different backgrounds have the chance to interact" through the adoption of the Council's Social Value Policy and the education and employment opportunities this presents; and
- 11.4 "Clean streets and public spaces" through the environmental measures outlined in the Council's Social Value Policy and the work to be undertake around the climate change emergency.

12. Implications for Partners

- 12.1 Implications for partners was considered at the time for each individual policy / commitment / decision that has been made.

13. Risks and Mitigation

- 13.1. There is a risk that suppliers / contractors fail to deliver against commitments made in a tender. It is therefore essential that contracts are effectively monitored and managed by Service Areas to protect the Council against these instances occurring.
- 13.2 With regards Social Value commitments, the Council will benefit from the experience and expertise of the Social Value Portal, who will assist with the management of Social Value commitments made by suppliers to ensure these are delivered.

14. Accountable Officers

Karen Middlebrook, Head of Procurement

Approvals obtained on behalf of Statutory Officers:-

	Named Officer	Date
Chief Executive	Sharon Kemp	03/01/20
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	02/01/20
Head of Legal Services (Monitoring Officer)	Bal Nahal	02/01/20

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