



Northumberland
County Council

**Northumberland County Council
Procurement Corporate Social Responsibility Policy
(2021-2030)**

1.0 Policy Summary

This policy provides guidance to incorporate Corporate Social Responsibility (CSR) considerations when the Council is procuring goods, works and services. It provides the procedures and considerations to be applied by the Procurement Service in collaboration with commissioners to ensure that the Council can achieve sustainable procurement outcomes in terms of environmental, social and economic benefits based on six CSR commitments.

1.1 Policy Aim

Working in close partnership with the Climate Change groups and key commissioners in the Council, and in line with Public Contract Regulations this Corporate Social Responsibility (CSR) policy aim is to support identifying key opportunity areas where CSR procurement outcomes can be achieved, measured and monitored.

CSR takes into account socio-economic and environmental factors when making procurement decisions. It is about considering how goods and services that are being commissioned and procured could contribute positively to the economic, environmental and social benefits of the stakeholders and the wider community it serves. This policy will serve to increase the 'social value' within the Councils procurement and commissioning decisions, by considering the health & wellbeing of the local area, increase opportunities for SME's, local suppliers and their associated supply chains and increase the employment and training opportunities for residents.

The policy aims to ensure the Councils, Contractors, Providers and Suppliers are aware of the importance of CSR and will be clear of our expectations on them and their associated supply chains. The policy will also provide a framework to demonstrate how corporate social responsibility opportunities within the procurement process can be achieved and measured. The resultant benefits, are expected to include:

- Support the Council's climate change and carbon reduction targets, by reducing emissions on procured goods, works and services.
- Support wider environmental goals by procuring environmentally sensitive goods and services.
- Support local economic growth to increase efficiency and return on investment.
- Enhance the delivery for 'social value' opportunities through sustainable procurement including increasing local employment opportunities, improved health and wellbeing of the local population and contribute to a reduction in health inequalities.
- Support the combating of Modern Slavery in the Councils supply chains.
- Support the economic recovery to develop an inclusive economy.
- Encouraging spend in local economy and local supply chains to support local jobs.

1.2 Policy Scope

The scope of this policy is to target all appropriate Council expenditure on external goods, works and services to assess the opportunities for the Councils supply chains to contribute to a positive social, economic and environmental impact.

In 2019/20 the Council non pay invoiced expenditure was £1,670,463,778. 49% of this value was with commercial suppliers totalling £813,263,085. This is the scope of spend which has the opportunity to be influenced by procurement and commissioners to embed corporate social

responsibility commitments such as; waste reduction, carbon reduction, improved social value and health and wellbeing and combating modern slavery into our Council contracts.

Table 1 - Council Spend Breakdown 2019/20

Commercial Spend	No of Suppliers	Total NET Spend
Mixed	63	£ 113,400,905.16
No	453	£ 743,799,787.72
Yes	8154	£ 813,263,085.03



2.0 Introduction

The announcement of the climate emergency has increased the spotlight on sustainability in all areas of the Council. Procurement of goods, works and services is a large contributor to the overall carbon emissions of the Council. The Procurement Service has an exceptional opportunity to drive a more sustainable approach to goods, works and services the council procures, complementing the goals of the Climate Change Action Plan approved in January 2021.

This policy is expected to support achieving value for money on a whole life basis, generating benefits to our wider society and economy, whilst reducing damage to the environment and creating an improved social impact.

The policy provides an updated and improved Corporate Social Responsibility Impact Assessment (CSRI) for goods, works and services based on six commitments

Corporate Social Responsibility Commitments

Reduce CO ₂ & GHG Emissions	Combat Modern Slavery	Increase Usage of SME's & Local Suppliers	Waste Reduction	Increase & Improve Social Value	Improve Health & Wellbeing
 <p>The Council is committed to the climate change emergency to reduce CO₂ & GHG emissions in its own organisation and supply chains. Early stage Procurement activities will consider direct energy consumption, renewable energy sources, responsibly sourcing materials, recycled content materials, minimising transport miles and GHG emissions</p>	 <p>The Council is committed to combatting modern slavery within its supply chains. Procurement will promote and educate where appropriate officers within our own organisation and key supply chains on modern slavery, basic rights and freedoms in particular where there is a known high risk. Key suppliers will be expected to maintain the same standards with their supply chains.</p>	 <p>The Council is committed to supporting and increasing the use of SME's and local suppliers. All Procurement opportunities will strive to ensure the opportunities are made available for local businesses and that local businesses have access to the skills and training they need to respond.</p>	 <p>The Council is committed to reduce waste in produced within its supply chains. Procurement activity will look at ways to reduce waste such as eradicating single use plastics, promoting waste management plans, include specific KPI's, taking early steps within design stages and look for repair, reduce and reuse opportunities during the specification stage of the process.</p>	 <p>The Council is committed to increasing and Improving social value when procuring external works, goods and services. During the early stages of procurement consideration will be given to maximise the creation of jobs, opportunities for young people, school visits, using local suppliers, and reducing inequalities,</p>	 <p>The Council is committed to Improving the health & wellbeing of its community when procuring external works, goods and services. During the early stages of procurement consideration will be given towards influencing air & water quality, promote opportunities for young & unemployed people within the local area and support the community in mental health awareness.</p>

3.0 Corporate Social Responsibility

Prior to procuring any goods, works or services various sustainable considerations have the opportunity to be addressed to ensure a positive social, economic and environmental impact. Over the term of this policy, the Council is committed to delivering the aims and objectives set out by this policy, by systematically assessing each procurement opportunity against the six key commitments of CSR:

3.1 Commitment 1 – Reduction in CO₂ & GHG Emissions

Climate change is one of the greatest threats to our health and well-being and it's likely to have a significant impact in the North East. Scientific research has revealed that the Earth is currently 1°C warmer than pre-industrial levels, and actions must be taken to prevent the warming exceeding 1.5°C, which could result in catastrophic impacts. In response to this the Council have declared a Climate Emergency and approved a Climate Change Action Plan to steer the Council in becoming the leading sustainable and low carbon organisation by meeting the carbon reduction targets set.

The Council is committed to reducing its own internal carbon emissions by 50% by 2025 and has an ambition for the county to become net zero by 2030 through the implementation of a Climate Change Action Plan approved by the Council in January 2021. This Procurement CSR policy will contribute to the goals and strategies within this action plan. The opportunity areas to reduce carbon emissions where it is appropriate and financially viable are:

- Encourage suppliers and their supply chains to monitor, record and share the carbon footprint of their organisations.
- Ensure suppliers are aware of the detrimental impacts of GHG other than CO₂ and ways they can be reduced.
- Include CO₂ & GHG reduction requirements into the specification where appropriate for particular contracts and appropriate key performance indicators.
- Specify low carbon products where possible and economically viable.
- Regular review of contracts to allow for monitoring of carbon reduction and any associated contract KPI.
- Encourage supply chains to use a percentage of renewable energy in manufacture of goods, energy needed for works & services where financially viable.
- Support the climate change action plan 2021-2023.
- Minimise transportation miles where possible.
- Explore the opportunity to responsibly source materials and materials with recycled content.

3.2 Commitment 2 - Combating Modern Slavery in our Supply Chains

Procurement plays a pivotal role in eradicating potential modern slavery risks that can be found within the supply chains of the goods, works and service it procures.

In 2015 the UK Modern Slavery Act was introduced which requires profitable organisations in excess of £36 million, which supply goods, works and services in the UK, to publish an annual statement of the actions they are taking to combat modern slavery from their businesses and supply chains. This is expected to be extended to public sector organisation in spring 2021 and the Council currently voluntarily publishes its own annual Modern Slavery Statement.

To support addressing modern slavery within supply chains the Council procurement activity will include:

- The expectation for external suppliers or services procured by the Council to be in line with the Council's own modern slavery policies and good practice to be assessed during the procurement process.
- To educate and raise awareness within the procurement and commissioning community as well as with our key supply chains

3.3 Commitment 3 - Support & Increase Usage of SME's & Local Suppliers

The Council supports a diverse supply base by exploring opportunities for working with local suppliers, SME's (Small to Medium Enterprises), Social Enterprises and the VCS (Voluntary and Community Sector) where possible. The list of postcodes as to what is determined "local" can be seen in Appendix A. This can result in a considerable benefit into the economy by supporting local businesses and keeping Northumberland pounds in Northumberland, develop the community and assist in the reduction of our carbon footprint.

As part of the UK's exit from the EU, the Cabinet Office published a Procurement Policy Note (PPN11/20) which allows additional freedoms in relation to public sector contracts below the Public Contract Regulations thresholds. These freedoms include the ability to reserve contracts for local suppliers and/or Small Medium sized Enterprises (SMEs) and Voluntary, Community and Social Enterprises (VCSEs). These freedoms will now be considered on a case by case basis for each procurement activity and must continue to achieve value for money and good commercial judgement.

The following procurement activities will continue to support our local supply chains:

- Ensuring our procurement opportunities is as accessible as possible for local suppliers and SME bidders.
- Provide regular engagement sessions to assist local suppliers & SME's in what is expected in the procurement process.
- Encourage suppliers to support a sustainable local economy.
- Support suppliers in identifying local supply chains and sub-contracting partners.
- Encourage suppliers to participate in NEPO business club.
- Promote beyond tier 1 supplier's and look to integrate into their wider supply chains.
- Strive to rejuvenate the local area socially & economically using local workforce and creating job opportunities.
- Reduce inequalities & encourage fair employment practices such as; living wage, decent terms, and conditions supporting NCTA good work pledge.

3.4 Commitment 4 - Waste Reduction

A large contributor to the damage of the surrounding environment is waste generation to landfill, which impacts the flora & fauna and air quality resulting in greater carbon emissions leading to respiratory health risks. The Council has a commitment to reduce waste to achieve the carbon reduction targets as set out in the Climate Change Action Plan. Through the procurement and commissioning process the following activities can be considered to support waste reduction:

- Encourage suppliers not to use single use plastics.
- Promote waste reduction techniques such as waste management plans.
- For specific contracts include waste generation KPI's or waste reduction targets.
- Support suppliers and businesses in methods that waste reduction can be achieved in their own organisations and supply chain.
- Encourage zero packaging where appropriate.
- Take early steps during design to 'Design out Waste' for appropriate contracts.
- Promote opportunities for repair, reuse, reduce and repurpose.

3.5 Commitment 5 - Increase and Improve Social Value

In January 2013 the Public Services (Social Value) Act was incorporated into English Law. It provides the legal backing to use commissioning and procurement to deliver added social value to the community. The Act requires consideration at the pre-procurement stage in certain contracts on how what is being procured may improve social and environmental and economic wellbeing of the relevant area, how they might secure any such improvement and to consider the need to consult.

The Act applies to the pre-procurement stage of contracts for above threshold services, because this is where social value can be considered to have the greatest effect. Although goods and works contracts under the EU Procurement Regulation thresholds are not included in the legislation it considered good practice to adopt for all procurement activity where possible.

Procurement team and commissioners can consider at the pre-procurement stage the following activities to increase and improve the opportunity for social value:

- Consultation with service users to seek feedback on specifications
- Early market engagement with a range of providers to stimulate innovation
- Pre-procurement assessment to identify any barriers that might be faced by smaller or local organisations
- The use of outcome-based specifications to allow the market to suggest ways to deliver the required outcomes.
- Publish social value priorities in advance of procurement activity so that bidders have sufficient time to consider how they can support these.

Specifications can consider including the following questioning (list is not exhaustive), and allow open questioning to allow bidders to include innovative solution to meet the social value priorities:

- Ability to target recruitment at non-employed people.
- Encourage employment of those disproportionately affected e.g. Unemployed 18-24s, long term unemployed, people with physical or learning disabilities, mental health issues or from parts of Northumberland with higher economic or rural inequalities.
- Ability to give trade or operative training opportunities to new entrants to the industry.
- Ability to provide supply chain opportunities to new and smaller companies.
- Ability to develop trade skills in the existing workforce.
- Consideration of protecting the environment through participation in reducing carbon footprint, recycling or energy efficiency.

- Ability to increase the skills & employability through apprenticeships, local career pathways with schools and volunteering opportunities.

The Council is committed to increasing and improving the social value that can be achieved through the commissioning and procurement process. The increase in focus on social value will assist the rejuvenation of Northumberland to increase the work opportunities, local economy, local skill base and supporting the local community.

3.6 Commitment 6 – Increase and Improve Health & Wellbeing

There is an opportunity to consider Improvements in the health & wellbeing of the local population during the Councils planning, commissioning and procurement process. Health & wellbeing will cover issues such as; public health, employability and equality & diversity. Procurement and commissioning activity can consider the following opportunities were financially viable:

- Ensure considerations are made towards air and water quality for applicable procurements.
- Support the local community, suppliers and their supply chains in mental health awareness.
- Increase economic opportunities for residents & improve the Northumberland skill base.
- Reduce inequalities by including performance indicators within contracts on targeting training and recruitment for under-represented groups e.g., young people, BAME communities, women, over 50s.

4.0 Corporate Social Responsibility Assessment (CSRA) Methods

For each new procurement activity for works, goods and services over the threshold of £50,000 a CSRA will be completed at the earliest opportunity in order to consider how the procurement can address the six CSR commitments and maximise the CSR outcomes.

The assessment can follow either a systematic approach against assessing opportunities against each of the six CSR commitments which will be coordinated by the Procurement team or by using the National Themes, Measures and Outcomes (TOMs) model.

4.1 National Themes, Measures & Outcomes (TOMs)

The National TOMs framework provides a national minimum reporting standard for measuring social value and sustainability in procurement. It is designed to assist public & private sector organisations to embed social value measures into their procurement and management processes for all project types. The principal benefits of a minimum and consistent reporting standard for social value are that it:

- Provides a consistent approach to measuring and reporting social value
- Allows for continuous improvement
- Provides a robust, transparent and defensible solution for assessing and awarding tenders
- Allows organisations to compare their own performance by sector and industry benchmarks and understand what good looks like
- Reduces the uncertainty surrounding social value measurement for businesses, allowing them to make informed decisions based on robust quantitative assessments and hence embed social value into their corporate strategies

It is appreciated that the model can be complex and not appropriate for all procurement types, therefore an assessment will be made to determine if the TOMs framework is appropriate on a case-by-case basis. In addition, a North East TOMs is being developed and the Council is committed to trial and implements it once it is released.

5.0 Policy Monitoring

Outcomes and outputs of the corporate social responsibility impact assessments undertaken early in the procurement process will be recorded and reported twice a year to the Executive and relevant groups.

6.0 Appendices

Appendix A - Local Postcodes

Northumberland County Council (Northumberland Postcodes): NE15, NE18, NE19, NE20, NE22, NE23, NE24, NE25, NE26, NE41, NE42, NE43, NE44, NE45, NE46, NE47, NE48, NE49, NE61, NE62, NE63, NE64, NE65, NE66, NE67, NE68, NE69, NE70, NE71, TD12 and TD15

Northumbria Healthcare NHS Foundation Trust (Northumberland and North Tyneside Postcodes): NE12, NE15, NE18, NE19, NE20, NE22, NE23, NE24, NE25, NE26, NE27, NE28, NE29, NE30, NE41, NE42, NE43, NE44, NE45, NE46, NE47, NE48, NE49, NE61, NE62, NE63, NE64, NE65, NE66, NE67, NE68, NE69, NE70, NE71, TD12 and TD15