

**POLICY
GUIDE**



**East Lothian
Council**

SUSTAINABLE PROCUREMENT POLICY

Benefiting the organisation, community and economy,
whilst minimising damage to the environment.

October, 2020

Sustainable Procurement Charter

CONTENTS

Section

| | |
|--|---|
| Policy Statement | 3 |
| What is Sustainable Procurement? | 3 |
| Aims of the Policy..... | 4 |
| Statutory Obligations..... | 4 |
| Putting it into practice..... | 5 |
| Links to East Lothian Council priorities.. | 6 |
| Monitoring and Review..... | 6 |

1. Policy Statement

- 1.1. Alongside achieving value for money, East Lothian Council (the council) is committed to maximising the social and economic benefit derived from its procurement and in minimising the environmental impact of goods, services and works that it procures. This policy sets out the principles East Lothian Council will apply to ensure procurement is carried out in a sustainable manner.
- 1.2. This Sustainable Procurement Policy demands a systematic, measured and continuous improvement approach, recognising that sustainable procurement must be meaningful and substantial. The council has declared a Climate Emergency¹ that requires urgent action to make all Council Services net Zero Carbon as soon as reasonably practicable and in any case by 2045 and to lobby, support and work with all relevant agencies, partners and communities to fulfil this commitment. The council has also committed to work with its communities and partners towards making East Lothian a carbon neutral county. Sustainability is embedded within the council's Climate Change Strategy 2020–2025² with the commitment to continue to reduce the environmental impact of East Lothian Council Service provision. Sustainable Procurement is a Key Priority Area for the council as set out in its Climate Change Strategy.
- 1.3. The council spends approximately £140 million every year on goods, services and works, which represents a substantial opportunity to deliver additional social, environmental and economic benefits to East Lothian. It is important that this spending power is used to support key council objectives. This approach is consistent with the position of the Scottish Government, which believes that 'procurement is a key means of achieving the social, economic and environmental benefits that sustainable economic growth demands'.³

2. What is Sustainable Procurement?

2.1. The UK Sustainable Development Task Force defines Sustainable Procurement as:

'The process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis. It results in benefits not only to the organisation, but also to society and the economy, whilst minimizing damage to the environment'.⁴

¹ https://www.eastlothian.gov.uk/news/article/13064/climate_emergency_declared

² https://www.eastlothian.gov.uk/downloads/download/13283/climate_change_strategy_2020-25

³ John Swinney, Cabinet Secretary for Finance, Employment and Sustainable Growth

⁴ John Swinney, Cabinet Secretary for Finance, Employment and Sustainable Growth

We consider this work falls into three themes:

- Environment
- Equality (Social)
- Economic (Social)

3. Aims of the Policy

3.1 Through this policy, the council seeks to:

- Protect and enhance the environment and create better lives, well-being and opportunities for the people of East Lothian through our procurement process;
- Deliver value for money, whilst purchasing environmentally and socially responsible products and services;
- Embed and promote the UN's Sustainable Development Goals locally;
- Ensure the council's commitment to social, ethical, environmental and economic sustainable procurement is communicated and understood by East Lothian Council employees, suppliers and other external stakeholders, Councillors and the wider community as a whole;
- Set the standards of expectation and embed sustainability throughout council services and the wider East Lothian through the supply chain, local businesses and the local economy;
- Align our policies and strategic direction with our partners;
- Point our suppliers and potential suppliers towards the East Lothian Council's expectations and to inform the commercial offer;
- Guide our service managers and corporate management team so they can be clear about East Lothian Council's objectives and shape their procurement activities accordingly.

4. Statutory Obligations

There are a number of important legislative drivers for the Sustainable Procurement Policy.

4.1 The Climate Change (Scotland) Act 2009 and the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019

The Climate Change (Scotland) Act 2009 placed the statutory requirements on all public bodies in Scotland, in exercising their functions, to contribute to carbon emissions reduction targets, help deliver climate adaptation, and act in the way that it considers most sustainable.

Scotland's new Climate Change Act, the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, set the world-leading target of Net Zero emissions for Scotland by 2045, with strong interim emissions reduction targets of 75% by 2030 and 90% by 2040, relative to a 1990 baseline.

In April 2019 Scotland's First Minister declared a 'Climate Emergency'.

4.2 The Procurement Reform (Scotland) Act 2014

The Procurement Reform (Scotland) Act 2014 established legislation about sustainable public procurement to maximise the social, environmental and economic benefits through effective and efficient procurement activity.

The Sustainable Procurement Duty under the Procurement Reform (Scotland) Act 2014 means that, before carrying out a regulated procurement, consideration must be given to how it can improve the economic, social and environmental wellbeing of the authority's area, facilitate the involvement of SMEs, third sector bodies and supported businesses and promote innovation.

4.3 The Equality Act 2010

East Lothian Council as a public body must comply with the Public Sector Equality Duty (PSED) in the Equality Act 2010 which requires public bodies to have due regard to three equality aims when exercising their functions, including procurement⁵:

- Eliminate unlawful discrimination, harassment and victimisation and other prohibited conduct;
- Advance equality of opportunity between people who share a relevant protected characteristic and those who do not;
- Foster good relations between people who share a protected characteristic.

This is referred to as the general duty and is a legal requirement for all procurement that ELC undertakes.

In addition to the general duty, the 2012 regulations contain a specific duty relating to procurement. When awarding contracts on the basis of the most economically advantageous tender, the contracting authority must have due regard to:

- whether the award criteria should include considerations to enable it to better perform the equality duty
- when a contracting authority proposes to stipulate performance conditions in a contract or framework agreement, whether those conditions should include considerations to enable it to better perform the equality duty

The Fairer Scotland Duty places a requirement on ELC to have due regard to how it can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. Compliance with the Fairer Scotland Duty aligns with the Sustainable Procurement Duty in the Procurement Reform (Scotland) Act 2014.

5. Putting it into practice

Detailed guidance documents will be published on the implementation of this Policy, specifically Sustainable Procurement Guidance and Procurement Community Benefits Strategy. In order to identify and address how the council can optimise economic, social and environmental outcomes, where

⁵<https://www.gov.scot/publications/equality-sustainable-procurement-guidance/pages/policy-context/>

appropriate, we will utilise a series of tools to assist the sustainable procurement process. It is intended to engage with senior managers for the development of the 'Sustainability test' and lifecycle impact mapping in order to embed sustainability within all procurement exercises across the council where possible.

- Prioritisation tool
 - Designed to assist early stage strategic planning, and brings a standard, structured approach to the assessment of spend categories.
- The Sustainability test
 - Designed to help embed relevant and proportionate sustainability requirements in the development of frameworks and contracts.
- Lifecycle impact mapping (whole-life mapping including end-of-life sustainability)
 - Used to identify and assess the social and environmental impacts of raw materials, manufacturing and logistics, use and disposal or end of life management.
- Scottish flexible framework assessment tool
 - Used to assess current level of performance and the actions required to embed good procurement practice to realise intended sustainable outcomes.

6. Links to East Lothian Council Priorities

This policy applies to the procurement of all goods, services and works and supports a wide variety of corporate policies and priorities, including:

- East Lothian Council Plan 2017-2022 [Available on: https://www.eastlothian.gov.uk/info/210603/performance_and_spending/12283/the_east_lothian_council_plan_2017-2022]
- East Lothian Corporate Procurement Strategy 2017-2022 [Available on: https://www.eastlothian.gov.uk/directory_record/257826/procurement_strategy_2017-2022]
- East Lothian Plan 2017–2027 [Available on: https://www.eastlothian.gov.uk/info/210592/community_planning/11857/the_east_lothian_plan_2017-27]
- East Lothian Council's Climate Change Strategy 2020–2025 [Available on: https://www.eastlothian.gov.uk/info/210560/your_council/12389/climate_change_and_sustainability]
- East Lothian Council's Equality Plan 2017-2021 [Available on: https://www.eastlothian.gov.uk/downloads/file/22879/east_lothian_council_equality_plan_2017-21]
- East Lothian Council Economic Development Strategy 2012-2022 [Available on: https://www.eastlothian.gov.uk/site_search/results/?q=economic+development+strategy]
- Area Partnerships' Area Plans [Available on: https://www.eastlothian.gov.uk/downloads/download/12861/area_partnership_area_plans]

7. Monitoring and Review

The council will undertake regular assessment against the Flexible Framework and will monitor and report annually on progress against the resulting Action Plan. The Sustainable Procurement Policy, Best Practice Guidance and Action Plan will be reviewed (and updated) where appropriate, on an annual basis.

Procurement staff will be provided ongoing training on sustainable procurement principles to enable delivery of this policy.