



**NEWPORT**  
CITY COUNCIL

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CYNGOR DINAS  
**CASNEWYDD**

Newport City Council  
Strategic Plan for Procurement 2020-2024



# Foreword

Welcome to Newport City Council’s Strategic Plan for Procurement which outlines our priorities to deliver effective, socially responsible and sustainable procurement for 2020-2024. This strategic plan aims to complement the council’s corporate plan and embed the core priorities of the council, along with the wider policy and regulation in Wales such as the Well-being of Future Generations Act and Code of Practice - Ethical Employment in Supply Chains into this new Procurement Plan.

The overarching principle of Newport’s Corporate Plan is to “Improve People’s Lives” and this Procurement Plan aims to build the principles of this mission statement into the way procurement is conducted throughout the Council. We have a duty, to ensure the way we act as a council meets the objectives of the Well-being of Future Generations (Wales) Act 2015, which seeks to improve the social, economic, environmental and cultural well-being of Wales along with the more recently adopted Welsh Government policy to ensure our supply chains operate ethically and legally, and suppliers treat their workforce with respect and dignity.

This strategic plan is being produced during a continuing period of financial restraint with many challenges facing Local Government. Reduced public spending, an ageing population, rising public expectations and other social changes all increase the demand for services, with high expectations placed on our council on what we should deliver. In this context, Newport City Council’s Strategic Procurement Plan is designed to help support the provision of the best possible services, ensure value for money and delivering for future generations in Newport and Wales.

Whilst there are strict guidelines and legal requirements set out by European, UK and Welsh Governments in the way the providers of goods, services and works to Newport City Council are chosen, we are still able to procure in a way that has benefits to our local suppliers and the foundational economy of Newport. This strategic plan aims to set out how we can deliver effective procurement during these challenging times, and bring added value to the council through the procurement function.

In this regard, it is therefore essential that support for and recognition that procurement is a strategic activity, will be critical to the delivery of this strategic plan. It will therefore require strong corporate leadership and commitment at all levels throughout the council to help ensure that good procurement practice is applied consistently throughout the organisation. I therefore implore all Heads of Service and Senior Management throughout the council to use this strategy as an important guide when making decisions on procuring goods, works and services, to ensure a consistent and considered approach is taken in line with this new strategic plan.



Cllr Majid Rahman  
Cabinet Member for Assets  
Newport City Council

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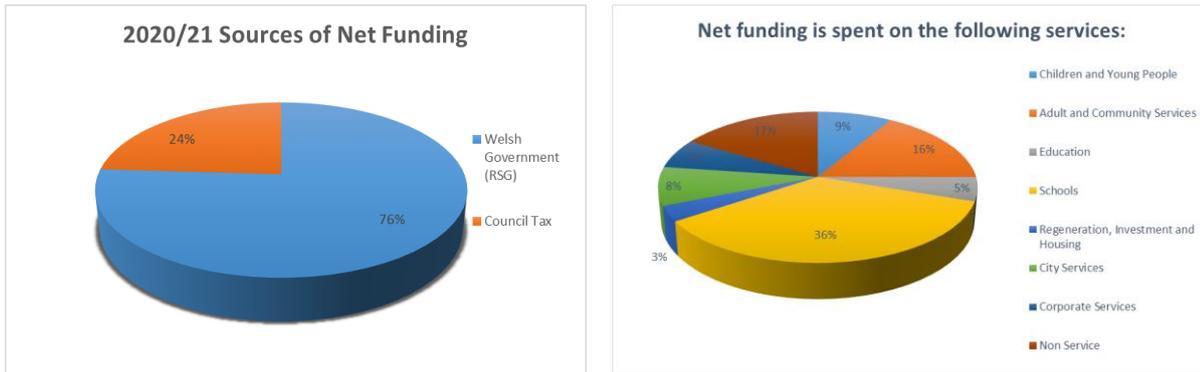
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***Highlighted in bold blue italic throughout this document are the actions to be delivered by the Procurement function and wider Council, in support of the overall Strategic Plan for Procurement.***

# 1. Introduction

Newport City Council is a unitary authority responsible for the full range of local government services. The council was formed as a county borough in 1996 and was granted city status in 2002. It is one of the three major cities in Wales and the eighth largest council in Wales providing major services such as education, social services, highways and street works, regeneration and planning, with leisure services and housing now being delivered by registered charities and societies.

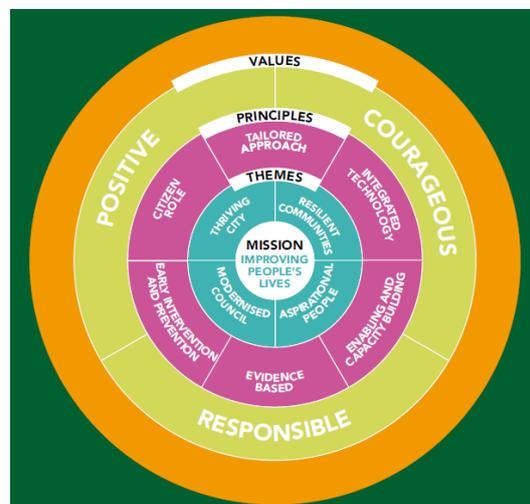
Newport City Council employs approximately 6454 people (5120 full time equivalent) and has an annual revenue budget of around £300 million. Our services are provided to over 150,000 residents.



In order to meet the needs of residents and businesses alike, in delivering council services it spends a significant proportion of its budget with external suppliers and providers. For the last few years our external spend on goods, works and services has been in the region of £150 million per annum, spread across over 4,000 suppliers. Being a public body, there are rules governing how suppliers are chosen, with both internal and external regulation in place to ensure suppliers are appointed in an open, fair and transparent manner. In order to govern the method of appointing suppliers, the council has adopted a Procurement Gateway Process, putting in place proportional controls for all external spend above £4k in value.

The aim of this procurement strategy is to set out how procurement will deliver on the Council’s priorities, so that procurement and commissioning decisions play a key role in supporting the delivery of the aims of the council’s corporate strategy *Building on Success: Building a Better Newport*.

The council’s mission statement is ‘Improving Peoples Lives’ and our organisational framework is built around this mission. Within our framework we have six design principles that sit within our three values of being courageous, positive and responsible. Procurement activity will meet these values and ensure that when purchasing goods, services and works we recognise that the outcome of our decisions has to improve the lives of the people of Newport.



## 2. Vision

Our Procurement Vision for Newport City Council is **“To apply strategic thinking to all our procurement activities.”** We wish to do more than simply obtain value for money when sourcing Council supplies; by adding wider value, through environmentally, economically and socially considerate procurement practices.



We are facing unprecedented challenges in delivering quality, value for money and sustainable services in Newport. We need, as an organisation, to be creative and do things differently, maximising the impact of the money we spend in the form of added benefit for the people of Newport.

This Plan aims to ensure that whilst we obtain best value for money on all procurement activities, we are also not afraid to be innovative and try new ways to deliver positive outcomes.

### *To this end:*

- *We will recognise and manage procurement as a strategic corporate function that organises and understands expenditure;*
- *We will influence early planning and service design where it can make the biggest impact and will be involved in decision making to support delivery of the council’s overarching objectives.*

For this Strategy to be successful, we will need as an organisation to...

Work  
Together



Develop  
Together



Achieve  
Together



## 3. Procurement Governance

### 3.1 Regulation and Policy

Procurement in the Public Sector is governed by the Public Contract Regulations 2015 or PCR 2015 as it is better known. These regulations were formed by the UK Government following the release of the EU procurement rules update in 2014. As these EU rules are transposed into UK law, PCR 2015 will operate for the foreseeable future. Whilst public sector procurement in Wales has to abide by these regulations, we also have procurement policy from Welsh Government to comply with in the form of the Wales Procurement Policy Statement 2015, and more recently additional requirements from the Well-being of Future Generations (Wales) Act 2015.



### 3.2 Internal Rules

Newport City Council's Contract Standing Orders govern how suppliers for goods, services and works are chosen and appointed. These apply to all areas of the Council as well as any agents acting on our behalf. They are built around the fundamental principles of public procurement to ensure we are Open, Fair and Transparent in our procurement activity and help in securing 'Value for Money'.

### 3.3 Strategic Oversight

Newport City Council introduced a Procurement Gateway Process in 2015 in order ensure procurement projects are governed and influenced at a strategic level within the Council. Major projects are considered by the Gateway Board which is chaired by the Chief Executive Officer with membership of the Board being made up of the Strategic Leadership Team along with the Head of Finance and the Procurement Manager.

In order to support the role of the Gateway Board and for the Board to have oversight and understanding of upcoming procurements, a Forward Procurement Work Programme is developed in liaison with all service areas early each year and presented to the Board in April. This programme clearly sets out all known required procurement projects for the coming years and their anticipated value, in order for the Board and Procurement Manager to have oversight, and identify key projects that the Board wish to scrutinise and challenge "why" and "how" spend is being packaged and procured.

#### *In summary;*

- *Procurement Board will preview proposed procurements each year, and identify projects requiring their scrutiny*
- *Procurement Board will be presented with an annual report of all procurements undertaken in line with Gateway Processes, along with details of all excepted contracts*
- *Procurement Board will be advised by the Procurement Manager of developments within the wider Welsh procurement arena, ideas for improvement and any implications or considerations for Newport City Council.*

The Strategic Procurement Team are there to advise on the rules and to support service areas with practical advice on compliance, achieving best value for money and overall conformity with this new strategy. Engagement with the team is critical and will ensure procurement is delivered to meet these corporate aims.

# 4. The Well-being of Future Generations (Wales) Act 2015 and Procurement

## Well-being of Future Generations (Wales) Act 2015

The Essentials

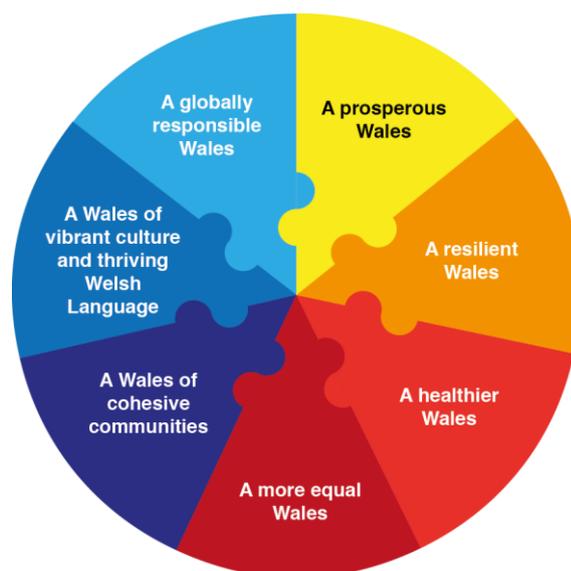


Llywodraeth Cymru  
Welsh Government

[www.gov.wales](http://www.gov.wales)

The Well-being of Future Generations (Wales) Act 2015 came into force in April 2016. The Act is about improving the social, economic, environmental and cultural well-being of Wales. It is designed to support and deliver a public service that meets the needs of the present without compromising the ability of future generations to meet their own needs.

The Act sets out seven well-being goals that provide a shared vision for public bodies listed in the Act. As one of the 44 bodies named in the Act we must consider the Act in everything we do. The Act specifically requires us to apply the Act to the seven core set of activities that are common to the corporate governance of public bodies. These are corporate planning, financial planning, workforce planning, **procurement**, assets, risk management and performance management. So procurement is a key area for us to focus on, and must support the council in meeting all the well-being goals.



The Act sets out seven well-being goals that provide a shared vision for public bodies listed in the Act. The Act sets out full descriptions of the well-being goals which give clarity about the shared purpose of public bodies for the long term well-being of Wales. Our approach to procurement must support the council in meeting all the well-being goals.

The council’s approach to procurement is also an opportunity to encourage the organisations that we procure from, to contribute to the delivery of the Act.

### Five Ways of Working (Sustainable Development Principle)



The Act also puts in place a sustainable development principle which sets out the way we must go about meeting our duty under the Act. There are five ways of working that need to be considered when procuring goods and services.

	<b>Long term</b>	The importance of balancing short-term needs with the need to safeguard the ability to also meet long-term needs.
	<b>Prevention</b>	How acting to prevent problems occurring or getting worse may help public bodies meet their objectives.
	<b>Integration</b>	Considering how the public body’s well-being objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies.
	<b>Collaboration</b>	Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives.
	<b>Involvement</b>	The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves.

Within the Act there are a number of topics that are specific to procurement and need to be considered as part of our approach to procurement. These are:

Goal	Topic	Description	Connection
<b>A Prosperous Wales</b>	Topic 1: Fair and local procurement	Using procurement to promote inclusive growth	<b>A globally responsible Wales</b>   Topic 1: Supply chains
			<b>A resilient Wales</b>   Topic 5: Using natural resources
<b>A globally responsible Wales</b>	Topic 1: Supply chains	Ensuing that our supply chains are fair, ethical and sustainable.	<b>A prosperous Wales</b>   Topic 1: Fair and local procurement
			<b>A resilient Wales</b>   Topic 5: Using natural resources

Goal 1 - A Prosperous Wales – Fair and Local Procurement: using procurement to promote inclusive growth.

*We will deliver this by;*

*Using new Contract Standing Orders to target local businesses and suppliers directly and invite them to do business with Newport City Council, ring-fencing opportunities where appropriate for contracts up to £75,000.*

*We will continue to ensure our suppliers are paid as quickly as possible to support their cash flow liquidity, through our performance indicator of paying invoices within 30 days. 2019/20 performance was over 92%*

*We will use the 'sell2wales' portal as our default mechanism to advertise tender opportunities ensuring local and Welsh businesses are informed and can bid for contracts.*

*We will use the Public Contract Regulations to ring-fence appropriate contracts to sheltered workshops and economic operators whose main aim is the social and professional integration of disabled or disadvantaged persons.*

*We will embed Community Benefits into contract opportunities where such benefits can be realised, reflecting the commitment and vision in our well-being goals.*



Goal 2 - A Globally Responsible Wales – Ethical Consumption and Procurement

*We will deliver this by;*

*Having adopted the Welsh Government Code of Practice – Ethical Employment in Supply Chains we will strive to ensure all of our external supply chains operate ethical and legal working practices, and this will be investigated through our tender processes.*

*Sourcing locally where possible bringing value to the local economy, improving skills and reducing carbon emissions.*

*Continuing to purchase recycled products such as paper, ensuring environmental standards are applied where they exist, as well as ensuring consideration of re-use, reduce, recycle principles when procuring commodities.*

*Ensuring procurements for products that can reduce carbon emissions are specified such as LED lighting and electric vehicles, and that contracts for products that use fossil fuels and other energy sources are evaluated on a 'whole life cost' basis rather than just upfront cost.*



## 5. A Wales of Vibrant Culture & Thriving Welsh Language

### Welsh Language and Procurement



Newport City Council is progressive in our compliance with the Welsh Language (Wales) Measure 2011, which is enacted in Wales under the Welsh Language Standards (No. 1) Regulations 2015.

The Council has a duty to consider the Welsh language when it is contracting services, buying products, IT systems or assets, in line with the Compliance Notice issued by the Welsh Language Commissioner in September 2015.

In Wales, public sector bodies have legal obligations in relation to Welsh Language regulations; these must be considered in the following stages of the procurement or commissioning process:

- planning and specification
- selection (pre-qualification)
- award (tender stage)
- contract terms and conditions
- contract management and monitoring

**Standards 76 - 80** of the Welsh Language Regulations specifically deal with the **tendering process** of a body that awards contracts and stipulates that should the subject matter suggest, the whole tendering process should be made available in Welsh.

***In compliance, when needed, Newport City Council will:***

- ***Make documents available in Welsh***
- ***Meetings and correspondence with potential providers undertaken in Welsh***
- ***Outcome notifications in Welsh***

***As well as:***

- ***State in Welsh medium invitations that the tendering process is available in Welsh, and that this will not affect a suppliers bid***
- ***Ensure closing dates and time-scales for informing tenderers are the same for both Welsh and English***
- ***Facilitate interviews with tenderers in Welsh***
- ***Issue the decision in Welsh if the tender was submitted in Welsh***

## 6. Building a Better Newport through Procurement – Our Four Well-Being Objectives

To support our commitment to the Well-being of Future Generations and the well-being objectives, Newport has set four distinct local well-being objectives detailed in our Corporate Plan, these are;

### *6.1 To improve skills, education and employment opportunities. Procurement will support this by;*

- *Using regional collaborative contracts, such as SEWSCAP3 and SEWH3 that sit within the South East & Mid Wales Collaborative Construction Framework, we will be supporting Community Benefits through socially responsible procurement, including local training and employment, ethical employment, supporting SME's and boosting the local economy.*

### *6.2 To promote economic growth and regeneration whilst protecting the environment.*

*Procurement will support this by;*

- *Ensuring contract opportunities are advertised where required by contract standing orders, through the Welsh Public sector portal "sell2wales" ensuring maximum visibility to local Welsh businesses.*
- *Using contract standing orders to ring-fence opportunities and directly approach Newport and neighbouring Welsh businesses to bid for contracts up to £75k.*
- *Use whole life costing evaluation models to ensure tenders are assessed on the total "whole life" cost of providing goods or services and not just lowest initial purchase price. Recent examples of this approach have taken into account fuel usage, replacement parts and service intervals to ensure plant and machinery is costed out for the entire 10 year operating time.*
- *Ensuring product specifications are environmentally friendly and minimise the impact on the planets resources, such as moving from fossil fuelled vehicles over to electric vehicles, as well as other renewable energy based products.*

### *6.3 To enable people to be healthy, independent and resilient. Procurement will support this by;*

- *Through early engagement with service areas we will ensure that procurement activity is not only compliant, but that contract specifications contribute to our children and other residents leading healthy and independent lifestyles. Our work with the People Commissioning team ensures for example that school meals are delivered to the Welsh Healthy Eating in Schools legislation, and that social care contracts are delivered in line with our Independent Living Strategy 2017-22.*
- *Working in conjunction with colleagues in our City Services area, we will ensure that Active Travel plans such as cycle and footpaths are built and that our residents have access to healthier forms of travel.*

### *6.4 To build cohesive & sustainable communities. Procurement will support this by;*

- *Working closely with Regeneration teams to ensure projects enhance the local environment and the City Centre is a vibrant and welcoming place to visit and shop.*
- *Ensuring tender requirements and specifications take account of environmental impacts and whole life cost.*
- *Ensuring ethical and legal employment practices are embedded in our supply chains.*

## 7. Key Policy Drivers for Public Procurement

### 7.1 Wales Procurement Policy

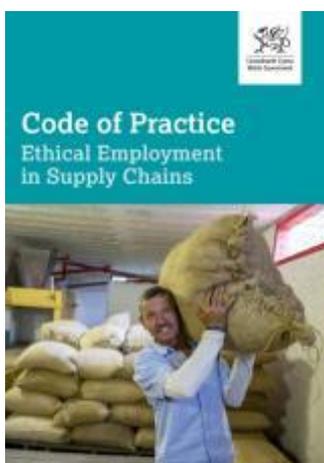


As well as featuring as an integral tool in the delivery of the Well-being of Future Generations Act, the Wales Procurement Policy Statement (2015) clearly lays out the principles by which public sector procurement should be delivered in Wales.

The 10 principles contained within the Policy Statement are embedded throughout this plan, which demonstrates our commitment and determination to achieving these aims. The 10 principles of this Welsh Government Policy are;

1. Procurement is recognised as a strategic corporate function
2. Procurement is professionally resourced
3. Procurement considers the economic, social and environmental impact of sourcing
4. Community Benefits are an integral consideration in procurement
5. We have open, accessible competition
6. There are simplified standard processes to bid for council contracts
7. We collaborate with other public sector organisations where appropriate
8. Supplier engagement and innovation to deliver value for money
9. We develop and implement policy to achieve the Well-being of Future Generations (Wales) Act 2015 seven well-being goals
10. We measure and review procurement performance

### 7.2 Ethical Employment in Supply Chains & Combating Modern Slavery



Newport City Council are proud to have signed up the Welsh Governments Code of Practice – Ethical Employment in Supply Chains. This Code of Practice has been established by the Welsh Government to support the development of more ethical supply chains to deliver contracts for the Welsh public sector and third sector organisations in receipt of public funds.

Evidence illustrates that unethical employment practices are taking place in supply chains throughout Wales and beyond. Modern slavery is something that shouldn't be tolerated or accepted, but a report in 2013 by the Centre for Social Justice entitled 'It Happens Here' revealed unacceptable practices that propelled Central Government to act. The Modern Slavery Act 2015 was introduced to allow courts to process cases which include human trafficking and forced labour, establishing them as serious criminal offences and maximum punishment.

This Code is designed to ensure that workers in public sector supply chains are employed ethically and in compliance with both the letter and spirit of UK, EU, and international laws. The Code covers the following employment issues:

- Modern Slavery and human rights abuses
- Blacklisting
- False self-employment
- Unfair use of umbrella schemes and zero hours contracts and
- Paying the Living Wage

Procurement will help to ensure that the council's suppliers operate both ethically and legally, by clearly setting out our commitment to the Code of Practice, and checking the employment practices of our supply chains when appointing suppliers to work for us. We will also work with our internal contract managers to ensure this commitment is evidenced and visible throughout the term of the contract.

*Procurement will support the overall delivery of this policy by;*

- *Ensuring procurement documentation requires tenderers to answer questions and be assessed on their legal and ethical employment practices before they can supply NCC with goods or services.*
- *Ensuring our suppliers do not use blacklists or prohibited supplier lists, and that workers have access to trade unions.*
- *Requesting that suppliers consider signing up to the Code of Practice in their own right.*
- *Working with service areas to ensure contract specifications are fair and reasonable and do not place undue pressure on suppliers which would impact on their employee's health and well-being.*



## 8. Duties under the Equality Act 2010

### The Equality Act 2010



The Equality Act 2010 brings together and replaces previous anti-discrimination laws with a single Act that provides protection for people that share the protected characteristics of age, disability, gender reassignment, pregnancy and maternity, sex, sexual orientation, race – including ethnic or national origin, colour or nationality and religion or belief – including lack of belief.

The Equality Act also includes a new public sector equality duty (the ‘general duty’) which requires public bodies to have due regard to:

- eliminating unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Act
- 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 and those who do not

When procuring works, goods or services from other organisations under a relevant agreement, Newport City Council must give due regard to whether it would be appropriate:

- for the selection and award criteria for that contract to include considerations to help meet the general duty
- to stipulate conditions relating to the performance of the contract to help meet the three aims of the general duty

Newport City Council is required to pay ‘due regard’ at all stages of the procurement process to the need to advance equality, from the design and planning of specifications, advertising, evaluation of submissions and to monitoring and enforcing contracts. The design and planning of specifications plays a crucial part in determining how promotion of equality may be built into an individual procurement project. This will shape the equality content of the specification and/or contract conditions and will influence the weight given to equality considerations in selecting tenderers and in tender evaluation.

During the monitoring of a contract, Newport City Council will act promptly if it becomes aware of poor or non-performance regarding the equality requirements of a contract, and will also make appropriate arrangements to promote knowledge and understanding of the general and specific duties for suppliers amongst their employees.

## 9. Procurement working in Collaboration for Maximum Benefit

Collaborative procurement working is nothing new in Wales. Local Government procurement teams have collaborated since the 1970's and continue to develop new and innovative ways to meet the needs of our organisations in delivering cost effective and efficient contract solutions. Common and repetitive spend in Wales is managed centrally within a Welsh National Contracting Body, which leaves more localised consortia to focus on the bigger issues around social care, highways and infrastructure. In the last year, local government has established three regional delivery groups based around the City Deal Regions, being South East Wales Councils, West Wales Councils and Mid & North Wales. These new localised purchasing consortia will be able to focus on issues and projects that affect their region, and develop collaborative contracts to meet these needs.



Why is this important?

We recognise that as budgets contract, new and innovative ways of providing services such as partnering, joint working and collaboration with other public and not for profit organisations need to be examined. The Welsh Government continue to promote alternative delivery models in public service delivery.

What do we want out of it?

We acknowledge the value that collaboration has within the public sector in order to maximise economies of scale and our buying power, and to drive efficiencies and innovative solutions. Effective collaboration will reduce duplication of effort, and in turn reduce waste and maximise resource efficiencies.

***How will we achieve it?***

- ***As one of ten councils in the newly formed South East Wales Regional Procurement Delivery Group we will contribute to the development and establishment of regional contracts and frameworks, ensuring economies of scale and streamlined procurement deliver tangible benefits to all participants***
- ***We will ensure that all opportunities, including smaller local collaborative opportunities are used where they add value and contribute positively to the Council's aims.***
- ***We will continue to actively engage in Welsh National Collaborative Procurement where these larger contracts and frameworks are in the best interests on Newport City Council.***

## 10. Sustainability & Procurement – The Bigger Picture

Sustainability is about more than environmental issues. It is about developing ways to balance social progress that recognises everyone’s needs. It is about effective protection of the environment, prudent use of natural resources and maintaining high and stable levels of economic growth. It is about using best endeavours to enshrine an ethical standard into the council’s procurement processes. It is about promoting economic, environmental, cultural and social well-being as detailed throughout this Strategy and thinking about how the actions and decisions we take today will affect future generations.

**SUSTAINABLE  
PROCUREMENT**



Sustainable Procurement is defined by the Sustainable Procurement Task Force 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 in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment”.*

Public procurement can be used as a lever to achieve the council’s well-being objectives. By embedding sustainability into the procurement process the council will take a lead in sustainable development. Procurement decisions will ensure that regardless of what is bought, the local environment can be safeguarded and also avoid adverse environmental impacts in the supply chain. Procurement, with strong Council governance will strive to meet the challenge of safeguarding and improving both the environment and quality of life without compromising economic growth whilst recognising the potential conflicting tensions that each may have.

Sustainability implications will be considered for all council procurements. We will determine best value as the optimum combination of whole life costs and benefits to meet specified requirements. When considering expensive power consuming goods a lifetime cost analysis will also be undertaken in accordance with the Council’s developing stance on carbon management and carbon reduction.

***Our procurement decisions will take a range of issues into account, ranging from opportunities to support small businesses to equal opportunities, modern slavery and the local economy.***

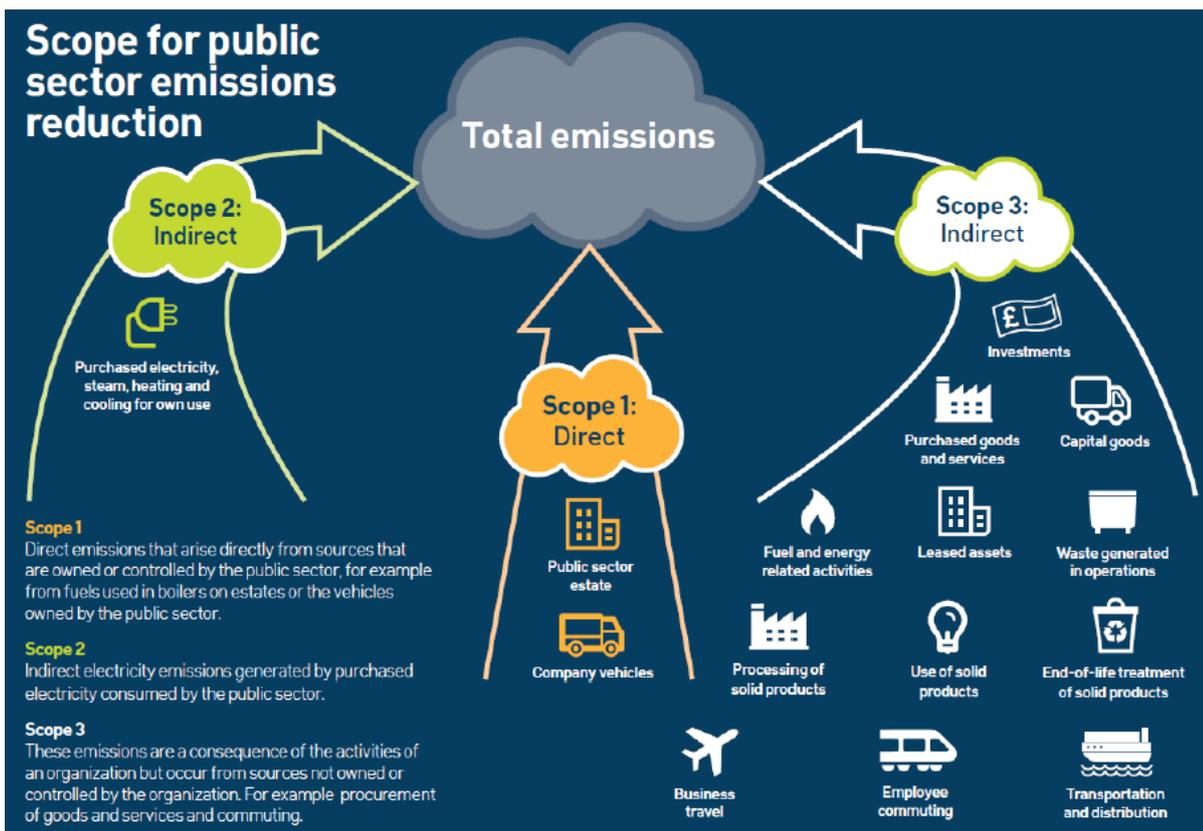
We recognise the importance of minimising waste as another key consideration, e.g. the use of single use plastics and recyclable paper. We will be mindful of the impact of our decisions on the environment which is one of our greatest assets, and recognise that our Strategic Plan can be a significant driver in ensuring we are an environmentally responsible organisation.

We will keep up to date with the Circular Economy Strategy for Wales which is for consultation in early 2020. Wales has a target to move towards zero waste by 2050, and the strategy for a more circular economy will build on that goal. Procurement will support the delivery of this by ensuring our tender specifications consider the wider environmental impact of the products we buy, and how the products are made and can be disposed of at end of life and also how the manufacturers themselves are reducing the usage of single use materials and reusing materials in order for diversion from waste.

## 10.1 Carbon Management Planning

As of January 2020 Newport City Council published our first Carbon Management plan setting out the target of becoming carbon neutral by 2030. Whilst the target is initially in relation to Scope 1 and Scope 2 emissions only (see image below for information), the plan will be updated periodically to reflect changes in organisational, Welsh Government and Central Government Policy over time. At the time of writing, it is known that Welsh Government will be requiring the Welsh public sector to be accountable for all direct and indirect emissions (Scope 3) in the near future. Indirect emissions will cover the impacts from all Newport City Council activities, including from all purchased goods and services. Welsh Government are producing standardised GHG reporting guidance and associated toolkits to support environmentally sustainable procurement policies and practice as part of their efforts to achieve the target of the Welsh public sector being carbon neutral by 2030. Newport City Council will utilise this guidance to inform our own procurement policies and practices as soon as practicable.

In respect of Scope 1 – Direct Emissions, we are reducing emissions from our council fleet of by purchasing and hiring electric vehicles, and replacing older fleet with new electric alternatives wherever practical and possible. We are also engaged in a programme to install solar panels to the roofs of a wide range of council buildings to both lower our reliance on fossil based fuels, as well as generating income from selling electricity back into the national grid.



# 11. Use of Social Value for Smarter Procurement

During times of austerity, the public sector is under constant pressure to achieve more for less. Procurement services have never been under more scrutiny as organisations strive to make significant savings and increase efficiencies. In addition to saving time and money, making smarter choices around added benefits suppliers can bring to the table, can produce more long-term results and benefits to our City and its residents and businesses.



‘Social value’ is a concept being explored by local authorities as they look at the collective benefits to a community when undertaking procurement and awarding contracts. It includes the wider financial and non-financial impact of what our suppliers can bring to the table for the benefit and wellbeing of our communities and the environment.

Social value can also demonstrate and measure an organisations’ impact on local and regional economies. It can help suppliers develop socially, environmentally and economically. Themes of measures could include supporting jobs and growth; supporting active, healthy and resilient communities; and promoting cleaner and greener environments. Social value supports customers and suppliers to become more sustainable as it considers planetary resources and the environment.

‘Social value’ is about aiming beyond a long-standing volunteering program and a well-established apprenticeship scheme. It’s about seeing further ahead than a local business target into societal and community development. Social value is about using the council’s spend to drive social and economic opportunities to those most in need, to the most vulnerable in society. It’s about protecting our planet one procurement at a time and it’s about breaking down barriers and developing opportunities to do good business that does good. Examples of social value can come in lots of shapes and sizes. Some of the more obvious and usually well embedded examples include:

1. Apprenticeship schemes
2. Graduate schemes
3. Training and development programs to up-skill employees
4. Work placements or work experience
5. Reduce waste to landfill (recycling)
6. Carbon reduction initiatives
7. Local business
8. SME initiatives
9. Volunteering programs
10. Charitable donations/awareness campaigns
11. Sustainable product sourcing/design/manufacture



Measuring social value can be challenging as it greatly depends on the context of local needs or the particular strategic objectives of our organisation. A flexible approach to measuring social value is needed and is being developed within the Welsh Public Sector to ensure a common approach to Themes, Opportunities and Measures is taken.

*Procurement will support the delivery of the Social Value agenda by working in a co-ordinated manner with both the SEW Regional Procurement Delivery Group, as well as the Welsh Government in adopting the TOM's tool kit (Themes, Opportunities, Measurement) currently being developed in Wales. This tool kit will provide a structured and measurable approach to embedding social value clauses and requirements into appropriate procurement projects, and will allow the Council to assess and monitor our suppliers in the delivery of these objectives going forward.*

