

Overview & Scrutiny

**'Valuing
Improvement'**

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LEAD MEMBER'S INTRODUCTION

I am very pleased to introduce this Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) Council's Ethical Business Practices Working Group report.

This is a timely piece of work as public-sector reforms and budget cuts from central government are having an impact on how we do business. Having clear policies on Social Value and ethical business practice, including procurement and investment will help us to keep our core values at the heart of what we do during very difficult times for the public sector.

The Working Group adhered to its established terms of reference and objectives (see paragraph 2 below) in the drafting of its recommendations.

I wish to thank all those people who gave up their valuable time to be involved with the Working Group. The input and expertise of officers greatly helped the Working Group in the formulation of its recommendations. Finally, I am extremely grateful to my fellow Working Group Members for their commitment, ideas and contribution.



Councillor Patrick McKinley
Lead Member, Council's Ethical
Business Practices Working
Group



1.0 BACKGROUND

- 1.1 The Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) established the Council's Ethical Business Practices Working Group.
- 1.2 Councillors Bradshaw, Doyle, Killen, McKinley, Johns Sayers and Yvonne Sayers were appointed to serve on the Working Group.
- 1.3 At the first meeting of the Working Group Councillor McKinley was appointed Lead Member. Details of Working Group meetings are set out below:

| Date | Activity |
|----------|---|
| 20.11.18 | Scoping Document approved Additional information/background reading material suggested Potential witnesses identified |
| 17.11.18 | Interview of witness – Head of Corporate Resources Consideration of information requested at previous meeting |
| 15.01.19 | Statements on Ethical Business/Investment Practices |
| 15.02.19 | Bill Esterson M.P. witness interview; and approval of draft ethical investment principles |
| 16.04.19 | Presentation on Social Value and Social Impact through Procurement |
| 10.19 | Approval of initial findings, draft report and recommendations via email |

2.0 TERMS OF REFERENCE AND OBJECTIVES

- 2.1 The Terms of Reference and Objectives of the Working Group were approved as part of the scoping exercise at the first meeting and are set out below.
- 2.2 Terms of Reference and Objectives

The Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) has agreed to establish a Working Group to review the topic of the Council's Ethical Business Practices. Dependent upon interpretation, the scope of such a review is potentially very wide, including areas such as the Council's role in: employment; investment; charging; debt collection; commercial practice; doing business with others; procuring the delivery of goods, works and services from others; regulation, trading activities etc. As such the Working Group and Committee will need to carefully consider and clearly define the specific scope it wishes the review to focus upon. This consideration may lead to a refining of the draft Terms of Reference below.

The Committee on Standards in Public Life, which is responsible for promoting the Seven Principles of Public Life (selflessness, integrity, objectivity, accountability, openness, honesty, leadership) to all those



involved in the provision and delivery of public services, published a report in May 2018 “The Continuing Importance of Ethical Standards for Public Service Providers”, which was a follow-up to their 2014 report on this issue.

The report identifies that the public want services to be delivered responsibly and ethically, regardless of provider and that high ethical standards need to be applied when managing public money. The report further states that, where this involves commercial arrangements, it is incumbent on government to design service delivery and manage the life cycle of the contract in such a way as to engender and reward high ethical standards. Clearly this is equally applicable to local government.

In last couple of years Sefton Council has agreed a number of motions and actions relating to ethical business, including: UNISON’s Ethical Care Charter (February 2016) and Unite’s Construction Charter (September 2018).

A number of other Councils have sought to address this, including: Birmingham [Birmingham Business Charter for Social Responsibility](#) Dudley [Suppliers Code of Practice](#) and Preston [Fairness Charter](#) and the Working Group may wish to consider these approaches and others in order to both benchmark Sefton’s position and identify appropriate and workable future approaches.

To review the topic of the Council’s Ethical Business Practices, considering:

- Current Sefton practice
- Current good practice within other local authorities or similar organisations
- Areas of good practice within the Council’s practices
- Areas for improvement within the Council’s practices
- Recommendations for improving the Council’s practices
- The provision of a policy for the ethical business practices of the Council in respect of investment, procurement and commissioning

3.0 METHODS OF ENQUIRY

3.1 Dependent upon the refined scope of the review, to include:

- Analysis of current Sefton practice
- Desktop research into practise elsewhere
- Witness interviews with officers, stakeholders, experts and other organisations
- Possible site visits / conference calls with experts and other organisations



4.0 WORKING GROUP MEETING – 20 NOVEMBER 2018

4.1 The Working Group approved its [Scoping Document](#) at the meeting.

4.2 Councillor McKinley, Lead Member, referred to the terms of reference contained in the Scoping Document, namely to review the topic of the Council's Ethical Business Practices, considering:

- Current Sefton practice
- Current good practice within other local authorities or similar organisations
- Areas of good practice within the Council's practices
- Areas for improvement within the Council's practices
- Recommendations for improving the Council's practices

And suggested that a further bullet point be added as follows:

- The provision of a policy for the ethical business practices of the Council in respect of investment, procurement and commissioning

4.3 Members of the Working Group commented on the following issues:

- The Treasury Management report considered by the Audit and Governance Committee at its meeting held on 19 September 2018
- The countries in which Sefton invested and the brokers used to undertake such investments
- The estimation contained in the publication "Ethical Standards for Providers of Public Services – guidance produced by Committee on Standards in Public Life" that one third of all public spending on services was now delivered by private companies
- The action of the Merseyside Pension Fund in regard to disinvestment in Fracking Companies; and the decision by Council at its meeting held on 15 November 2018 to request Merseyside Pension Fund to publish a timetable for disinvestment in Fracking companies as soon as possible
- The Council had a duty to implement ethical business practices but in doing so any introduced policy would have to be practicable and implementable
- Concern was expressed about investments in "short-selling"
- The introduction of Sefton's Ethical Care Charter
- The use of approaches by other local authorities such as Birmingham (Birmingham Business Charter for Social Responsibility); Dudley (Suppliers Code of Practice) and Preston (Fairness Charter) to benchmark against

4.4 The Working Group approved the selection of witnesses to attend future meetings (Bill Esterson M.P. and Stephan Van Arendsen, Head of



Corporate Resources) and identified documentation they would like to consider at the next meeting Birmingham Business Charter for Social Responsibility, Dudley Suppliers Code of Practice, Preston Fairness Charter, Information from the Merseyside Pension Fund in regard to its disinvestment in Fracking Companies and the [minute and report](#) considered by the Audit and Governance Committee at its meeting held on 19 September 2018 in relation to Treasury Management.

4.5 The Working Group also considered the following documentation at the meeting:

- [Ethical Standards for Providers of Public Services – guidance produced by Committee on Standards in Public Life](#)
- [The Continuing Importance of Ethical Standards for Public Service Providers produced by Committee on Standards in Public Life](#)
- [Sefton Construction Charter](#)

5.0 WORKING GROUP MEETING – 17 DECEMBER 2018

5.1 The Working Group received a [presentation](#) by Stephan Van Arendsen, Head of Corporate Resources on the Council's Investment Strategy/Policy.

Mr. Van Arendsen indicated that:

- Councils in general did not invest large sums of money due to reducing resources and balances
- ethical investment was an investment approach that followed a moral-based process which for example excluded industries such as tobacco, gambling and armaments; which sought to invest in companies / organisations that contributed positively to the environment and society; and was sustainable and responsible, value based, had a measurable impact and was green to improve the environment
- the number of organisations who invested “ethically” was still quite small, but growing and examples included some finance & banking organisations, professional investment funds with clients who placed ethical principles ahead of yields, socially minded businesses, some charities and individuals
- regarding Sefton’s criteria for selecting investments, as a local authority, Sefton was required to comply with the statutory guidance incorporated into our Treasury Management Policy and Strategy that was reflected in the CIPFA Treasury Management Code of Practice (2017) and the Secretary of State Statutory Guidance on Local Authority Investments (2018)
- Sefton, following advice from its Treasury Management Advisor, had specific criteria that influenced who it could deposit money with



- There is limited scope for the use of ethical institutions or investments for Local Government as ethical banks tended to be either unrated, or below our acceptable risk level; it was noted that should an ethical bank or institution have an acceptable rating, the Council could invest in it but it should be noted that financial returns were generally lower from such sources so this would have to be reflected in any future decision to invest or not

5.2 Members of the Working Group commented on the following issues:

- the macro-economic impact of local authorities across the country reducing their investments due to the availability of surplus funds
- that the Council did not invest in hedge funds and support “short selling”
- the potential for the Council’s treasury Management Strategy to state that if ethical banking institutions meet acceptable risk levels then the Council could invest in them
- could a series of statements be drafted that could form part of the Council’s ethical business/investment practices
- the Merseyside Pension Fund ethical business/investment policy

5.3 The Working Group agreed that it would be beneficial to draft a series of statements that could form part of the Council’s ethical business/investment practices and which could be included in the Treasury Management Strategy currently under preparation; and it was agreed that such statements would be considered at the next meeting of the Working Group.

6.0 WORKING GROUP MEETING – 15 JANUARY 2019

6.1 The Working Group considered [draft ethical investment principles](#) submitted by the Head of Corporate Resources and produced in conjunction with the Council’s Treasury Management Advisor, that could form part of the Council’s ethical business/investment practices and which could be included in the Treasury Management Strategy currently under preparation.

6.2 Members of the Working Group sought further information from the Head of Corporate Resources on the following:

- Could the ethical investment principles be more specific, for example, by the inclusion of the terminology used in the powerpoint [presentation](#) to the last meeting of the Working Group, namely, that Sefton’s principles/policy to investment is based on the following “an investment approach that follows a moral-based process which excludes industries such as tobacco, gambling and armaments; and



seeks to invest in companies / organisations that contribute positively to the environment and society: -

- Sustainable and Responsible – manage the effect on the environment, community and for the good of society
- Value Based – invest in businesses that are aligned with an organisations core values;
- Impact – achieve a measurable positive, social or environmental impact, in addition to a financial return;
- Green – improving the environment.”
- The second paragraph of the draft ethical investment principles makes reference to statutory guidance. Is compliance with this guidance compulsory or does the Council have flexibility or a discretion to take a different course, for example, the guidance should be able to take account of the organisation’s core values
- Could the third paragraph in the draft ethical investment principles be amended because as printed it could give the impression that some possible investments are made in an irresponsible manner
- The fourth paragraph of the draft ethical investment principles states that “This will include, understanding where possible that Council investments and deposits are aligned with its core values.” How are the investments specifically aligned to the Council’s core values of protect the most vulnerable, facilitating confident and resilient communities, Commissioning, brokering and providing core services, place-leadership and influencer, driving of change and reform, facilitating sustainable economic prosperity, generating income for social reinvestment and cleaner and greener; and furthermore, as the Council has agreed to condemn financial malpractice such as multi-national transfer pricing and capital flows from the UK into offshore jurisdictions our investments should not be made where this is known to be the case. (this could be achieved by asking/instructing our brokers accordingly). In other words, could it be made explicit in the ethical investment principles that the Council’s desire was to ensure investment was not made in off-shore Jurisdictions. What would also be helpful if examples could be provided of how the core values are embedded in investment decisions

7.0 WORKING GROUP MEETING –15 FEBRUARY 2019

7.1 The Working Group met to interview Bill Esterson M.P. Shadow Minister (Business, Energy and Industrial Strategy). Mr. Esterson provided background information to his Shadow Ministerial role and made reference to the following:

- There was a real appetite within the private sector to do the right thing regarding ethical practices
- The public sector had a great opportunity to influence ethical investment and business practices via their procurement activities



- Referred to the good practice identified in the [Preston Fairness Charter](#)
- An academic study had been published by Ewan McGaughey that identified that to reduce the carbon footprint of goods and services, contracts could be awarded on a local or regional basis and would not fall foul of European Union or World Trade Organisation rules
- Local and national government had a wide span of control to influence ethical and environmental business practices
- Control could also be exerted to protect and enhance workers' rights to make sure that workers were paid on time; that the living wage was paid in the supply chain; that women received equal pay; and that workers were recruited from deprived areas
- engagement with social enterprises and the co-operative sector
- International trade and the Modern Slavery Act
- A ground-breaking [deal between Hermes' and the GMB union](#) whereby self-employed couriers now had the option to take holiday pay and have guaranteed earnings
- Pressure was being exerted by Members of Parliament to ensure that the Parliamentary pension scheme funds should be invested ethically. Local authorities could similarly push for ethical investment with regard to their pension fund schemes
- National government could do much more to move away from investing in fossil fuels and switch to renewables
- Liverpool City Region has a devolution deal which is committed to renewables and the low carbon economy

7.2 Members of the Working Group asked Mr. Esterson the following questions/made the following comments:

- Could the Labour Party manifesto go further in articulating ethical principles regarding investments; particularly regarding investment in the City of London. Response – Reference was made to an on-going British Academy study, [Future of the Corporation](#) examining the purpose of business and its role in society; and the Labour Party “Just Trading” initiative launched in 2016 was referred to. These may inform future policy
- The behaviour of international trading companies was a problem on a macro level. Response – agreed, and international co-operation was required to combat this
- A level playing field is required when procuring goods and services to ensure that contracts are not awarded to companies using exploitative practices. Response – this can be resolved when drawing up tender specification and business requirements, and this can help developing nations in particular
- We should encourage companies to do the “right thing” and reference was made to the Queen’s Award for Enterprise or the introduction of a charter mark. Response – a credible ethical



business award could be introduced that industry/business could sign up to. If high standards are to be maintained then such standards need to be included in the procurement process. Regarding the charter mark proposal this should not be overly bureaucratic as it may hinder small businesses

- Could a policy/research paper be produced, possibly involving the Local Government Association (LGA), to set out ethical business principles. This could potentially feed into policy forums and development. Response - This could be promoted by Sefton Council via the LGA
- An observation was made that the Council uses social value in its procurement processes. As an example, the recent £19m ICT tender was referred to which included a 5% social value element. This indicated that what the Council was seeking was reasonable and that the market was geared up for such contract specifications. Response – it is important that when contracts are awarded, in addition to financial and quality performance management, that the delivery of social value is also managed and reported. This enables the Council to demonstrate and champion what it does regarding social value
- This is agreed. Contract management is really important to ensure delivery of social value compliance; and publicity is good not only for the Council but for the service provider also. The nature of social value and what we gain is dependent on the contract, for example, highway management schemes could have a positive effect on carbon management and environmental/air quality measures
- The Council needs to be up-front and confident in what it does to instil trust and confidence in other sectors
- The aim of the Working Group is to develop an ethical business framework and when this is produced it can be shared with Bill Esterson

7.3 The Working Group also considered a revised statement of draft ethical business/investment principles prepared by the Head of Corporate Resources.

At the previous meeting held on 15 January 2019 Members had asked a range of questions and commented on the submitted statement of draft ethical business/investment principles and requested the Head of Corporate Resources to respond to the questions and comments. The revised statement considered by the Working Group contained the comments of the Head of Corporate Resources.

The Working Group suggested that the wording of the second paragraph could be strengthened in future years by the addition of the following words



“including the principle that investments in companies who are involved in the off-shore financial investment sector will be avoided”.

The revised statement of draft ethical business/investment principles would then read as follows:

“The Local Authority routinely invests surplus funds with third party organisations and institutions.

In deciding and then approving the counterparty list in which the Council will invest, the principles of security, liquidity and yield will always be the primary consideration in order to ensure compliance with statutory guidance. As part of this evaluation, the Council will consider ethical investment opportunities. Investments will be made in a responsible manner and exclude direct investment in organisations which do not contribute positively to society and the environment including the principle that investments in companies who are involved in the off-shore financial investment sector will be avoided.

In order for these organisations to be included on the Council’s counterparty list they will be evaluated against the same criteria as other counterparties. The Council’s Treasury Management Team will be continually engaged on progress in this sector, understanding where possible that Council investments and deposits are aligned with its core values – for example, generating income for social reinvestment.

This approach will be supported by considering the opportunity for ethical investments as part of the development of the annual Treasury Management Strategy and engaging with the Council’s Treasury Management Advisors as to whether any investment is contrary to the Council’s values.

The Local Authority publishes a list of its investments to ensure openness and transparency.”

The Working Group requested that the Head of Corporate Resources make arrangements, via the Council’s decision-making processes, to include the revised statement of draft ethical business/investment principles as referred to above in the Treasury Management Strategy in future documents.

8.0 WORKING GROUP MEETING – 16 APRIL 2019

8.1 The next phase of the Working Group’s activity focussed on ethical procurement including:

- Social value aspects of procurement and how social value is articulated in the Council’s procurement processes



- What is the Council's current position regarding social value
- What opportunities are there for the Council regarding social value
- What appetite is there in the market for social value

8.2 Accordingly, Peter Moore, Head of Highways and Public Protection made a [presentation](#) to the Working Group on social value and social impact through procurement. Mr. Moore referred to the following:

- The legal position regarding social value in procurement as defined in the Public Services (Social Value) Act 2012; and the statutory duty to consider the social value of public services on contracts above the European Union procurement thresholds. Information was also referred to about the [Public Services \(Social Value\) Act 2012 – An Introductory Guide for Commissioners and Policymakers](#)
- The Sefton position regarding social value in procurement as defined in the [Contract Procedure Rules](#)
- An example of social value in procurement in Sefton in relation to NEET reduction and the Early Intervention Service for Young People
- Social impact from procurement. In connection with this reference was made to the Adult Social Care Domiciliary Care Services and the Ethical Care Charter
- The local strategy for social value opportunities including the increased emphasis in the refreshed Corporate Commissioning Framework and the Social Value Action Plan
- Opportunities arising from the Social Value Action Plan and the guiding principles that included catching up with those leading the field, going beyond compliance with the Public Services (Social Value) Act 2012, maximising the full breadth of Social Value outcomes and effectively measuring, monitoring and reporting delivery
- Opportunities associated with national themes of Jobs: Promote Local Skills and Employment; Growth: Supporting Growth of Responsible Regional Business; Social: Healthier, Safer and more Resilient Communities; Environment: Protecting and Improving Our Environment; and Innovation: Promoting Social Innovation; and their outcomes and measures
- Social value opportunities connected with the joined-up approach across the Liverpool City Region – LCR Procurement Hub and work undertaken with Proactis and the Social Value Portal to join-up the Chest, the National Themes, Outcomes and measures and the online Measurement Tool.

8.3 Members of the Working Group commented on the following issues:



- The appliance of social value to the National Planning Policy Framework
- Differences between public services and works contracts
- Social value in Sefton's Contract Procedure Rules
- How the service specification for the NEET project targeted the most deprived super output areas
- The accounting principles of social value
- The inclusion of living wage in contract specifications rather than minimum wage
- The promotion of themes, outcomes and measures through the Social Value Portal and [guidance](#) on the national themes, outcomes and measures framework 2019 for social value measurement

9.0 APPROVAL OF FINAL REPORT – OCTOBER 2019

Recommendations and the Final Report were approved by Working Group Members via email during October 2019. The agreed recommendations are set out in Paragraph 10 below.

10.0 RECOMMENDATIONS

10.1 Context for recommendations

The provision of a policy for the ethical business practices of the Council in respect of investment, procurement and commissioning.

The EU defines Corporate Social Responsibility (Ethical Business Practice) as 'the responsibility of enterprises for their impacts on society and organisations should have processes in place to integrate social, environmental, ethical and consumer concerns and ensure that these are embedded into their business operations and core strategy'.

The Working Group agreed that Corporate Social Responsibility is a good overarching context for improving social impact / social value, embracing the impact of: what we do; how we do it; and what others (contractors) do for us.

An example of how this can be achieved is by the attached flowchart [Delivering Social Value within a Corporate Social Responsibility Framework](#)

10.2 Public Sector and Corporate Social Responsibility

The nature of public sector services reflects many of the principles of Corporate Social Responsibility/Ethical Business Practice. To embed Corporate Social Responsibility/Ethical Business Practice an organisation needs to be operating in line with good Corporate Social Responsibility/



Ethical Business Practice in its various roles as service provider, purchaser, employer and its engagement with the public as consumers, customers and clients.

For the purposes of the Working Group the term Ethical Business Practice was used which encompassed several key elements of Corporate Social Responsibility. The Working Group focussed on:

1. Proposing a revised **Ethical Investment** Policy/Strategy
2. Proposing a revised **Ethical Procurement** Policy/Strategy to embed Social Value

10.3 **Environmental Aspects of Corporate Social Responsibility**

There are also CSR Environmental aspects, e.g., reducing direct impact on the environment by managing waste, emissions and consumption of natural resources. The Working Group did not directly include this in its inquires, as it will be embedded through Green Sefton initiatives and can be included as part of the overall revision of updating policy on Corporate Social Responsibility/Ethical Business Practice.

10.4 **Ethical Investment Policy Statement**

Cabinet is recommended to request the Head of Corporate Resources to make arrangements, via the Council's decision-making processes, to include the revised statement of draft ethical business/investment principles as referred to below in the Treasury Management Strategy and to adopt it as part of the Council's Policy for investment:

ETHICAL INVESTMENT POLICY

"The Local Authority at times invests surplus funds with third party organisations and institutions and the Council's [core values](#) will play a major role in making investment decisions which will be aligned where possible to the following four overarching core principles;

- Sustainable and Responsible – manage the effect on the environment, community and for the good of society
- Value Based – invest in businesses that are aligned with the organisations core values;
- Maximising Impact – achieve a measurable positive, social or environmental impact, in addition to a financial return;
- Green – improving the environment."

In deciding and then approving the counterparty list in which the Council will invest, the principles of security, liquidity and yield will always be the primary consideration to ensure compliance with statutory guidance. As



part of this evaluation, the Council will consider ethical investment opportunities and identify and apply an appropriate weighting based on the Council's Core Values/overarching core principles.

Where the Council deposits surplus balances overnight or for a short-term, investments will be made with financial institutions in a responsible manner (aligned to the overarching core principles/councils core values) where possible and in accordance with advice from its Treasury Management Advisor. In the event that the Council has surplus balances that it can invest for the longer term (e.g. terms over 1 year) it will exclude direct investment in financial products that do not contribute positively to society and the environment. This will include the principle that investment in specific financial products whose performance is driven by off-shore trading, financial malpractice, debt swops, short selling, the arms trade and tobacco industry will be avoided. The same rigorous criteria will be used to assess whether investment in certain countries will be contrary to Sefton's [core values](#).

It is recommended that the Head of Corporate Resources, to assess whether investment in certain countries will be contrary to Sefton's [core values](#), give consideration to the exclusion of those countries on the [EU list of non-cooperative tax jurisdictions](#) (the black list and the grey list), which aims to tackle external risks of tax abuse and unfair tax competition, within the Council's Treasury Management Strategy.

In order for these organisations to be included on the Council's counterparty list they will be evaluated against the same criteria as other counterparties and assessed against the Council's core values and ethical business and investment principles/policy, including the ethical weighting to ensure balance and investments are aligned with the new policy.

The Council's Treasury Management Team will be continually engage on progress in this sector, understanding where possible that Council investments and deposits are aligned with its core values – for example, generating income for social reinvestment and not investing in such companies as highlighted above.

This approach will be supported by considering the opportunity for ethical investments as part of the development of the annual Treasury Management Strategy and engaging with the Council's Treasury Management Advisors as to whether any investment is contrary to the Council's values (including the ethical investment weighting). A specific section in the annual Treasury Management report will cover how the adopted ethical investment strategy is being applied to investment decisions.

The Local Authority publishes a list of its investments to ensure openness and transparency.”

10.5 Ethical Procurement Policy (including Social Value)

Context for policy

The legal position regarding social value in procurement as defined in the Public Services (Social Value) Act 2012; and the statutory duty to consider the social value of public services on contracts above the European Union procurement thresholds.

The position regarding social value in procurement as defined in the [Contract Procedure Rules](#)

The Working Group recognised much of the good work already taking place in relation to the above and the policy should focus on continuous improvement.

- 10.6 Cabinet is recommended to request the Head of Strategic Support to make arrangements, via the Council’s decision-making processes, to adopt the following revised statements of ethical procurement principles/policy.

ETHICAL PROCUREMENT POLICY

“The Local Authority routinely procures goods and services with a range of providers and the Council’s [core values](#) will play a major role in making procurement decisions which will be aligned where possible to the following four overarching core principles;

- Sustainable and Responsible – manage the effect on the environment, community and for the good of society
- Value Based – work with businesses that are aligned with an organisations core values;
- Maximising Impact – achieve a measurable positive, social or environmental impact, as a result of a contract;
- Green – improving the environment.”

Procurement will enhance Social impact/value, including opportunities associated with national themes of Jobs: Promoting Local Skills and Employment; Growth: Supporting Sustainable Growth of Responsible Regional Business; Social: Healthier, Safer and more Resilient Communities; Environment: Protecting and Improving Our Environment; and Innovation: Promoting Social Innovation; and their outcomes and measures.

Implement and enhance a Procurement Strategy, based on the Local Government Association (LGA) National Procurement Strategy providing



an effective mechanism for improving the social impact/social value from our contracted providers, particularly its focus on “Achieving Community Benefit”, which includes “obtaining social value”.

The local strategy for social value opportunities to include the increased emphasis in the refreshed Corporate Commissioning Framework and on developing an updated Social Value Action Plan.

Implement a stand-alone phased two-year Social Value Action Plan to include the guiding principles of catching up with those leading the field, going beyond compliance with the Public Services (Social Value) Act 2012, maximising the full breadth of Social Value outcomes and effectively measuring, monitoring and reporting delivery.

The Social Value Action plan will address the areas for development identified through the self-assessment against the LGA strategy and include tangible, clear, measurable, timebound targets to improve social value.

Maximise Social value opportunities connected with the joined-up approach across the Liverpool City Region – LCR Procurement Hub and work undertaken with Proactis and the Social Value Portal to join-up the Chest, the National Themes, Outcomes and measures and the online Measurement Tool”.

10.7 Social Value Action Plan

Cabinet is recommended to request the Head of Strategic Support to make arrangements, via the Council’s decision-making processes, to develop, adopt and implement a Social Value Action Plan in line with the following:

SOCIAL VALUE ACTION PLAN

“The guiding principles for development of our approach to Social Value are to catch up with those leading the field; Go beyond compliance with the Public Services (Social Value) Act 2012; maximise full breadth of Social Value outcomes; and effectively measure, monitor and report delivery.

Self-assessment against “Obtaining Social Value” in the LGA National Strategy will provide a framework whereby we can evaluate what we already do and identify areas for improvement including assessment against the following statements, “the extent to which...”:

- the requirements of the Social Value Act are embedded into corporate policy;
- social value awareness is embedded across all management levels;

- social value themes, outcomes and measures are reported and used (including evaluating the usefulness of social accounting quantitative measures to evaluate impact);
- social value requirements are embedded in the commissioning process;
- social value requirements are embedded in the procurement process;
- obtaining social value is part of engagement and third-party relationships;
- social value requirements in contracts are managed;
- social value is embedded in a wider collaborative environment;
- obtaining social value is communicated and reported;
- social value is embedded and managed in the commissioning and procurement process.
- These can all be addressed within the scope of the guiding principles, through specific, tangible and time-bound actions in a Procurement/Social Value Action Plan.”

The policy will be reviewed on completion of the SV action Plan



11.0 DOCUMENTATION CONSIDERED BY THE WORKING GROUP

| | |
|-------|--|
| 11.1 | Scoping Document considered at the meeting held on 20 November 2018 |
| 11.2 | Ethical Standards for Providers of Public Services – guidance produced by Committee on Standards in Public Life considered at the meeting held on 20 November 2018 |
| 11.3 | The Continuing Importance of Ethical Standards for Public Service Providers produced by Committee on Standards in Public Life considered at the meeting held on 20 November 2018 |
| 11.4 | Sefton Construction Charter considered at the meeting held on 20 November 2018 |
| 11.5 | minute and report considered by the Audit and Governance Committee at its meeting held on 19 September 2018 in relation to Treasury Management – considered at the meeting on 20 November 2018 |
| 11.6 | presentation considered at the meeting held on 17 December 2018 |
| 11.7 | Birmingham Business Charter for Social Responsibility considered at the meeting held on 17 December 2018 |
| 11.8 | Dudley Suppliers Code of Practice considered at the meeting held on 17 December 2018 |
| 11.9 | Preston Fairness Charter considered at the meeting held on 17 December 2018 and referred to by Bill Esterson M.P. at the meeting held on 15 February 2019 |
| 11.10 | draft ethical investment principles considered at the meeting held on 15 January 2019 |
| 11.11 | deal between Hermes’ and the GMB union referred to by Bill Esterson M.P. at the meeting held on 15 February 2019 |
| 11.12 | Future of the Corporation referred to by Bill Esterson M.P. at the meeting held on 15 February 2019 |
| 11.13 | presentation to the Working Group meeting held on 16 April 2019 on social value and social impact through procurement |
| 11.14 | Public Services (Social Value) Act 2012 – An Introductory Guide for Commissioners and Policymakers referred to at the meeting held on 16 April 2019 |
| 11.15 | guidance on the national themes, outcomes and measures framework 2019 for social value measurement referred to at the meeting held on 16 April 2019 |
| 11.16 | Contract Procedure Rules referred to at the meeting held on 16 April 2019 |
| 11.17 | Council’s core values |
| 11.18 | Delivering Social Value within a Corporate Social Responsibility Framework As referred to in paragraph 10.1 of the recommendations |
| 11.19 | EU list of non-cooperative tax jurisdictions as referred to in the Ethical Investment Policy |

12. ACKNOWLEDGEMENTS AND THANKS

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