

NORTH LINCOLNSHIRE COUNCIL

CABINET

PROCUREMENT OF SUSTAINABLE STEEL: PROGRESS UPDATE

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 Cabinet approved a sustainable steel procurement action plan in November 2015. This report provides a progress update.
- 1.2 The key points in this report are:
- The council is a signatory to the National Charter for Sustainable British Steel
 - An initial high-level procurement action plan was approved by Cabinet on 24 November 2015. An undertaking was given to update cabinet in January 2016
 - Significant progress has been achieved since November. An update is set out in the report together with further key actions

2. BACKGROUND INFORMATION

- 2.1 The council is a signatory to the Charter for Sustainable British Steel. The charter is a UK Steel initiative which seeks to promote the use of quality British steel in construction projects.
- 2.2 A sustainable steel procurement action plan was approved by Cabinet on 24 November 2015. Its purpose was to deliver the pledges set out in the charter in support of the motion agreed by Council on 10 November 2015.
- 2.3 An update on progress with delivering the action plan is set out in appendix A. Overall progress has been positive and the support of the council's key partners has been a significant factor in that success.
- 2.4 Key outcomes achieved to-date include:
- An initial pipeline of council led construction projects with steel as a component feature has been determined and shared as appropriate with construction and highways framework contractors, providing forward visibility of opportunity. The projects have a collective value of c. £31m.
 - All construction and highways framework contractors are now confirmed signatories to the charter commitments and have undertaken to source sustainable steel in the construction of council led capital projects.
 - BES6001 sustainability standards for steel have been included within appropriate specifications, initially in the design and construction of Axholme North Sports Centre and Belton Country Park & Visitor Centre. Future projects will be designed and specified using BES6001 standards and evaluated using appropriate social value criteria.

- The charter commitments have been shared with economic development partners including Able UK Ltd and Environment Agency construction contractors for flood defence works.
- Key Buy4Northern Lincolnshire partners have indicated their support including Ongo, North Lindsey College and Northern Lincolnshire and Goole Hospitals NHS Foundation Trust.
- Engagement has been undertaken with local and regional partners; the council will host a regional “steel procurement” summit in February with Leeds, Calderdale, Kirklees, Sheffield and ERYC expressing interest in attending to share and discuss best practice.
- The Crown Commercial Service has noted the council’s work and requested a national procurement case study for dissemination across the public sector

2.5 Further key actions as set out in appendix A include:

- Maintain the forward pipeline of projects and widen it to include relevant partner schemes - Buy4 cohort, economic development and private sector led schemes in order to maximise opportunity for sustainable steel outcomes to be realised
- Monitor and report sustainable steel outcomes for individual projects and refine procurement practice based on learning
- Cascade pledges to supply chains supporting prime contractors and key partners yet to respond
- Host a “regional steel procurement summit” in February 2016
- Establish national procurement case study endorsed by the Crown Commercial Service for dissemination across the public sector

3. OPTIONS FOR CONSIDERATION

3.1 This report sets out a progress update and is therefore for information only.

4. ANALYSIS OF OPTIONS

4.1 Not applicable as detailed in paragraph 3.1.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 Financial
Resource implications were set out in the cabinet report of 24 November 2015.

5.2 Staffing
None

5.3 Property & IT
None

6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 CRIME AND DISORDER, RISK AND OTHER)

6.1 An Integrated Impact Assessment has been completed.

7. OUTCOMES OF CONSULTATION

7.1 The delivery of the actions has been undertaken with extensive cross-council consultation and the support of key suppliers and partners.

8. RECOMMENDATIONS

8.1 That the progress update and next step actions are noted; and

8.2 That a further progress update is reported to cabinet in June 2016

DIRECTOR OF POLICY AND RESOURCES

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18 January 2016

Background Papers used in the preparation of this report:

Cabinet Report: November 2015

Charter for Sustainable British Steel

Public Contracts Regulations 2015

Public Services (Social Value) Act 2012

PPN 16/15 Procuring Steel in Major Projects & Supplementary Guidance – Crown

Commercial Services

Procurement of Sustainable Steel: Action Plan

Communicate the charter and undertakings to all key procurers and commissioners across the council and its partners in the Buy4NorthernLincolnshire initiative

Outcomes:

- All procurers and commissioners have been informed of the council's commitments and action plan. Progress will be monitored by the Strategic Commissioning & Procurement Group
- Ongo, North Lindsey College and Northern Lincolnshire and Goole Hospitals NHS Foundation Trust have to-date indicated their support for the charter

Further Actions:

- Engage with Buy4 partners yet to respond
- Share best practice approaches with Buy4 partners
- Include and promote Buy4 partner capital schemes in the key projects "pipeline"

Highlight charter commitments through appropriate procurement resources such as the Buy4 website, Selling to the Council Guide, Market Position Statement and Procurement Strategy

Outcomes:

- The Selling to the Council Guide, Market Position Statement and Buy4 website have been updated

Further Actions:

- Update Procurement Strategy as part of the 2016/17 refresh
- Share approach with regional partners

Develop and publish a pipeline of future procurement requirements where steel is a component element

Outcomes:

- A pipeline of projects worth £31m has so far been determined and shared as appropriate with construction framework contractors

Further Actions:

- Ensure future projects are included in the forward pipeline and that it remains "live"

- Include relevant partner projects including Buy4 cohort, economic development and private sector led investment schemes

Engage with contractors and professional services providers and their supply chains via the council's corporate construction framework

Outcomes:

- All prime contractors on the council's construction and highways framework have signed up to the charter commitments

Further Actions:

- Cascade pledges and actions to supply chains supporting prime contractors
- Work with clients, designers and surveyors to continue specifying BES6001 where appropriate and monitor the outcomes achieved

Engage with other key partners and constructors/supply chains delivering the area's major infrastructure and regeneration projects

Outcomes:

- Planning and Regeneration have engaged key development partners including Able UK Ltd and Environment Agency construction contractors for flood defence works

Further Actions:

- Promote charter pledges via the LEP/s
- Promote charter pledges via private sector led major investment projects in the area

Engage with other local authorities that are signatories to the charter to share best practice and coordinate joint initiatives

Outcomes:

- The action plan and wider regional response has been shared with regional heads of procurement and discussed at the regional procurement group
- Interest in a regional steel procurement summit has so far been received from:
 - Calderdale
 - ERYC
 - Leeds
 - Kirklees
 - Sheffield
- The Crown Commercial Service have expressed interest in NLC providing a national procurement case-study

Further Actions:

- Host “regional steel procurement summit” in February 2016
- Establish national case study endorsed by the Crown Commercial Service

Incorporate charter commitments in all future and appropriate procurement specifications and processes ensuring that appropriate use is made of social value and wider sustainability standards and associated criteria

Outcomes:

- BES6001 Quality Standard adopted in all relevant specifications and designs where applicable in line with Social Value Act provisions. Initial schemes include Axholme North Sport Centre and Belton Country Park & Visitor Centre

Further Actions:

- Monitor and report sustainable steel outcomes for individual projects and refine procurement practice based on learning

January 2016