

NORTH LINCOLNSHIRE COUNCIL

CABINET

UK STEEL CHARTER

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 The council has been an active signatory to the Charter for Sustainable British Steel since 2015.
- 1.2 This report provides an update on the steel outcomes achieved to-date through the implementation of its charter commitments and sets out details of a new UK Steel Charter launched in May 2019.

2. BACKGROUND INFORMATION

- 2.1 The council became a signatory to the Charter for Sustainable British Steel in 2015. Its purpose was to help level the playing field for UK steel producers through encouraging consideration of the social value opportunities and sustainability implications associated with the procurement and use of steel in major projects.
- 2.2 Since 2015, around 1,000 tonnes of UK produced steel has been procured by the council and used in the construction of key community developments in North Lincolnshire, including North Axholme Leisure Centre, Bottesford and Belton visitor centres, Church Square House Extension and St. John's Market.
- 2.3 The steel industry estimates that the procurement of 1,000 tonnes of UK produced steel delivers the following social, environmental and economic benefits:
 - 4.2 jobs directly in the steel industry
 - 6.6 jobs in the supply chain
 - 960 tonnes of steel for repeated recycling
 - £200,000 direct gross value added contribution to the economy
 - £500,000 indirect gross value added contribution to the supply chain
 - 560 tonne saving in CO₂ emissions compared to the import of non EU produced steel
 - 150 tonne saving in CO₂ emissions compared to the import of EU produced steel

- 2.4 In May 2019 the UK Steel industry launched a new UK Steel Charter. Its purpose is to help maximise opportunities for UK steel producers and the wider UK economy by promoting specific measures that can be taken in relation to the procurement of steel for major projects.
- 2.5 The UK Steel Charter is closely aligned with the government's Industrial Strategy, providing organisations with a range of steps they can take to support the steel industry through ensuring the maximum value is achieved in their projects.
- 2.6 The Leader and Cllr Briggs signed the new UK Steel Charter in June 2019 (appendix). It sets out a range of undertakings and commitments, including:
- Developing a future steel pipeline
 - Monitoring levels of UK-produced steel used
 - Requiring tenderers to state the origin of steel to be provided
 - Stipulating the use of steel products accredited to BRE Standard BES 6001 in project plans and specifications
 - Hosting pre-procurement engagement events for major projects
 - Developing use of 'most economically advantageous tender' criteria to consider steel and supply chain issues
 - Appointing a "Steel Champion"
- 2.7 At a meeting of Full Council on 28 June 2019, a joint motion was unanimously resolved which included a commitment to the use of UK steel in the council's procurement policies and encouraging government to do the same.
- 2.8 At the beginning of July the Leader wrote to around 100 non-metropolitan counties, metropolitan districts and unitaries encouraging them to join North Lincolnshire Council in signing the UK Steel Charter.
- 2.9 The council's commitment to the charter and joint motion will be taken forward as part of the council's updated procurement policy and through the delivery of its capital and major project plans.
- 2.10 Wider regional and national networks will also be utilised to encourage additional public sector signatories to the charter.

3. OPTIONS FOR CONSIDERATION

- 3.1 There are no options for consideration.

4. ANALYSIS OF OPTIONS

- 4.1 As above.

5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g. LEGAL, HR, PROPERTY, IT, COMMUNICATIONS etc.)

- 5.1 The charter supports the achievement of the council plan priorities.

6. **OTHER RELEVANT IMPLICATIONS (e.g. CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIRONMENTAL, RISK etc.)**

6.1 As above.

7. **OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)**

7.1 Not applicable.

8. **OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED**

8.1 Not applicable.

9. **RECOMMENDATIONS**

9.1 That cabinet notes the commitment to the new UK Steel Charter in support of the joint motion agreed by Full Council on 28 June 2019

9.2 That a progress update on delivering the UK Steel Charter commitments is considered by cabinet in November 2019.

DIRECTOR OF GOVERNANCE & PARTNERSHIPS

Church Square House
SCUNTHORPE
North Lincolnshire
DN15 6NL

Author: Jason Whaler

Date: 5 July 2019

Background Papers used in the preparation of this report

UK Steel Charter & Guidance

Extraordinary meeting of the Council 28 June 2019



THE UK STEEL CHARTER

We commit to the following steps:

- ✓ Establish clear and simple criteria to identify which projects are in the scope of our charter commitments
- ✓ Develop a future steel pipeline
- ✓ Monitor and produce data on the levels of UK-produced steel used in our projects
- ✓ Place a requirement in our appropriate contracts requiring the origin of steel to be provided
- ✓ Stipulate use of steel products accredited to BRE Standard BES 6001
- ✓ Advertise opportunities for steel providers and/or require our contractors/sub-contractors to do so
- ✓ Introduce a requirement for tender applications to include supply chain plans
- ✓ Host engagement meetings/events for major projects in advance of procurement decisions being made
- ✓ Develop our organisation's approach to the 'most economically advantageous tender'
- ✓ Appoint a 'UK supply chain champion' to manage engagement with steel sector, and other suppliers
- ✓ Use UK-produced steel to meet KPIs for your organisations corporate social responsibility commitments
- ✓ Use British quality standards of steel when detailing steel requirements in project plans

MakeUK.org/uksteel

THE UK STEEL CHARTER

We support the aims and objectives of the UK Steel Charter. By taking practical steps to maximise opportunities for UK steel producers in construction and infrastructure, organisations will:

- ✓ Help ensure the best possible economic benefit to the UK economy by increasing GVA in UK manufacturing supply chains
- ✓ Unlock the social, environmental and economic benefits of shortened and localised supply chains
- ✓ Promote and facilitate the use of UK produced steel in construction and infrastructure projects
- ✓ Support highly paid, skilled manufacturing jobs and training opportunities in communities across the UK

Signed:



Trade Union

- UK Steel, representing steel producers in the UK
- UK Government, representing steel users in the UK
- BSI, representing the steel industry in the UK
- British Steel, representing steel producers in the UK

This Charter is approved by the National Trade Union Steel Co-ordinating Committee