

# **The impact of Procurement Policy and Practice on Social Sustainability**

## **Towards an operational framework**

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For Defra  
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### ***Part 1. The Context***

#### **1. Introduction**

CEA were asked to undertake a limited piece of research to develop “**A framework for analysing and assessing the impact and benefits of procurement on social sustainability**”.

This report summarises that framework and the work that has led up to it. This work has resulted from desk-based research and discussion with a few key advisors. Due to a lack of time the recommendations in it have not been tested through group discussion.

In carrying out this work it has been necessary to consider:

- The context for this work
- The nature of ‘social sustainability’
- The problems associated with operationalising this work

From there we have gone on to consider what a framework for this work might look like and have made some recommendations for future practice.

#### **2. The current context**

There is already a substantial amount of work that impinges on these issues. The publication of ‘Securing the Future’, the revised National Strategy on Sustainable Development (March 2005) with its focus on Sustainable Consumption and Production is contributing towards increased efforts on sustainable procurement as well as supporting momentum towards recognising and incorporating wider social impacts into public sector procurement decisions. Public consultation for the revised national Strategy highlighted a need for Government to demonstrate more leadership in putting its own house in order – a challenge accepted, leading amongst other things to the formation of the Sustainable Procurement Task Force.

Established mechanisms for catalysing sustainable procurement include the Framework for Sustainable Development on the Government Estate (2002), an unfolding series of guidance notes including some reporting actions, and a growing body of guidance from the Office of Government Commerce provides a firm foundation for increasing understanding about the impacts of procurement on society. As more evidence becomes available about the positive opportunities this offers towards meeting the Government's goal of ensuring a strong, health and just society, the seemingly blurred boundaries surrounding social sustainability should become clearer.

Extending the Framework for Sustainable Development on the Government Estate to cover [some](#) social implications is in line with efforts to ensure socially responsible behaviour in the management of government estates, employment of staff and external relations with communities. The Social Impacts contribution was published in October 2004. The recently-published guidance from the OGC on Social Issues in Purchasing (February 2006) makes a valuable contribution to flagging up issues and government policies where public procurement is seen as a lever towards sustainability. Issues on the OGC list include:

- Skills and apprenticeships
- Equality – gender, race and disability
- Fair and ethical trade
- Human rights and core labour standards
- Small and medium size enterprises (including black and minority ethnic enterprise, women-owned and disabled owned businesses, social enterprise, and voluntary and community sector/third sector organisations)
- Local labour / UK jobs and manufacturing
- Innovation
- Regeneration
- Sustainable procurement.

The 'Social Issues in Purchasing' guidance focuses "*on the different stages of the procurement process, and the way social issues can legitimately be incorporated into the purchasing cycle*". It is "*intended as a general guide for procurement and policy practitioners to show the positive actions that they can take to incorporate relevant social actions*" This two-pronged approach is important for knowledge transfer and cascading practice through the relevant chains. The rationale for producing this publication stems partly from '*wider work undertaken on sustainability*' including that on equalities.

Initiatives such as the Public Sector Food Procurement Initiative (see Appendix 2) have also helped highlight contributions towards social sustainability in practice. For example, work has helped demonstrate that tendering contracts can allow small-size local producers to compete with big business in opportunities to provide fresh, seasonal, locally-sourced quality food.

In addition to this UK work, the new EU procurement directives now give more freedom to governments and public authorities to include social, ethical and environmental considerations in public procurement processes.

### **3. Towards social sustainability**

If we are to look at the ‘**impact of procurement on social sustainability**’ then it is desirable to have a clear view of what is meant by social sustainability. We would suggest that there is at present no absolute definition of this term (nor is there likely to be given by the many different agencies, contexts and work areas where the phrase is used). We accordingly suggest below some overall principles that provide a working definition. In doing this we have drawn on a range of sources: these are set out in more detail in Appendix 1: Towards an agreed definition of social sustainability.

Sustainable Development itself has many definitions but at the heart of most is the integration of environmental, social and economic issues, with recognition of the need for lasting and long-term change. The current UK sustainable development strategy states that: “... *the goal of sustainable development is to enable all people throughout the world to satisfy their basic needs and enjoy a better quality of life - without compromising the quality of life for future generations ...*”

The major focus on social sustainability within that Strategy is in Chapter 6: *From Local to Global: Creating Sustainable Communities and a Fairer World*. The summary of this chapter states that “Creating sustainable communities everywhere is a challenging task. It requires us to integrate the delivery of social, economic and environmental goals, to take a co-ordinated approach to delivering public services that work for everyone, including the most disadvantaged, and to think strategically for the long-term”.

Some of the targets from this chapter are listed in Appendix 1. We would suggest that while these are one aspect of social sustainability they do not, nor do they claim to, represent a full definition of what this entails. It is also the case that the main focus in Chapter 6 is the idea of ‘sustainable communities’ and thus it focuses very much on places and localities.

The focus in much work on social sustainability is indeed on delivering services that are likely to contribute to the conditions that create a more sustainable community. This is of limited value when considering procurement: clearly there are important procurement issues that link to those services but it may be harder to consider other aspects of procurement if social sustainability is only seen in this way.

Building on this, and on the other works referred to in Appendix 1, we would therefore define ‘social sustainability’ as being part of the wider process of sustainable development with a focus on five principles:

- **Building social capital**
- **Tackling exclusion and protecting the vulnerable**
- **Minimising inequalities**
- **Improving public health**

- **Bringing long-term benefit to all relevant stakeholders**

## **Part 2.                   Towards a Framework**

### **4.     Making procurement work for social sustainability**

Before any framework is developed it is important also to consider how such a framework might be used on a day-to-day basis. One national agency that has worked extensively on this has admitted informally that its<sup>2</sup> detailed guidance materials are very under-used.

As with the introduction of any new way of working three issues need to be considered:

- **Policy**
- **Infrastructure**
- **Engagement**

It is necessary to have clear **Policy** guidelines agreed by those responsible for the organisation in question. The **Infrastructure** is needed to ensure the policy can be put into effect. **Engagement** of stakeholders within and outside the organisation is crucial to ensure that the policy does not merely remain on paper. These points are developed further in 6.2 below.

To these one further point must be added for any discussion about procurement. Incorporating sustainable development principles into procurement brings in a risk-based approach.

The Sustainable Procurement Group (October 2003) considered that risk assessment (impact, likelihood, etc) is a key tool to sensible decision-making. Its report recommended guidance on social issues, a gap which recent publications such as the OGC 'Guidance on Social Issues in Purchasing' fill. Guidance needs to be backed by measures to ensure these issues become embedded within the procurement cycle and are not 'add-on's' where risk is insufficiently addressed or where procurement decisions favour the status quo or 'comfort zone' due to inadequate information.

Consideration of social impacts linked to sustainable development is included within mandatory Regulatory Impact Assessments (RIA). From April 2004 policymakers have had to explicitly identify any significant environmental and social costs and benefits, as well as economic costs and benefits. The benefits of a policy measure have to outweigh the costs before a RIA is signed off.

RIAs are audited by National Audit Office. Guidance on impact assessment is provided to policymakers through formal training, discussion groups and electronically. The RIA accompanying the UK National Strategy on Sustainable Development states *that 'a key principle for sustainable development is that any action which claims to be sustainable must uphold the new principle that it ensures a strong, healthy and just society'*. The RIA notes that the focus on 'tackling inequalities' is highlighted in different chapters, particularly Chapter 6 ('From local to global: creating sustainable communities and a fairer world'), and is in line with national and international targets. Equity and the impact of procurement is highlighted: *'in many cases in this strategy, this equity principle is a strong rationale*

*for Government intervention in line with Green Book principles on the purpose of Government expenditure.'*

It has not been possible within this short contract to examine risk and social impact methodologies but given the lack of clarity over social sustainability it is inevitable that current monitoring regimes will require additional input. For example, the National Strategy on Sustainable Development indicates that measures on social justice have yet to be developed.

## **5. Procurement and the roles of public bodies**

The approach and value of Corporate Social Responsibility (CSR) are important to the way the Government operates as an organisation. Within this context the Framework for Sustainable Development on the Government Estate states that there are three key roles. Those roles are:

- **Employer**
- **Neighbour**
- **Purchaser**

These roles are also applicable to all major public bodies and are linked to and impact on their work on procurement. The ways in which they link to the five principles and to relevant specific issues are sketched out in section 9 below.

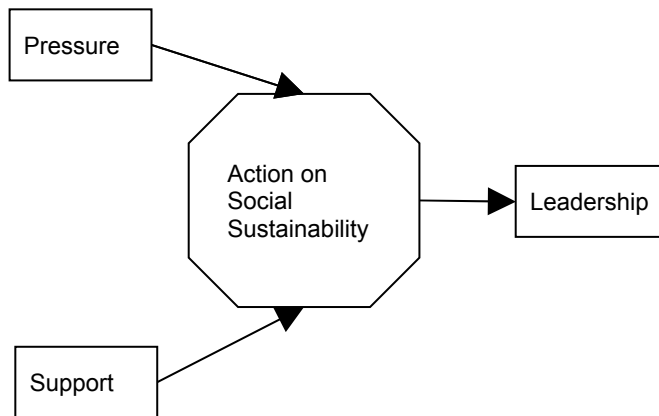
It is worth noting that the Social Impacts section (part I) of the Framework for Sustainable Development on Government Estate calls for all government departments to have drawn up a strategy 'which will identify, assess and monitor significant social impacts' by 31<sup>st</sup> March 2006. This is likely to help highlight both existing practice and short-comings in understanding of social impacts.

## **6. Towards a framework**

### **6.1 Developing action**

While social sustainability may seem to be a complex piece of jargon, the principles involved are ones that are likely to be readily supported by the policy makers within any public body. Indeed some may be more popular than some of the environmental sustainability issues and may thus offer another way to introduce sustainable procurement.

Progress towards sustainable procurement can be enabled in three ways:



- **Pressure** comes from meeting legal requirements (this is the body in its role of Employer and Purchaser)
- **Support** comes from information, guidance, frameworks etc. Informal discussions with public sector staff suggest a lack of knowledge about the resources that are available.
- **Leadership** comes from political commitment, and from learning from good practice and success (this is the body in its role of good Neighbour)

## 6.2 Short and long-term action

Procurement to help deliver social sustainability is likely to be a complex process. It is therefore important to consider how this process happens. There will be a need for three different types of action in order to make procurement work for social sustainable development.

One will be the **operational work** on tender development and management by procurement officers; the other is the **policy work** to develop the commitment and the frameworks within which the work of the procurement officers can be done.

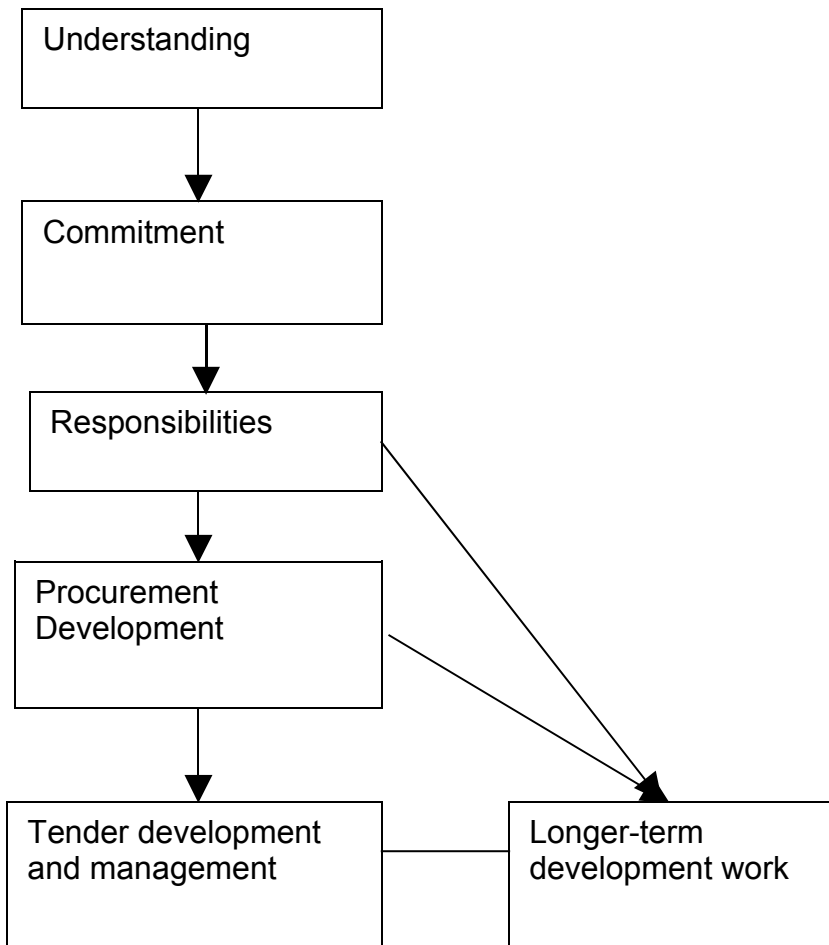
The third is the **longer-term social development** work that will address issues such as building skills among smaller businesses to enable them to compete effectively. Some public agencies may not have the staff or departments to do this social development work and may need to develop working arrangements or partnerships with organisations that specialise in such work. This will help improve the procurement infrastructure and will also build engagement of some potential key stakeholders.

These will clearly need to be quite different types of work and done by different bodies, but there will need to be effective co-ordination between them to ensure that work is mutually supportive.

It seems likely that there will be a need for some form of 'procurement development panel' that would link the decision-making body (the policy work) with the procurement officers and those responsible for training and development.

### 6.3 A framework

This would mean that a framework for developing this work would look like this:



This outline framework is not dissimilar to others in this field except for the crucial issue of the supporting longer-term development work. This framework would serve to introduce new ways of working into the existing procurement cycle. Appendix 4: 'Social sustainability and the procurement cycle' outlines ways in which social sustainability issues can then be considered at every stage of that cycle.

Each of the stages within this framework has its own issues. These will vary according to local circumstances.

- **Understanding**

This requires decision-makers to be properly briefed. Many of these decision-makers may be board members or elected councillors, and who have little experience of these issues. There is still a great deal of misunderstanding that starts out with issues about the differences between 'best value' and value for money.

This in turn requires relevant officers to have the time, access to information and resources to produce the briefing papers: this may need the creation of the opportunity for policy and procurement staff to work together.

- **Commitment**

This is delivered at policy-making level and will result in the agency / council etc. having a policy to procure (and by extension in many circumstances to trade) in as fair and ethical a manner as possible so as to help deliver social sustainability.

This then requires senior management to ensure that all relevant staff and departments understand this decision has been taken and how it may affect their work.

- **Responsibilities**

At this stage it is necessary to be clear where the responsibility lies for implementing the policies. This is likely go well beyond the procurement staff: such responsibilities need to be made clear and built in to job descriptions. A good summary of roles and responsibilities can be found in the Commission for Racial Equality (CRE) guidance.

- **Procurement Development**

This is the point where a cross-departmental 'procurement development panel' might usefully be assembled to consider issues such as

- training and skills development for relevant staff
- what gaps exist in current practice
- the implications of current and new legislation including the EU Consolidated Directive and the 2002 Race Relations Amendment Act
- the internal organisational obstacles
- how tender specifications can be developed in the light of the agreed policies. This might include 're-packaging' to enable smaller suppliers to bid as well as looking at ways in which contracts could also contribute to meeting social development and anti-poverty goals.

- **Tender management**

This is the standard day-to-day work of procurement. This work would go on as normal in some cases except that the questions that might be asked will be amended to take into account social sustainability goals. Suitable indicators will be needed. Frameworks to assist with this particular aspect of the broader process have already been developed (see the OGC, CRE documents listed in 'Key documents').

### **Longer-term development**

A development programme will be needed to build on and supplement the internal work referred to in 'procurement development' above. This should focus on identifying and tackling the external obstacles to this work. This is likely to include capacity-building and skills development for smaller potential suppliers.

Many public bodies are addressing these issues and are already doing some, even all of this work. However many more are not up to speed on this work and there will be a need (as above) for both increased pressure (and perhaps a minimum standards' approach). For those already engaged it will be important to support and promote continuing improvement and development.

## 7. The level of engagement

A second framework will also be relevant, which focuses on what may be expected from potential suppliers at different levels. Getting this right is likely to be a major undertaking beyond the scope of this paper. The table below is here merely as an illustration of how this might be approached.

We have split potential suppliers into four levels (these could be split in different ways). Generally speaking higher levels of evidence will of course be expected for larger contracts and larger suppliers, but it would also be important to ensure that local SMEs are delivering on these issues as well.

**Levels of evidence expected:**

	<b>Social Capital</b>	<b>Tackling exclusion</b>	<b>Minimising inequalities</b>	<b>Improving public health</b>	<b>Benefiting all stakeholders</b>
<b>Large / global companies</b>					
<b>National suppliers</b>					
<b>SMEs / social enterprises</b>					
<b>VCS bodies</b>					

### **Part 3. Procurement and social sustainability – specific issues and actions**

#### **8. Making it work**

We have identified the five principles that serve as long-term objectives:

- **Building social capital**
- **Tackling exclusion and protecting the vulnerable**
- **Minimising inequalities**
- **Improving public health**
- **Bringing long-term benefit to all relevant stakeholders**

Working from these points it seems that a procurement policy linked to delivering social sustainability should focus in part on the specific issues listed below.

There are a wide range of issues that in turn relate to each of these issues. Agencies such as the OGC have addressed these issues (Annex A of their report on social issues (see below) is highly relevant in this context) and we understand that the SPTF and its working groups have looked at some of these issues.

What we are seeking to do here is to draw together **what** the issues are that specifically relate to the focus on social sustainability. A more refined piece of work might usefully be done to consider **how** the detail within each issue is best applied.

The specific issues that need to be considered in policy, operational and developmental work include:

##### **8.1 Local sourcing**

Local brings together many issues from cutting down on unnecessary transport (the 'food miles' issue) to creating local employment to celebrating distinctiveness. Perhaps the most relevant contribution to practice here is the Public Sector Food Procurement Initiative (see Appendix 2).

The long-term benefits of keeping money within the local economy as long as possible have been identified in many cases, most notably by the New Economics Foundation (NEF) in their 'Plugging the Leaks' report which develops the 'local multiplier' idea. At its core is the idea that if 80% of each pound spent in a locality stays within the local economy then £100 initial spend will generate over £500 of local business. If only 20% stays local then that figure falls to £125.

NEF's work was trialled in a year-long project on food procurement with Northumberland County Council. Breaking the contract into smaller lots allowed local suppliers to enter the tendering process. Results included: a fivefold increase in local supplier expressions of interest with 4 of the 7 product categories being awarded to local suppliers, almost 50% of the county's £3 million food procurement budget. A less measurable benefit arising from the stronger links with local suppliers was

strengthened social capital.

([www.neweconomics.org/tex/news\\_buyinglocalworth400percentmore.aspx](http://www.neweconomics.org/tex/news_buyinglocalworth400percentmore.aspx))

Other local government examples include Devon County Council where this idea has led to a change in the procurement process to encourage and make it easier for small local companies to apply for Council contracts. Changes include: reducing tender process burden for applicants; making contract opportunities more visible; identifying relevant and appropriate evaluation criteria; reducing the time from advertising contract to award of contract, and aggregation decisions – consideration of local impact (Buying the Future seminar, 2004)

The Small Business Service report (August 2005) includes comments on local sourcing and employment benefits. *“Some public bodies, including the NHS and at least some local authorities, are adopting the position that local procurement should be encouraged because it is good for local prosperity. This position is also supported by the Sustainable Development Commission.”* The report notes that this ‘buy local’ model appears not to be consistent with government guidance on regional regeneration (*“which is that persistent local unemployment rates can be reduced only by adaptations in the labour market, e.g. through reskilling”*). In the absence of *“central analytical input”* these issues appear to be *“developing, in government procurement, their own local and environmental political momentum.”*

Considering where the potential suppliers are based seems therefore to be an entirely legitimate question for any procurement work aiming to support social sustainability.

## **8.2 Enabling local suppliers to compete**

There has to be greater recognition for small and medium size businesses as suppliers. The Small Business Service (an executive agency of the DTI) report ‘A study of the benefits of public sector procurement from small businesses’ (August 2005) reinforces findings that widening the supplier base to include more small businesses can be rewarding across a spectrum of procurement. As well as bringing the added value and benefits outlined in the Office of Government Commerce (OGC) and the Small Business Service publication ‘Smaller supplier...better value?’ (e.g. competition, cost, innovation, responsiveness, flexibility, quality of service, specialism), social and environmental benefits often were evident. To maximise these benefits the SBS calls for *“measures to strengthen professionalism in procurement policy and procedures in government bodies, including the sharing of good practice, should be seen as the primary instrument for achieving a better use of smaller firms in public procurement.”*

The OGC/SBS guidance explains how authorities can make their contracts more accessible to small businesses. For example, small firms are not able to bid for every type of contract. At the planning stage it will be desirable to consider different ‘packaging options’ that would open the bidding to smaller local suppliers.

There may be some situations where contracts with small businesses can be more responsive to the needs of service users and thus be the best option in terms of

value. Voluntary organisations with knowledge of a relevant community may also be well placed to bid for specialised services.

The need for access to training and skills development for small and medium size businesses to allow them to compete is essential, as is the need to strengthen their own professionalism in procurement policy.

It is questionable how far suppliers can be asked about their policies which do not relate to a specific contract. To develop work to encourage better practice it will therefore be important to seek to build this issue into the initial specifications. The new EU Directive provides further guidance on this. The OGC / Small Business Service guide referred to above also provides more information.

### **8.3 Strengthening local communities**

This is an essential aspect of building social capital. Ways to measure social capital have been assessed in many situations. Perhaps the most relevant here is 'Measures of Community', a report produced by the Community Development Foundation for the Home Office Active Communities Directorate. This considers, amongst other issues, 'direct and indirect public input to communities': the indirect support they consider does not specifically include work on procurement but if procurement is delivering resources to local communities then this should be considered. The report also identifies 'community economic development' as one of eight key factors in building community capacity.

It will thus be very relevant to consider whether a potential supplier is based within the community, is looking to employ local people and perhaps building their skills. If it is a Voluntary and Community Sector (VCS) body or social enterprise, then it will be desirable to assess how far local people are becoming more engaged in community and voluntary activity as a result of their work, and how far overall control of the enterprise remains with the local community.

### **8.4 Supporting organisations that benefit all stakeholders rather than simply shareholders**

A key element of work to build social capital will be to engage with non-traditional suppliers. Two examples would be:

- **Social enterprises**

The new EU consolidated procurement directive (implemented in UK January 2006) with its greater freedom on allowing inclusion of social and environmental considerations will be of potential benefit to small and medium-size enterprises, including social enterprise. Appropriate agencies need to be pro-active in encouraging greater social enterprise input. "*There is much authorities can do to support social enterprises, and that procurement can be used to gain for the public sector the community benefits that many social enterprises are able to deliver.*" (<http://resources.socialfirms.co.uk>).

'More for your money – a guide to procuring from social enterprises' is a short guide which looks at how social enterprises as suppliers can help achieve better outcomes from public sector procurement. By considering what additional benefits may be obtained from provision by a social enterprise in advance of the tender, they can be included as part of the core contract specification. As the Audit Commission's *Competitive Procurement* report highlights: "For some services, such as refuse collection, it might be that the market appears to be developed and well understood. However even in this area it is necessary to talk to potential partners to find out what sort of additional benefits might be derived in, for example, delivering recycling targets or helping with educational campaigns."  
([http://www.socialenterprise.org.uk/cms/documents/more\\_for\\_your\\_money.pdf](http://www.socialenterprise.org.uk/cms/documents/more_for_your_money.pdf))

- **Black and minority ethnic enterprises**

The Commission for Racial Equality have produced 'Race Equality and Public Procurement - A guide for public authorities and contractors' as well as a wide range of other relevant documents ([www.cre.gov.uk/duty/procurement.html](http://www.cre.gov.uk/duty/procurement.html)). These provide comprehensive guidance on this issue: implementing the recommendations in here will be likely to help deliver positive progress on other issues discussed here.

### **8.5 Fair and ethical trading practices**

The OGC have addressed this issue both in their Social Issues paper and in their specific guidance on Fair and Ethical trading. It is not possible under EU rules to specify solely 'fair trade' marked goods, but it is possible to state that a purchaser will 'welcome fair trade options' and this would then become a factor in awarding contracts.

This work should be policy-led and is most likely to be successful if the public body itself is seen to be formally supporting fair trade initiatives. There is substantial momentum on this subject with many public sector examples demonstrating both what is possible within current procurement practice and helping to increase markets for these products. Attention to ethical trading practices is increasing.

- **Ethical Trade Initiative (ETI)**

ETI is a tripartite organisation of UK and global retailers, trade unions and NGO's working together to improve supply-chain labour standards through the implementation of the ETI Base Code, an agreed code of conduct founded in ILO standards. Part-funded by DFID, ETI was set up in 1998 in response to growing consumer pressure and works to share knowledge in identifying and promoting good practice in corporate codes of practices which cover supply chain working conditions. [www.ethicaltrading.org](http://www.ethicaltrading.org)

### **8.6 Ensuring that existing / potential suppliers respect the rights of citizens and communities**

At the most basic level this will involve checking that basic legal rights as laid down in the ILO Conventions and elsewhere are respected. It will also be desirable to ensure that collective as well as individual rights are respected and supported.

One agency promoting the opportunities to integrate labour standards criteria into public procurement has been the NGO CAFOD (Catholic Agency for Overseas Development). It submitted a paper (June 2004) to the consultation process for drafting the OGC guidance on social issues in purchasing. It acknowledged Government recognition of the importance of labour standards and called upon it to use the emerging opportunities available by including criteria on international labour standards within its procurement procedures. *“Currently, labour standards criteria are not taken into account in public procurement. Amending the criteria by which contracts are awarded and managed could therefore exert significance leverage on supplier companies in support of the Government’s labour standards policy.” “The new procurement directives help clarify existing case law so it is possible for the UK government, as a contracting authority, to insist on the maintenance of Core Labour Standards as a contract performance condition when products and services are being sourced from third world countries.”*

A DFID report, ‘Labour Standards and Poverty Reduction’ May 2004 stressed the role that labour standards can play in creating decent employment needed to lift workers and their families out of poverty.

Another example of how procurement activity is being watched with respect to social sustainability was the 2004 call to action from a coalition of social and environmentally-motivated organisations representing European-wide activity on public services, workers rights, labour standards, fair trade, equalities, and local government sustainable procurement campaign. ‘Making the most of public money’ urged influencing action to ensure that governments and public authorities made the most of this freedom in adapting their own national procurement rules to contribute towards sustainable development priorities.  
[www.socialplatform.org/module/FileLib/publicprocurementcampaign\\_paperfinal.pdf](http://www.socialplatform.org/module/FileLib/publicprocurementcampaign_paperfinal.pdf)

In relation to the EU Consolidated Directive, the DTI’s Sustainable Procurement Strategy (7 December 2005) observes that *“the real opportunities to manage the supply chain arise therefore once the contract has been let.”* It will be developing a “process for identifying the DTI suppliers with most impact on the environment and social issues and therefore the most opportunity to influence and manage their supply chains.” No timescale is given in the document for this identification but there is a commitment to developing a management programme for those DTI suppliers, and their supply chains.

### **8.7 Assessing whether existing / potential suppliers have clear policies for Corporate Social Responsibility (CSR)**

CSR policies include:

- fair treatment of employees;
- customers and suppliers;
- respect for human rights;
- responsible behaviour towards the communities in which they operate,
- environmental protection.

This issue links closely with supply chain management. It is likely to be an issue mostly in respect of larger suppliers: it is not reasonable to expect small potential

suppliers to have detailed policies in this respect. There is an extensive body of literature and experience here.

Alongside this is the Government's own action on CSR. The DTI's 'Corporate Social Responsibility Report 2002' stated "*The Government has an ambitious vision for corporate social responsibility: to see private, voluntary and public sector organisations in the UK take account of their economic, social and environmental impacts, and take complementary action to address key challenges based on their core competencies – locally, regionally, nationally and internationally.*"

There is increasing momentum generally towards CSR. MORI's annual CSR study in 2004-5 found that 78% of the general public agree they want to hear about companies' responsibilities to their customers, employees, communities and the environment. [www.bitc.org.uk/environment.index](http://www.bitc.org.uk/environment.index). But a wider remit is important for a transition towards social sustainability. 'CSR – A Government Update' (May 2004) from the DTI ([www.csr.gov.uk](http://www.csr.gov.uk)) restates the importance of "*social and environmental responsibility*" noting that CSR goes beyond business action: "*The approach and values of good citizenship are also important to other organisations, including government.*" It highlights its work on the Framework for Sustainable Development on Government Estate as a contribution. The document reaffirms commitment to sustainable procurement but actions reported (e.g. update of joint note on environmental issues in purchasing, contracts applying minimum environmental standards) do not explicitly mention social impacts or benefits.

As a result of recent guidance (e.g. OGC briefings) there is an opportunity to further increase awareness that procurement plays an important role in CSR and that this can be cascaded downwards in the work that the report says will occur with "parties less engaged in CSR, including SME's." Reducing negative social impacts is enshrined within the commitment that Government will "provide a policy and institutional environment that encourages and rewards socially and environmentally responsible behaviour."

An external observation from Professor Ken Peattie, Director, BRASS, Cardiff University is pertinent for the SPTF. "*Ultimately the reason why CSR is important, for both the private and public sector, is in terms of building trust. Trust is a precious commodity... many of the things that need to be done are obvious: avoid spin; avoid bandwagon jumping, and most importantly, if you are going to do something, make sure it is with clear and genuine motives. In the public sector this means avoiding the all-too-common step of holding consultation exercises in which the aim is not to learn or shape strategy, but as an alternative to making progress, or as a means to communicate, justify or legitimise a strategy.*"

## **8.8 Minimising inequalities**

This priority cuts across many issues but there are some specific approaches designed to cut inequalities.

An example is the Living Wage campaign which started in 2001 by directing trade union, community and media pressure on particular targets (East London hospitals, local authorities, health authorities and global banks at Canary Wharf). As a direct

result, the Mayor of London established a Living Wage Unit. The initiative campaigns to ensure all workers in London have a level of pay and conditions that enables a full-time worker to make ends meet for themselves and their family. It sets a 'Living Wage' as at least £6.70/hour (along with standards for sick pay, holidays and access to a recognised trade union). This has been written into procurement principles for the London Olympics along with other ethical guarantees on housing and local jobs (see Appendix 2).

It would be entirely reasonable for any other procurement process to consider whether larger London suppliers support this initiative.

Within local government, the London Borough of Camden is recognised as a leader in the integration of procurement and social sustainability concerns reflected in key council priorities such as the Racial Equality Scheme.

### **8.9 Assessing health impacts**

There are two issues here. One is minimising the environmental and health impacts of any purchasing: this might include looking at production methods. This is likely to be a complex process, but the procurement process could usefully look for suppliers to offer examples of how they are promoting healthy activities and minimising their impacts.

A second issue to be considered is the developing work within the NHS. The NHS Purchasing and Supply Agency (PASA) uses the phrase Social Sustainability in the context of sustainable development. They recognise "*that through its (the NHS) interactions with stakeholders, and by considering what it purchases and how it purchases, progress can be made towards achieving greater social inclusion and equity, as well as improving the health of the community it serves*". PASA and local health economies are considered to be making good progress in considering local community sustainability in its business decision-making (CRiSPS).

In February 2006 the NHS Good Corporate Citizenship Assessment Model was launched by the Sustainable Development Commission. An output of a substantial research programme funded by the Department of Health, the background resources for this include a wide range of piloted case studies (including healthy sustainable procurement) and other resources including a self-assessment tool to help NHS organisations measure their contributions to the local community, economy and the environment. ([www.corporatecitizenship.nhs.uk](http://www.corporatecitizenship.nhs.uk)).

The role for social enterprises within health sector procurement is the subject of work by the Social Enterprise Coalition, amongst others.

### **8.10 Building sustainable procurement awareness**

In order to advance greater understanding of what is meant by sustainable procurement and what it actually looks like in practice, the public sector needs to ratchet up its influence and considerable purchasing power to help improve the competitiveness of suppliers with regard to social and environmental strategies and to ensure that knowledge cascades down the supply chain.

Professional institutions such as the Chartered Institute of Purchasing and Supply (CIPS) and the Society of Procurement Officers in Local Government need encouragement to embrace and reflect the wider social and environmental dimensions of sustainable development in their training and day-to-day support of procurement personnel. Guidance on Corporate Social Responsibility is available on CIPS website ([www.cips.org](http://www.cips.org)); this includes a set of 8 Principles of CSR. The topics are:

- environmental responsibility;
- human rights;
- equality and diversity;
- corporate governance;
- sustainability;
- impact on society;
- ethics and ethical trading,
- biodiversity.

CIPS “encourages” purchasing and supply management professionals to “observe” these in their activities. CSR is framed within a ‘risk’ context: “not only is the pressure on organisations becoming more sophisticated, but protagonists are highlighting poor working conditions as well as turning their attention to other corporate purchasing practices.” (CIPS, November 2004)

Academic work will contribute to filling knowledge gaps. For example, CRiSPS – Centre for Research in Strategic Purchasing and Supply (University of Bath) has a research strand on ‘Public procurement as a policy lever’. Renowned for its long-standing work with the NHS Purchasing and Supply Agency, it is also engaged in a one year international comparative study of sustainable procurement (June 2005-June 2006). This research on the sustainability outcomes of public sector procurement was initiated to meet an identified knowledge gap in the purchasing and supply academic community and in the international community of public procurement organisations and officials.

### 9. Linking issues, principles and responsibilities

It is worth considering the issues discussed above in the context of the five principles and the different roles for public bodies as set out in section 5. It can be seen that many of the specific issues referred to above link in with these roles at different levels. This table provides a few initial examples of those links and is not exhaustive.

	<b>Social Capital</b>	<b>Tackling exclusion</b>	<b>Minimising inequalities</b>	<b>Improving public health</b>	<b>Benefiting all stakeholders</b>
<b>Employer</b>	Social investment strategies supported by SRDF / RDA	Specific anti-poverty measures  Equalities perspective	Meeting legal requirements  Support for the 'Living Wage' initiative	Work on healthy lifestyles.  Workplace health & safety	ILO agreements / CSR commitments of major suppliers
<b>Neighbour</b>	Support local training / skills development;  Strengthening local communities  Volunteering	Expanding list of tendering companies  Enabling local suppliers to compete	Support for local community initiatives  'Good neighbour' programmes	Health Impact Assessment frameworks developed for this work	Understand 'external costs'  Strengthening local communities
<b>Purchaser</b>	Local sourcing / purchasing; Fair Trade	Fair Trade  Social enterprise	Local sourcing	'Healthy food procurement' initiatives	

### 10. Summary of Benefits

There are a range of benefits that can result from this approach. Among the positive outcomes are:

- **Signalling that Government is 'putting its own house' in order**

Actions, including the recent supporting guidance (e.g. social issues and OGC) directly address long-standing concerns as to the Government's own commitment: *"While there are legitimate concerns about value for money, government needs to consider whether it can justify encouraging companies to incorporate SHE (social,*

*health and environmental) criteria into their own purchasing decisions if this is not matched by government's own procurement."*

Performance and Innovation Unit, Prime Minister's Strategy Unit

'Rights of Exchange: Social, Health, Environmental and Trade Objectives on the Global Stage', 2000, p.167, <http://www.number-10.gov.uk/su/trade/default.htm>

Also addresses more general consumer concerns:

A UK Economic and Social Research Council study 2005 'Towards a social psychology of sustainable consumption' found that consumers wanted a very clear signal that the Government is putting its own house in order.

- **Securing Government's reputation and leadership to fulfil sustainable development obligations - all levels**

*"The scale of central civil government procurement ...means that the purchase of goods, works and services by Government has the potential to contribute directly to sustainable development across a wide range of sectors, from construction to information technology...we are clear that central government procurement can and should support sustainable development."*

[http://www.parliament.the-stationery-](http://www.parliament.the-stationery-office.co.uk/pa/cm200203/cmhansrd/cm031030/wmstext/31030m01.htm)

[office.co.uk/pa/cm200203/cmhansrd/cm031030/wmstext/31030m01.htm](http://www.parliament.the-stationery-office.co.uk/pa/cm200203/cmhansrd/cm031030/wmstext/31030m01.htm)

- **Commitment to encouraging and bringing others along to increase overall performance**

*"We should not underestimate the potential of Government and the whole public sector to influence good practice by the power of persuasion, and its access, through procurement, to decision-makers in a very wide range of supplier companies."*

- 'Approaches to support workforce skills through public procurement' The Policy and Legal Framework. Dept for Education and Skills.

[www.ogc.gov.uk/embedded\\_object.asp?docid=1004393](http://www.ogc.gov.uk/embedded_object.asp?docid=1004393)

- **Recognising and addressing increasing momentum of CSR agenda in public sector**

*"Public procurement criteria have a huge potential impact for good."* (CAFOD, 2004)

*"More recently it has been from the public sector that some of the purchasing initiatives that have most impressed me have come, particularly the development of the NHS Sustainable Procurement Network, and the lead Defra is taking within government purchasing."*

Professor Ken Peattie, ESRC Centre for Business Relationships, Accountability, Sustainability and Society (BRASS), Cardiff University.

## 11. Conclusions

If procurement policy and practice is to have a significant impact on delivering on social sustainability then this work will need commitment from the highest levels of any public body.

We were asked to consider 'a framework'. In actuality we suggest that there is a need for three frameworks:

- **A framework for building engagement and commitment:** we have addressed this in section 6.3
- **A framework for decision-making about specific procurement processes** which helps incorporate social sustainability issues. Such a framework already exists (see page 7 of the OGC 'Social issues in purchasing' report) and we have further looked at this in Appendix 4.
- **A framework for linking the issues and responsibilities of public bodies:** this is outlined in section 9 above.

It should be clear that this can only be a long-term process and that the development of a framework or frameworks is only one part of this work. There is however a great deal to learn from in terms of the work that has been done on social aspects of procurement that can inform the ongoing development of detailed work on sustainable procurement.

## **Appendix 1: Towards an agreed definition of social sustainability.**

Sustainable Development itself has many definitions but at the heart of most is the integration of environmental, social and economic issues, with a recognition of the need for lasting and long-term change.

There are clearly many overlaps in the interactions between social and environmental issues. These overlaps and interactions are perhaps the least explored aspect of sustainable development – a work by the Community Development Foundation defined this as the ‘neglected interface’.

There is much talk about ‘environmental sustainability’, coming mostly from organisations keen to put environmental work in that wider context. There is much less discussion of what social sustainability means. In the social development context sustainability usually refers to projects and programmes that can be self-sustaining (i.e. do not require long-term external funding) and this can lead to confusion in discussions across the environmental and social sectors.

In this appendix we summarise a range of perspectives from those who have sought to describe and engage with ‘social sustainability’. We have looked to link these to work on sustainable procurement wherever possible. The Sustainable Procurement Task Force has now developed a definition for sustainable procurement which was not available when this research was done but is relevant in this context:

- **UK perspectives**

### **‘Securing the Future’**

The current UK sustainable development strategy states that:

*“... the goal of sustainable development is to enable all people throughout the world to satisfy their basic needs and enjoy a better quality of life - without compromising the quality of life for future generations ...”*

The major focus on social sustainability within that Strategy is in Chapter 6: *From Local to Global: Creating Sustainable Communities and a Fairer World*. The summary of this chapter states that *“Creating sustainable communities everywhere is a challenging task. It requires us to integrate the delivery of social, economic and environmental goals, to take a co-ordinated approach to delivering public services that work for everyone, including the most disadvantaged, and to think strategically for the long-term”*.

The targets from this chapter are listed below. We would suggest that while these are one aspect of social sustainability they do not, nor do they claim to, represent a full definition of what this entails. It is also the case that the main focus in Chapter 6 is the idea of ‘sustainable communities’ and thus focuses very much on places and localities.

## **Chapter 6: Sustainable Communities – key targets include:**

- The Government will consider with our partners how to revise the existing guidance and develop toolkits and other materials to support local authorities and LSPs when reviewing and preparing their Sustainable Community Strategies.
- As part of Community Action 2020 – Together We Can, the Government will celebrate successful Sustainable Community Strategies, parish plans and neighbourhood plans, looking particularly for those that do most to build on Local Agenda 21, are innovative in their approach and help achieve a step change in sustainable development
- The Government is committed to ensuring that people have this access in order to contribute effectively to decision-making and to increasing the transparency of Government and other public authorities.
- The Audit Commission will launch a revised set of voluntary Local Quality of Life Indicators in 2005 which can help monitor local progress in delivering sustainable communities. The publication will also include information on other indicators such as ecological footprinting and links to tools.

### ***The Department for International Development***

DFID also focus on social sustainability and have a rather different approach. They define it in this way: *“Social sustainability reflects people’s entitlements, especially the aspirations of the poor and powerless. Pro-poor development depends on a commitment to social inclusion and civic engagement. Institutions that endorse empowerment, inclusion, and security are promoted, allowing the voices of poor and marginalised people to be heard in political arenas with the power to make a difference”.*

They suggest that the cornerstones of a socially inclusive society are:

- SOCIAL JUSTICE to achieve equal opportunity and human rights for all now and in the future.
- SOLIDARITY to generate empathy and co-operation between different groups of people.
- PARTICIPATION to build opportunities for everyone to improve their quality of life.
- SECURITY to create livelihood security and safety from physical threats.

### ***The NHS***

The NHS Purchasing and Supply Agency uses the phrase Social Sustainability in the context of sustainable development. They recognise *“that through its (the NHS) interactions with stakeholders, and by considering what it purchases and how it purchases, progress can be made towards achieving greater social inclusion and equity, as well as improving the health of the community it serves”.*

*“By improving the social, environmental and economic impacts the NHS has through its day to day operations, there is an opportunity to not only treat people more efficiently, but to reduce the risk of ill health which can come with a degraded environment, unemployment, poverty and social exclusion”*

- **Other perspectives**

The idea of social sustainability in the wider SD context has not been widely applied. It has been used by academics in different contexts. Often is it linked with environmental issues as in the World Bank's work on 'Environmental and Social Sustainability (ESS)' which they say "in other organizations might be referred to as Corporate Social Responsibility". This indicates some uncertainty and we would suggest that CSR is in fact only one facet of social sustainability.

We include here a range of texts and sources that have addressed this issue.

**Robert Goodland (of the World Bank)** (*Encyclopedia of Global Environmental Change*. 2002 John Wiley & Sons, Ltd) in seeking to compare Social, Economic and Environmental Sustainability sees Social Sustainability in this way:

*"Social sustainability means maintaining social capital. Social capital is investments and services that create the basic framework for society. It lowers the cost of working together and facilitates cooperation: trust lowers transaction costs. Only systematic community participation and strong civil society, including government can achieve this. Cohesion of community for mutual benefit, connectedness between groups of people, reciprocity, tolerance, compassion, patience, forbearance, fellowship, love, commonly accepted standards of honesty, discipline and ethics.*

*Commonly shared rules, laws, and information (libraries, film, and diskettes) promote social sustainability. Shared values constitute the part of social capital least subject to rigorous measurement, but essential for social sustainability. Social capital is undercapitalized, hence the high levels of violence and mistrust."*

**Interface** is a recognized leader in the commercial interiors market, offering floor coverings and fabrics. The company is committed to the goal of sustainability and doing business in ways that minimize the impact on the environment while enhancing shareholder value. They describe social sustainability in this way:

*"Social sustainability is focused on the development of programs and processes that promote social interaction and cultural enrichment. It emphasizes protecting the vulnerable, respecting social diversity and ensuring that we all put priority on social capital.*

*Social sustainability is related to how we make choices that affect other humans in our "global community" -- the Earth. It covers the broadest aspects of business operations and the effect that they have on employees, suppliers, investors, local and global communities and customers. Social sustainability is also related to more basic needs of happiness, safety, freedom, dignity and affection".*

US writer and public health expert **Trevor Hancock** describes "socially sustainable development" as development that:

- meets basic needs for food, shelter, education, work, income and safe living and working conditions;

- is equitable, ensuring that the benefits of development are distributed fairly across society;
- enhances, or at least does not impair, the physical, mental and social well-being of the population;
- promotes education, creativity and the development of human potential for the whole population;
- preserves our cultural and biological heritage, thus strengthening our sense of connectedness to our history and environment;
- promotes conviviality, with people living together harmoniously and in mutual support of each other;
- is democratic, promoting citizen participation and involvement,

**The World Bank** uses the phrase Environmental and Social Sustainability (ESS) to describe activities, which they say “in other organizations might be referred to as CSR”. The ESS Secretariat works in four areas:

- Improving the impacts of our physical facilities (institutional footprint);
- Integrating environmental and social concerns into corporate and operational procurement (environmentally and socially responsible procurement);
- Supporting clients on issues related to CSR (CSR advisory work and training); and
- Disseminating information on CSR and CSR-related issues, including corporate reporting (Environmental and Social Sustainability [ESS] Secretariat).

**The Hyde Housing group** are a leading UK social landlord, providing homes to some 75,000 people in many parts of England. They seek to promote ‘social sustainability’ through their ‘Hyde principles’. These take a different approach, covering:

- Management
- Urban design
- Mixed tenure
- Tenure flexibility
- Mixed use
- Housing design
- Housing density
- Environmental sustainability
- The construction process
- Social capital

**Beyond Fences: Seeking Social Sustainability in Conservation**, produced by IUCN in 1997, suggests a ‘variety of meanings associated with the concept of social sustainability in conservation’:

- the maintenance or improvement of people’s well-being over time, based on an equitable distribution of costs and benefits of production systems;
- the presence of resource management systems that allow for the regeneration or replenishment of the resource base over time, which

- will in turn depend on the resilience of a particular ecosystem;
- and
- the inter-generational compromise by which present resource users can guarantee future generations the right to a similar resource base and lifestyle.

The phrase is also often used by NGOs but usually on a global scale when taking about human rights and fair trade related issues.

### **Towards a common definition**

**It should be clear from the above that there is no one definition or even approach to social sustainability.** Indeed it is perhaps the case that the one unifying factor is the desire to use the phrase without clearly defining it. As with ‘sustainable communities’, it is often more useful as a phrase which the user can shape to their own circumstances. It is also noticeable that there is a tendency to link back immediately to wider sustainable development issues and from there to stressing the social benefits of environmental action.

One common focus in much work on social sustainability is on delivering services that are likely to contribute to the conditions that create a more sustainable community. This is of limited value when considering procurement: clearly there are important procurement issues that link to those services but it may be harder to consider other aspects of procurement if social sustainability is only seen in this way.

The other major focus is what can be seen as ‘pro-poor’ behaviour: the DFID approach is a good example of recognising that social sustainability needs to address issues of rights and exclusion. This links back strongly to work on building social capital through strengthening social norms and networks.

If we are to assess and even define social sustainability in a way that can provide a useful framework then we need to build in all the aspects and get agreement on those. The Interface definition (above) that social sustainability “*covers the broadest aspects of business operations and the effect that they have on employees, suppliers, investors, local and global communities and customers*” provides some useful guidance. From there we can develop a framework to link in the delivery aspects.

Using the various descriptions and definitions above we would suggest that the framework should be built around five objectives:

#### **Building social capital**

- **Tackling exclusion and protecting the vulnerable**
- **Minimising inequalities**
- **Improving public health**
- **Bringing long-term benefit to all relevant stakeholders**

It is perhaps the case that it would be very hard to find a supplier that was an exemplar of good practice on all these issues. However it does seem reasonable to suggest that these are the long-term objectives of work on social sustainability: we

have discussed these points with a number of practitioners who agree that they represent the common core objectives.

## Appendix 2: Examples of social principles in practice

The two short examples below illustrate the use of social principles in procurement.

- **Olympics 2012 – an opportunity to demonstrate sustainable procurement**

The UK staging of the 2012 Olympics offers a unique opportunity to embrace the sustainable development agenda and its aspirations for good practice in planning, building and managing the potential lasting benefits (e.g. skills training, jobs, homes, sports and recreational facilities). Work is already underway to ensure that sustainable procurement interventions are embedded as early as possible in the decision-making processes. The draft procurement principles to be used by the Olympic Delivery Authority and agreed by key Olympic stakeholders will seek to ensure that:

- Sustainability lies at the heart of the delivery of the London Games
- Facilities meet the highest standards of design quality – and are of lasting use
- Local people are given every opportunity to benefit from the new jobs before and after the Games
- The Games are the most environmentally-friendly ever
- The Olympic projects bring lasting economic, social and environmental benefits to London through regeneration and the creation of a lasting legacy.

The Mayor of London endorsed the draft principles in September 2005 and commitments related to social sustainability – skills training, reducing inequalities, full involvement of local communities – are key priorities. The procurement framework states: ‘a key assessment criteria in the selection of contractors should be their commitment to working with the London Development Agency/VODA and others to underpin delivery of a programme of local community involvement and benefits including: employee representation; fair and ethical employment; London Living Wage; supplier diversity; local and ethical sourcing; local labour; community benefit; training and supply chain initiatives.’

These benefits are not warm words but the result of stakeholder involvement, advocacy and lobbying to ensure the Games is set within an ethical framework. Organisations are now monitoring as the detailed Procurement Strategy for the London Games is drawn up. Social benefits will also accrue from an extension of the environmental procurement initiatives already underway in London, some spurred by the Mayor’s Green Procurement Code. This was set up in 2001 and initially focused on stimulating demand for the purchase of recycled content products. Signatories include public sector agencies and councils. The Chartered Institute of Purchasing and Supply has been involved in a training course developed with the Environment Agency and London Remade.

- **Public Sector Food Procurement Initiative (PSFPI)**

Launched in 2003, the Public Sector Food Procurement Initiative (PSFPI) appears to be making a worthwhile contribution to the need to shift consumption and production onto a more sustainable footing through the creation of markets and supply chain

support. Over time, its priority objectives should bring benefits for increased social sustainability. These are to:

- Raise production and process standards
- Increase tenders from small and local businesses
- Increase consumption of healthy and nutritious food
- Reduce adverse environmental impacts of production and supply
- Increase capacity of small and local suppliers to meet demand

According to Lord Bach, Minister for Sustainable Farming and Food the PSFPI is already *“helping to promote other government policies on climate change, waste minimisation, fairly traded goods, small-and-medium sized enterprises, greater choice for ethnic customers, better conditions for catering staff and thriving, vibrant, and sustainable communities.”* (‘Green Futures’ 2005). Public health – a key social sustainability issue – benefits through the procurement arrangements promoted by the initiative.

The PSFPI is meeting objectives set out in the Government’s White Paper “Choosing Health: Making Healthy Choices Easier” to improve nutritional standards for all foods provided by the NHS, Ministry of Defence, the Prison Service and other public bodies, and is also helping the Department of Education and Skills to improve school meals. It also forms an important component of the Framework for Sustainable Development on the Government Estate ([www.defra.gov.uk/farm/sustain/procurement/index.htm](http://www.defra.gov.uk/farm/sustain/procurement/index.htm)).

There is a wealth of guidance and support for purchasers and suppliers on the PSFPI website, including over 75 case studies. Many of these feature the positive aspects of procurement practice on social sustainability, notably health gains, so we do not intend to duplicate existing material. The examples are of particular value in demonstrating that it is possible to work within the policy and legal framework governing public procurement to, for example, increase opportunities for small local producers or secure produce meeting farm assurance standards thus breaking purchasing inertia. Selected case studies also help demonstrate the benefits of attracting smaller suppliers and increasing competences in the tendering processes through, for example, buyer meets supplier events. They also show that integrating nutritional and sustainability considerations into procurement does not necessarily increase costs and can achieve savings.

### **Appendix 3: The key documents**

This, as has been stated, is a field in which there is a great deal of current activity. It is notable that several documents have emerged at rather later dates than were originally stated. This suggests that these issues are not clear-cut and the interface between social and sustainable development issues remains one where more cross-disciplinary work is needed.

We have not been asked to produce a full bibliography but there are a few key documents which we feel are highly relevant and specifically inform the development of work on social sustainability and procurement.

*'Social issues in purchasing'* OGC February 2006  
[www.ogc.gov.uk/embedded\\_object.asp?docid=1004638](http://www.ogc.gov.uk/embedded_object.asp?docid=1004638)

*'Unlocking opportunities: lifting the lid on public sector food procurement'* Defra PB 11347. This short document link to a major website:  
[www.defra.gov.uk/farm/sustain/procurement/index.htm](http://www.defra.gov.uk/farm/sustain/procurement/index.htm)

*'Securing the Future'* The UK Strategy on Sustainable Development March 2005  
[www.sustainable-development.gov.uk/publications/uk-strategy/uk-strategy-2005.htm](http://www.sustainable-development.gov.uk/publications/uk-strategy/uk-strategy-2005.htm)

*'Framework for sustainable development on the Government estate'* July 2002  
[www.sustainable-development.gov.uk/government/estates/over-arching-commitments/index.htm](http://www.sustainable-development.gov.uk/government/estates/over-arching-commitments/index.htm)

*'Part I Social Impacts – Framework for sustainable development on the Government estate'*. 2004.  
[www.sustainable-development.gov.uk/government/estates/social/index.htm](http://www.sustainable-development.gov.uk/government/estates/social/index.htm)

*'Fair and Ethical Trading'* Office of Government Commerce.  
[www.ogc.gov.uk/embedded\\_object.asp?docid=1001597](http://www.ogc.gov.uk/embedded_object.asp?docid=1001597)

*'Sustainable Procurement in Central Government'* National Audit Office. September 2005. [www.nao.org.uk/publications/nao\\_reports/05-06/sustainable\\_procurement.pdf](http://www.nao.org.uk/publications/nao_reports/05-06/sustainable_procurement.pdf)

*'Public Procurement and Race Equality'* Guidelines for public authorities. July 2003. ([www.cre.gov.uk/duty/procurement.html](http://www.cre.gov.uk/duty/procurement.html)).

*More for your money – a guide to procuring from social enterprises*  
([http://www.socialenterprise.org.uk/cms/documents/more\\_for\\_your\\_money.pdf](http://www.socialenterprise.org.uk/cms/documents/more_for_your_money.pdf))

*'Measures of Community'* CDF / Home Office 2004

## **Appendix 4: Social sustainability and the procurement cycle**

The phases of the procurement cycle used here are based on those in a range of documents and specifically relates to work done by the CRE. A more detailed table covers these issues on page 7 of the OGC 'Social issues in purchasing' report.

### **Definition of needs**

- Decide if social sustainability is a core requirement
- Consult users and potential users
- Evaluate existing provisions and identify improvements
- Consult providers

### **Specification and contract conditions**

- Include all legal requirements
- Highlight desired positive outcomes

### **Selection of invited tenderers**

- Check no history of discrimination
- Check ability to promote sustainability, especially equality in
  - employment
  - service delivery

### **Invitation to tender**

- Give all information about current policies and about desired social sustainability (SS) outcomes
- State evidence to be submitted

### **Evaluation and award**

- Apply relevant criteria
- Evaluate offer which is very good value for money, can meet all the requirements and is most likely to deliver S.S. outcomes

### **Immediate steps following award of contract**

- Agree on responsibilities of authority and contractors
- Clarify S.S. requirements
- Agree methods of monitoring

### **Monitoring and managing**

- Check contractor's performance meets requirements
- Act promptly to improve poor performance
- Help with difficulties
- If poor performance persists, take enforcement action

### **Review**

- Review success or failure in promoting S.S.
- Note lessons for future contracts