



Item: 4

Policy and Resources Committee: 27 November 2024.

Sustainable Procurement Policy.

Report by Corporate Director for Strategy, Performance and Business Solutions.

1. Overview

- 1.1. The Council's Sustainable Procurement Policy 2022 has been updated following a review by Officers to align with the Council Plan 2023 to 2028 and the Procurement Strategy 2023 to 2028. A public consultation exercise was carried out over Summer 2024 and the results of this have now been incorporated into a draft updated Sustainable Procurement Policy 2024.
- 1.2. In terms of the Procurement Reform (Scotland) Act 2014, the Council is subject to a sustainable procurement duty. This duty requires the Council, before it buys anything, to think about how it can improve the social, environmental and economic wellbeing of the area in which it operates, with a particular focus on reducing inequality. The Council's approach to the Sustainable Procurement Duty is detailed in the Procurement Strategy 2023-2028 and the Contract Standing Orders.
- 1.3. Before undertaking any tendering exercise, the Chief Executive and Corporate Directors are obliged to take into account the social, economic and environmental impacts of the proposed contract and whether the contract will contribute to the achievement of sustainable development in accordance with the Sustainable Procurement Duty and the [Sustainable Procurement Policy](#).
- 1.4. In addition to this, for any procurement equal to or greater than £4,000,000, the Council must consider whether to impose community benefit requirements as part of the procurement.
- 1.5. The Chief Executive and Corporate Directors may consider only factors that are relevant and proportionate to the proposed contract.

2. Recommendations

- 2.1. It is recommended that members of the Committee:
 - i. Approve the Sustainable Procurement Policy 2024, attached as Appendix 1 to this report.

3. Consultation

- 3.1. The changes made to the draft prior to consultation aligned the Sustainable Procurement Policy to the Council Plan 2023 to 2028 and the Procurement Strategy 2023 to 2028 to complete the suite of policy documents specific to the Council's procurement activities incorporating the following:
 - Council Values as outlined in the Council's Delivery Plan.
 - Sustainable Procurement Duty / Climate Change Duty.
 - Community Wealth Building.
 - Sustainable Procurement Impact Assessment (SPiA).
 - National procurement legislation / policy updates.
- 3.2. The public consultation was carried out over a six week period over summer 2024 with publicity carried out via the Council website, social media and the Orkney Partnership.
- 3.3. Following the public consultation four responses were received: three from individuals and one from a local organisation.
- 3.4. All responses were considered and changes that are being proposed to the Policy, including those made to the consultation draft prior to release, include the following:
 - Added citation to Definition of Sustainable Procurement Section 3.
 - Revised wording in Section 5 re carbon emissions.
 - Revised wording at 8.33 to provide more clarity.
 - Additional wording added to the SPiA.
- 3.5. A number of the consultation responses comprised suggestions to improve sustainability in Orkney in a broader sense, referring to desired changes in policy areas across the Council for example, tourism, housing, housing allocation and infrastructure. As these do not relate to the Council's procurement functions, they have not been incorporated in the updated Policy.

- 3.6. One response was received from a named organisation and an individual response will be provided in writing to this consultee; the remaining three did not provide contact details.
- 3.7. The updated Sustainable Procurement Policy does not require additional resource to implement as this is a policy that is embedded in the Council's procurement processes.
- 3.8. The Procurement Annual Report includes a section on Sustainable Procurement and will remain the vehicle for public reporting of the outcomes of the Policy.
- 3.9. The changes made to the Sustainable Procurement Policy, as attached at Appendix 1 to this report, are noted in red text.

For Further Information please contact:

Rosemary Colsell, Service Manager (Procurement), extension 2640, Email rosemary.colsell@orkney.gov.uk

Implications of Report

1. **Financial** – There are no financial implications for the Council contained in this report.
2. **Legal** – This report relates to compliance with the Council's Sustainable Procurement Duty.
3. **Corporate Governance** – Not applicable.
4. **Human Resources** – Not applicable.
5. **Equalities** – An Equality Impact Assessment has been carried out and is attached at Appendix 2.
6. **Island Communities Impact** – An Island Communities Impact Assessment has been carried out and is attached at Appendix 3.
7. **Links to Council Plan** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
 - Growing our economy.
 - Strengthening our Communities.
 - Developing our Infrastructure.
 - Transforming our Council.
8. **Links to Local Outcomes Improvement Plan** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
 - Cost of Living.

Sustainable Development.

Local Equality.

9. **Environmental and Climate Risk** – Not applicable.
10. **Risk** – Not applicable.
11. **Procurement** – This report supports the Council’s Procurement Strategy.
12. **Health and Safety** – Not applicable.
13. **Property and Assets** – Not applicable.
14. **Information Technology** – Not applicable.
15. **Cost of Living** – Not applicable

List of Background Papers

None.

Appendices

Appendix 1: Sustainable Procurement Policy 2024.

Appendix 2: Equality Impact Assessment.

Appendix 3: Island Communities Impact Assessment.



Sustainable Procurement Policy

Draft November 2024

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Document Control Sheet.

Review / approval history.

Date.	Name.	Position.	Version Approved.
March 2018.	General Meeting of the Council.	n/a.	Version 1.0.
TBC.	General Meeting of the Council	n/a.	Version 2.0.
2022.	General Meeting of the Council	n/a.	Version 3.0

Change Record Table.

Date.	Author.	Version.	Status.	Reason.
May 2021.	Rosemary Colsell.	2.0.	Final.	Reviewed and updated.
December 2021/January 2022	Rosemary Colsell	2.1	Revised Version	Public consultation responses incorporated.
July 2024	Rosemary Colsell	3.0	Draft	Prepared for Consultation
November 2024	Rosemary Colsell	3.1	Draft	Public consultation responses incorporated

1. Introduction

This policy sets out the general principles that Orkney Islands Council (the “Council”) will follow across all of its procurement and commissioning activities to ensure that these are undertaken in a sustainable manner.

It sets out how the Council will plan and manage its procurement activities to meet the Council’s corporate aims and objectives and comply with regulatory and legislative requirements.

This policy supports the commitment to sustainable procurement which is set out in the Council’s [Procurement Strategy](#).

It is intended for all of those who are involved in, or affected by, the Council’s procurement activities throughout our community and beyond.

The Council spends tens of millions of pounds each year on a diverse range of goods, services and works from third parties. It is important therefore that this spending power is used to support key Council objectives. This Sustainable Procurement Policy has been developed to help the Council to meet its legal duties and to deliver its key strategic objectives.

Sustainable procurement supports the Council’s values, as outlined in [the Council’s Delivery Plan 2023-2028](#).

Procurement cuts across all Council services and forms an integral part of the Council’s ability to achieve its declared strategic priorities as detailed in the new Council Plan 2023 to 2028 ‘Working together for Orkney’ as below.



Procurement is a key enabler across all the above Council priorities.

The aims are what the Council wants to achieve, and the outcomes are the positive changes we are working towards for the benefit of our communities.

- Transforming our council – to provide the foundations for staff to deliver outstanding customer service and performance.
- Growing our economy (includes being on track to become net zero by 2030).
- Strengthening our communities.
- Developing our infrastructure.

The three priority themes are built upon core principles, which will guide future decision-making relating to all our aims.

The core principles are as follows:

- Protecting our environment and combating climate change.
- Equality, fairness and inclusion: in particular for vulnerable and remote communities like the ferry linked isles.
- Sustainable and accessible services for all.
- Community wellbeing and mental health.

- Community wealth building for future generations.

The new [Delivery Plan](#) was approved in 2023 to supplement the new Council Plan, and the Council's Procurement Strategy 2023 to 2028, ([Procurement Strategy](#)) continues to reflect the strategic priorities and values in line with this and has been updated to reflect recent procurement developments.

Orkney Integration Joint Board (IJB) was formed in 2016. This is a legal body, separate from both NHS Orkney and Orkney Islands Council, responsible for planning, resourcing, and overseeing integrated health and social care services. The IJB has published its [Strategic Plan](#) as well as a Strategic Commissioning implementation Plan. Included in this Plan there is a commitment to review third sector commissioned services and an overall commissioning intention to shift the balance of care to enhanced, community based models.

This Sustainable Procurement Policy outlines how sustainable procurement supports and contributes to the implementation of the Council's Delivery Plan 2023 to 2028.

2. Background

The Council requires an up-to-date Sustainable Procurement Policy to reflect recent significant changes in public procurement legislation.

The Policy reflects the requirements of the following legislation, all of which have informed the Council's Contract Standing Orders, details of which are contained in the Procurement Strategy 2023 to 2028:

- Public Contracts (Scotland) Regulations 2015,
- Procurement Reform (Scotland) Act 2014,
- Procurement (Scotland) Regulations 2016,
- Concession Contracts (Scotland) Regulations 2016,
- Utilities Contracts (Scotland) Regulations 2016,
- Public Contracts (Scotland) Amendment Regulations 2016,
- Equality Act 2010, as amended,
- Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012,
- [Climate Change \(Scotland\) Act 2009, as amended.](#)

This policy should be read in conjunction with the Council's Procurement Strategy and the Council's Contract Standing Orders. It applies to the procurement of all goods, services and works. It aims to ensure that Council procurement activities contribute to the social, economic and environmental well-being of our remote and fragile island communities, both now and in the future.

The Sustainable Procurement Policy also reflects changes brought about by the requirements of the Community Empowerment (Scotland) Act 2015, a fundamental review of Community Planning Partnerships, and the development of a new Local Outcomes Improvement Plan (LOIP), which has replaced the Single Outcome Agreement, and the integration of Health and Social Care. The Children and Young People (Scotland) Act 2014 is also a diverse piece of legislation affecting many services.

The Climate Change (Emissions Reduction Targets) (Scotland) Order 2015, Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 and the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Amendment Order 2020 will increasingly be reflected in the Council's sustainable procurement considerations.

The Climate Change Working Group, comprising membership across Council Services, including Procurement, will work together to develop, support and embed action on Climate Change. Clear indicators will be important, helping a 'measure to manage' approach and impactful actions. The reduction in the carbon footprint of the Council will be captured in the annual Climate Change Duties report.

This Policy outlines how the Council takes a responsible and sustainable approach to procurement. The Policy will be reviewed **as appropriate** to ensure it is in line with any emerging Council commitments on Climate Change and remains in accordance with emerging Government Policy, reflecting the Paris Agreement on Climate Change, **and the annual Conference of the Parties to the Paris Agreement (COPs)**.

3. What is Sustainable Procurement?

Definition:

'Sustainable procurement can be defined as - procurement which supports the sustainability goals of the organisation and optimises the environmental, social and economic impacts over the life cycle of the product or service'. (Chartered Institute of Procurement and Supply, 2021).

Sustainable procurement considers the social, economic and environmental consequences of what is procured through all stages of its life-cycle. This includes considering design, resource extraction and sourcing, manufacturing and production, transportation, service delivery, operation and maintenance, reuse, recycling and disposal. It is also about questioning whether the purchase requires to be made at all.

Sustainable procurement also considers the capacity of suppliers to address these consequences throughout the entire supply chain.

4. Sustainable Procurement Duty / Climate Change Duty

The Council is required to comply with the requirements of the Sustainable Procurement Duty under section 9 of Procurement Reform (Scotland) Act 2014, as follows:

The Sustainable procurement duty is the duty of a contracting authority:

A. Before carrying out procurement, to consider how in conducting the procurement process it can:

1. Improve the economic, social, and environmental wellbeing of the authority's area;
2. Facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses in the process; and
3. Promote innovation, and

B. In carrying out the procurement, to act with a view to securing such improvements identified as a result of paragraph A1.

The Council is also obliged to have regard to the Procurement Reform (Scotland) Act 2014 statutory guidance as detailed below:

- The Sustainable Procurement Duty; and Community Benefit Requirements in Procurement.
- Selection of Tenderers and Award of Contracts: Addressing Fair Work Practices, including the Living Wage, in Procurement.
- Procurement of Health and Social Care Services.
- Scottish Procurement Policy Note (SPPN) 07/2016 - Update to Guidance on the Procurement of Care and Support Services (Best Practice).
- Fair Work First implementation - Scottish public procurement update: SPPN 6/2021 - gov.scot
- Procurement thresholds and VAT inclusion in estimated contract value: SPPN 8/2021 - gov.scot
- Public procurement - taking account of climate and circular economy considerations: SPPN 3/2022 - gov.scot

All Contracts that are awarded by the Council, regardless of value, are subject to an obligation to seek best value and to demonstrate transparency, equal treatment, non-discrimination and proportionality.

The Scottish Government has designed a suite of [Sustainable Procurement Tools](#) to help public sector organisations identify and address how they can optimise the economic, social and environmental outcomes of their procurement activity. These tools will be used where appropriate and where they add value to the procurement exercises being undertaken.

The detailed risks and opportunities in the sustainable procurement tools align with Scotland's [National Performance Framework](#) (NPF) and Scotland's [National Outcomes and Indicators](#) achieving a line of sight between procurement activity and local and national strategic priorities. **Guidance for each heading is available on the Scottish Government Sustainable Procurement portal [Sustainable Procurement](#)**

- Climate Change.
- Materials.
- Waste **and Efficient Resource Consumption**
- Hazardous materials **and emissions**.
- Biosecurity.
- Biodiversity.
- Heritage.
- Water – **Efficient Consumption and Production**
- Employment, skills and training.
- Communities.
- Equality.
- Fair Work.
- Fairly and Ethically Traded.
- Health and Wellbeing.

- Security and Crime.

5. Benefits of Sustainable Procurement

The Council recognises and wishes to maximise the benefits achievable through sustainable procurement. Sustainable procurement can deliver additional benefits for the Council while contributing to the social, economic and environmental well-being of people and places. For example sustainable procurement will enable the Council to:

- Achieve value for money by avoiding unnecessary purchasing, by considering and then lowering the whole life costs of goods, services and works and through improved resource efficiency.
- **Minimise net carbon emissions within contracts for works, services and supply, especially with consideration to the lifetime of the contract or product cumulative emissions (where timescales might either lock in ongoing emissions or alternatively might help to store embodied sequestered carbon).**
- **Report on progress towards meeting its legal duties and other obligations in relation to climate change and sustainable development including progress on Net Zero.**
- Stimulate the market and encourage innovation for sustainable products and services.
- Support the local supply community by engaging with Small and Medium Enterprises and Third Sector organisations so they can compete for Council contracts.
- Help build a sustainable supply chain for the future and improve supplier relationships.

6. General approach to Sustainable Procurement

The Council's approach to sustainable procurement is as follows:

- We will ensure that our procurement of goods, services and works contributes to achieving our vision of a truly sustainable supply chain.
- We will ensure that our procurement minimises its contribution to climate change and supports goods, services and works that are well-adapted to the consequences of a changing climate.
- We will deliver value for money by realistically assessing, where appropriate, the whole life-cycle costs of our procurement and not simply considering the initial purchase price.
- We will ensure that what we intend to purchase is necessary and that, where appropriate, there is a business case for doing so. We will specify our requirements so as to meet the needs of users and to avoid purchasing more than is needed.
- We will carry out sustainable procurement activities whilst complying within the public procurement legal framework which is intended to promote fair and open competition.
- We will ensure that when developing our requirements for goods, services and works we assess the possible social, economic and environmental impacts of our procurement and actively seek to contribute to the social, economic and environmental well-being of our remote and fragile island communities. Where appropriate to the subject matter of the contract, this to be undertaken as part of pre-market engagement and consultation.
- We will not knowingly procure goods, services and works that impact negatively on places, people and other species both locally and elsewhere.
- Where appropriate, we will consult with the people whose needs we aim to meet through our procurement to ensure that we procure goods, services and works that meet their needs.

- We will not intentionally discriminate against specific groups of people when undertaking our procurement activities and will promote equality in line with legislative requirements.
- We will support the aims of the Modern Slavery Act 2015 and ensure that our suppliers provide us with confirmation of their compliance with the Act.
- Where it is appropriate and proportionate to do so we will procure goods and services in line with the best practice guidance set out in the Scottish Government Procurement Journey and any other relevant best practice guidance.
- We will consider the effects of island proofing where appropriate and in light of anticipated guidance issued by the Scottish Government.
- **We will consider every procurement exercise to determine any impact on Climate Change in accordance with Scottish Government, Sustainable Procurement Tools guidance.**

7. Scope and Implementation of the Policy

Practical guidance on how sustainable procurement can be embedded into the Council's procurement processes is available on the Scottish Government's website. This is contained within the Scottish Government's 'Procurement Journey' best practice procurement toolkit. [Home | Procurement Journey](#)

In line with the Council's Contract Standing Orders we will use the Sustainable Procurement suite of tools contained in the Procurement Journey to support implementation and to ensure that our procurement approach and processes are relevant and proportionate to the Orkney Islands Council context.

The initial focus will be on priority commodities, services and suppliers i.e. those which are identified by the Council as being associated with the highest social, economic and environmental risks and opportunities.

Delivery of the commitments made in this Policy will be supported through the implementation of the Council's Procurement Strategy 2023 to 2028 and the Council's Procurement Annual Report. Progress against the stated objectives will be monitored and reported on an annual basis as part of the Procurement Service Improvement Action Plan 2023 to 2028 via the Council's Performance Management System.

8. Outcomes from Sustainable Procurement

Outcome 1: the social and economic benefits from our sustainable procurement are maximised.

8.1. We will, where appropriate, build into the procurement process options for suppliers to offer training, employment, work experience placements, apprenticeships and volunteering opportunities for members of our local communities including people experiencing long-term unemployment including adults with learning disabilities registered on employment support schemes, and young people not in employment, education or training.

8.2. We will require suppliers to communicate to our local communities, employment opportunities arising from our procurement activities.

8.3. In accordance with the requirements of the Sustainable Procurement Duty of the Procurement Reform (Scotland) Act 2014, we will consider how, in conducting the procurement process, we can facilitate the involvement of small and medium enterprises and third sector bodies. We will, wherever possible, ensure that our procurement processes are, as far as possible, proportionate and relevant to the economic benefits and scale of the contract.

8.4. We will, where possible, reserve contracts for Supported Businesses under Regulation 21 of the Public Contracts (Scotland) Regulations 2015 where their prices and capacity to deliver the contract is comparable to the rest of the market.

8.5. We will not knowingly purchase goods and services from suppliers that trade in slavery, child labour, prostitution, and illegal drugs. We will not knowingly work with suppliers who breach International Labour Organisation conventions in accordance with the Modern Slavery Act 2015. We will ensure our suppliers, where relevant to the subject matter of the contract, complete a compliance statement and provide evidence of compliance with their obligations under relevant international legislation where requested to do so.

8.6. We will, where practicable and where it is sustainable, purchase fair trade options certified by appropriate independently verified accreditation schemes as a means of helping excluded and disadvantaged producers, including independent small farmers, to access international markets and receive a fair price for their products. Where certification by accreditation schemes is an optional requirement, we will make clear in the tender documentation how this will be evaluated. We recognise that Fairtrade and other accreditation schemes also secure safeguards in relation to ethical working practices and will encourage suppliers to indicate what safeguards they have in place to secure these where appropriate to the subject matter of the contract.

8.7. In accordance with the requirements of the Procurement Reform (Scotland) Act 2014 in relation to the provision of food, we will take measures to improve the health, wellbeing and education of the local community. We will, where practicable and where it is sustainable, specify fresh, seasonal and nutritious food.

8.8. We will not knowingly purchase genetically modified food or food with genetically modified ingredients.

8.9. We will specify Protected Geographical Indication and Protected Designation of Origin standards where they are justified by menu requirements.

8.10. In line with the requirements of the Procurement Reform (Scotland) Act 2014 in relation to the provision of food, we will promote the highest standards of animal welfare through our procurement. We will consider animal welfare throughout the supply chain and appropriate independently verifiable accreditation schemes, when making procurement decisions, and wherever possible, will not purchase goods which have been developed using animal testing.

8.11. In accordance with Regulation 47 of the Public Contract (Scotland) Regulations 2015, we will consider dividing contracts into small lots to encourage the active participation of our local businesses in the procurement process.

8.12. We will build into our procurement processes opportunities as appropriate for suppliers to propose provision of goods, services or works guaranteed by independent accreditation schemes. We recognise that there are a range of independently accredited quality schemes where the additional costs deliver significant environmental, social, quality or animal welfare benefits.

Outcome 2: the negative environmental impacts are minimised and the environmental benefits maximised from our procurement.

8.13. Where possible we will procure goods, services and works that minimise release of greenhouse gas and particulate emissions associated with use of fossil fuel energy sources, use of non-renewable materials, waste creation and pollution to air, water and land. In doing so, we will analyse all stages of the life-cycle including design, resource extraction and sourcing, manufacturing and production, transportation, service delivery, operation and maintenance, reuse, recycling and disposal.

8.14. We will, where appropriate and where it is sustainable, purchase fewer new goods by re-using, repairing, refurbishing or remanufacturing existing goods, in line with Scotland's 2016 Circular Economy Strategy 'Making Things Last' and where this is relevant to our Island context.

8.15. We will, where appropriate and where it is sustainable, specify goods and materials made with recycled material.

8.16. We will not purchase goods and materials that are made of plastic which cannot be recycled where alternative options are available, and we will seek to minimise the purchase of recyclable plastics where alternative goods and materials can be used.

8.17. We will specify minimum packaging, reusable packaging and packaging take-back.

8.18. We will specify energy efficient goods, services and works in line with current best practice standards and specifications.

8.19. We will ensure that the vehicles we purchase, lease or hire have low emissions of greenhouse gases and air pollutants.

8.20. We will procure timber and timber-based goods from verifiable sustainable sources that evidence clear chains of custody. We will encourage suppliers to make use of independently verified accreditation schemes that address negative environmental impacts.

8.21. We will, in exercising our procurement function, meet the duty to further the conservation of biodiversity arising from the Nature Conservation (Scotland) Act 2004. We will, where appropriate, specify through our procurement processes requirements which protect and enhance green spaces, habitats, species, sustainable farming practices and biodiversity both locally and globally. In particular, we will protect and enhance priority habitats and species in Orkney.

8.22. We will ensure that any emerging Council commitments on Climate Change are incorporated into the Sustainable Procurement Policy by reviewing the policy on an annual basis to reflect the potential for rapid change in this fast moving policy area.

Outcome 3: Orkney Islands Council has a more sustainable supply chain.

8.23. Strengthening local supply chains and promoting the use of local goods and services within the parameters of procurement legislation, we will work with suppliers and encourage them, whenever possible, to use more sustainable goods, processes and working practices in their own business operations and encourage them to engage in sustainable procurement activities within their own supply chains.

8.24. We will encourage suppliers, through the inclusion of sustainability criteria in our tendering process, to develop innovative and competitively priced sustainable goods, services and works.

8.25. We will ensure that suppliers comply with their commitments to the sustainability criteria within our specifications and their tender submissions by building in proportionate, effective monitoring and management into contract arrangements.

8.26. Outcomes to define success will be developed in liaison with suppliers as part of the contract management process.

8.27. We will consider methods of incentivising investment and promoting a culture of improvement by suppliers in sustainable development on a contract by contract basis where this is practicable and appropriate.

8.28. We will not knowingly purchase goods and services from suppliers that trade in slavery, prostitution, use of child labour and illegal drugs. We will not knowingly work with suppliers who breach International Labour Organisation conventions. In accordance with the Modern Slavery Act 2015, we will ensure that our suppliers, where relevant to the subject matter of the contract, complete a compliance statement and provide evidence of compliance with their obligations under relevant international legislation, where requested to do so.

Outcome 4: sustainable procurement is embedded within the Council.

8.29. We will establish clear leadership to drive the embedding and continuous improvement of sustainable procurement within the Council.

8.30. We will communicate this policy and accompanying guidance to all Council staff.

8.31. We will undertake an assessment of third-party expenditure with a value of over £10,000, to identify those contracts associated with the highest risk and greatest opportunity for improvement. This will be based on an analysis of spend, risk, scope for improvement and our influence of the market.

8.32. We will develop and continuously improve the sustainable procurement skills and knowledge of Council staff involved in procurement activities. This will include those responsible for identifying a need to procure goods, services and works, those involved in evaluating tenders and those responsible for contract and supplier management.

8.33. We will subject all requirements for goods, services and works to a sustainability test during the development of procurement plans **as part of the early project planning process**. This will question whether requirements can be reduced or avoided altogether by delivering outcomes in other ways; that social, economic and environmental impacts and benefits have been identified and that whole life-cycle costs have been considered.

8.34. Where relevant, we will include sustainability criteria in tender documentation and our tender evaluation process.

8.35. We will measure and report on our progress in embedding and continuously improving sustainable procurement and its contribution to delivering sustainable outcomes annually.

8.36. We will **undertake** a Sustainable Procurement Impact Assessment (SPiA) for all relevant goods, services and works contracts where there is potential to minimise the use of carbon-based energy and its associated emissions. See Annex 1 to this Policy.

8.37. The SPiA implementation and usage will be reported on an annual basis in the Council's Procurement Annual Report.

8.38. We will consider, where appropriate, the use of lotting strategies to maximise access to contract opportunities by smaller contractors and to optimize the contribution to a circular economy in Orkney.

8.39. For any procurement equal to or greater than £4,000,000 in value, we will consider whether to impose community benefit requirements as part of the procurement.

8.40. We will determine, as appropriate, contract opportunity as either a 'relevant' or 'priority' contract in terms of impact on Climate Change in accordance with Scottish Government, Sustainable Procurement Tools guidance. Where appropriate, bidders will be required to produce an appropriate Climate Change Action Plan,

9. Other relevant policies and procedures

Sustainable procurement also contributes to delivery of a range of Council policies and strategies, some of which have reporting requirements relating to procurement activities. These include:

- The Equality Act 2010 and The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.
- The Council's climate change targets and carbon management plan (including the annual Climate Change Reporting requirements).
- The Council's environmental management and waste management procedures.

Sustainable procurement can also make a significant contribution to the development of the 'Circular Economy' by adopting the principles of ['Making Things Last – A Circular Economy Strategy for Scotland'](#). In a circular economy, systems are designed to make better use of valuable products and materials – changing the way they are produced and managed to have less impact on finite natural resources and create greater economic benefit.

10. Community Wealth Building

The Council and The Orkney Partnership (Orkney's community planning partnership) have decided to adopt Community Wealth Building (CWB) and it is a key element of the Council Plan 2023-2028 and the Orkney Local Outcomes Improvement Plan 2023-2030.

CWB involves:

- Building on the work already done to support local, small and medium sized businesses (including Third Sector organisations) to be able to do more.
- Supporting the creation of new business, including those with different forms of ownership such as co-operatives.
- Promoting fairer employment practices, including the payment of the Scottish Real Living Wage which benefits the whole of Orkney through increased spend and less poverty.
- Skilling up local people to be able to benefit from the opportunities that arise.
- Lower carbon emissions because of shorter supply chains.

There are five core pillars to CWB:

- 1- Fair employment and just labour markets;
- 2- Spending;
- 3- Making financial power work for local places;
- 4- Socially just use of land and property; and
- 5- Inclusive ownership;

These include developing the local supply chains of businesses likely to support local employment, keeping wealth within communities, promoting fairer employment practices, and reducing carbon emissions because of shorter supply chains. CWB is not delivered by public authorities in silo. The Council will work with its community planning partners to develop a common plan to deliver CWB.

11. Monitoring and Reporting

The Council's progress in sustainable procurement will be reported as part of our annual procurement report. The annual procurement report is a requirement of the Procurement Reform (Scotland) Act 2014. We will use this report to demonstrate compliance with other legislation that places specific requirements on the Council with respect to our procurement activities, for example, the Equality Act 2010 and The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.

12. Review

We will review this Policy as **appropriate** to ensure that it remains in line with the latest iterations of the Council's Procurement Strategy and the Council's Delivery Plan.



Sustainable Procurement Impact Assessment

The purpose of a Sustainable Procurement Impact Assessment (SPIA) is to improve the work of Orkney Islands Council by ensuring that its procurement activities contribute to the social, economic and environmental well-being of our remote and fragile islands communities, both now and in the future.

This assessment records the likely impact of any procurement exercise, by anticipating the consequences, and making sure that any negative impacts are eliminated or minimised and positive impacts are maximised.

1. Intended Procurement exercise	
Description of the intended procurement exercise	
Service / service area responsible.	
Name of person carrying out the assessment and contact details.	
Date of assessment.	
Is the function new or existing?	
2. Initial Screening	
What are the intended outcomes of the procurement exercise?	

<p>State who is, or may be affected by this procurement exercise, and how.</p>	
<p>Have stakeholders been involved in the development of this procurement exercise, and if so how?</p>	
<p>Is there any existing data and / or research relating to sustainable procurement issues in this area? Please summarise.</p> <p>E.g. consultations, national surveys, performance data, complaints, service user feedback, academic / consultants' reports, benchmarking</p>	
<p>Could the procurement have a differential impact on any of the following sustainable procurement strands?</p>	
<p>1. Supply Chain: Will the procurement of goods, services and works contribute to achieving our vision of a truly sustainable supply chain.</p>	<p>Yes/No.</p>
<p>2. Climate Change: Will the procurement minimise contribution to climate change and support goods, services and works that are well-adapted to the consequences of a changing climate?</p>	<p>Yes/No.</p>

<p>3. Whole life-cycle costs: Will the procurement deliver value for money by realistically assessing, where appropriate, the whole life-cycle costs of the goods, services and works procurement and not simply considering the initial purchase price?</p>	<p>Yes/No.</p>
<p>4. Fair and open competition: Will the procurement activity comply with the public procurement framework and our Contract Standing Orders, which are intended to promote fair and open competition?</p>	<p>Yes/No.</p>
<p>5. Social, economic and environmental impact: Will the procurement ensure that when developing our requirements for goods, services and works, the possible social, economic and environmental impacts of our procurement are assessed as actively seeking to contribute to the social, economic and environmental well-being of our remote and fragile island communities?</p>	<p>Yes/No.</p>
<p>6. Engagement with the market: Where appropriate to the subject matter of the contract, is pre-market engagement and consultation to be undertaken in order to consider sustainability issues for this procurement?</p>	<p>Yes/No.</p>
<p>7. Places, people and other species: Will this procurement of goods, services and works impact negatively on places, people and other species both locally and elsewhere?</p>	<p>Yes/No.</p>

<p>8. Meeting the needs of People: Where appropriate will consultation take place with the people whose needs we aim to meet through our procurement to ensure that we procure goods, services and works that meet their needs?</p>	Yes/No.
<p>9. Equality Issues: Will this procurement not intentionally discriminate against specific groups of people when undertaking our procurement activities and promote equality in line with legislative requirements?</p>	Yes/No.
<p>10. Modern Slavery Act 2015: Where appropriate will this procurement exercise support the aims of the Modern Slavery Act 2015 and ensure that our suppliers provide us with confirmation of their compliance with the Act?</p>	Yes/No.
<p>Isles Proofing: Have the effects of isles proofing been considered where appropriate?</p>	Yes/No
<p>11. Fair Work First: Will this procurement exercise include adoption of the Fair Work First principles where this is appropriate to the subject matter of the contract?</p>	Yes/No
<p>3. Impact Assessment</p>	
<p>Does the analysis above identify any differential impacts which need to be addressed?</p>	Yes/No.
<p>How could you minimise or remove any potential negative impacts?</p>	
<p>Do you have enough information to make a judgement? If no, what information do you require?</p>	Yes/No.

4. Conclusions and Planned Action	
Is further work required?	Yes/No.
What action is to be taken?	
Who will undertake it?	
When will it be done?	
How will it be monitored? (e.g. through service plans).	

Signature:

Name: (BLOCK CAPITALS).

Please sign and date this form, keep one copy and send a copy to the Procurement Manager. A Word version should also be emailed to procurement@orkney.gov.uk

A copy of the completed Sustainable Procurement Impact Assessment is to accompany the Commodity Strategy completed for individual Regulated Procurements and over Threshold Regulated Procurements as part of the internal sign off process and where this is appropriate to the subject matter of the procurement exercise. Where an SPiA has been completed this is recorded on the Council's central contracts register.



Equality Impact Assessment

The purpose of an Equality Impact Assessment (EqIA) is to improve the work of Orkney Islands Council by making sure it promotes equality and does not discriminate. This assessment records the likely impact of any changes to a function, policy or plan by anticipating the consequences, and making sure that any negative impacts are eliminated or minimised and positive impacts are maximised.

1. Identification of Function, Policy or Plan	
Name of function / policy / plan to be assessed.	Sustainable Procurement Policy 2024
Service / service area responsible.	Strategy, Performance and Business Solutions, Legal and Governance
Name of person carrying out the assessment and contact details.	Rosemary Colsell, Service Manager Procurement rosemary.colsell@orkney.gov.uk
Date of assessment.	31/10/2024
Is the function / policy / plan new or existing? (Please indicate also if the service is to be deleted, reduced or changed significantly).	Existing Sustainable Procurement Policy reviewed and updated following a public consultation to reflect new legislation and updated in line with the Council's Contract Standing Orders 2024 and the Procurement Strategy 2023 to 2028 and the Council's aspirations for Climate Change and Net Zero.

2. Initial Screening	
What are the intended outcomes of the function / policy / plan?	To purpose of the Sustainable Procurement Policy is to ensure that before the Council buys anything it thinks about how it can improve the social, environmental and economic wellbeing of the area in which it operates with a particular focus on reducing inequality.
Is the function / policy / plan strategically important?	Yes
State who is, or may be affected by this function / policy / plan, and how.	All suppliers who bid for contracts which are advertised by the Council..

<p>How have stakeholders been involved in the development of this function / policy / plan?</p>	<p>Officials of the Council have reviewed and updated the policy in line with the Council's Contract Standing Orders 2024 and the Procurement Strategy 2024. The Sustainable Procurement Policy was subject to a public consultation and responses received were incorporated and used to develop the policy.</p>
<p>Is there any existing data and / or research relating to equalities issues in this policy area? Please summarise. E.g. consultations, national surveys, performance data, complaints, service user feedback, academic / consultants' reports, benchmarking (see equalities resources on OIC information portal).</p>	<p>A consultation was conducted by the Scottish Government on the Changes to the Scottish Procurement Regulations in 2015. Fair Work First and the Climate Change Duty.</p>
<p>Is there any existing evidence relating to socio-economic disadvantage and inequalities of outcome in this policy area? Please summarise. E.g. For people living in poverty or for people of low income. See The Fairer Scotland Duty Guidance for Public Bodies for further information.</p>	<p>The revised Sustainable Procurement Policy includes a section on Fair Work First which ensures that employment issues are prioritised.</p>
<p>Could the function / policy have a differential impact on any of the following equality areas?</p>	<p>(Please provide any evidence – positive impacts / benefits, negative impacts and reasons).</p>
<p>1. Race: this includes ethnic or national groups, colour and nationality.</p>	<p>No</p>
<p>2. Sex: a man or a woman.</p>	<p>No</p>
<p>3. Sexual Orientation: whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes.</p>	<p>No</p>
<p>4. Gender Reassignment: the process of transitioning from one gender to another.</p>	<p>No</p>
<p>5. Pregnancy and maternity.</p>	<p>No</p>
<p>6. Age: people of different</p>	<p>No</p>

ages.	
7. Religion or beliefs or none (atheists).	No
8. Caring responsibilities.	No
9. Care experienced.	No
10. Marriage and Civil Partnerships.	No
11. Disability: people with disabilities (whether registered or not).	No
12. Socio-economic disadvantage.	The Fair Work Practices positively impacts on improved work practices and working towards the real living wage for employees of contractors/no zero hours contracts for example.

3. Impact Assessment

Does the analysis above identify any differential impacts which need to be addressed?	No
How could you minimise or remove any potential negative impacts?	NA
Do you have enough information to make a judgement? If no, what information do you require?	Yes

4. Conclusions and Planned Action

Is further work required?	Yes
What action is to be taken?	As and when new legislation and guidance is issued by the Scottish Government and to keep abreast of changes in Council Policy, A further review will be undertaken to reflect changes in legislation and statutory guidance as and when required.
Who will undertake it?	Service Manager Procurement
When will it be done?	Ongoing
How will it be monitored? (e.g. through service plans).	The Procurement Strategy 2023 to 2028 has a section which monitors the Council's commitment to Sustainability with target and indicators.

Signature:



Date: 31 October 2024

Name: ROSEMARY COLSELL

(BLOCK CAPITALS).

Please sign and date this form, keep one copy and send a copy to HR and Performance. A Word version should also be emailed to HR and Performance at hrsupport@orkney.gov.uk

Island Communities Impact Assessment

Sustainable Procurement Policy

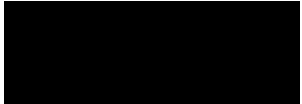
Preliminary Considerations	Response
<p>Please provide a brief description or summary of the policy, strategy or service under review for the purposes of this assessment.</p>	<p>This policy sets out the general principles that the Council will follow across all of its procurement and commissioning activities to ensure that these are undertaken in a sustainable manner.</p> <p>It sets out how the Council will plan and manage its procurement activities to meet the Council’s corporate aims and objectives and comply with regulatory and legislative requirements.</p> <p>This policy supports the commitment to sustainable procurement which is set out in the Council’s Procurement Strategy 2023 -2028 Procurement Strategy. It is intended for all of those who are involved in, or affected by, the Council’s procurement activities throughout our community and beyond.</p> <p>The Council spends tens of millions of pounds each year on a diverse range of goods, services and works from third parties. It is important therefore that this spending power is used to support key Council objectives. This sustainable procurement policy has been developed to help the Council to meet its legal duties and to deliver its key strategic objectives and sits alongside a separate Community Benefits Policy which has been developed specifically for use in planning and wind farm developments.</p>
Step 1 – Develop a clear understanding of your objectives	Response


What are the objectives of the policy, strategy or service?	To set out the general principles that the Council will follow across all of its procurement and commissioning activities to ensure that these are undertaken in a sustainable manner.
Do you need to consult?	No. The updated policy is incorporating updates and revisions made to the Council's Procurement Strategy which was subject to a public consultation in 2023.
How are islands identified for the purpose of the policy, strategy or service?	Policy refers to the whole of the Orkney Islands area.
What are the intended impacts/outcomes and how do these potentially differ in the islands?	See above
Is the policy, strategy or service new?	No, the draft Sustainable Procurement Policy 2024 is an update on the previous version consulted on in 2022
Step 2 – Gather your data and identify your stakeholders	Response
What data is available about the current situation in the islands?	Spend data is issued annually by the Scottish Government and incorporated in the Procurement Annual Report which is a statutory requirement.
Do you need to consult?	Stakeholders such as the third sector and Community Planning Partnership and Community Wealth Building Group will be notified of the public consultation. Community Councils and the Isles Development Trusts will be notified.
How does any existing data differ between islands?	Data collated is Orkney wide.
Are there any existing design features or mitigations in place?	Not applicable
Step 3 – Consultation	Response
Who do you need to consult with?	This will be a public consultation, including with the stakeholders referred to above.

How will you carry out your consultation and in what timescales?	Consultation will be carried out in Summer 2024.
What questions will you ask when considering how to address island realities?	The opportunity exists for comment on Strategic Context, the Council’s approach and the four Outcomes of Sustainable Procurement, consultees will be invited to comment on any island impacts that arise from realities of living on an island.
What information has already been gathered through consultations and what concerns have been raised previously by island communities?	On a previous consultation one comment was received from an island community organisation.
Is your consultation robust and meaningful and sufficient to comply with the Section 7 duty?	YES
Step 4 – Assessment	Response
Does your assessment identify any unique impacts on island communities?	No
Does your assessment identify any potential barriers or wider impacts?	No
How will you address these?	NA
<p>You must now determine whether in your opinion your policy, strategy or service is likely to have an effect on an island community, which is significantly different from its effect on other communities (including other island communities).</p> <p>If your answer is No to the above question, a full ICIA will NOT be required and you can process to Step 6.</p> <p>If the answer is Yes, an ICIA must be prepared and you should proceed to Step 5.</p> <p>To form your opinion, the following questions should be considered:</p> <ul style="list-style-type: none"> • Does the evidence show different circumstances or different expectations or needs, or different experiences or outcomes (such as different levels of satisfaction, or different rates of participation)? • Are these different effects likely? 	

<ul style="list-style-type: none"> • Are these effects significantly different? • Could the effect amount to a disadvantage for an island community compared to the Scottish mainland or between island groups? 	
Step 5 – Preparing your ICIA	Response
In Step 5, you should describe the likely significantly different effect of the policy, strategy or service:	NA
Assess the extent to which you consider that the policy, strategy or service can be developed or delivered in such a manner as to improve or mitigate, for island communities, the outcomes resulting from it.	NA
Consider alternative delivery mechanisms and whether further consultation is required.	NA
Describe how these alternative delivery mechanisms will improve or mitigate outcomes for island communities.	NA
Identify resources required to improve or mitigate outcomes for island communities.	NA
Stage 6 – Making adjustments to your work	Response
Should delivery mechanisms/mitigations vary in different communities?	To be considered on a case by case basis.
Do you need to consult with island communities in respect of mechanisms or mitigations?	NA
Have island circumstances been factored into the evaluation process?	To be considered on a case by case basis.
Have any island-specific indicators/targets been identified that require monitoring?	No
How will outcomes be measured on the islands?	NA

How has the policy, strategy or service affected island communities?	NA
How will lessons learned in this ICIA inform future policy making and service delivery?	Consideration to be given to whether additional stats could be included in the procurement annual report.
Step 7 – Publishing your ICIA	Response
Have you presented your ICIA in an Easy Read format?	Standard accessibility rules applied.
Does it need to be presented in Gaelic or any other language?	No
Where will you publish your ICIA and will relevant stakeholders be able to easily access it?	Orkney Islands Council website
Who will signoff your final ICIA and why?	Head of Legal and Governance – procurement is within this service

ICIA completed by:	Rosemary Colsell
Position:	Service Manager (Procurement)
Signature:	
Date complete:	13/11/2024

ICIA approved by:	Gavin Mitchell
Position:	Head of Legal and Governance
Signature:	
Date complete:	13/11/2024