



**NEWPORT**  
CITY COUNCIL

CYNGOR DINAS

**CASNEWYDD**

Newport City Council

# Socially Responsible Procurement Strategy 2025-2030



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## **Cabinet Member Forward**

In 2025 we will see significant changes to the public sector procurement landscape with new legislation coming into force, shaping how Newport City Council, and the wider Welsh public sector procure goods, works and services. This new legislation, covered in more detail in this new procurement strategy, will give greater focus around how our Council can procure in an even more sustainable and socially beneficial way, ensuring that the aims and objectives of our Corporate Plan can be supported by effective and efficient procurement.

The Council faces a number of key challenges over the coming years, such as the cost of living crisis on our communities and local businesses, managing our own budgetary pressures at the same time as meeting increased demand for education, social and housing services. Newport City Council declared a Climate Emergency in November 2021 followed closely by producing our Climate Change Plan 2022-2027, which amongst other key areas, focuses on sustainable procurement as a key driver to help the Council meet its 2030 net zero carbon commitments.

Newport is the fastest growing city in Wales, increasing our need for more school places, more social care, more housing, more refuse collection and recycling, everything that comes with a growing population. In this regard, it will more important than ever that we maximise efficiency from our procurement and contracting, and deliver real value, both financial and social to the communities we work for.

Effective procurement can support and drive our response to these challenges over the years to come, and we have the ability through new legislation to further ensure our supply chain support and deliver on us achieving the key well-being objectives detailed in our Corporate Plan.

This procurement strategy sets out the key priorities and focus for procurement, which will play a key role in enabling the Council to meet its challenges over the coming years. It is vitally important to recognise that this is a corporate strategy that will require buy in and commitment from all staff, driven down through service areas by Directors, Heads of Service and Senior Officers, in order for the impact of progressive procurement to be realised.

Cllr James Clarke, Cabinet Member for Regeneration & Democratic Services

*Insert image of CM*

## Introduction

After leaving the EU, UK and other devolved governments have been planning for new public sector procurement rules, with the promise of greater flexibility, innovative approaches and sustainable outcomes that will generate shared prosperity for our local communities, and across our economies. The new Procurement Act 2023, as well as the Social Partnership & Public Procurement (Wales) Act 2023 seek to deliver on this promise and give us the tools to use in Wales to both meet the needs of the Council, as well as the communities we serve, through innovative and progressive procurement.

There is an expectation that these procurement opportunities will seek to achieve greater value, monitoring and efficiencies while securing greater benefit to society on a local basis, and in line with Welsh Government objectives for Decarbonisation, as well as the Well-being of Future Generations (Wales) Act 2015, aims to place Wales as a world leader in its aims for society.

UK Government has set out the digital transparency, commercial and process driven means by which procurement reform activity is to be conducted across the public sector in the UK, releasing the potential for achieving value to the organisation and its locality. To supplement this, the policy driven social value objectives and legislation in Wales lend themselves to an ambitious set of procurement aims for our Council and all public sector organisations in Wales.

The aim of this procurement strategy is to set out how our procurement activity will deliver on the Council's priorities, so that procurement and commissioning decisions play a key role in supporting the delivery of the aims of the council's Corporate Plan to be an ambitious, fairer, greener Newport for everyone. Specifically our Well-being Objective 4 to be an inclusive, fair and sustainable council states that we will achieve this by "Generate opportunities to build wealth across Newport's communities through progressive procurement of goods and services and other initiatives such as participatory budgeting".

## What Matters to Newport

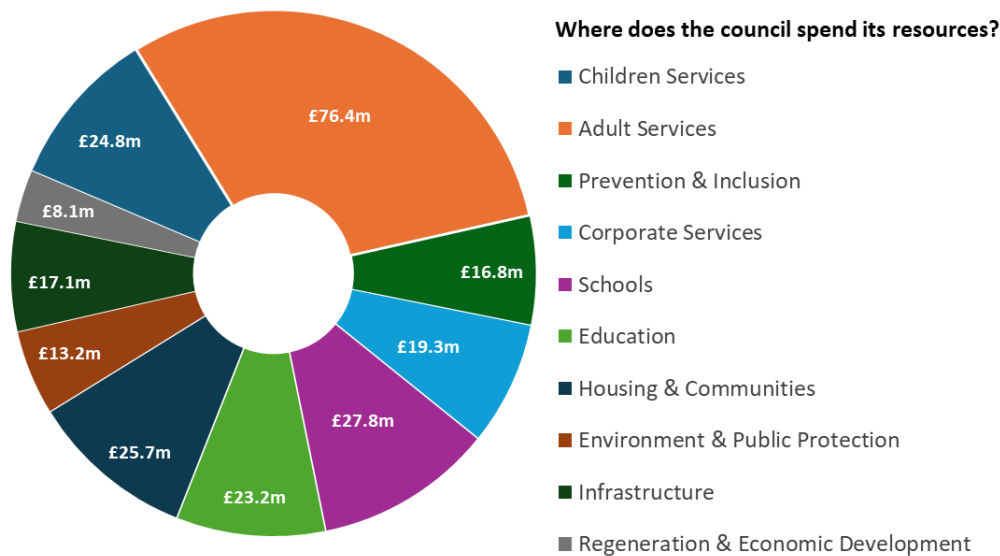
Our Corporate Plan 2022-27 sets out our vision to be an ambitious, fairer, greener Newport for everyone. To achieve this goal, we have four well-being objectives that will prioritise our focus over the next five years and will support our longer-term vision for Newport over the next 20 years:

- 1. Economy, education and skills** Newport is a thriving and growing city that offers excellent education and aspires to provide opportunities for all.
- 2. Environment and infrastructure** A city that seeks to protect and enhance our environment whilst reducing our carbon footprint and preparing for a sustainable and digital future.
- 3. Quality social care and community services** Newport is a supportive city where communities and care are at the heart of what we do.
- 4. An inclusive, fair and sustainable council** Newport City Council is an inclusive organisation that places social value, fairness and sustainability at its core.

## Why Procurement is Important in the delivery of our Corporate Plan

Newport City Council is the sixth largest unitary authority in Wales by population, but one of the fastest growing and is responsible for the delivery of a wide and diverse range of statutory and discretionary public services. The Council delivers its services directly through its own workforce, and through private and third sector organisations. As a result, the Council spend during 2023/24 with third party suppliers and organisations was over £260 million procuring a wide ranging array of goods, services and works from over 4,000 suppliers and contractors. The chart below shows the net budget allocation across the Council during the 2024/25 Financial Year.

## 2023/24 Expenditure by Service Area



<b>Service Area Expenditure 2023-24</b>	<b>£m</b>
Children Services	24.8
Adult Services	76.4
Prevention & Inclusion	16.8
Corporate Services	19.3
Schools	27.8
Education	23.2
Housing & Communities	25.7
Environment & Public Protection	13.2
Infrastructure	17.1
Regeneration & Economic Development	8.1

In addition to managing public money with probity, and demonstrating value for money, procurement is increasingly seen as a key agent for the delivery of a number of Local and National priorities around key areas such as decarbonisation, fair work, delivering ‘added wellbeing’ and support for local businesses and communities. This Strategy therefore seeks to set out what the Council will do to continue to improve the way in which it manages its procurement activity to support delivery of Newport’s Corporate Aims.

Sustainable Procurement is

“the process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment. It includes the identification of need, consideration of options, the actual procurement process and the subsequent management and review of the contracts.”

## Informing our Socially Responsible Procurement Strategy

In addition to Newport's Corporate Plan, there are increasing legislative and policy requirements that inform and influence the way in which the Council manages its procurement activity which have been considered when developing this Strategy. This section highlights some of the key overarching legislative and policy requirements and priorities with further information contained within this Strategy.

### The Wellbeing of Future Generations (Wales) Act 2015

The Wellbeing of Future Generations Act focuses on improving the economic, social, environmental and cultural well-being of Wales. The aim of the Act is to help create a Wales that we all want to live in, now and in the future. Procurement is one of the seven corporate areas for change in the Act's statutory guidance.

*Insert Image of Act*

### The Wales Procurement Policy Statement (WPPS)

The third WPPS published in March 2021 sets out the ten principles the Welsh Government expects the Welsh public sector to follow for procuring well-being for Wales based on the Well-being of Future Generations (Wales) Act Goals and key Welsh Government policies. The Social Partnership & Public Procurement Act will strengthen the requirement for public sector organisations to adhere to the WPPS. A new WPPS is currently being prepared in consideration of both the new Procurement Act 2023 and the Social Partnership and Public Procurement (Wales) Act 2023.

*Insert image of WPPS*

### The Procurement Act and Procurement Reform

The procurement of goods, services and works by the public sector is governed by the new Procurement Act 2023 which replaces the outgoing Public Contract Regulations 2015 (PCRs 2015).

In response to the UK leaving the EU the UK Government issued a Green Paper: Transforming Public Procurement (published December 2020) and in May 2022 introduced the Procurement Bill 2022-23 to Parliament. The Procurement Act 2023 has now achieved royal ascent and will revoke the Public Contracts Regulations 2015. The new Procurement Act came into force on the 24<sup>th</sup> February 2025. The main features of the Act will be its focus on value for money, the public good, transparency, integrity, efficiency, fair treatment of suppliers and non-discrimination.

*Insert image of Proc Act*

### Social Partnership and Public Procurement (Wales) Act 2023.

The Act recognises that Procurement is one of the most important levers we have to support the creation of a more equal, more sustainable and more prosperous Wales. It requires the Council to carry out procurement in a socially responsible way by taking action, in accordance with the sustainable development principle, as defined by the Wellbeing of Future Generations Act. The Council will be required to:

- consider socially responsible public procurement when carrying out procurement for 'prescribed contracts'.

- include social public works clauses in major construction contracts and social public workforce clauses in any outsourced service contracts.
- carry out contract management duties to ensure that socially responsible outcomes are pursued through supply chains.
- publish a Contract Register and Contract Forward Plan.
- produce an annual Procurement Report.

*Insert image of SPPPA*

### Ethical Employment in Supply Chains

In 2019, Newport City Council proudly signed up to the Welsh Governments Code of Practice – Ethical Employment in Supply Chains. This Code of Practice was established by the Welsh Government to support the development of more ethical supply chains to deliver contracts for the Welsh public sector and third sector organisations in receipt of public funds.

The code seeks to tackle modern slavery, human rights abuses, blacklisting, false self-employment, unfair use of umbrella schemes and zero hours contracts. Our tendering processes were adapted at the time to ensure suppliers bidding for contracts are assessed on their legal and ethical employment practices before they can supply NCC with goods or services.

*Insert image of code.*

### Equality Act 2010

The Equality Act 2010 requires the Council to adhere to the Public Sector Equality Duty (PSED) through all its functions and services by:

- Eliminating discrimination, harassment and victimisation and other conduct prohibited by the Act
- Advancing equality of opportunity between people who share a protected characteristic and those who do not
- Fostering good relations between people who share a protected characteristic and those who do not

Equality is considered throughout our procurement cycle and we ensure the PSED is applied to all contracts regardless of value, aiding us in meeting the requirements of the Act's Specific Procurement Duty.

*Insert image of act*

### Welsh Language (Wales) Measure 2011

The [Welsh Language \(Wales\) Measure 2011](#) gives the Welsh language official status in Wales and establishes the office of the Welsh Language Commissioner.

The Measure gives legal effect to the official status of the Welsh language by enabling the imposition of Welsh language standards on bodies.



Newport City Council was given 171 different [Welsh Language Standards](#) to comply with, all part of five classes of standards;

- Service delivery standards
- Policy making standards
- Operational standards
- Promotion standards, and
- Record keeping standards

Our [Welsh Language Strategy](#) sets out how the council will encourage the Welsh language growth in Newport.

This strategy aims to meet our Welsh language legislation requirements, it would also support the Welsh government's target of 1 million Welsh speakers by 2050 (Cymraeg 2050).

Standards 76 - 80 of the Welsh Language Regulations specifically deal with the **tendering process** of a body that awards contracts and stipulates that should the subject matter suggest, the whole tendering process should be made available in Welsh.

#### Internal processes

##### Contract Standing Orders

Newport City Council's Contract Standing Orders govern how suppliers for goods, services and works are chosen and appointed. These apply to all areas of the Council as well as any agents acting on our behalf. They are built around the fundamental principles of public procurement to ensure we are Open, Fair and Transparent in our procurement activity and help in securing 'Value for Money'.

##### Strategic Oversight & Procurement Gateway Process

Newport City Council introduced a Procurement Gateway Process back in 2015 in order ensure procurement projects are governed and influenced at a strategic level within the Council. Major projects are considered by the Gateway Board which is chaired by the Chief Executive Officer with membership of the Board being made up of Strategic Directors along with the Head of Finance and the Procurement Manager. In order to support the role of the Gateway Board and for the Board to have oversight and understanding of upcoming procurements, a Forward Procurement Work Programme is developed in liaison with all service areas early each year and presented to the Board in April. This programme clearly sets out all known required procurement projects for the coming years and their anticipated value, in order for the Board and Procurement Manager to have oversight and identify key projects that the Board wish to scrutinise and challenge "why" and "how" spend is being packaged and procured.

## **Delivering Value through the Procurement Cycle**

There is an increasing expectation on the role procurement can play in tackling some of the greatest challenges facing our Communities and the Planet as a whole.

To achieve this, it is crucial that value is considered at each stage of the procurement cycle which means that all staff involved in specifying, sourcing, awarding and managing contracts have a key role to play. It is particularly important that adequate attention and time is invested in the planning and contract management stages. To be clear though, value is far greater than £'s spent, it is a combination of factors that deliver change, improvement, sustainability and positive community and social outcomes.

*Insert procurement lifecycle image*

Examples of the way in which value can be generated / delivered through the procurement cycle include but not limited to:

- Encouraging innovative solutions from the market by focusing on outcomes rather than inputs and outputs.
- Using tender specifications to require lower carbon materials or construction methods.
- Encouraging circular procurement and economy approaches.
- Structuring tenders to improve accessibility for smaller businesses.
- Considering whole life cost when awarding contracts.
- Using contractual clauses to ensure that fair work commitments are achieved.
- Ensuring community benefit and social value commitments from contractors are targeted at supporting the delivery of wider Council priorities.
- Effectively managing contracts to ensure that requirements and added value commitments are delivered.

The council has in place a robust set of Contract Standing Orders that govern the processes that need to be followed when looking to buy in goods, works and services from external suppliers. We recognise that as budgets tighten, new and innovative ways of providing services such as partnering, joint working and collaboration with other public and not for profit organisations need to be examined.

## **Spend Analysis**

In order to challenge what value we are achieving through our external spend we will develop and embed an approach to analyse our spend data in a way that provides answers to questions concerning spend visibility, compliance and control. We will seek to identify risks and opportunities and give improved visibility of our organisational costs that will help to redirect spend where it will add value or achieve additional benefit. We will look to leverage suppliers and refine our approach to ensuring value for money services are delivered to our communities.

Spend analysis is the process of evaluating our expenditure data to understand spending patterns, identify cost-saving opportunities, improve efficiency, and optimise procurement strategies. Spend analysis aims to answer questions:

- What are we buying?
- How much have we paid?
- How much have we bought?
- Who are we buying from?
- Who is buying?
- On what terms?

By analysing products, prices, quantities, suppliers, business units, and payment terms, spend analysis provides a holistic understanding of spending patterns and supplier performance.

Spend analysis will become a key component of effective financial management and procurement strategy building. Our aim is to develop a process that helps Procurement identify areas of improvement and uncover potential savings by consolidating suppliers, negotiating better terms, and eliminating unnecessary expenses. By leveraging spend analysis, senior officers can make data-driven decisions that contribute to overall business performance and financial health for the Council.

## **Socially Responsible Procurement Duty**

The Council has a responsibility to manage public money with integrity, to ensure that value for money is achieved and to manage it to meet wider Council objectives. The Council has adopted the Welsh Government's definition of procurement, "the process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment"

Newport City Council recognises that its procurement activity can have significant social, economic, environmental and cultural impact and this strategy aims to provide a structured framework for embedding socially responsible objectives as part of our everyday procurement processes.

This strategy aims to embed a sustainable and socially responsible procurement approach across all the areas of spend, making the best use of the Council's expenditure to support frontline services, whilst achieving the best balance between finance and maximising social, economic, environmental and cultural value, in a responsible and sustainable manner and in accordance with the law, particularly the Procurement Act 2024 and the Social Partnership & Public Procurement Act 2024. The Council is committed to the responsible management of its procurement process in order to deliver value for money, whilst actively pursuing environmental and socially responsible products, services and works.

Our objectives under this strategy are to:

- Minimise our environmental impact through selection and usage of goods, works and services through a circular procurement approach (where appropriate).
- Ensure that procurement activities are undertaken in such a way that all suppliers, including small and medium enterprises are encouraged to bid for council contracts in line with the Opening Doors Charter of the Welsh Government.
- Create an environment that provides opportunities to maximise the benefits arising from the inclusion and application of social criteria within procurement activities.
- Ensure value for money assessments are based, where appropriate, on whole life costing and social impact, not just initial purchase price.
- Record the social value outcomes delivered through our procurement activity.

## **Socially Responsible Procurement Objectives**

The Council acknowledges that its procurement decisions carry economic, social and environmental implications and takes this as an opportunity to procure in a socially responsibly and in a sustainable manner.

### *Environmental Objectives*

Protecting, promoting and enhancing the environment for future generations is one of Newport's core values and our Corporate Plan, Well-Being Objective 2 seeks to protect and enhance our environment whilst reducing our carbon footprint and preparing for a sustainable and digital future. We therefore commit to procure goods and services from sustainable sources to

decarbonise Newport and deliver positive actions to adapt to and mitigate for climate change and to contribute to nature recovery and ecosystem resilience.

We are therefore committed to:

Ensuring procurement activity maintains and enhances biodiversity and ecosystem resilience, for example, undertaking an assessment of the biodiversity impact and identifying opportunities for biodiversity gain, maintain air, water and soil quality, reduce pollution and more sustainable catering/food.

Identifying significant environmental risks and opportunities associated with procurement projects, and ensuring they are addressed (risks avoided or managed, and opportunities taken) in defining the scope of the procurement and preparing the specification.

Requesting information from potential suppliers on how they will help the Council progress its environmental objectives as part of the delivery of a contract and take their response into account in awarding the contract.

Ensuring procurement activity is compatible with and where possible contributes to the implementation of the Council's climate change policy and Net Zero 2030 carbon management plan.

Encouraging Contract Managers to follow sustainable procurement policies and processes which will exploit the opportunity to minimise: energy consumption, carbon footprint, waste, pollution, production of greenhouse gas emissions and detrimental environmental impacts while encouraging supply chains to do likewise.

Incorporate into the pre-sourcing phase of procurements where appropriate a Sustainability Risk Assessments (SRA), with a greater emphasis on the need for sustainable alternatives to be specified within a broader definition of product requirements.

Eliminate unnecessary waste by adopting the “reduce, re-use, recycle” philosophy and supporting circular economy and sharing economy through ‘Think before you purchase – do you really need it, could something else be used, or could we hire or borrow it?’

Procure fair trade products where possible (fair trade supports farmers and workers in developing countries through better prices, decent working conditions and a fair deal).

Other standards such as FSC timber, Fair trade, Rainforest Alliance or similar where applicable for the procurement process or materials / products to demonstrate social, environmental and economic sustainability

#### *Social Value Objectives*

Contributing to a vibrant and healthy community and thriving culture for the residents of Newport; the way in which procurement opportunities are procured can have an effect on the community of Newport. In delivering this strategy our aim is to realise meaningful social value from the contracts we procure.

We are therefore committed to:

- Ensuring that our default position is that all contracts demonstrate the consideration of Social Value and impact, and apply, when appropriate in line with our Procurement Gateway Process, an overall weighting for social value within the award criteria, when relevant and proportionate.

- Involving local people and organisations through coproduction in considering how we meet the needs of local communities through the procurement cycle.
- Creating or promoting local employment, training and inclusive economic sustainability by tackling unemployment in general and targeted to disadvantaged groups such as disabled persons, long-term unemployed, ex-offenders, geographical areas and key sectors, and encouraging suppliers to participate in educational talks or careers events with the Universities, Colleges or schools within the local area.
- Building the capacity and sustainability of the voluntary and community sector by accessing and actively supporting local voluntary, community groups and cooperatives.
- Promoting equity and fairness by targeting effort towards those in the greatest need or facing the greatest disadvantage. Tackling deprivation across the city.
- Supporting fair and ethical trading in the supply chain, expecting our suppliers, service providers and contractors to observe and demonstrate a similar commitment of ensuring and, where necessary, improving ethical practices locally and globally.
- Assess suppliers' awareness and policies in relation to equalities as part of procurement processes.
- Encourage suppliers to consider how they can look after the health and wellbeing of their workforce.
- Encourage suppliers to support regeneration projects or initiatives in the communities in which they operate.
- Encourage our suppliers to sign up to the Welsh Government's Code of Practice on Ethical Employment in Supply Chains.

#### *Economic Objectives*

Supporting the local economy and community through creative and innovative procurement solutions. Economic considerations must be balanced with the need for environmental and social outcomes and this must all be done within the bounds of procurement legislation. In delivering this strategy our aim is to realise meaningful economic outcomes from the contracts we procure.

We are therefore committed to:

- Encouraging local businesses to take advantage of Council contract opportunities and raising awareness of where to find the opportunities and reviewing and implementing Welsh Government Procurement Policy Notes (WPPN) in this area.
- Ensuring value for money and applying a Whole Life Costs approach to include social criteria to give a clear understanding of the full impact of procurement decisions. This included considering all aspects of costs including running and disposal costs, as well as the initial purchase price and environmental impacts.
- Strengthening local supply chains and promote the use of local goods and services within the parameters of procurement legislation.

- Promoting the local economy, so that micro, small and medium sized enterprises and the voluntary and community sector in Newport can thrive.
- A proportionate and appropriate process for selecting and evaluating tenders is in place to encourage the participation of micro, small and medium sized enterprises and the voluntary and community sector to enable an inclusive and diverse
- Ensuring fair payment terms flow throughout the supply chain.
- Ensuring that all payments due to our suppliers are made promptly and unless this is not reasonably practicable, no later than 30 days after an invoice is submitted. We will do this by ensuring our financial systems are smart and that officers responsible for ensuring efficient payment of invoices are trained, informed and technically able to receipt and process invoices without undue delay. We will run a minimum of two BACS runs per week, and pay all invoices as soon as they are processed, rather than setting defined payment terms within our system.
- Ensuring suppliers take steps to make supply chain opportunities accessible to local suppliers.
- A commitment to sustainability, fairness and the development of our local economy will be built into our procurement decisions. We will develop a mixed economy of delivery, with the Council commissioning services from those who are best placed to deliver them effectively, whether that is the private sector or community and voluntary sectors.

## **Our Key Delivery Objectives through Progressive Procurement**

In order for Newport to meet both the aims and objectives defined in our Corporate Plan, as well as meeting the new legislative requirements governing public procurement in Wales, the following Procurement Delivery Objectives have been identified;

- Supporting the Council's 2030 Net Zero Carbon ambition.
- Delivering Social Value and Measuring Well-being Impacts through Procurement activity.
- Promoting sustainable, innovative and outcome based solutions.
- Ensuring that our third party spend is more accessible to local small businesses and the third sector.
- Advancing Fair Work, Equity and Safeguarding practices adopted by suppliers.
- Managing Demand and delivering value for money.
- Ensuring legal compliance and robust and transparent governance.

The next sections of this procurement strategy provide further information on each of these key deliverables, setting out the key aims, identifying what we will do and what success will look like.



## Supporting the Council's 2030 Net Zero Carbon ambition.

In November 2022, Newport City Council declared a climate and ecological emergency, committing to achieving net zero carbon emissions by 2030. This initiative aligns with the Welsh Government's target of a net zero carbon public sector by the same year.

To support this, Newport City Council released its Climate Change Plan in 2022, outlining strategies to achieve our commitment across several of our key delivery themes. The Goods & Services we Procure (Theme 5) plays a significant role in reducing the carbon footprint of both the city of Newport and the council. We understand how public procurement can be used as a powerful tool to advance our well-being objectives and significantly reduce organisational carbon emissions.

Each year, Newport City Council publishes a report on its carbon emissions, to ensure we are making progress towards our net zero commitment. This data underscores the importance of procurement in carbon reduction, as over **60%** of the council's emissions come from procurement-related activities. As a result, procurement is a key focus in our journey towards net zero carbon.

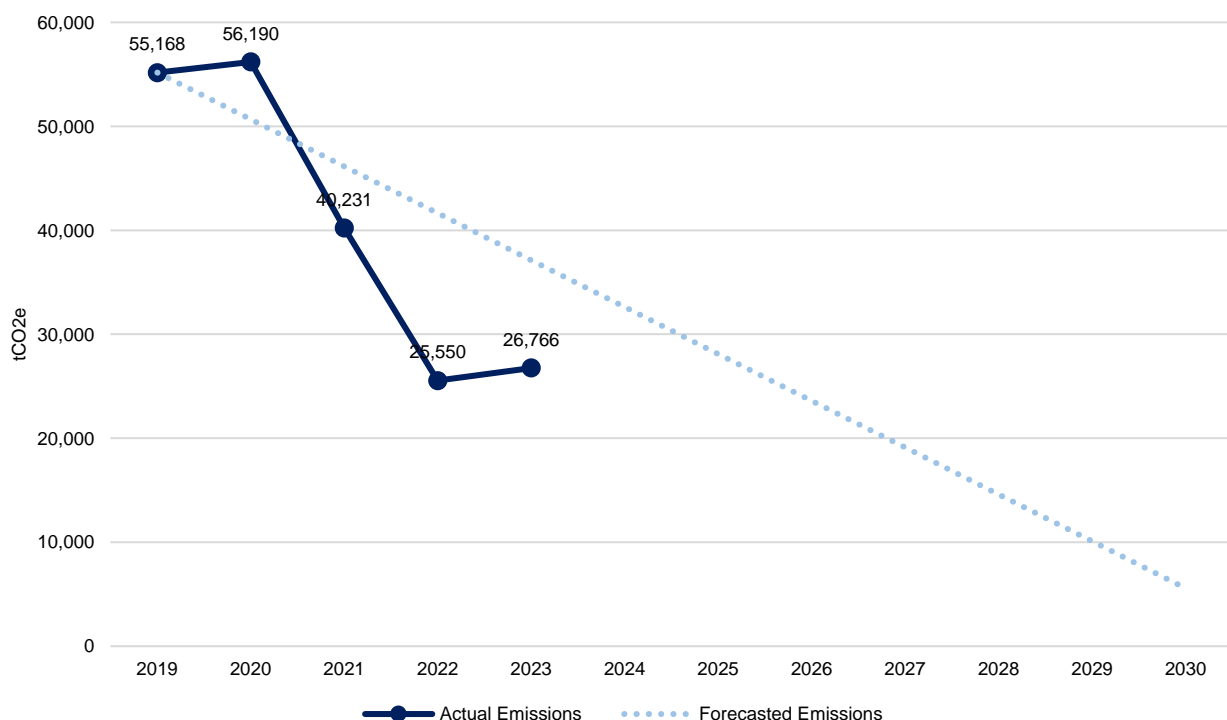
As an organisation, our emissions are divided into three scopes:

**Scope 1** includes direct emissions from the combustion of fossil fuels in council-owned assets. To address this, we are transitioning our fleet to electric vehicles, replacing older models with electric alternatives where feasible, and installing air source heat pumps across our estate to reduce dependency on natural gas and other fossil fuels.

**Scope 2** encompasses indirect emissions from the electricity, heating, cooling, or steam purchased for council use. We continue to install renewable energy technology on the roofs of council buildings, reducing our reliance on fossil fuels while also generating income by selling surplus electricity to the national grid.

**Scope 3** emissions are categorised as indirect emissions from our value chain, including purchased goods and services, fuel-related activities, business travel, and employee commuting. Addressing these emissions is vital to meeting our overall carbon reduction goals.

**Figure 1 Procurement Emissions – Performance vs Net Zero Forecast**



As is evident from the above figure, Newport City Council have made great progress in reducing emissions from procurement activity whilst increasing annual expenditure to continue to providing important services for the city. Some of this reduction can be attributed to reporting methodology from Welsh Government, but we have made great internal progress to drive emissions reduction through strategic collaboration with internal and external stakeholders.

#### Our Progress

We have introduced a Sustainable Procurement Process which requires all contracts with a total value exceeding £75,000 to report on their greenhouse gas (GHG) emissions as part of their contract with Newport City Council. This is critical in ensuring an efficient integration of sustainability from the beginning of new contracts. By doing so, we are better equipped to accurately track our scope 3 emissions and build strong relationships with suppliers across the value chain.

This progress has been driven by the creation of our 'Supply Chain Carbon Tool', developed by the Climate Change Team, based on existing GHG Protocol and UK Government standards. The tool helps large, small, and local suppliers better understand the impact of their operations, whether it's for their entire business or specifically for the contract they are delivering for the council.

As part of our tender process, we continue to work with the Climate Change Team and collaborate with internal departments to provide input on tenders, recommending additional carbon-related questions to the approval form. The goal is not to create undue pressure on suppliers, but to gather insights into their sustainability practices, policies, and readiness for future requirements. This proactive approach benefits both suppliers and the council, ensuring alignment on sustainability and carbon reduction goals from the outset.

We are also an active member of the National Procurement Network, South East Wales Delivery Group, where we share best practices, learn from others, and collaborate to advance our collective ambition of achieving a net-zero carbon public sector.

#### Our Next Steps

To build on this work and to ensure we are maintaining progress, we are exploring ways to evaluate and score tenders based on responses to climate-related questions during the tender process. This will help us align with organisations that are equally committed to reducing emissions and adopting sustainable practices. Our dedication to carbon reduction is further demonstrated by the launch of our Building Decarbonisation Standards policy, which outlines the minimum expectations and performance measures for achieving net zero carbon across our built estate.

Looking forward, we are also exploring the option of incorporating embodied carbon modelling for large infrastructure projects and using advanced procurement processes to deliver on this initiative. By doing so, we aim to support businesses to prioritise the use of low-carbon materials, contributing to significant carbon reduction across both our estate and the wider city.

At Newport City Council, we are committed to:

- Continuing and expanding the good work to reduce procurement carbon emissions.
- Collaborating with both existing and prospective suppliers who share our sustainability goals.
- Ensuring that all suppliers maintain their commitment to emissions reporting and reduction throughout the contract duration.
- Providing early support to suppliers to help them manage the carbon footprint of their contracts, identifying opportunities to reduce emissions from the outset.
- Continue to work with the South East Wales Collaborative Procurement Delivery Group to identify opportunities for collaboration to decarbonise our supply chain.

***Aim (where we want to be)***

- The Council understands the carbon impact of the supplies, services and works it buys and takes active steps to reduce their carbon footprint
- The Council uses the procurement cycle to routinely take advantage of opportunities to reduce carbon impact

***We will do this by (how we will get there)***

- Understanding the carbon footprint of the Council's purchased goods, services and works to ensure our carbon reduction activity is targeted where it can have the biggest impact
- Working with our elected members, staff, partners and contractors to ensure that carbon reduction is fully considered throughout the procurement cycle
- Collaborating with, and learning from organisations across the public, private and third sector

***We will demonstrate delivery by***

- Reporting on our procurement activities contribution to carbon reduction through the Council's Climate Action Plan.

## **Delivering Social Value and Measuring Well-being Impacts Through Procurement**

The Council's Corporate Plan provides a focus and commitment that the Council works effectively for and with communities while giving the best value for money as our financial position becomes ever more challenging. As an integral part of this commitment, we will look to ensure that the Socially Responsible Procurement drives effective outcomes that support the priorities of our Council, which include the delivery of meaningful Community Benefits and Social Value.

Social Value and Community Benefits are commitments made by tenderers to deliver additional economic, social, environmental and cultural value throughout the delivery of Council contracts.

Social value can also demonstrate and measure an organisations' impact on local and regional economies. It can help suppliers develop socially, environmentally and economically. Themes and measures could include supporting jobs and growth; supporting active, healthy and resilient communities; and promoting cleaner and greener environments. Social value supports customers and suppliers to become more sustainable as it considers planetary resources and the environment, and in Newport our Social Value delivery is closely aligned to our Climate Action Plan where there are obvious links and synergies.

In our previous Strategic Plan for Procurement we committed to *“working in a co-ordinated manner with both the SEW Regional Procurement Delivery Group, as well as the Welsh Government in adopting the TOM's tool kit (Themes, Opportunities, Measurement) currently being developed in Wales”*.

In March 2023, Cabinet approved the NCC Core List of TOMs for social value measurement and reporting on outcomes achieved through our third party contracting at six monthly intervals. TOMs are now included, where appropriate in high value (above threshold) procurement exercises, and where possible, supplier commitments and responses scored as part of the overall tender evaluation.

The approach to delivering Social Value through procurement in Wales is currently being reviewed by Welsh Government and Newport is playing an active and collaborative role to developing a common approach across the Welsh Public Sector.

At the time of producing this new procurement strategy, Welsh Government are looking at introducing a framework to measure Well-Being Impacts linked to procurement activity. Well-being Impacts describes the positive contribution our commercial activity can have on the economic, social, environmental and cultural well-being of Wales in a way that accords with the sustainable development principle, as articulated in the Well-being of Future Generations Act. It is probable that these metrics will be part of the core set of reporting requirements for contracting authorities under the annual reporting duty established by the Social Partnership & Public Procurement Act 2023.

### ***Aim (where we want to be)***

- Community benefits and social value opportunities are maximised and aligned to support the priorities of the Council and the individuals and communities it serves
- Community benefits and social value is routinely incorporated in tenders in line with our Procurement gateway Process.

- Community benefits and social value commitments are equitably delivered and the benefit to the individual and / or community is evident.

***We will do this by (how we will get there)***

- Adopting a consistent approach to securing and managing delivery of community benefits and social value commitments which is understood by the Council and its contractors
- Co-ordinating the community benefits and social value approach by working with Council services, our communities, partners and contractors to inform our priorities and facilitate their delivery
- Reporting on achievements, learning from failures and promoting success

***We will demonstrate delivery by***

- Maximising the number of tenders that ask for community benefits and social value commitments
- Increasing the volume and value of community benefits and social value committed to and delivered through Council contracts

## **Promoting Sustainable, Innovative and Outcome Based Solutions**

We recognise in Newport that many of the challenges we face will not be addressed by maintaining the status quo and there is a need to challenge ourselves and our markets to deliver outcome based solutions that are innovative and sustainable, allowing us to meet both our current and future needs. This will help us:

- Reduce carbon.
- Increase Community Benefits and Social Value delivery.
- Deliver better outcomes.
- Maintain or reduce cost to support the budget position.
- Improve services.

This means we need to plan earlier and better, challenge what we have always done, seek good practice from across the public, third and private sector, engage markets early and use the procurement process as means to direct and influence the market to offer solutions which address specific problems, challenges and outcomes.

Sometimes procurement can be viewed by some as stifling innovation, however the reality is that there are a number of ways in which the procurement process itself, if correctly followed, can drive improvement by challenging the status quo. Designing the best procurement process, bidders can be given the scope to submit new innovative ways of working. For these benefits to be realised however, it requires a change in the prevailing preference to fix solutions based on what has gone before and for better and more timely planning.

The new legislative framework that procurement needs to operate in will support this change, allowing for effective pre-market engagement and by publishing forward pipelines to inform and stimulate the market.

The Welsh public sector also recognises it could do more to share good practice and to develop new, innovative solutions. Being part of the Wales National Procurement Network and sharing best practice and success stories across the region will support innovation and promote change in procurement practices. In support of this collaborative approach, Welsh Government has agreed funding to establish a Procurement Centre of Excellence to support innovation and change.

### ***Aim (where we want to be)***

- Opportunities are regularly sought for innovative solutions for products, services or works required by the Council and the market is challenged to offer improved solutions.
- The procurement process is used to drive and encourage innovation where it can reduce the cost and / or improve the effectiveness of Council services and deliver wider priorities in particular decarbonisation.

### ***We will do this by (how we will get there)***

- Challenging existing procurement arrangements and delivery models and seeking relevant examples of market innovations and best practice.

- Encouraging outcome / problem-based procurement approaches to stimulate creative and innovative solutions and engaging early with markets.
- Collaborating with Welsh Government, the Welsh Local Government Association (WLGA), Cardiff Capital Region and other public, private and third sector partners to drive innovation and greater value and share good practice and develop insight.

***We will demonstrate delivery by***

- Reporting and developing case studies to highlight best practice.
- Identifying and reporting on procurement contributions to new ways of delivering improved services and products

## **Ensuring that our third party spend is more accessible to local small businesses and the third sector.**

Newport City Council recognises the economic, social, environmental and cultural value that can be generated by spending money with local businesses, in particular small, micro and micro enterprises, sole traders and the third sector.

The third sector includes community groups, voluntary organisations, faith and equalities groups, charities, social enterprises, cooperatives, community interest companies, mutuals and housing associations.

Well-being objective 4 of our Corporate Plan focuses on us being an inclusive, fair and sustainable Council. The sustainability of the Council is about ensuring that our finances provide value for money to the citizens of Newport and that we invest in opportunities that support socio-economic improvements. Keeping the Newport pound in Newport and the wider Cardiff Capital Region will promote community wealth building and deliver a prosperous and sustainable community for all our residents and businesses.

Our Contract Standing Orders, being our internal rules for procurement activity stipulate that where legally compliant, we will focus spend towards local businesses, and the new Procurement Act 2023 also requires us to ensure our procurements are SME friendly and do not put up inappropriate barriers to contracting with small businesses.

The Welsh Procurement Policy Note (WPPN) 07/21 highlights and builds on the principles within 'Opening doors: The charter for SME-friendly procurement'. The WPPN sets out what the Welsh Public Sector and SMEs can do ensure that an SME-friendly procurement process is adopted and implemented.

When considering the support for local suppliers the Council recognises that, dependent on the particular requirement, local can be Newport, Gwent, Cardiff Capital Region or Wales, where the procurement is socially responsible, offers value for money and can support our foundational economy aims.

For the financial year 2023/24 our Local / Regional Spend within Wales was:

- Newport 47%
- Gwent 67%
- Cardiff Capital Region 92%

For the same period our spend with small and medium enterprises (SME) was 64% of our total spend in Wales.

### ***Aim (where we want to be)***

- Small businesses and third sector organisations
  - have timely visibility of and access to opportunities to bid for Council contracts
  - find it easier to bid for opportunities to work with the Council
  - to better understand the make-up of our supply chains and where opportunities may exist to include supply further down the supply chain



***We will do this by (how we will get there)***

- Increasing the availability, visibility and timeliness of opportunities for small businesses and the third sector to supply the Council
- Making it easier for small businesses and the third sector to do business with the Council
- Working with partners to develop the capability and capacity of small businesses and the third sector to secure public sector contracts
- Work with partners to gather and share market intelligence around local suppliers

***We will demonstrate delivery by***

- Increasing the value of our spend with local businesses and the third sector.
- Increasing the number of local businesses and third sector organisations bidding for and winning Council contracts.

## **Advancing Fair Work, Equity and Safeguarding in Contractual Relationships**

Our Corporate Plan for 2022 – 2027 sets out our vision for the City of Newport, to be an ambitious, fairer and greener Newport for everyone. Within our plan, well-being objective 4 is for Newport to be an inclusive, fair and sustainable Council.

Our ambition is to be an inclusive organisation which represents the people of Newport. The Council must be an employer of choice that offers employees equitable opportunity to work and deliver high quality services for the people of Newport. The Council must also be involved in decisions made at a regional and national levels to ensure we can maximise the opportunities for Newport and benefit from major investment.

In 2015 Newport City Council started paying all its staff the real living wage and we are now actively exploring becoming a Living Wage accredited organisation, with the longer term aim of achieving Living Wage City Status.

In March 2019 the Council signed up to the Welsh Governments Code of Practice: Ethical Employment in Supply Chains which seeks to tackle modern slavery, human rights abuses, blacklisting, false self-employment, unfair use of umbrella schemes and zero hours contracts. Our tender processes were modified to both ensure our contractors are using ethical employment practices, and to also encourage our supply chain to themselves sign up to this important commitment.

In 2025 the Social Partnership and Public Procurement Act will become law. The purpose of the Act is to create a framework to enhance the well-being of the people of Wales by improving public services through social partnership working, promoting fair work and socially responsible public procurement, including through the establishment of a Social Partnership Council. Elements of the Code of Practice: Ethical Employment in Supply Chains will be made mandatory and embedded within statutory guidance.

Safeguarding vulnerable people is one of the Council's main corporate priorities and public procurement has an essential role to play in ensuring all relevant safeguarding checks have been embedded within the tender process and that safeguarding policies, procedures and training are integral for the duration of the contract. We will be reviewing our procurement process and contract management framework during 2025 to ensure we meet this duty and our contractors know their role in safeguarding those vulnerable children and adults in our care and communities.

### ***Aim (where we want to be)***

- Procurement is used to influence and increase positive fair work and socially responsible outcomes which benefit the County by addressing poverty, inequality and diversity
- The Council and its suppliers and contractors actively safeguard and promote the rights of children, young people and vulnerable adults

### ***We will do this by (how we will get there)***

- Ensuring that tenderers and contractors are aware on the Council's commitment to working with organisations that will support the Council to meet equality, fair work and safeguarding duties

- Using our tendering process to ensure that our suppliers are committed to supporting the Council to deliver its equality, fair work and safeguarding duties
- Working with our suppliers to ensure that they promote fair work practices and safeguarding within their organisation and supply chain

***We will demonstrate delivery by***

- Monitoring and evaluation of third party suppliers to ensure proficient safeguarding practices exist in these supply chains.
- Delivering against the Social Partnership and Public Procurement Act and the principles of the Code of Practice: Ethical Employment in Supply Chains

## **Managing Demand and Securing Value for Money**

Annually the Council spends in excess of £250 million on the acquisition of goods, services and works.

The Corporate Plan and this Strategy have been produced against the backdrop of economic uncertainty. We face fluctuating energy costs, inflation and escalating borrowing costs alongside increased demand pressures in areas such as children's services, adult social care, homelessness, additional learning needs and home to school transport to name but a few pressure areas.

The Council recognises that our procurement strategy will be vital in making sure our budgets are used effectively to deliver our priorities. It is therefore our commitment to use the Council's spend to deliver within budget, whilst enabling and promoting additional value for money considerations such as social value, community benefits, equity and a reduction of carbon across our supply chains.

One way in which the Council is able to demonstrate Value for Money is by awarding contracts through open competition. The Council has in place a robust set of procedure rules that govern the processes that need to be followed when looking to buy in goods, works and services from external suppliers. We also have a robust Procurement Gateway Process in order ensure procurement projects are governed and influenced at a strategic level within the Council. Major projects are considered by the Gateway Board which is chaired by the Chief Executive with membership of the Board being made up of the Strategic Directors along with the Head of Finance and the Procurement Manager. Lower and mid value projects are considered by Heads of Service, thus ensuring any proposals to engage third party providers meet the aims and objectives of the service area.

Although focus is often on the tender process and securing a competitive price, it is essential that contracts are effectively managed to ensure that requirements and commitments are delivered, and that prices and costs remain aligned to the contractual arrangements. In order to direct the Council in effectively managing contracts, a Contract & Partnerships Management Framework has been developed, aimed at ensuring 'expert contract management' competencies are utilised by all contract managers within our service areas. This framework covers all those activities associated with contract management – from the establishment of the business case and the confirmation of need, through the engagement process between customer and contractor, contract administration and relationship management to the review of contract performance.

Value for Money is “the optimum combination of whole-of-life costs in terms of not only generating efficiency savings and good quality outcomes for the organisation, but also benefit to society, the economy, and the environment, both now and in the future”

### ***Aim (where we want to be)***

- The Council can clearly demonstrate it is achieving value for money from its third-party spend through all stages of the procurement lifecycle including planning, award and management of contracts.

- The Council routinely evidences that it considers quality and whole life cost in respect of financial and wider environmental, social, economic and cultural considerations, in particular carbon reduction and social value delivery.

***We will do this by (how we will get there)***

- Reviewing and challenging what we spend our money on and identifying opportunities to deliver efficiencies.
- Demonstrating value for money and considering the whole life cost of the decisions we make.
- Managing contract delivery and the impact of price and market pressures.

***We will demonstrate delivery by***

- Reporting of procurement's contribution to savings targets detailed in the MTFP through effective procurement.
- Managing our Contract Forward Plan and publishing it in line legislative requirements.

## **Ensuring legal compliance and robust and transparent governance.**

The way in which the Council undertakes its procurement activity is subject to both UK and Welsh legislation, and the Council's own Constitution which includes our Contract Standing Orders and Procurement Rules.

The Procurement Act 2023 place express legal requirements in terms of how the Council undertakes the award of contracts over defined thresholds. The intent of these Regulations was to create an open, transparent and equitable EU market. Following the UK exit from EU the UK and Welsh Government have been undertaking a review of procurement legislation which comes into force in 2025. One of the aims of the new procurement Act is to ensure there will be greater transparency of procurement activity through the introduction of a new transparency regime.

The new procurement legislation will in Wales be further strengthened through the Social Partnership and Public Procurement (Wales) Act which also comes into force in 2025. Procurement and Legal Services are working closely together to develop any changes to the Council's approach to procurement that may be required to comply with the proposed legislation, with the introduction of new updated Contract Standing Orders coming into force in early 2025.

In addition to the legislative requirements procurement activity in the Council is also subject to the Council's Constitution, in particular the Scheme of Delegations and Contract Standing Orders and Procurement Rules.

The Constitution requirements are in place to ensure transparent governance through clearly defined decision making requirements, accountability to ensure probity and minimise the risk of fraud.

Procurement Oversight and Assurance is well established in Newport City Council with a robust Procurement Gateway Process having been in place since 2015 and subsequently revised over this time to ensure robust procurement scrutiny is provided across the organisation through Strategic Procurement, Heads of Service and Directors.

Major projects are considered by the Gateway Board which is chaired by the Chief Executive with membership of the Board being made up of the Strategic Directors along with the Head of Finance and the Procurement Manager. In order to support the role of the Gateway Board and for the Board to have oversight and understanding of upcoming procurements, a Forward Procurement Work Programme is developed in liaison with all service areas early each year and presented to the Board. This programme clearly sets out all known required procurement projects for the coming years and their anticipated value, in order for the Board and Procurement Manager to have oversight and identify key projects that the Board wish to scrutinise and challenge "why" and "how" spend is being packaged and procured.

The Council also has a number of key processes, systems and documentation requirements which are in place to ensure proportionate but adequate controls.

### ***Aim (where we want to be)***

- All procurement staff and Council officers involved in procurement processes have full awareness of the impact of the regulations and contract procedure rules which apply to procurement activity.

- The Council complies with relevant legislation and that the governance and risk management arrangements of the Council are proportionate and followed.

***We will do this by (how we will get there)***

- Regularly reviewing and updating procurement documentation, processes, systems and controls to ensure they reflect legislative changes
- Providing education and training to Council officers involved in the procurement process
- Ensuring we have adequate arrangements in place to manage performance and providing oversight and assurance to the Council's procurement Gateway Board

***We will demonstrate delivery by***

- Publishing all required transparency notices relating to procurement and contract activity on sell2wales in line with legislative requirements.
- Publishing our Procurement Forward Work Plan and our Contracts Register on our NCC website

## Key Enablers

The Council has identified five key enablers that will be critical to the delivery of this Strategy:

### People

- Continue to invest in our People to ensure that the Procurement Team and those officers engaged in the procurement process have the right mix of skills, knowledge and expertise to work effectively and collaboratively.
- Ensure that the Senior Leadership Team support the Procurement Gateway Process and challenge officers to demonstrate the delivery of wider Council priorities throughout the procurement lifecycle.

### Process

- Simplify and standardise our core processes and ensure our controls ensure compliance.
- Ensure that standard templates are in place and easily accessible for key procurement and contracting documentation and that these are regularly reviewed.
- Ensure that staff engaged in the procurement process have the required access to training and support

### Technology

- Invest in the use of technology and e-procurement to underpin and simplify our core processes for both staff and suppliers.
- Maximise the effectiveness of our Purchase to Pay (P2P) processes to drive efficiency savings.

### Information

- Provide staff with accurate timely spend data to inform procurement decisions and identify savings opportunities without compromising on our social value and carbon reduction commitments
- Produce a Contract Forward Plan and Contract Register at least annually to improve visibility and planning.
- Support Directorates to optimise their spend in the achievement of their strategic objectives.

### Culture

- Develop a culture that is innovative and challenges traditional delivery to improve what we do and deliver value.
- Ensure that staff understand and appreciate the Procurement rules and policies of the Council.
- Ensure that there is positive engagement with staff across the Council to support and encourage the delivery of innovative solutions within the agreed Council rules and wider legislation.
- Work collaboratively to secure better solutions and share learning.