



CABINET – 23 JUNE 2017

CHARTER FOR SUSTAINABLE BRITISH STEEL

REPORT OF THE CHIEF EXECUTIVE

PART A

Purpose of the Report

1. The purpose of this report is to seek the Cabinet's approval for the Council to register its support for the Charter for Sustainable British Steel ("the Charter") and to include the requirements of the Charter in the Council's procurement of future construction and highways contracts where appropriate and in compliance with the Public Contracts Regulations 2015.

Recommendations

2. It is recommended that:
 - (a) The Council's implementation of the recommendations of the Procurement Policy Note 11/16 – Procuring Steel in Major Projects, whereby the Council includes questions on the use of steel (where appropriate) at the selection stage of a procurement process, be noted;
 - (b) The Cabinet endorses, in principle, the objectives of the Charter for Sustainable British Steel;
 - (c) The Council includes the requirements of the Charter in its procurement of future construction and highways contracts where appropriate and in compliance with the Public Contracts Regulations 2015.

Reason for Recommendations

3. The Council has been approached by North Lincolnshire Council to pledge its support to the Charter. The Charter has been developed by the UK Steel Trade Association, EEF Limited, to support the responsible sourcing of steel reinforcement in accordance with the Framework Standard for Responsible Sourcing (BES 6001), which is recognised by the Building Research Establishment (BRE) and which aims to ensure steel and other construction materials are sustainably sourced.

Timetable for Decisions (including Scrutiny)

4. If agreed by the Cabinet, the recommendations in paragraphs 2(b) and 2(c) above will take immediate effect.

Policy Framework and Previous Decisions

5. The Council in its Commissioning and Procurement Strategy (2014 – 2018) has made a commitment to making a positive impact on environmental, economic and social sustainability both for the area and for the people.

Resource Implications

6. There are no immediate resource implications arising from the content of this report.
7. The views of the Director of Law and Governance have been incorporated into this report.

Circulation Under the Local Issues Alert Procedure

8. None.

Officer to Contact

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PART B**Background**

9. In March 2017, the Council was approached by North Lincolnshire Council with a request to pledge support to the steel industry and its wider supply chain by signing up to the Charter (see the Appendix attached to this report).
10. Signatories of the Charter pledge to purchase carbon steel reinforcement for concrete only from vendors that adhere to the Framework Standard for Responsible Sourcing (BES 6001), as recognised by BRE as an associated independent third-party certification scheme.
11. Signatories of the Charter recognise that:
 - a) The manufacture of British steel products makes a significant contribution to the British economy. Exports of British steel were worth £4.9bn in 2013 and contributed £2.4bn to the UK's balance of trade. The sector's overall contribution to the UK economy is worth around £9.5bn a year;
 - b) The British steel industry employs approximately 20,000 people and additionally supports domestic businesses and employees in the supply chain, with the associated knock on benefits for the national economy generated by tax revenues;
 - c) British steel is a quality product manufactured with high production values;
 - d) BES 6001 certification means the steel has been manufactured in a sustainable and responsibly sourced manner and can be traced back to its raw materials;
 - e) Using steel manufactured to BES 6001 standards supports public and private bodies to reach sustainability targets;
 - f) There are significant benefits that arise when money invested in public and private projects is recirculated within the British economy, via the purchase of domestically produced products.
12. In autumn 2015, the Government issued steel procurement guidance to its departments on how to ensure they take full account of the value provided by steel producers when conducting their procurement activities, to help ensure a level playing field for UK steel producers.
13. In April 2016, the Government announced it would extend this guidance for use across the wider public sector and the guidance was revised accordingly.

14. The Crown Commercial Services (“CCS”) in its Procurement Policy Note has expressed the Government’s commitment to implementing measures that will help to address barriers that prevent UK steel producers from competing effectively for public sector contracts. In view of this commitment, CCS has issued guidance in PPN 11/16 - Procuring Steel in Major Projects, which states as follows:

“All public procurement procedures must comply with the EU Treaty, the Treaty principles, the EU procurement directive and the requirements of the Public Contracts Regulations 2015 (PCR 2015) (or the Defence and Security Public Contract Regulations 2011 or Utilities Contracts Regulations 2016 where applicable), which set out detailed rules on social considerations in public procurement. Where local authorities are implementing this guidance, they should also ensure that they comply with the Best Value Duty as set out by the Local Government Act 1999.”

15. The guidance further states that *“If a standard is specified, the contracting authority must also refer to and accept ‘equivalents’.* Technical specifications must allow equal access of suppliers to the procurement. Technical specifications must give potential bidders equal access to the procurement”.
16. The Council has implemented the recommendations of the Procurement Policy Note (PPN 11/16) whereby the Council includes questions on the use of steel (where appropriate) at the selection stage of the procurement process.

Background Papers

Procurement Policy Note: Procuring Steel in Major Projects - Revised Guidance - <http://ow.ly/aB3M30cyjX4>

Guidance on how to create a level playing field for UK steel producers through public procurement - <http://ow.ly/7mqg30cyk2W>

Appendix

Letter from North Lincolnshire County Council and The Charter for Sustainable British Steel

Equality and Human Rights Implications

17. There are no discernible equalities or human rights issues arising from the recommendations in this report.