

Date: Monday 3rd October 2016

Time: 10:00-14:00

Location: Charles Stewart House, 9-16 Chambers Street,
University of Edinburgh



EAUC Sustainable Procurement TSN

MINUTES

Attendees

Kirsten Adams-MacKenzie	Glasgow Kelvin College
Louise Aird	University of Dundee
Lynn Anderson	The Poverty Alliance
Karen Bowman	University of Edinburgh
Michelle Brown	The University of Edinburgh
Stephen Connor	APUC Ltd
Liz Cooper	The University of Edinburgh
Colin Elliott	University of Stirling
David Fairhurst	Edinburgh Napier University
Susan Ferguson	APUC Ltd
Sarah Leitch	Glasgow School of Art
Stuart McLean	The University of Edinburgh
Stewart Miller	University of Glasgow
Kate Murray	APUC Ltd
Rebecca Petford	EAUC
Vicky Shanley	Edinburgh College
Gemma Stenhouse	APUC Ltd
Andrew Tennant	SRUC
Peter Hayakawa	University of Edinburgh

Apologies

Sarah Duley	Soil Association
Claire Guerin	Zero Waste Scotland
Kirsty Hughes	Heriot-Watt University

Minutes

1) Welcome and Introductions

Karen Bowman, University of Edinburgh

Everyone was welcomed and invited to introduce themselves to the meeting.

Stephen Connor from APUC to chair the meeting. Everyone was invited to contribute to the discussions as much as possible throughout the programme.

2) The Modern Slavery Act

Insights from the University of Edinburgh

Liz Cooper, University of Edinburgh

Find slides [here](#)

The University of Edinburgh's Social Responsibility and Sustainability (SRS) team work across the university, not just on Procurement, but Liz works closely with the University team on sustainable procurement, including fair trade and supply chains

Modern Slavery is a key issue in media and research, and affects around 46 million people around the world and almost 12,000 people in the UK – important to respect livelihoods and lives.

UK Modern Slavery Act (MSA) states that organisations with turnover over £36m / year must publish an annual statement on how they address the Modern Slavery Act, and link to this from front page of their website. The University of Edinburgh does this.

Risks affecting a university are in global supply chains, in the local area, in disposal, in international offices/collaborations and many other places, with risks higher in certain social or economic situations around the world.

Lots of examples of modern slavery exist in the UK or through UK supply chains

University of Edinburgh started working on their MSA approach in 2016 with preliminary research, stakeholder workshop May 2016, draft statement and action plan. Statement now on draft 4, and to go through sign off committees then to University Court.

Research briefing for universities on the University website [here](#), considering how can universities contribute to tackling Modern Slavery.

Looking at next steps now, including training and collaborating across the sector

A Perspective from APUC

Stephen Connor, APUC

APUC have published a statement on Modern Slavery.

APUC code of conduct includes modern slavery – 75% of members have adopted this as part of their own procurement processes.

Sustain website tool goes beyond code of conduct and asks suppliers to reveal what they do about modern slavery as well as other aspects of sustainability – 3 suppliers on Sustain at the moment. It takes quite a few months to vet a supplier – they are invited, then 13 questions to answer and upload evidence, then validation at APUC end with questions asked and potentially an audit of the organisation, then results published. If suppliers choose not to engage with the process they are published as a null response. Also trying to get information on the suppliers' suppliers to look at their supply chains.

If an institution wants a supplier on sustain they can come to APUC and Stephen or Emma Nicolson will invite them. Once they are on there they don't need invited again.

Timeframe – 6 months to answer questions, up to 3 months to validate. Suppliers then have 30 days to respond before publishing results. Better to focus on prioritised suppliers to make best use of time.

Questions and Comments:

- SC unsure how many invitations are out there at the moment to new suppliers waiting to be added. Usually it's the suppliers on the major frameworks who are invited. Are APUC identifying companies with over £36m and asking for their Modern Slavery Statements? Should they be addressed first for Sustain? – Not currently part of the process, although slavery is covered by the Code of Conduct.

- Are other institutions publishing statements? – University of Stirling are in process under part of the sustainable development working group. Glasgow School of Art are drafting one. Glasgow Caledonian University's has just been approved so should be out soon. Edinburgh Napier has a first draft.
- Will APUC produce a template for MSA statements? – To be considered
- There would be more credibility if APUC's code had explicit reference to MSA
- How can higher and further education work together to make a statement on MSA? University of Edinburgh prepared to share best practice – already share with QMU due to collaborative procurement – need court clearance first for some document to be shared, but research papers will be shared. UoE still looking at working with other departments, e.g. HR, to ensure there are no MA infringements, and also consider the risks where work is outsourced, and aligning MS risks with other risks at the University.
- University of Nottingham have a free MOOC coming up on Modern Slavery which could be of interest to some – find it [here](#)
- Where lots of institutions procure through APUC would it be better to ask the questions about supply chains collaboratively rather than repeating work by getting suppliers involved with Sustain? APUC are ready to move with this if institutions know who the priority suppliers are – need to know who to target.
- Institutions need to get suppliers warmed up to the idea themselves too. If Sustain and MSA was referenced at the tender stage then supplier would be aware that they may be required to take part in Sustain.
- How does information sharing with police/borders agency etc. work? – You can ask the police if you have concerns about a supplier, but contracting authorities need evidence to exclude a company. International Labour Organization (ILO) comment on conventions in each country whether there were convictions or not, which is a good place to see concerns with particular companies.
- Some uncertainty in attendees about how Sustain Tool is progressing and how institutions can engage – need to release more information on this. This could be a focus for a future meeting.

3) Living Wage Accreditation

Lynn Anderson, The Poverty Alliance

Find slides [here](#)

The Poverty Alliance Run the Scottish Living Wage Accreditation on behalf of the Living Wage Foundation. 600+ employers in Scotland are certified – still a long way to go. Team of 4 covering all of Scotland

Living wage outside of London £8.25/hour for 18+, £7.20 minimum wage for age 25+

LWA is a voluntary commitment to stand out as a fair pay employer. Uses the Minimum Income Standard to calculate the wage required to have basic but adequate standard of living (identified through focus groups what would be considered to be a reasonable lifestyle).

Multiple 'living wages' exist, this one is most widely accepted in the UK.

Need a living wage due to levels of poverty, including in-work poverty. 18% of employees in Scotland (~418,000) are paid less than the Living Wage. A living wage gives social recognition as well as financial benefit, with around £2,000 difference per year compared to National Minimum Wage (around £40/week).

Social and moral case, but also policy (health, welfare benefits, more income tax) case to pay a living wage. Also strong business case (smaller private sector companies leading the way on this, perhaps more adaptable) – 25% fall in absenteeism, improved morale and motivation, better

quality of work, improved staff recruitment and retention, resilient workforce, reputational benefit.

Brand benefit of being a living wage employer is clear – important to consider in FHE

To qualify all directly employed staff must receive living wage, all contract workers who work regularly (definition exists) on your premises must receive it or have a plan in place to do so, and there must be a statement of intent to pay living wage in the future (as it increases over time in line with cost of living).

Pay-gap changes need considered when lowest paid workers are paid more – does this lessen gap or do you bump everyone up.

May need to work with contracted suppliers to get them to sign up to or move towards paying living wage – can just be at contract renewable date if necessary. Scottish Government guidance exists to help you embed living wage into your procurement contracts and guidelines. Need to give adequate weighting to living wage when tendering contracts – if winning contract doesn't pay it but you have tried then report that in your LWA application, as everything is 'to the extent permitted by law'.

Living wage week is the first week of November each year when the new rate is announced.

Important to communicate to employees if there is a delay in implementing the new living wage following the announcement.

Impacts - 93% report positive reputational impact on survey of over 150 accredited living wage employers in Scotland

Upcoming event - Living Wage Expo Conference 2016 – 31 October 2016 at Strathclyde

Technology and Innovation Centre – open to all – find information [here](#)

Contact details: Email: lynn.anderson@povertyalliance.org - Website: www.scottishlivingwage.org

- Twitter [@ScottishLWAI](#)

Questions and Comments:

- Accreditations so far in FHE – University of Aberdeen, Forth Valley College, University of Glasgow, Glasgow Caledonian University and Students' Association, North Highland College, Perth College UHI, Queen Margaret University, Sabhal Mòr Ostaig, University of Strathclyde and Students' Association.
- FHE need to be able to forecast wages in advance for budgeting purposes, so not having a projection of the Living Wage going forward would be a concern to some. LWA are looking to build in caps so there aren't large hikes in the rate, but work is going on to develop better guidance.
- Pension contributions not included in the calculations, it's take home pay.
- With zero hours contracts the LWA provide guidance to educate employers about legal framework around these. They don't audit or police explicitly but would raise concerns.
- Scottish Government's Fair Work Practice Guidance is unclear. As organisations don't know limits there is a lack of agreement about how far they can go with it. It would be possible to ask about living wage under Fair Work Practice questions as they are about your own socio-economic area.
- Having a living wage policy in an organisation allows you to be explicit about your commitment to your staff and their wellbeing.

4) Meeting the Sustainable Procurement Duty

Stephen Connor, APUC

Find slides [here](#)

The Sustainable Procurement Duty (SPD) places a duty on public bodies that they need to improve economic, social and environmental wellbeing, and promote innovation (SMEs, Third Sector

Bodies and Supported Businesses) in the procurement practices, in a way which is relevant and proportionate. This is listed as an actionable duty so required.

Wellbeing is divided into economic factors, social factors, health factors and environmental factors.

Innovative procurement involves new or significantly improved products, services or processes solving societal challenges or supporting smart, sustainable and inclusive growth.

Sustainable Procurement Duty Reporting – Strategy must explain how it will ensure regulated procurement will comply, and report must review whether procurement previous year complied and summarise efforts to do so.

Statutory Guidance outlines four tools – Lifecycle Mapping (sustainability risks in 4 stages of life), Prioritisation (analysing procurement spend for spend, risk, scope and influence), sustainability test (contract-level tool to sense check against prioritisation) and Flexible Framework (enables authorities to develop an action plan (self assessment) that includes target dates and responsibilities for delivery across a range of sustainability goals).

APUC Prioritisation Tool – answer questions to identify key risks across procurement contracts. This process is the same for the prioritisations in terms of the key risks in different types of contracts for APUC, and it would be good to share with the sector

Questions and comments:

- Hard to treat all SMEs equally
- The Duty forces you to think, not necessarily to do.
- Innovation – research institutions are always looking for innovative technologies, but it isn't done with a sustainability hat. Also need to balance human rights and environmental issues with innovation.
- Need sustainability in tenders to be followed up on later on to ensure suppliers are acting on it – the Duty is supporting this.

5) Conflict Minerals and the University of Edinburgh

Liz Cooper, University of Edinburgh

Find slides [here](#)

Conflict minerals is related to modern slavery, but at the beginning of the supply chain. It is where the profits from mining are used to fund armed conflict – the elements used in electronics in DRC is one example, but many more exist elsewhere.

Regulation – Dodd-Frank Act in USA requires transparency on mineral sourcing. New voluntary regulation in EU puts obligations for smelters and refiners to source responsibly, but nothing exists which is wide-reaching.

Conflict minerals are especially relevant to Universities because of the ICT, labs, vehicles, technologies etc. used.

University of Edinburgh developed Conflict Minerals Policy, which has been under research since 2014 internally and externally. They developed policy in 2015 with students, SRS, Procurement Office, EUSA and academics, and it was published in February 2016 after committee approval. Find it [here](#). The Policy gives a public commitment to work collaboratively to eradicate conflict minerals from the goods the university buys by asking questions in tenders, awareness raising, academic and student research, and collaboration with the sector. There has been a good media response – and awareness raising is important. Continuing to work on research, engagement, events and campaigns.

Would like to consider how to better collaborate with the sector. More leverage working together to ask questions. Collaborate to map supply chains through Sustain?

Conflict minerals are widespread and most suppliers are not ensuring there are no links to conflict minerals – hard and expensive for businesses to find out full chain

Questions and Comments:

- Electronics Watch look at manufacture in factories – could they extend downstream to look at mineral origins? Perhaps far into the future they might, but it isn't a current priority.
- Customers need to encourage companies to act by asking questions.
- Fairphone – works as a usual phone but modular so sections can be replaced and initially ordered to suit specific requirements. The focus is on conflict minerals as well as circular economy.
- Conflict minerals has been discussed at other Universities. Some conflict free campuses exist but none known in Scotland.
- Need to look at all electronic equipment including lighting, labs etc. not just laptops and projectors. Internet of things making it more and more items which are applicable.
- APUC code of conduct is the procurement policy for the sector and includes conflict minerals – 75% of institutions have it embedded in their documentation

6) Community Benefits Discussion

Stephen Connor, APUC

Since April there is the need if procurement value is over £4m to consider community benefits – has this changed anything? Guidance explicitly mentions FHE placements for students which could be on many different levels from a trip to research.

- Stirling University always have tried to think about this, but hoping to be more creative over time.
- Measuring and reporting is ultimately the challenge. Futures Trust Guidance for Construction Community Benefits includes embedding monitoring into contracts.
- University of Edinburgh are looking at ensuring a service is open to the public as well as staff/students as part of community benefit, but are struggling with how to measure beyond just numbers through the door.
- Most contracts doing this are works-related.
- Could contracts have framework-manager level benefits for contracts which are not sufficiently large individually to support community benefits? – To consider

7) Public Bodies Climate Change Duties Reporting and Procurement

Rebecca Petford, EAUC

Find Guidance Document from SSN [here](#)

The [Climate Change \(Scotland\) Act 2009](#) introduced targets and legislation to reduce Scotland's emissions by at least 80% by 2050, placing duties on public bodies relating to climate change. In 2015 an Order was released, requiring all 151 Public Bodies on the Major Players list to submit an annual report to SSN, detailing their compliance with the climate change duties. This includes all colleges and universities in Scotland.

In November 2015 all Major Players were invited to submit for the trial year, with 2/3 submitting. The first mandatory year's reporting deadline is on the 30th November 2016, with all institutions expected to make a submission.

EAUC-Scotland and SSN have been running a large number of training events and offering support to all to ensure 100% submission rates over the last year. Find SSN's resources [here](#) and a summary of those from EAUC-Scotland [here](#).

A sub-section of the Mandatory section of the report focuses on sustainable procurement, with details of the questions and good answers submitted by the FHE sector last year available on the [Guidance Document](#). Procurement professionals working within institutions are requested to engage with the Reporting Lead within their institution to ensure these questions are completed accurately.

For technical questions about completing the Report, or to identify your lead reporting contact, please contact SSN using the details at the bottom of [this page](#).

EAUC-Scotland are always happy to help – contact Scotland@eauc.org.uk or call 0131 474 0000 and ask for E.A.U.C.

8) AOCB

None raised.

9) Thanks and Close

Everyone was thanked for their attendance and participation in the discussions.

Next meeting will be in Spring 2017.

Minutes prepared by: Rebecca Petford
EAUC-Scotland Programme Manager
October 2016