



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

5 February 2020

Joint Report of the Director of Environment and Regeneration – N.Pearce and Head of Legal Services – C.Griffiths

Matter for Decision

Wards Affected: All Wards

UK STEEL CHARTER

Purpose of the Report:

1. To seek approval for Neath Port Talbot County Borough Council (the 'Council') to implement its UK Steel Charter Policy (the 'Policy').

Executive Summary:

2. The publication by the Council of its Policy will demonstrate its commitment to the UK Steel Charter launched by the UK Steel Industry in May 2019 (the 'Charter') and will identify the practical actions that the Council can consider taking in the procurement of steel together with providing an overview of how such commitments will be met.

Background:

3. In publishing the Charter (May 2019) the UK Steel Industry aimed to build upon existing government policy on the procurement of steel by asking for a commitment to a range of procurement steps intended to transform the way in which materials, in particular steel, are procured.
4. The Welsh Government, the first signatory of the Charter, signing it on 16th May 2019, acknowledged that the Charter fully complimented its 2018 Procurement Advice Note (*'Supporting the sourcing of steel in major construction and infrastructure projects in Wales' (January 2018) ('PAN')*) in supporting the sourcing of steel and recommended that governments and public sector procurers across the UK review the way in which they procure steel so as to also support the UK steel industry.
5. The Charter sets out a list of procurement steps that are key to support the steel industry, but the list is not exhaustive and it is not intended that signatories should commit to all steps as it acknowledges that organisations are different and therefore will need to decide the most practical and suitable measures for themselves (see paragraph 9 for the commitments that it is felt that this Council could not sign up to).
6. The Policy identifies the areas in the procurement cycle that the procurement of steel would benefit from including:
 - 6.1 pre-procurement planning to identify major projects where steel will be a critical component, i.e., structural steel products such as steel frames, reinforcing bars;
 - 6.2 advertising of such major projects to make the market aware of future opportunities;

- 6.3 contractual provision in documentation to ensure supply chains are provided for by the main contractors including the advertising of supply chain opportunities;
 - 6.4 ensuring specifications include provision as to how steel is specified and procured;
 - 6.5 considerations at the supplier selection stage of the procurement exercise to deal with such problems as steel dumping and non-compliance with health and safety and social environmental legislation; and
 - 6.6 encouraging suppliers to use the facilities of the Sell2Wales site to seek out possible supply chain opportunities by identifying relevant contracts and the main contractors to whom they have been awarded.
7. The Policy also provides an overview as to how the Council already meets the above steps or intends to meet them or an explanation as to why the steps may not be practical or suitable.
 8. The steps set out in paragraph 6 and the overview referenced in paragraph 7 above are contained in Appendix 1 to the Policy.
 9. It should be noted that there are some elements of the Charter that the Council will not be able to comply with:
 - 9.1 The development of a future steel pipeline - This commitment is aimed at the Welsh Government and larger purchasers of steel. The Council already has early engagement with UK Steel representatives on major construction projects.
 - 9.2 Advertise opportunities for steel providers and/or require our contractors/sub-contractors to do so - this instead will be met via contractual commitments to use steel that meets the BES

- 6001 (or equivalent) and to report on UK Steel use within contracts.
- 9.3 Introduce a requirement for tender applications to include supply chain plans - this will be kept under review but it is felt that the other commitments that the Council have agreed to will maximise the use of UK steel.
- 9.4 Use UK-produced steel to meet KPIs for corporate social responsibility commitments - This will be kept under review but it is felt that the other commitments that the Council have agreed to will maximise the use of UK steel.
10. The Policy is also intended to support the Welsh Government's PAN which states that the considerations of the PAN are to be applied in any major procurement project where steel is a 'critical component'. It is for contracting authorities to determine whether their procurements are 'major' projects. In the case of the Council, such major projects would include infrastructure (roads), construction of schools, bridges and flood defences.

Financial Impacts:

11. No implications.

Integrated Impact Assessment:

12. A first stage impact assessment has been undertaken to assist the Council in discharging its legislative duties (under the Equality Act 2010, the Welsh Language Standards (No. 1) Regulations 2015, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016, a copy of which is included at Appendix 2 of this Report. The first stage assessment has indicated that a more in-depth assessment is not required for the reasons set out in Appendix 2.

Valleys Communities Impacts:

13. The step identified in the Policy to support supply chains goes towards helping to address the commitment given by this Council in our Valleys Strategy. A local procurement or community wealth building approach encourages the use of local suppliers in order to generate local business growth and keep money spent within the area. This approach also incorporates the principles of sustainability and ethical employment. The desired outcome is to create strong local supply chains and to build wealth in local communities.

Workforce Impacts:

14. No implications.

Legal Impacts:

15. The proposed Policy will help the Council to demonstrate compliance with all appropriate procurement legislation.

Risk Management Impacts:

16. The absence of a policy to confirm the Council's commitments to the Charter could increase the likelihood of criticism from the Welsh Government in that the Council has failed to acknowledge and implement its recommendations in its PAN and also from the UK steel industry by failing to support it.

Consultation:

17. There is no requirement for external consultation on this item'

Recommendations:

18. It is recommended that Members approve the proposed Policy included at Appendix 1 of this Report for implementation.

Reasons for Proposed Decision:

19. To confirm the Council's commitments to the Charter and to the UK steel industry and to acknowledge and implement the Welsh Government's recommendations in its Procurement Advice Note

Implementation of Decision:

20. The decision is proposed for implementation after the three day call in period.

Appendices:

21. Appendix 1 – Neath Port Talbot County Borough Council UK Steel Industry Charter Policy

Appendix 2 – First Stage Integrated Impact Assessment

List of Background Papers:

22. Document 1 - Welsh Government's Procurement Advice Note: 'Supporting the sourcing of steel in major construction and infrastructure projects in Wales' (January 2018) (Version number: v1) ('PAN')

Document 2 - Guidance for Signatories of the UK Steel Charter: Maximising Value: Positive Procurement of Steel

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