

HMRC Sustainable Procurement Strategy

What is Sustainable Procurement?

Sustainable Procurement is 'a 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'.

Embedding sustainable procurement into our actions

We believe that embedding sustainability within all our processes will allow us to move into a leadership position within Government. This has the potential to make a significant contribution to setting the UK economy onto a more sustainable trajectory, while offering better value for money for current and future taxpayers. A more detailed view of our actions is set out in the next section

Leading by example

We will become a public sector leader on sustainable procurement through:

- having effective sustainable procurement practice embedded within our processes. We will ensure that procurement is recognised as being vital to the delivery of our corporate objectives
- ensuring our procurement activity is outcome-focused with well-defined deliverables that cover environmental, social and economic issues such as reducing CO₂ emissions, promoting equal pay and providing opportunities for SMEs and other diverse suppliers
- engaging with our suppliers to ensure they recognise and understand their role in supporting these objectives
- appointing a core group of sustainable procurement experts who will be responsible for maintaining momentum and driving this agenda forward. This group will be the main point for policy advice, mentoring and training on sustainable procurement matters
- a track record of sustainability benefits delivered will be in place and publicised to recognise progress and success.
- ensuring sustainable procurement is linked to our procurement practitioners' individual key work objectives through their performance agreements

Environmental policy

HMRC is fully committed to playing its part in the preservation of natural resources and in preventing environmental pollution. HMRC policy is to carry out business so that it takes full account of the needs of the environment, and includes action to reduce energy and water consumption, ensure paper is used economically and that recycled paper is used wherever it is practical and economical to do so. HMRC also aims to reduce the use of ozone-depleting substances.

HMRC purchasing policy pays proper regard to environmental issues whilst still securing best value for money. Details of any environmental requirements that suppliers need to be aware of will always be included in the invitation to tender documents.

Further reading:

- [Greening government commitments](#)
- [Encouraging businesses to manage their impact on the environment](#)

Raising the bar

To help drive markets for more innovative and sustainable solutions we aim to set an example to the rest of the public sector, industry and consumers by our sustainable procurement of goods and services. We will do this through:

- adopting (whenever possible) a forward-looking commitment approach to give advance warning to the market of future requirements or 'unmet needs'. This would enable the market to respond with innovative solutions
- working within our business to identify and set future minimum requirements and encourage investment in research and development by our suppliers
- continuing to ensure the relevant government buying standards are included within our procurement activities
- continuing to work with externally accredited organisations and others on attributing value to sustainable procurement as well as stimulating debate around social issues

Building capacity

We will develop our capabilities on sustainable procurement through:

- benchmarking our performance at least on an annual basis through fully adopting the Flexible Framework
- developing our guidance to ensure it is fit for purpose for our procurement practitioners whilst also providing the appropriate training which focuses on actual sustainable procurement delivery
- utilising technology to provide us with a detailed spend analysis enabling us to identify areas of priority spend
- ensuring environmental, social and economic issues are addressed at all stages throughout the procurement lifecycle. This will be done through the adoption of e-tools which will assess performance and benchmark activities throughout the life of a contract (from sourcing to exit management)
- working with our suppliers collaboratively to identify joint areas for improvement and ensuring the HMRC Balanced Scorecard approach is utilised for all contract reviews

Removing barriers

In the past within central government there has been a focus on short-term efficiency savings at the expense of long-term benefits. We are working to address this through:

- ensuring our budgetary mechanisms enable and support sustainable procurement
- taking account of whole-life costs in the evaluation of tenders to ensure the way we spend taxpayers money contributes to the sustainable development of the UK
- improving our risk management process, to open up opportunities for innovation and maximise the potential benefit of the spend

Capturing opportunities

We recognise the potential benefits our supplier community could offer. Through smarter engagement with the market we hope to stimulate innovation. We will do this through:

- being open to ideas whilst recognising that often innovation and risk go hand in hand. We will ensure effective risk management processes are in place
- revealing whenever possible our long term plans and communicating this to the appropriate market
- using output specifications to avoid constraining the solution with detailed specification. We will allow the markets to respond with innovative solutions
- working with the markets on joint improvement plans (developed from our benchmarking e-tools) to deliver sustainable and value for money outcomes

Race equality

The Equality Act 2010 ('the Act'), which replaced the Race Relations Act 1976, as amended by the Race Relations (Amendment) Act 2000, gives HMRC a statutory duty to promote race equality. To this end, the Act requires HMRC to have due regard to the need to:

- eliminate unlawful racial discrimination
- promote equality of opportunity
- promote good relations between people from different groups

In order to fully comply with its duty under the Act, HMRC will take steps to ensure that its procurement activity and resulting contracts also promote race equality

Collaboration within government

It is important for our suppliers and ourselves that we act consistently alongside other central government departments, ensuring whenever possible we use a common approach when going out to market. This is something we have actively supported and will continue to do so through:

- adopting whenever possible collaborative deals that are sustainable and offer value for money
- working with our colleagues to develop pan-government strategies for categories of common goods and services which seek to maximise value for money and sustainable development
- supporting the sustainability agenda, through the adoption of a joint HMRC and Home Office supplier charter
- actively participating in pan-government sustainability working groups and initiatives. For example we are active members of the public sector Carbon Disclosure Project - 14 central government departments participated in this project during 2009
- ongoing joint adoption of the online benchmarking tools with the Home Office and other departments

Measuring and reporting success

This strategy is a forward looking document. Following implementation, it will be updated and managed as follows:

- publicise strategy and updates across HMRC, including procurement professionals, key stakeholders and suppliers
- post-implementation review after six months
- update strategy on annual basis, ensuring it remains compliant and consistent with EU law, Cabinet Office guidance, departmental policy and commercial best practice
- report progress through HMRC directors' monthly performance pack
- share best practice with other government departments