

## **SUPPLY CHAIN RESILIENCE & DIVERSITY INFO FOR PUBLIC SECTOR BODIES**

On 7 October 2020, Scottish Government published a procurement note on Supply Chain Resilience and Diversity in connection with both COVID-19 and EU withdrawal, to remind public bodies of the practical steps that should be taken to support supply chains and help reduce the risk of disruption to supplies caused by supply chain vulnerabilities and surges in demand.

Although Cabinet Office has not, as yet, issued a procurement note for England, Wales and Northern Ireland, LHC believes that public bodies in the rest of the UK should take heed of the guidance and take steps to:

- engage with key partners, including other public bodies, local economic development and enterprise organisations, to prioritise and target efforts,
- maximise opportunities to engage with the market to build the capability and flexible capacity of both existing and new supply chains,
- ensure they have identified higher risk supply chains, bottlenecks and vulnerable suppliers that need targeted action and
- consider action to achieve a positive social impact, assuring and protecting workers' rights within supply chains and achieving employment and skills where possible.

The measures that LHC already has in place to address the above include:

- Universal use of the Framework Alliance Contract (FAC-1) to engage and collaborate with LHC's Appointed Companies and Clients to identify vulnerabilities and ensure supply chains are resilient,
- The use by LHC's regional business units of mechanisms (Project Registration and Call-off Expressions of Interest), which allow them to engage locally and pre-investigate supply chain capability (PRF/EOI),
- A highly effective UK-wide and Regional Client Relationship network that keeps in regular contact with Appointed Companies and Clients, to monitor projects and
- A sophisticated pre-tender engagement process that ensures capability and capacity are built into all new frameworks
- Evaluation of business continuity and supply chain resilience in its framework tender documentation.

And we are currently working with our Appointed Companies to encourage them to identify and address vulnerable areas in the supply of materials, demand increases, restricted freight travel, complexity or opaqueness of supply chains and the reliance of production activities on low skill processes and low pay occupations.

Scottish public bodies are also reminded that any action should comply with their sustainable procurement duty obligations. Whereas public bodies in Scotland have specific sustainable procurement duty obligations, and in Wales such duties are required by the Well-being of Future Generations (Wales) Act 2015, to improve the economic, social, environmental and cultural well-being of Wales, there is no similar legislated duty in England.

LHC strongly believes that sustainable procurement is key to developing long term & viable construction solutions that positively affect society and we build in measures to all our frameworks to improve economic, social and environmental wellbeing for its Clients & Communities.