



**NOTIFICATION TO ATTEND MEETING OF THE FINANCE SPC
TO BE HELD IN THE COUNCIL CHAMBER, CITY HALL, DAME STREET, DUBLIN 2.
ON THURSDAY 16 NOVEMBER 2017 AT 3.00 PM**

AGENDA

THURSDAY 16 NOVEMBER 2017

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7 A.O.B.

Finance Strategic Policy Committee
Minutes of Meeting Held On 21st September 2017

1. Minutes of the meeting held on 15th June 2017

Minutes agreed

2. Correspondence and Matters Arising

Matters arising:

Local Property Tax

Cllr. P McCartan raised the issue of the loss in revenue to Dublin City Council as a result of all new builds being exempt from Local Property Tax for the period 2013 – 2019 culminating in an estimated loss of €15m. He requested that this loophole in regulations and subsequent loss of income to Dublin City Council should be brought to the attention of the Minister for HP&LG and the Secretary General.

Agreed: Correspondence would issue to the Minister on this matter.

Agreed: The projected lost income as a result of this anomaly would be circulated to all members.

Agreed: It was further agreed that a sub-committee should be established to make a submission to the Minister on the anomaly mentioned and other issues relevant to the LPT in Dublin City.

Resources Work Group

Cllr. McGinley provided an update on the group meeting held on 31st August 2017 and summarised the issues to be provided by the Chief Executive for the next meeting:

- Update on the arrangements for Councillor queries re IW related reinstatements following transfer of service to Irish Water
- Update on backlog with road maintenance requests
- Update on activity through fix your street and its application in other functions
- Update on recruitment
- Update required on 2017 employment trends in DCC

Correspondence:

a) Carton Estate, Ballymun Remedial Works – letter to B. Kenny
Correspondence noted.

b) Carton Estate, Ballymun Remedial Works – update from T. Flynn
Report noted. It was requested that progress on the recoupment of the costs of these remedial works to Dublin City Council must be ongoing.

c) Rates Legislative Framework – letter from Cllr. McGinley to Minister Murphy
Correspondence noted

3. Motor Tax Administration and Collection

Report noted on the administration and collection of motor tax. K. Quinn highlighted the key findings and feedback of the customer survey undertaken in the Motor Tax Office over a two week period in September. It was noted that a body of work will be required from the Department of Transport to expand the provision of the motor tax service both online and in the Motor Tax Office.

Members spoke about the need for the retention of the Motor Tax Office highlighting various reasons for the continuation of this office based service:

- Elderly members or public with disabilities requiring assistance;
- Not all the public are comfortable with computers;
- Staff assistance at the counters;
- Public requiring assistance as English is not their first language;
- Public service – consideration to the possibility of incorporating the office into the Customer Services Centre;
- Improvements to the current service

K. Quinn noted that the change of ownership process is currently under review by the Department of Transport. She further noted that the monies from motor tax no longer come to local authorities. As a result, the connection between motor tax and local authorities' road services has been broken. She further clarified that the reason for the number of motor tax offices in Donegal County Council relates to the geographical spread of the county whereby all area offices provide full services.

4. Rates – legal costs of Rates Debtors 2016

Report content noted.

5. Revenue Grant Funding of Local Authorities 2016-2017

Report noted. K. Quinn presented data highlighting the following:

- Revenue government grants in 2016 and 2017 showing comparative total figures for all local authorities and Dublin City Council;
- The percentage grant total allocated to Dublin City Council from the overall national total;
- Population per 2016 census;
- Grants per head of population (unadjusted for regional and national services);
- Grants per head of population (adjusted for regional and national services);
- Dublin City Council allocation of total adjusted revenue grants;
- Local Property Tax (LPT) and the equalisation fund;
- Rates and vacancy refund rates.

It was noted that the level of grants allocated to Dublin City Council is not clearly related to either population or rates income. The allocation of funds from the equalisation fund is not indirectly correlated to available funds i.e. rates income.

The following issues were noted by members:

- Unfair urban allocations;
- LPT income has not provided extra services for Dublin City Council;
- No allocation for the cost of running the capital city is provided for;
- No account for the doubling of the population each day from people commuting from outside the city;
- Dublin is not treated fairly in grant allocations;
- Similar community grant allocations are provided to all local authorities regardless of size;
- Query was raised whether it would be possible to establish if the €16m given back through the equalisation fund and redistributed to the other local authorities, allows those local authorities to reduce their LPT by 15%.
- Unfair and discriminatory and anti-Dublin;
- Update sought on the proposed rates legislation;
- Fundamental reform is needed;

K. Quinn was thanked for the comprehensive report presented to members.

Agreed: It was agreed that this report would be issued to both Minister for Housing, Planning and Local Government and the Minister for Finance.

Agreed: It was further agreed that this report would be issued to the environment spokesperson for the main political parties.

6. Community Group Lettings and Licences – update

Report noted. It was requested that it should be noted that the leasing/licensing of these properties to community groups incurs a loss of approx. €10m in rents to Dublin City Council and it is important to record the value of this service to the community.

Agreed: it was agreed that the following would be examined by the Planning and Property Development Department:

- The licence details relating to the scouting body in Ireland should be reviewed to regularise the various trust fund arrangements following the merger of the two scouting organisations in the early 2000s;
- Details on the arrangements for the lease of the Rathmines Town Hall to the City of Dublin Education and Training Board;
- KADCA property on Greendale Road and the issues around a long running dispute over this property and the potential for redevelopment for a much needed community facility;
- Cllr. McAdam asked for details of the lease arrangements applying to a current TD in the Central Area at Buckingham Street Lower;
- Cllr. Ring requested that it is established with the Law Department that there is no conflict of interest with him being a member of the board of St. Agatha's Hall.

7. Dublin Docklands Development Authority

D. Kelly, Administrative Officer, Planning and Property Development Department, provided a detailed verbal update on progress with the Jeanie Johnston famine replica ship covering maintenance and operation.

Procurement by way of the advertisement of a PIN for the maintenance and operation of the ship is currently underway and D. Kelly is liaising with the Central Procurement Unit. However, the required repairs would need to be carried out before any concession could take it on.

Work on increasing visitor numbers and the opportunity to move the ship and creating a shore side facility are all issues being considered. It was noted that the development of this facility would come at a significant cost to Dublin City Council. The use of the onboard facilities is also an option being examined.

The Dublin Docklands Development Authority item will be kept on the agenda for a future meeting.

8. Audit Committee – agreed minutes of 1st June 2017

Minutes noted. Cllr. Ring provided an update on the more recent meeting on 14th September where the Local Government Auditor Richard Murphy attended to discuss the audit of the final accounts for 2016 and noting a satisfactory report at the conclusion of the audit.

9. AOB

Vacancy Refund Report

Report is currently being finalised. Cllr. McCartan requested information on the impact from the adjustment made since last year's Budget.

Signed: **Councillor Ruairi McGinley**
Chairperson

Date: 21st September 2017

Attendance:

Members

Councillor Ruairi McGinley (Chairperson)
An tArdmhéara Micheál MacDonncha
Councillor Ray McAdam
Councillor Paddy McCartan
Councillor Dermot Lacey
Councillor Noeleen Reilly
Councillor Larry O'Toole
Councillor Nial Ring
Eric Fleming, ICTU
Morgan O'Regan, Docklands Business Forum
Aidan Sweeney, IBEC

Officials

Kathy Quinn, Head of Finance
Derek Kelly, Administrative Officer,
Fiona Murphy, Senior Staff Officer, Finance Secretariat

Fiona Collins, Assistant Staff Officer, Finance Secretariat

Visitors

Alan Dempsey IBEC

Apologies

Councillor Paddy Bourke

Councillor Tom Brabazon

Cllr Brendan Carr

Councillor Hazel De Nortúin

Aebhric McGibney, Dublin Chamber of Commerce

Dr. Caroline McMullan, DCU

Joanna Piechota, Irish Polish Society

Press

Cónal Thomas – Dublin Inquirer

DRAFT

Finance Strategic Policy Committee
Special Meeting re: Rates Vacancy Refund Report
Minutes of Meeting Held On 26th October 2017

1. Presentation on the Rates Vacancy Refund Report

Tony Foley, DCU Business School, made a presentation to the members covering the following findings in his report:

- Analysis of Dublin City Council's strategy on Commercial Rates Vacancy Refund rate examining the:
 - Objective of the report
 - Methodology for this review
- Facts & figures of vacant properties
- Financial analysis
- Economy and property market
- Geoview
- Overall assessment
- Conclusions drawn on the objectives
 - Geographic differentiation
 - Resource tax argument
 - Revenue increasing possibility
- Options available on refund rate

Following this presentation by Tony Foley, the Committee thanked him on this comprehensive report and the following items were noted:

- Correct definition of a vacant property;
- Consideration of varying vacancy rates applying in different areas of the city;
- Clarification that legislation can reduce area rates but not the various categories of premises within these areas i.e. retail, office etc.
- Impact of online trade and hot desk/home working on vacancy rates;
- Consideration of mapping vacancy locations;

Agreed: It was agreed at the conclusion of this meeting that the Head of Finance would contact David Garvey, Chief Valuer, to identify continuous vacant commercial properties in the city area.

Agreed: The Committee agreed that DCC would contact the Valuation Office to gain access to information held there.

Agreed: It was further agreed that this item would be returned to at a later stage.

Members were advised if they wish to seek clarification on any item included in the report that they should contact the Head of Finance or Tony Foley.

Signed: **Councillor Ruairi McGinley**
 Chairperson

Date: 26th October 2017

Attendance:

Members

Councillor Ruairi McGinley (Chairperson)
An tArdmhéara Micheál MacDonncha
Councillor Paddy Bourke
Councillor Tom Brabazon
Cllr Brendan Carr
Councillor Paddy McCartan
Councillor Noeleen Reilly
Councillor Nial Ring
Dr. Caroline McMullan, DCU
Aidan Sweeney, IBEC

Guest Speaker

Tony Foley, DCU Business School

Officials

Kathy Quinn, Head of Finance
Fintan Moran, Head of Management Accounting
Deirdre Murphy, Senior Executive Officer, Rates Office
Fiona Murphy, Senior Staff Officer, Finance Secretariat

Other Councillor Attendees

Cllr. Andrew Montague

Apologies

Councillor Ray McAdam
Councillor Hazel De Nortúin
Councillor Dermot Lacey
Councillor Larry O'Toole
Eric Fleming, ICTU
Aebhric McGibney, Dublin Chamber of Commerce
Morgan O'Regan, Docklands Business Forum
Joanna Piechota, Irish Polish Society

Dublin City Council
City Hall, Dublin 2, Ireland

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Halla na Cathrach, Baile Átha Cliath 2, Éire
T. 01 222 2102/3 F. 01 222 2476 E. finoff@dublincity.ie

Minister Eoghan Murphy, TD
Department of Housing, Planning & Local Government
Custom House
Dublin 1

10th October 2017

Dear Minister Murphy

At the meeting of Dublin City Council's Finance Strategic Policy Committee on 21st September 2017 a comprehensive report on Revenue Grant Funding of Local Authorities for the period 2016-2017 was presented to the Committee. This report arose as an agreed work programme item of the committee during their term.

In discussions on this report, the following issues were noted by members:

- The unfair urban allocation of revenue grants which did not properly reflect urban funding needs;
- The Local Property Tax raised in the Dublin city administrative area has not allowed the provision of additional services by Dublin City Council;
- There is no allocation for the cost of running the Capital city in these grant allocations;
- There is no account made for the significant increase in population into the city from people commuting from outside the administrative area;
- Fundamental reform of the grant allocation process is needed;
- There is a funding bias which runs contrary to achieving the economic potential of the Capital and indeed the State along with the observations of the Committee.

It was agreed that a copy of this report would be sent on to you for attention. A copy has also issued to the Minister for Finance.

Yours sincerely,

Cllr Ruairí McGinley
Chairperson
Finance Strategic Policy Committee

Dublin City Council
City Hall, Dublin 2, Ireland

Comhairle Cathrach Bhaile Átha Cliath
Halla na Cathrach, Baile Átha Cliath 2, Éire
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Minister Paschal Donohoe
Department of Finance
Government Buildings
Upper Merrion Street
Dublin 2, D02 R583
Ireland

10th October 2017

Dear Minister Donohoe,

At the meeting of Dublin City Council's Finance Strategic Policy Committee on 21st September 2017 a comprehensive report on Revenue Grant Funding of Local Authorities for the period 2016-2017 was presented to the Committee. This report arose as an agreed work programme item of the committee during their term.

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It was agreed that a copy of this report would be sent on to you for attention. A copy has also issued to the Minister for Housing, Planning & Local Government.

Yours sincerely,

Cllr Ruairí McGinley
Chairperson
Finance Strategic Policy Committee

Dublin City Council
City Hall, Dublin 2, Ireland

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10th October 2017

Correspondence issued to Opposition Spokespersons on Local Government

Dear Deputy,

At the meeting of Dublin City Council's Finance Strategic Policy Committee on 21st September 2017 a comprehensive report on Revenue Grant Funding of Local Authorities for the period 2016-2017 was presented to the Committee. This report arose as an agreed work programme item of the committee during their term.

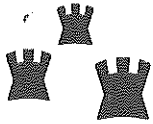
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It was agreed that a copy of this report would be sent on to you for attention. A copy has also issued to the Minister for Housing, Planning & Local Government and Minister for Finance.

Yours sincerely,

Cllr Ruairí McGinley
Chairperson
Finance Strategic Policy Committee



Oifis an Cheannasaí Airgeadais, An Roinn Airgeadais,
Oifigi na Cathrach, An Ché Adhmaid, Baile Átha Cliath 8, Éire

Office of the Head of Finance, Finance Department,
Civic Offices, Wood Quay, Dublin 8, Ireland
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Paul Clegg,
Executive Manager,
Planning and Property Development Department
Block 4,
Floor 3,
Civic Offices,

23rd October 2017

Re: Community Group Lettings / Licenses

Dear Paul,

I refer to the presentation of your report on the above issue at the Finance Strategic Policy Committee meeting held on 21st September 2017.

During discussions that followed the presentation, it was agreed that the following would be examined by the Planning and Property Development Department and a direct reply would issue to the relevant councillors:-

Finance SPC Member	Organisation	Property
Cllr. Dermot Lacey	Scouting Ireland	The licence details relating to the scouting body in Ireland should be reviewed to regularise the various trust fund arrangements following the merger of the two scouting organisations in the early 2000s
Cllr. Ruairi McGinley	City of Dublin Education & Training Board	Details on the arrangements for the lease of the Rathmines Town Hall
An tArdmhéara Micheál MacDonncha	Kilbarrack & District Community Association	Update on the property on Greendale Road and the issues around a long running dispute over this property and the potential for redevelopment for a much needed community facility
Cllr. Ray McAdam	Serving TD	Details of the lease arrangements applying to a current TD in the Central Area at 22 Buckingham Street Lower, 1 st Floor

Finance SPC Member	Organisation	Property
Cllr. Nial Ring	Board of St. Agatha's Hall	Requested that it is established with the Law Department that there is no conflict of interest with Cllr. Ring being a member of the board of St. Agatha's Hall and a member of Dublin City Council in the context of having a lease/licence on these premises.

It would be appreciated if you could correspond directly with each individual Finance SPC on their queries and forward a copy me of the relevant correspondence.

Yours sincerely,



Kathy Quinn
Head of Finance
With responsibility for Information & Communications Technology

c.c. Richard Shakespeare, ACE

Dublin City Council
City Hall, Dublin 2, Ireland

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Minister Eoghan Murphy, TD
Department of Housing, Planning & Local Government
Custom House
Dublin 1

10th October 2017

Dear Minister Murphy,

At the meeting of Dublin City Council's Finance Strategic Policy Committee on 21st September 2017 the issue of Local Property Tax liability exemptions was raised.

In particular, the exemption that exists for new or unused property purchased from a builder or developer between 1st January 2013 and 31st October 2019 being exempt from the Local Property Tax until the end of 2019 was referenced.

The Committee have asked that this anomaly is brought to your attention due to the significant impact of lost income for Dublin City Council estimated at approximately €14.4m over this period.

Yours sincerely,

Cllr Ruairí McGinley
Chairperson
Finance Strategic Policy Committee

Dublin City Council
City Hall, Dublin 2, Ireland

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Minister Paschal Donohoe
Department of Finance
Government Buildings
Upper Merrion Street
Dublin 2, D02 R583
Ireland

10th November 2017

Dear Minister Donohoe,

At the meeting of Dublin City Council's Finance Strategic Policy Committee on 21st September 2017 the issue of Local Property Tax liability exemptions was raised. In particular, the exemption that exists for new or unused property purchased from a builder or developer between 1st January 2013 and 31st October 2019 being exempt from the Local Property Tax until the end of 2019 was referenced.

Correspondence had previously issued to the Minister for Housing, Planning & Local Government on 10th October 2017 advising him of this anomaly and drawing his attention to the significant impact of lost income for Dublin City Council estimated at approximately €14.4m over this period.

Minister Murphy has now responded advising me that this matter of LPT exemption is a matter for the Department of Finance. I would ask that you make arrangements as soon as is possible to remove this exemption to establish equity of liability for LPT for all householders.

Yours sincerely,

Cllr Ruairí McGinley
Chairperson
Finance Strategic Policy Committee



Dublin City Council

Comhairle Cathrach Bhaile Átha Cliath

Oifis an Cheannasaí Airgeadais, An Roinn Airgeadais,
Oifigí na Cathrach, An Ché Adhmaid, Baile Átha Cliath 8, Éire

Office of the Head of Finance, Finance Department,
Civic Offices, Wood Quay, Dublin 8, Ireland
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Mr. Paul Kelly,
Chief Executive,
Fáilte Ireland,
88-95 Amiens Street,
Dublin 1

27th October, 2017

Re: Dublin City Council – Finance Strategic Policy Committee

Dear Mr. Kelly,

Dublin City Council's Finance Strategic Policy Committee (SPC) considers the economic impact and opportunity of the tourism industry as an important factor in the growth of Dublin.

Previously the SPC communicated to Mr. Shaun Quinn, the former Chief Executive, who had indicated a willingness to attend an SPC meeting in either Quarter 3 or Quarter 4 2016 (copy of correspondence attached). I understand that your appointment to Chief Executive of Fáilte Ireland commenced in February of this year. I congratulate you and wish you every success in the role.

The Finance SPC continues to place tourism as a key issue and would welcome an opportunity to engage with Fáilte Ireland. You might advise if you are available to present to the Committee. The next scheduled meetings of the SPC are 16th November 2017 at 3.00pm and 18th January 2018 at 3.00pm. Both meetings will be held in City Hall, Dame Street.

Yours sincerely,

Kathy Quinn

Head of Finance

With responsibility for Information & Communications Technology

Impacts of Trading online

Dr. Stephen Brennan

Department of Communications Climate Action & Environment

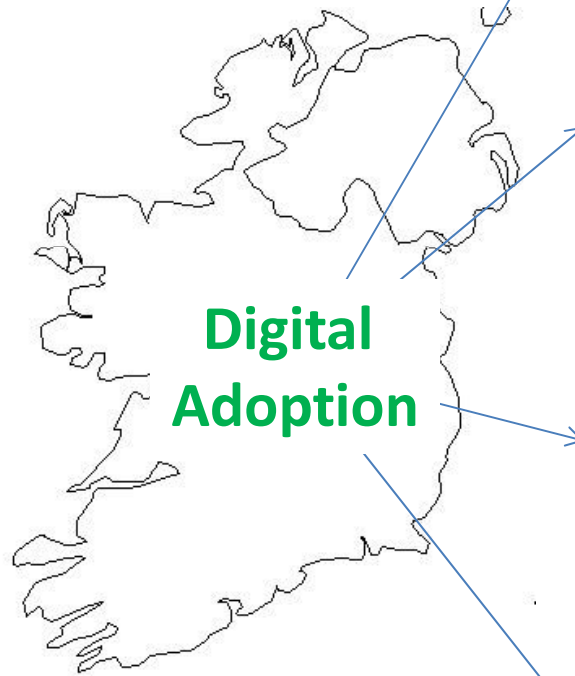
Global Context

- **3.9 bn** internet users worldwide¹
 - 51.7% penetration
- Digital = **7%** of EU economy²
- **33%** of GDP growth
- 4 out of top 5 most valuable brands are digital³
- In 10 years: social media and apps have come from nowhere

1. Internet world stats, June 2017
2. EU Commission Digital Economy
3. Forbes

The next 1bn consumers will be mobile first





75% access the internet daily

45% of 50+ are online daily

1:7 adults make money online trading

39% do some work at home

30%+ SME's Trade Online

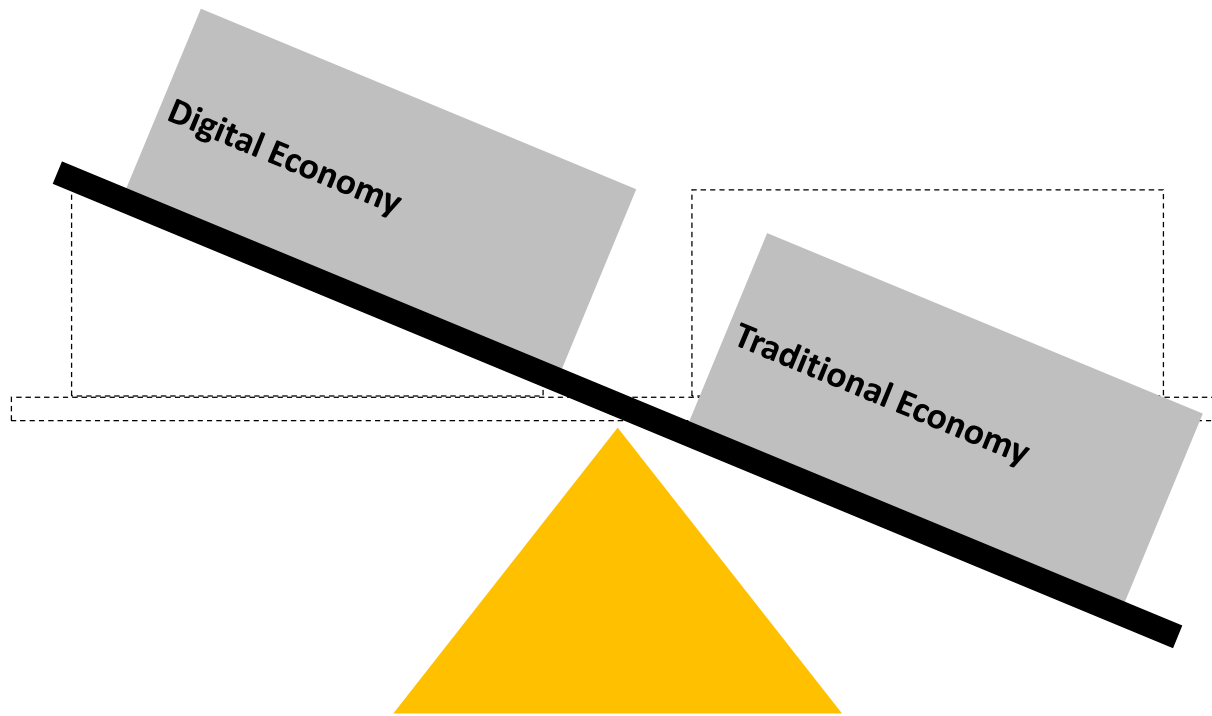
Irelands Digital Economy

digital economy in Ireland = 6% GDP (€12.3bn)

growth = 40% since 2012

consumer spend online = €5/day

consumers expectations = Grow by 25% in 3/5 years

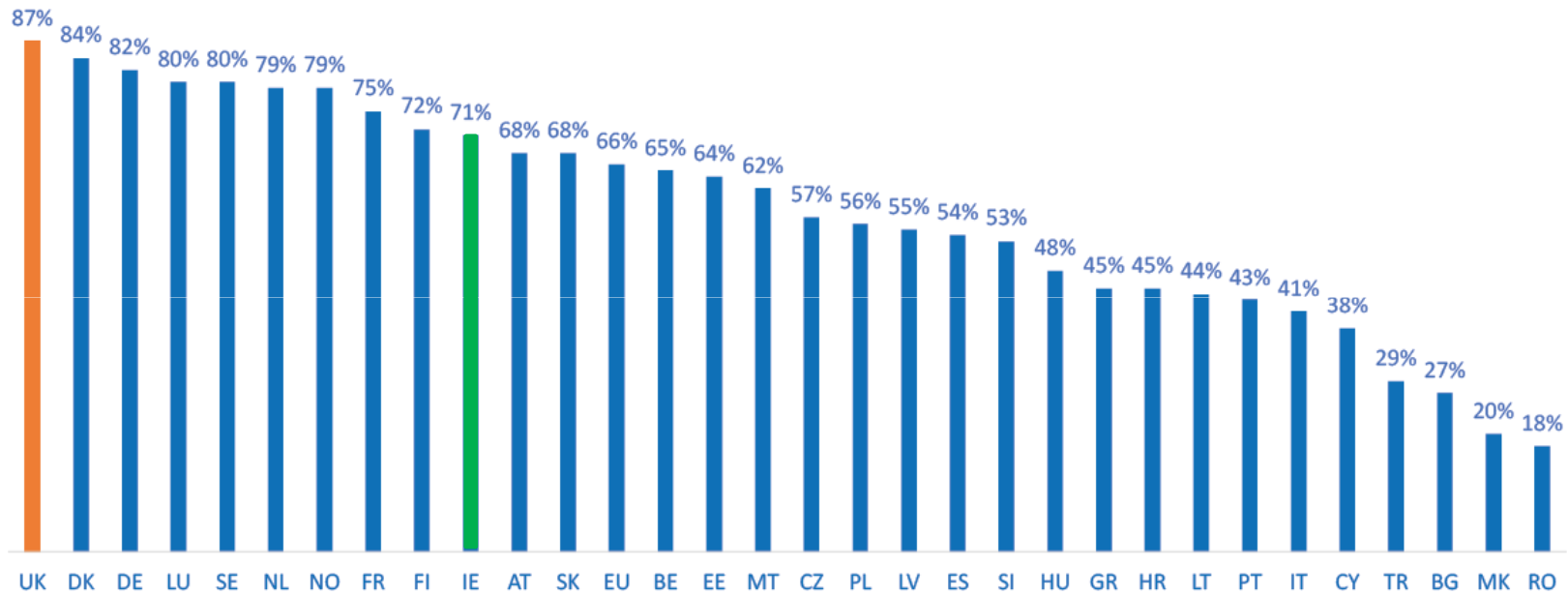


The **majority** of impact of Digital is in the **traditional** economy

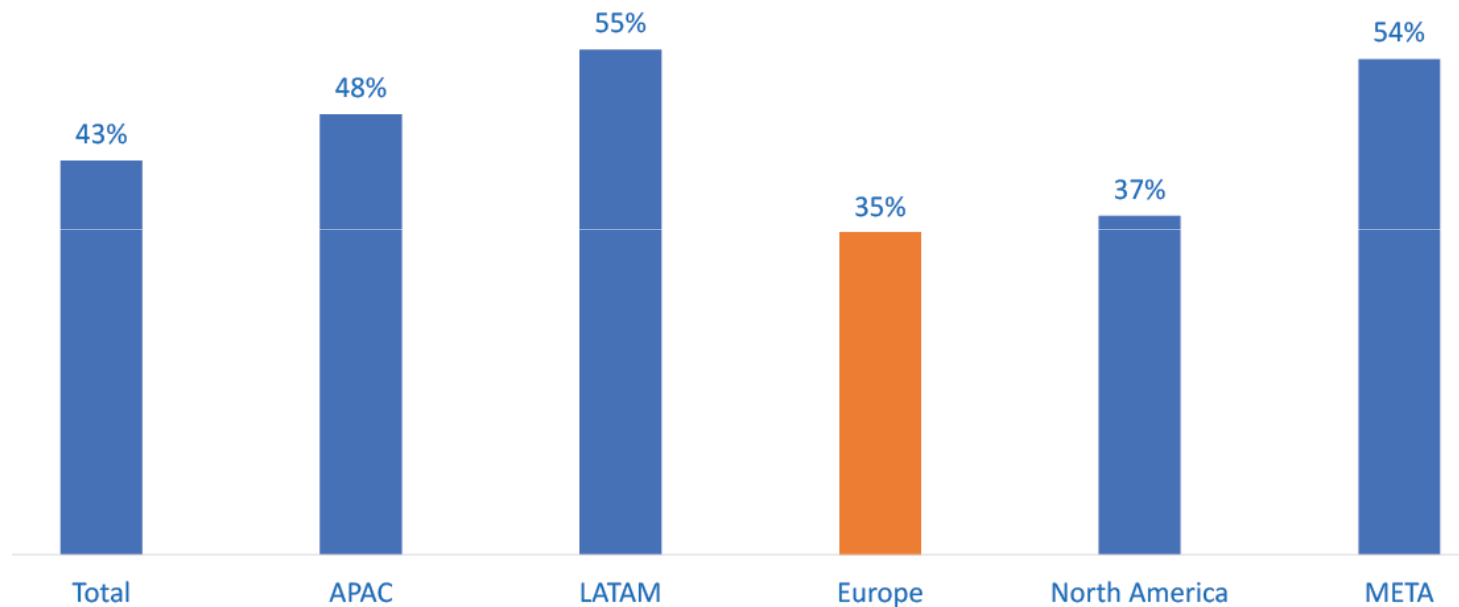
Where is the spending?

1. Holiday Travel	19%
2. Financial Services	15%
3. Utilities	14%
4. Groceries	13%
5. Clothing & Footwear	11%
6. Books, cd's, dvd's	9%
7. Transport	7%
8. Electronics	6%
9. Health	6%

Online Shopping Across Europe



What is the sentiment towards physical stores?



'I can see a time when the physical retail store is not a big factor in how I shop'

Impact of online trade...

+84% customer enquiries

+21% direct sales

+ 35% new jobs

3 in 5 export

Major opportunities

to transform the economy and society...

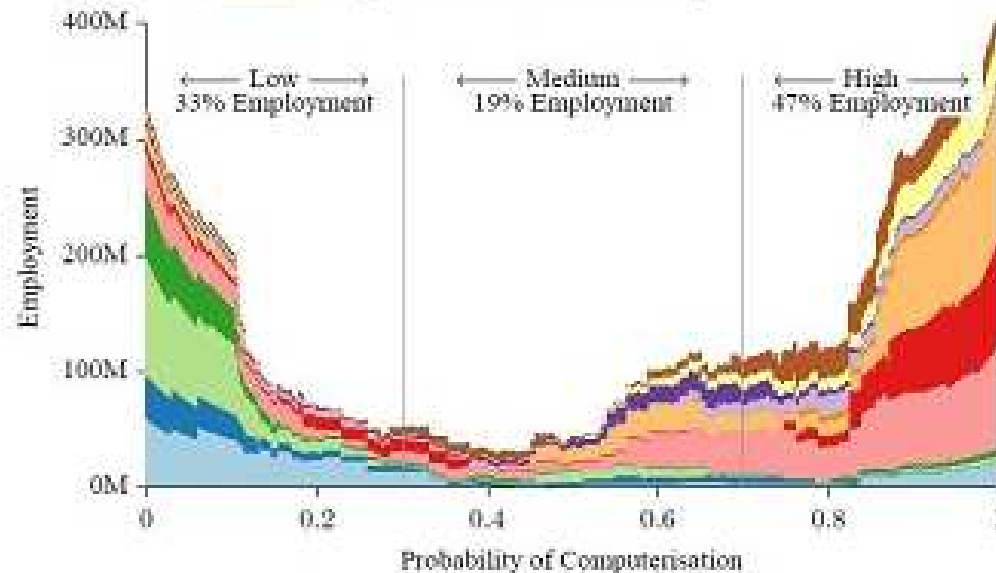
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***Telephone took 75 years to reach 50 million users,
TV took 13years, Internet 4 years, Facebook 3.5years and Angry Birds – 35 DAYS !***

Major challenges

is Creative Destruction still valid?*



“Opportunity for the application
of digital to enable
basic standards of living.”

*Joseph Schumpeter

Local Strategy - Digital as an Enabler

- Local enterprise
 - Traditional Businesses trading online
 - Digital skilled workforce
 - Big impact on retail & services
 - Use Digital to improve environment (support the circular economy)
 - Industry 4.0
- Support innovation
 - Digital Entrepreneurs
 - Procurement practice
 - Discover the possibilities

Local Strategy - Digital as an Enabler

Operational efficiency

- Improve public services
 - feedback
 - empowerment
 - ownership
- Hub for services
 - leverage and combine local assets
 - Access point for non-liners

Thank You

END



**Roinn Cumarsáide, Gníomhaithe
ar son na hAeráide & Comhshaoil**

Department of Communications,
Climate Action & Environment

www.dccae.gov.ie/nds

NDS strategy, video case studies & digital economy research

stephen.brennan@dccae.gov.ie



Application of Social Clauses

Jeanne Copeland | Greenville Procurement Partners Ltd.



Agenda

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Not just.....



Page 43

My focus - Procurement

P₃ U₁ B₃ L₁ I₁ C₃

P₃ R₁ O₁ C₃ U₁ R₁ E₁ M₃ E₁ N₁ T₁

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Why?

It is important to understand why an organisation is interested in tackling these issues?

- Commitment to actively supporting / promoting change
- Recognition of the positive benefits

OR

- To be seen to do something.....

What's going on in this space.....

CSR – what is Corporate Social Responsibility

Lots happening in the procurement arena on social

Corporate Social Responsibility (CSR) is defined by the European Commission as “the responsibility of enterprises for their impacts on society”. To fully meet this responsibility, the Commission states that, in addition to respect for applicable legislation and collective agreements between social partners, enterprises “should have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders, with the aim of maximising the creation of shared value for their owners/shareholders, other stakeholders and society at large, and identifying, preventing and mitigating their possible adverse impacts”.

.... to integrate social, environmental, ethical, human rights and consumer concerns into their business operations

Lots happening in the procurement arena on social

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The United Nations Global Compact is a United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation

12,365 members – 18 from Ireland



Our Participants

TYPE INITIATIVE COUNTRY SECTOR STATUS

Active Filters: COUNTRY Ireland x Clear All

18 results

10 per page ▾

NAME	TYPE	SECTOR	COUNTRY	JOINED ON
C&F Tooling Ltd	Company	Electronic & Electrical Equipment	Ireland	2009-03-16
Musgrave Limited	Company	General Retailers	Ireland	2004-05-26
Smurfit Kappa Group plc	Company	Forestry & Paper	Ireland	2010-05-26
An Post	Company	Support Services	Ireland	2010-08-04
PCH	Company	Technology Hardware & Equipment	Ireland	2012-04-12
University of Limerick	Academic	Not Applicable	Ireland	2012-04-24
Dublin City University Business School	Academic	Not Applicable	Ireland	2013-06-19
OpenSparkz LP	Small or Medium-sized Enterprise	Equity Investment Instruments	Ireland	2015-04-15
Isles International University	Academic	Not Applicable	Ireland	2016-04-07
Property Button	Small or Medium-sized Enterprise	Software & Computer Services	Ireland	2016-05-25

◀ 1 2 ▶



Our Participants

Search Participants

TYPE INITIATIVE COUNTRY SECTOR STATUS

Active Filters: COUNTRY Ireland x Clear All

18 results 10 per page

NAME	TYPE	SECTOR	COUNTRY	JOINED ON
Reprographic Systems Ltd	Small or Medium-sized Enterprise	General Industrials	Ireland	2016-06-02
Truform Laser Dies	Small or Medium-sized Enterprise	General Industrials	Ireland	2016-07-19
Institute of Technology Tralee, UNESCO Chair	Academic	Not Applicable	Ireland	2016-09-22
Lionheart Management Consultants	Small or Medium-sized Enterprise	Support Services	Ireland	2016-10-19
Synergy Security Solutions	Company	Support Services	Ireland	2017-03-31
Barracuda FX	Small or Medium-sized Enterprise	Software & Computer Services	Ireland	2017-08-11
Ryanair DAC	Company	Aerospace & Defense	Ireland	2017-09-11
Chieftain Fabrics	Small or Medium-sized Enterprise	Construction & Materials	Ireland	2017-11-02

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Lots happening in the procurement arena on social

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ISO 20400 uses a holistic definition of sustainability, rather than solely focusing on environmental attributes.

There is often an equivocation between “sustainable purchasing” and “green purchasing.” The former includes, however, two other pillars that the latter lacks: social sustainability and economic sustainability. This matters in how an organization’s leaders will frame the risks and opportunities of sustainability improvements.

New standard on
Sustainable Procurement
Just published 24th April 2017

Lots happening in the procurement arena on social

✔ Conflict Minerals Regulation - Trade - European Commission

ec.europa.eu › European Commission › Trade › Policy ▼

Mar 16, 2017 - Read about a new EU regulation to help end the trade in conflict minerals.

**Effective January
2021**

**Impacts on items
such as mobile
phones, cars,
jewellery**

*** Will impact on
supply chain**

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The screenshot shows the European Commission Trade Policy website. The main heading is "COMBATTING CONFLICT MINERALS" with an illustration of a smartphone, a car, and mineral rocks. The page content includes:

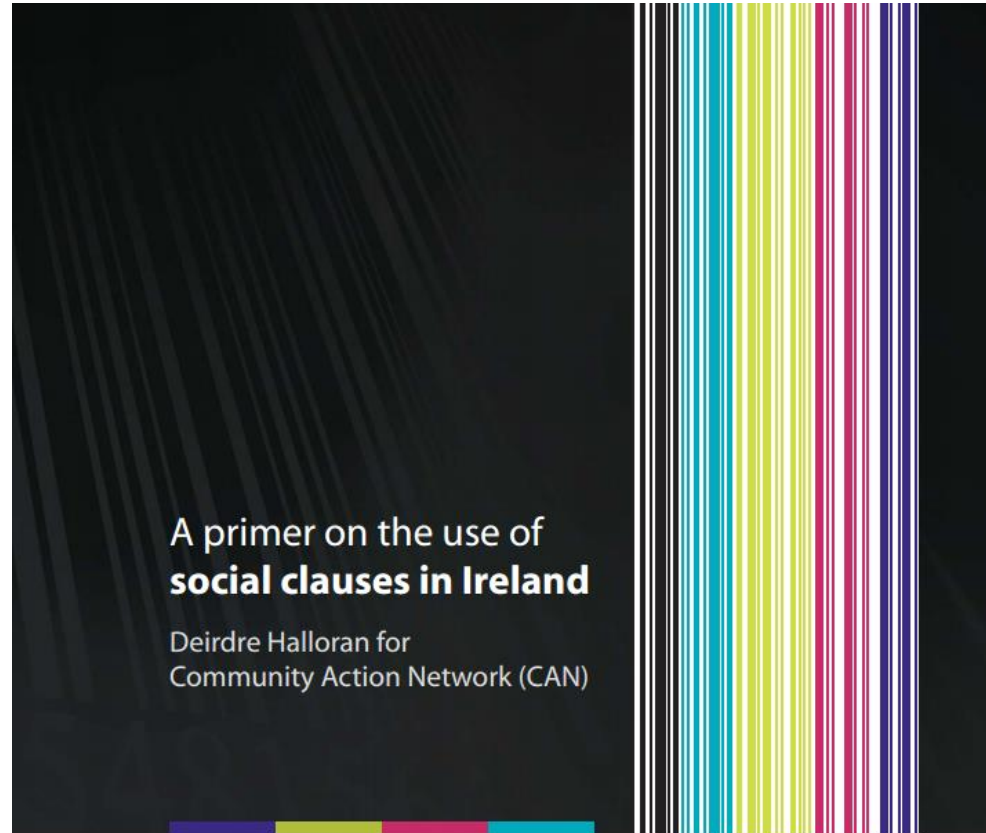
- In focus:** New trade strategy, Comprehensive Economic and Trade Agreement (CETA), **Conflict Minerals Regulation**, The regulation explained, Help for your business, Legal texts and documents, Trade in Services Agreement (TiSA).
- Policy making:** EU position in world trade, EU and WTO, Countries and regions, Accessing markets, Import and export rules, Trade policy and you.
- Text:** "In politically unstable areas, armed groups often use forced labour to mine minerals. They then sell those minerals to fund their activities, for example to buy weapons. These so-called 'conflict minerals', such as tin, tantalum, tungsten and gold, can find their way into our mobile phones, cars and jewellery."
- Section: A new EU law to stem the trade in conflict minerals**
 - So the EU is expected to pass a new regulation in May 2017 to stop:
 - conflict minerals and metals from being exported to the EU
 - global and EU smelters and refiners from using conflict minerals
 - mine workers from being abused
 - The law will also support the development of local communities.
 - It requires EU companies to ensure they import these minerals and metals from responsible sources only.
 - It will start on 1 January 2021 so companies have time to adapt to it.
- Section: About the EU's new conflict minerals law**

Lots happening in the procurement arena on social

CAN – NGO
dedicated to social
justice

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A report based
on 2004
Directives, but
relevant under
2014 Directives



Lots happening in the procurement arena on social

Procurement Directive 2014/24/EU



Enablers Specifically from the Directive

Article 57 – regarding Exclusion Criteria

Mandatory exclusion includes:

child labour and other forms of trafficking in human beings as defined in Article 2 of Directive 2011/36/EU of the European Parliament and of the Council (7).

Personal Situation Declaration / ESPD

Enablers Specifically from the Directive

Annex XII – Means of Proof of Selection Criteria

an indication of the supply chain management and tracking systems that the economic operator will be able to apply when performing the contract

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What minimum rules might be included?

Will it relate to ethical, sustainable sourcing?

Enablers Specifically from the Directive

Recital 76

*For all procurement intended for use by persons, whether general public or staff of the contracting authority, it is necessary for contracting authorities to lay down technical **specifications** so as to take into account **accessibility criteria for people with disabilities or design for all users**, except in duly justified cases.*

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Enablers Specifically from the Directive

Recital 36 – Sheltered Workshops

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Employment and occupation contribute to integration in society and are key elements in guaranteeing equal opportunities for all. In this context, sheltered workshops can play a significant role. The same is true for other social businesses whose main aim is to support the social and professional integration or reintegration of disabled and disadvantaged persons, such as the unemployed, members of disadvantaged minorities or otherwise socially marginalised groups. However, such workshops or businesses might not be able to obtain contracts under normal conditions of competition. Consequently, it is appropriate to provide that Member States should be able to reserve the right to participate in award procedures for public contracts or for certain lots thereof to such workshops or businesses or reserve performance of contracts to the context of sheltered employment programmes.

Enablers Specifically from the Directive

Article 20 – Sheltered Workshops

Member States may reserve the right to participate in public procurement procedures to sheltered workshops and economic operators whose main aim is the social and professional integration of disabled or disadvantaged persons or may provide for such contracts to be performed in the context of sheltered employment programmes, provided that **at least 30 % of the employees** of those workshops, economic operators or programmes are disabled or disadvantaged workers.

How many such contracts in Ireland?

Enablers Specifically from the Directive

Article 74 - Award of contracts for social and other specific services

Public contracts for social and other specific services listed in Annex XIV shall be awarded in accordance with this Chapter, where the value of the contracts is equal to or greater than the threshold indicated in point (d) of Article 4

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Title III

LOCAL AUTHORITIES – this is €750,000

Light Touch Regime means flexibility, but still adherence to competitive tendering and best practice

Title III services

Health, social and related services

Administrative social, educational, healthcare and cultural services

Compulsory social security services¹

Benefit services

Other community, social and personal services including services furnished by trade unions, political organisations, youth associations and other membership organisation services

Religious services

Hotel and restaurant services

Legal services, to the extent not excluded pursuant to point (d) of Article 10

Other administrative services and government services

Provision of services to the community

Prison related services, public security and rescue services to the extent not excluded pursuant to point (h) of Article 10

Investigation and security services

International services

Postal services

Miscellaneous services

Enablers Specifically from the Directive

Article 77 – Reserved contracts for certain services

Member States may provide that contracting authorities may reserve the right for organisations to participate in procedures for the award of public contracts exclusively for those health, social and cultural services referred to in Article 74, which are covered by CPV codes

.....

May reserve for organisations whose objective is the pursuit of a public service mission linked to the delivery of the services
Profits reinvested employee ownership

If reserving, maximum duration is **3 years**

If not reserving to such companies, no limit on contract duration

Enablers Specifically from the Directive

Recital 98 – re award criteria

It is essential that **award criteria or contract performance conditions concerning social aspects of the production process**should not be chosen or applied in a way that discriminates directly or indirectly against economic operators from other Member States or from third countries parties to the GPA or to Free Trade Agreements to which the Union is party. Thus, requirements, such as **minimum rates of pay**, should remain at the level set by national legislation or by collective agreements

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Contract Award Criteria

Art. 67.2(a) states

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quality, including technical merit, aesthetic and functional characteristics, accessibility, design for all users, **social, environmental and innovative characteristics and trading** and its conditions;

Award Criteria – critical requirements

- “Must be linked to the subject matter of the contract”

This is an essential element of every **award criterion** and every criterion for **performance of a contract**

Art. 67.3

Award criteria shall be considered to be linked to the subject-matter of the public contract where they relate to the works, supplies or services to be provided under that contract in any respect and **at any stage of their life cycle**, including factors involved in:

- (a) the specific process of production, provision or trading of those works, supplies or services; or*
- (b) a specific process for another stage of their life cycle,*

even where such factors do not form part of their material substance.

Award Criteria – critical requirements

- Example:

- “Housing scheme and community benefit project”
- As an example the documentation could include the possibility of variants which enable tenderers to offer their own special **community support initiatives** as an award criterion,
- together with a contract performance condition which include the employment of a minimum proportion of long term unemployed in the construction phase

- The “community benefit” must be capable of being objectively assessed during the tender evaluation stage.

Ref: *A primer on the use of social clauses in Ireland*

Award Criteria – critical requirements

- Award criteria cannot :
 - Breach the EU Treaty which includes the fundamental freedoms (establishment and freedom to provide services)
 - Breach the EU principles of equal treatment and non-discrimination by nationality, proportionality, transparency and mutual recognition

Enablers Specifically from the Directive

Article 70 - Conditions for performance of contracts

Contracting authorities may lay down special conditions relating to the performance of a contract, provided that they are linked to the subject-matter of the contract within the meaning of Article 67(3) and indicated in the call for competition or in the procurement documents. Those *conditions may include economic, innovation-related, environmental, social or employment-related considerations.*

Using Art. 70

Contract performance conditions can be implemented requiring

“must ensure 10% employed on site are sourced from the long term unemployed”

- Advice sought from Department of Social Protection on how to achieve this, assuming an Irish company wins

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Could use a variant to look at proposals to build on this condition, e.g.

- “X number of apprenticeships offered – duration of apprenticeship (duration of contract or longer term)”
- “Scholarship / improved access to education”
- “Apprenticeship programmes”

To summarise

- There is great opportunity now to do something positive in this area, it is a matter of working through the options and developing a working policy.
- Might be a good idea to hold some open days for discussion with market prior to implementing contract award procedures to see what initiatives might be a runner!
- But before you outsource the obligation, make sure that you have a proactive internal policy and are seen to lead by example through your own initiatives.



Thank you

Jeanne Copeland
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16.11.2017

DRAFT

Finance Strategic Policy Committee

Schedule of Meetings For 2018

DATE	LOCATION	TIME
Thursday 18th January	Council Chamber	3.00 pm
Thursday 15th March	Council Chamber	3.00 pm
Thursday 17th May	Council Chamber	3.00 pm
Thursday 20th September	Council Chamber	3.00 pm
Thursday 15 th November	Council Chamber	3.00 pm

Meetings will, as usual, take place on 3rd Thursday of the month.

