

Meeting: Environment Sub-Group

Date: 11 January 2022

Title: Procurement and Working Towards a Net-Zero Carbon Future

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Service Area: Commissioning and Asset Management

Wards affected: All

1. Purpose of report

- 1.1 To provide the Committee with an update as to how procurement can support the Authority's net-zero target.

2 Recommendation:

It is recommended that the Environment Sub-Committee note the content of this report.

3. Background:

- 3.1 The Authority currently spends circa £260 million with over 4000 third party suppliers. Climate emergency/environmental sustainability forms part of our social value criteria. Social value where appropriate currently forms 5-10% of the evaluation, alongside price and quality.

3.2 National Position

The National Strategy sets out that all contracting authorities should consider the following national priorities alongside any additional local priorities in their procurement activity:

- Creating new businesses, new jobs and new skills;
- Tackling climate change and reducing waste, and
- Improving supplier diversity innovation and resilience.

National policy supports taking a wider view of value for money, and we will include incorporating award criteria, where appropriate, for comparing bids and scoring their relative quality to encourage ways of working and operational delivery that achieve social, economic and environmental benefits.

A new Buyers Guide will embrace the principles set out in the National Strategy together with the Council Plan Priorities. We will set a clear link between development of strategies and business cases for procurement, with a clear link between the specification, award criteria and assessment of quality when awarding contracts.

Social Value will be aligned to the Council Plan Priorities, monitored, measured and reported to Cabinet as a minimum on an annual basis. This will be presented to Cabinet in March for approval.

3.3 Future Proposals

Tackling climate change and reducing waste, contributing to the Authority's ambition to be carbon neutral by 2030. Reducing waste, improving resource efficiency, and contributing to the move towards a circular economy and identifying and prioritising sustainable procurement to deliver additional environmental benefits.

The plan to further support the net-zero carbon future will be as follows:

a. Current suppliers

Influence where possible net-zero targets during contract management meetings. We will encourage innovation to support our ambition.

We will work closely with our strategic partners ensuring that net-zero is a key part of the service planning process.

b. Future procurements

Authority contracts are usually for a maximum term of 4 years, when contracts are due for renewal the specification and outcomes will be assessed and enhanced to maximise benefits.

c. Future policy

In March 2022 a report will be presented to Cabinet with the new Procurement Strategy 2021-2025, consultation will commence with relevant Cabinet Members, market suppliers and officers. Consultation will consider whether to increase the social value target (depending on the nature of the contract) from 5/10% or to include a separate evaluation criterion for net-zero carbon.