



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CLIMATE CHANGE CABINET STEERING GROUP

2nd MARCH 2022

AN UPDATE ON THE WORK OF THE PROCUREMENT SERVICE TO SUPPORT THE COUNCIL'S AMBITION TO BE NET ZERO BY 2030

REPORT OF THE DIRECTOR OF HUMAN RESOURCES IN DISCUSSIONS WITH CLLR RHYS LEWIS (THE CABINET'S CLIMATE CHANGE CHAMPION), AND CLLR. MARK NORRIS (CABINET MEMBER FOR CORPORATE SERVICES)

Author: Marc Crumbie – Head of Procurement

1. PURPOSE OF THE REPORT

The purpose of this report is to:

- 1.1 Provide an update on the work that is taking place by the Procurement Service in support of the Council's ambitions to be net zero by 2030.

2. RECOMMENDATIONS

It is recommended that:

- 2.1 Acknowledge the changes put in place by the Procurement Service and the general direction of travel, in support of the Council's net zero ambitions.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To provide the Climate Change Steering Group with a summary of the actions put in place by the Procurement Service to support the Council's ambition to become net zero by 2030.

4. BACKGROUND & STRATEGIC DIRECTION

- 4.1 During 2021, the Welsh Government issued a Draft Social Partnership and Public Procurement (Wales) Bill for consultation. Following the consultation exercise, the Draft Bill is due to be presented before the Senedd during the summer of 2022.

- 4.2 The procurement duties contained within the Draft Social Partnership and Public Procurement (Wales) Bill begin with an overarching duty on contracting authorities to seek to improve the social, economic, environmental and cultural well-being of their areas by carrying out public procurement in a socially responsible way. This means taking action to achieve the well-being goals and the fair work goal (*together, the 'socially responsible procurement goals'*).
- 4.3 As a result of the Draft Bill, the ways in which local government organisations procure will require change. Whereas previously there may have been a focus on procurement delivering financial savings, in the future there will be a shift away from the traditional price and quality evaluation towards also ensuring that economic, social, environmental and cultural well-being outcomes are considered for each procurement process.
- 4.4 A Procurement Strategy 2021/24 has been drafted that pulls together all the requirements of the Draft Bill and aligns them (using themes and clear objectives) to the Council's Corporate Plan 2020/24. A very clear theme throughout the draft Procurement Strategy is to support the Council's ambitions to be net zero by 2030.
- 4.5 Section 5 of this report provides an overview of the changes that have been put in place by the Procurement Service to help enable compliance with the Draft Bill, in doing so a shift in focus has also taken place where the potential climate impact of our procuring arrangements are considered at the start of any procurement (planning) process.

5. WHAT ARE WE DOING AND WHAT DO WE HAVE PLANNED?

CHALLENGING FROM THE OUTSET

- 5.1 We're looking to challenge (everything) from the outset. Our Contract Strategy document (the document that gets populated prior to any work taking place) has been updated and will require each service area who wishes to procure to answer the following:
- What the **need and demand** is now, and in the future and how the 5 ways of working are to be applied.
 - The outcomes that will be achieved from any contract.
 - How these outcomes will **support** the delivery of the Council's **Corporate Plan Priorities**.
 - The **current** (if available) **carbon footprint** of the services delivered or the anticipated gross carbon impact of a new project.
 - *The Service Area will be asked to set out what (if any) arrangements will take place prior to the tender process that*

will aim to reduce the carbon impact should a contract be awarded.

- *Designing carbon out of a new build project for example.*

- The **Social Value** that will be delivered as part of the process.
- If there is a **potential local market** that could deliver the requirements of the contract?
- **Options for delivery** are clearly set out (including lotting to support SME's), and a rationale is in place in support of the preferred option.

CARBON - PURCHASED GOODS AND SERVICES

5.2 Our standard documents have been updated.

Procurement Strategy/Initiation Document:

5.3 All service areas that wish to procure will be required to answer the following questions from the outset:

- *What actions have been or will be taken to reduce the amount of Carbon produced as a direct result of this contract? How does it help meet the Net Zero target?*
- *Is there an opportunity to drive reduced GHG emissions in contract delivery?*
- *Where will the above be addressed (i.e. specification, evaluation)*

Invitation to Tender Document

5.4 Our invitation to tender document has been updated to highlight the Council's ambitions to be net zero by 2030. It also re-enforces the key message that contracted suppliers will need to work with the Council to reduce the carbon impact during the life of the contract.

Reviewing the Council's Carbon Footprint (Procured Goods and Services)

5.5 Procured Goods and Services and Capital Asset emissions have been estimated to account for 48,589 tCO₂e which is 63% of the Council's total footprint for 20/21. Of this total, 27,423 tCO₂e have been directly attributed to Procured Goods and Services.

5.6 We have plans to work through the categories identified within the Carbon Trust's report, but in order to have a tangible impact on the carbon footprint associated with procured goods and services, it is essential that our supply chains understand how to establish/calculate their own carbon footprint. We need to move away from metrics (i.e. formulas) being applied to spend, towards capturing the actual carbon

footprint from our suppliers (their Scope 1 ,2 and 3). Only when we have a better understanding of this can we work with our suppliers to put plans in place to reduce. The Carbon Trust undertook a pilot to test our supplier maturity in respect of being 'carbon aware', they concluded that the majority of suppliers contacted require help and support.

- 5.7 To address this, we have appointed a team of graduates who have been tasked with putting arrangements in place whereby the Council can support our suppliers to begin to understand and calculate their own carbon footprint. Lots of tools are available online, but they are/look complicated and could confuse or turn lots of suppliers away from this important area. The Graduate Team is working on developing a simple to use toolkit that suppliers will find easy to use and relate to. This is not something that anybody else in our region is looking at, therefore there is a lot of interest in this piece of work from the WLGA, Business Wales and Welsh Government.

NEW TENDERS / CONTRACTS

- 5.8 Standard carbon questions are now asked during all tender exercises. These questions are:

1. *Is your organisation able to calculate its carbon footprint in accordance with the Green House Gas Corporate Accounting Protocol?*

If you have answered yes to Question 1 please state your current annual footprint:

2. *Would you be able to calculate the carbon footprint in accordance with the Green House Gas Corporate Accounting Protocol of this specific contract?*
3. *What is your organisation doing to reduce its carbon footprint?*
4. *What proposals would you put in place to reduce the carbon emissions from this contract?*

- 5.9 Welsh Government has recently issued a Policy Note (WPPN06/21) which is recommended for implementation in April 2022. We've implemented it with immediate effect.

- For all contracts with an estimated value in excess of £5m, tenderers will now be asked to complete a [Carbon Reduction Plan](#). This is a Plan (commitment) that the tenderer must provide that sets out what actions the Organisation is taking to address its own carbon impact. These Carbon Reduction Plans must be signed-off at Board level.

- These will be evaluated on a pass/fail basis, i.e. if they fail to provide suitable responses then the tenderer will not proceed in the process.
- Note that this is not specific to the tender, but is targeted at the organisation as a whole (specific carbon questions will be asked that relate to the tender/project).

6. EQUALITY AND DIVERSITY IMPLICATIONS / SOCIO-ECONOMIC DUTY

- 6.1 An Equality Impact Assessment is not required as a result of the recommendations contained within this report.

7. WELSH LANGUAGE IMPLICATIONS

- 7.1 There are no Welsh language implications as result of the recommendations contained within this report.

8. CONSULTATION / INVOLVEMENT

- 8.1 There are no consultation requirements as result of the recommendations contained within this report.

9. FINANCIAL IMPLICATION(S)

- 9.1 There are no financial implications as result of the recommendations contained within this report.

10. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 10.1 There are no legal implications aligned to this report.

11. LINKS TO THE CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT.

- 11.1 In addition to setting out the 3 Priorities of People, Places and Prosperity, the Corporate Plan 2020/24 identifies one of the biggest challenges the Council faces:

Our greatest challenge will be to deliver the Council's commitment to being "A netzero Green House Gas Council by 2030" which is 20 years earlier than the recommendation of the UK Committee on Climate Change. This is a challenge we are taking seriously, and we look forward to receiving the support from all local residents and businesses in working together to change the way we live our lives to achieve this aim.

11.2 The carbon footprint (2020/21) associated with the Council's procured goods and services is estimated to be 27,423 tCO₂e. This report summarises the work that the Procurement Service is doing in respect of changing its approach to ensure climate change is at the forefront of the procurement planning process.

12. CONCLUSION

12.1 The priorities for the Procurement Service have changed significantly over recent years, external drivers clearly place expectations on the procurement process to deliver change in respect of demonstrating outcomes, delivering social value and helping organisations to tackle climate change.

12.2 This report provides an overview of some of the work that is taking place to deliver change and help the Council deliver its wellbeing objectives and achieve its net zero ambitions by 2030.

Other Information: N/A

Relevant Scrutiny Committee: N/A



LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

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Background Papers

None.

Officer to contact: Marc Crumbie