

<b>TITLE</b>	<b>Procurement Actions Update – Climate Emergency Action Plan</b>
<b>FOR CONSIDERATION BY</b>	Climate Emergency Overview and Scrutiny Committee on 29 February 2024
<b>WARD</b>	Non-Specific
<b>DIRECTOR</b>	Deputy Chief Executive and Director of Resources and Assets – Graham Ebers

## **OUTCOME / BENEFITS TO THE COMMUNITY**

Wokingham Borough Council (WBC) declared a climate emergency in 2019 and committed to do as much as possible to reach **carbon neutrality by 2030**.

WBC has a Climate Emergency Action Plan (CEAP).

## **RECOMMENDATION**

The Committee is requested to review the report and note:

- 1) How the CEAP targets and climate emergency commitment are being incorporated in the Council's procurement processes.

## **SUMMARY OF REPORT**

This report provides a progress update on the actions taken by the Corporate Procurement Team to enable the CEAP Action Plan.

### **Procurement Report on CEAP Updates**

The minutes of the Climate Emergency Overview and Scrutiny Committee held on the 25<sup>th</sup> September 2023, required Procurement to return to the Committee to follow up the matters raised and discussed at the meeting.

The actions within the Climate Emergency Action Plan (CEAP) are aspirational and stretching. The Council are also continuing to work to ensure they understand the wider implications of any requirements. As an example, embedding unachievable standards may at least in the short-term stop smaller local businesses from being able to tender or win contracts with the Council. This may then also hinder their own development or investment towards a more climate sustainable approach.

Actions and milestones within the CEAP may therefore be reviewed and updated to reflect further understanding, as markets develop, and as new approaches/technologies are embedded into business solutions. This is to ensure there are defined deliverables that progress can be measured against. Any changes will be tracked and clearly communicated as part of the annual progress report. These changes will then be presented at Full Council in September 2024 for approval.

**0) Procurement officers report back to the Committee, within 6 months, with examples of success in embedding the Procurement actions in the CEAP.**

Procurement has begun to embed Climate Emergency measures into its procurement processes and has targeted high value and relevant climate impact projects initially. There have been some initial successes and valuable involvement from the Climate Emergency (CE) Team.

As examples the CE Team have contributed to the following procurement projects:

Residential Waste Wheeled Bin Tender: a tender and contract for 67,000 wheeled bins as part of the Councils new waste collection. The CE team were involved in the initial data gathering, specification development, and scoring methodology and bid evaluation.

Evaluation was on an 80% price and 20% quality and within this quality element the Council defined their requirements. The specification required that the bin manufacture and deliveries were made in the most environmental method to ensure minimal carbon footprint, including a desire for blended or reprocessed plastics to be used.

Quality questions asked bidders to explain where and how the bins were made i.e. closed loop, the composition of blended or reprocessed material to the industry standard and asking where the bins were made. Bidders with more environmentally friendly answers received higher scores.

The contract was awarded to IPL Plastics who manufacture the bins in the UK and was the cheapest bid, and other bids from around the world were received were not cheaper and didn't meet the tender quality requirements.

Toutley East Land Supplier Consultation: The CE team formed part of the pre-market supplier engagement meetings. A PIN notice was issued inviting any relevant and suitably qualified suppliers to respond and were subsequently invited to a 1-2-1 meeting to discuss options the Council were looking at, including aspects of housing construction and green energy measures.

During the 1-2-1 the CE team were able to ask direct questions to suppliers to understand what market options were currently available and being used on a mass house building scale and allowed the wider project team to better understand price and cost implications. It is anticipated that the CE team will be involved with any future procurement processes.

Future Procurements

Due the size and complexity of the following projects, project meetings have kicked off for an anticipated 2025-2026 tendering process and the CE team are included at these meetings and will be fully involved in the creation of the specification, evaluation requirements and scoring elements.

- New residential Waste collection contract
- Highways Maintenance contract
- Street Cleansing Contract

The Procurement team will continue to develop the approach with the CE team to ensure they have sight and input on relevant procurement projects moving forward, replicating the process for the Wheeled bins tender.

#### Procurement Options Analysis Paper

The Procurement Options Analysis Paper has been updated and now directs service areas to consider engaging with the Climate Emergency team.

To start the procurement process service areas are required to fill an option paper in for all procurements over £50k (total contract value), and all options papers above £100K contract value are reviewed at the Strategy Procurement Board (SPB) held on a monthly basis. Membership of SPB includes Section 151 officer and Directors.

The Procurement Options Analysis Paper ask service areas to consider and answer the following questions before being reviewed by the Strategic Procurement Board (SPB):

- **Have you assessed your project against WBC's Climate Emergency Agenda?**
- **Have you engaged with the CE Team?**

This acts as a reminder to service areas to consider climate emergency in their commissioning and procurement decisions, and for procurement to enable the CE team to be included and for Directors to be more aware of the wider commissioning decisions.

#### Climate Emergency Questionnaire

In progressing the climate agenda, it is critical we understand the potential impact of requirements on costs but also how such requirements might impact on certain companies such as local small and medium business enterprises being able to bid for works. In order to do this, and to allow the Council to define appropriate standards in the future, we are proposing to gather data on where companies are in relation to climate impacts where they are bidding for works

The CE team and Procurement team have worked jointly to begin a 12-month information gathering exercise which will be incorporated into the Procurement process. A Climate Emergency Questionnaire has been developed (see Appendix 1) and is currently being introduced into the procurement tender documents with targeted questions to better understand the readiness of our suppliers with taking on Climate Emergency measures.

The questionnaire (See Appendix 1) will not currently count towards supplier evaluations and tender scoring but can be used as a gateway to later introduce a version that will allow this to happen. This is a data collection exercise for benchmarking in order to establish effective and proportionate measures in the future within our services and suppliers.

- 1) **Procurement Officers provide a specific update on CEAP Actions and**
- 2) **Procurement officers provide a general update on the remaining CEAP actions, including actions and timeframe to improve the targets with a Red RAG status;**

Within the following CEAP action points the following work has been undertaken:

#### **8.1.1. Include a drafted approach to sustainable procurement within the review of the Procurement Strategy.**

The Procurement Strategy has been signed off by full Council in 2021 with the objective of supporting climate emergency and is currently implemented within all procurement processes. This includes working towards embedding the Climate Emergency Questionnaire into tender documents, with a future aim to use this data to develop how we can further set and evaluate appropriate carbon reduction measures and carbon neutrality.

The Procurement Strategy already includes the following aspirations:

- Goods contracts will consider whole-life costing including disposal.
- Service and work contracts will include carbon neutrality or reduction measures either directly or indirectly by their design.
- Procuring in line with business needs and climate emergency targets.
- Achieve sign-off of strategy/Implementation and communication of strategy with CEM.

The current approach is to take each procurement on a case-by-case basis and consider appropriate whole life costing considerations, carbon reduction measures then including any relevant specification requirements or contract clauses to reflect this.

Procurement are working with service areas and the CE team where possible to drive this forward where measures are proportionate and relevant to the procurement process and contract subject. This is reflected in both the specification and evaluation process.

#### **8.1.2 Develop a sustainable procurement culture and associated skills for green procurement**

- Design of an e-learning module training people in green procurement techniques.
- All staff in council who procure to complete training.

The Climate Emergency team have developed an optional eLearning module, available for all Council officers to complete. This learning module, has the opportunity to be developed in future to include even more specific procurement guidance, depending on the results of supplier's submitting the Climate Emergency questionnaire, noted above.

#### **8.1.3 Assess suppliers on sustainable procurement standards.**

- Evaluation of all suppliers to promote sustainability proportionate to contract and financial constraints.
- Use of the standard SQ/ inclusion of a pass/fail phase in all contract evaluations.
- All buyers/ commissioners taking embedded carbon into account when purchasing goods and services.

- Performance Team to name the top 20 carbon producers from our suppliers, encouraging competition between suppliers which may generate other benefits in terms of efficiency and cost savings.

The Procurement team and CE team are working together, and where possible are implementing points in 8.1.3, on a case-by-case basis.

The Climate Emergency Questionnaire (Appendix 1) which will be issued within the tender documents (SQ section) to all potential suppliers and will inform the Council of bidding suppliers' current readiness for implementing climate emergency measures. These responses will be reviewed by the CE team and it is hoped it will enable the Council to move to a scoring tender mechanism which is both proportionate to the size and type of contract and the financial implications of doing so. The potential effect on SME's, Charities and local businesses and the general market interest in the Council's contracts will need to be considered during this process.

Currently tender evaluation with pass/fail criteria in the SQ section of a tender is incorporated on a case-by-case basis depending on the service, size and market interest. The questionnaire includes questions on their embedded carbon for suppliers to answer.

#### **8.1.4 Implementation of sustainable procurement KPI's amongst suppliers**

- Consult with stakeholders, including local and national business during the development of Council's sustainable procurement policy through a consultation event.
- All buyers/ commissioners embed carbon KPI targets into all suitable council contracts.
- Provide clear and detailed instructions to suppliers on the council's sustainability requirements.
- Contracts have sustainability KPI's included where suitable to contracts scope and will be performing within the green threshold (or equivalent) for these KPI's.

The Council is unlikely at this time to develop a Council Sustainable Procurement Policy due to the complexity and variety of all Council wide contracts and any high-level policy would unlike to give detail. The Procurement team continue to embed the principles laid out in the Procurement Strategy (including those mentioned in 8.1.1). The long-term ambition of the CE team is to develop a specific sustainable procurement policy, which is at very early stages and would follow a review of the questionnaire results.

Procurement is working with service areas to incorporate KPIs into tender requirements and contracts and where appropriate include climate impact /sustainability KPIs will be considered, this is again on a case-by-case basis. KPIs are owned and managed by the service area and need to be measurable and attainable. Where appropriate the Climate Emergency team are able to provide guidance and support where required.

Initial collection of supplier data will be captured in the Climate Emergency Questionnaire and this will inform and enable future development of sustainable policies and KPIs. This would also need to link into corporate Council policies on Social Value and Climate Emergency.

### **8.2.1 Adopt a WBC Social Value Policy**

- Draft the WBC Social Value Policy.
- Consult with businesses and SLT
- Implement communication of policy via CEM

Internal workshops have been held and a draft policy has been created. The policy is due to be agreed at Corporate Leadership Team (CLT) in April. Once agreed, the policy will be communicated and rolled out. This action is owned by the Insights, Strategy and Inclusion team.

### **8.2.2 Promote local skills and employment**

- All buyers/ commissioners to impose SME/ local supply targets on suppliers including reporting back of SME/ local supplier subcontracting and carbon reduction.
- Improve skills for low carbon transition including supporting those in traditional 'high carbon' industries to retrain.
- Performance Team name the top 20 suppliers supporting scheme.

Some work has been undertaken that has focused on improving skills for low carbon transition, this has been led by the Economic Development team and includes:

- Skills bootcamps and local colleges that offer training on low carbon jobs are promoted to businesses.
- Employment Skill Plans record locally employed staff that are generated from Council projects.
- As part of the University of Reading partnership, there is a focus on supporting schools developing their own climate emergency action plans. Green skills and jobs will be promoted to pupils within our secondary schools as part of this engagement.

The Council in the longer term will continue to focus on supporting SMEs as part of the Procurement process and which could also include support on carbon reduction and implementing climate emergency measures.

### **3) Officers investigate the impact and suitability of the Council adopting ISO 14001 to support the CEAP;**

ISO14001 is the international standard for an Environmental Management System (EMS). The standard provides a framework for implementing sustainable practices across an organisation.

It can lead to enhanced environmental performance; improved compliance and the process of environmental risks and opportunities being embedded within an organisation. Introducing ISO14001 could provide a benchmark longer term for Wokingham Council's suppliers. There were also disadvantages that were identified when exploring the feasibility of introducing ISO14001. It can be time and resource intensive; other organisations have had to employ external consultants to help achieve the accreditation. It can also require comprehensive documentation, developing and managing these documents can be a big burden on staff.

More information is required - specifically about local authorities that have introduced ISO14001 - before a recommendation is made for Wokingham Borough Council. This is to understand any ongoing costs and the benefits associated with introducing ISO14001 within a local authority context.

The Council continues to report on its own emissions through the CEAP and is implementing a number of changes to reduce its own emissions, detailed more thoroughly in the latest CEAP progress report.

**4) Procurement officers investigate measures to tighten up Procurement contracts and report back to the Committee;**

The Procurement team and CE team are working on tenders and contracts with Service areas and the inclusion of climate emergency measures is based on a case-by-case basis at the point of project strategy and developing the specification of requirements, KPIs and evaluation questions. The Council's contracts conclude the tender process and always include the specification, bidders' response to the evaluation questions and the KPIs, all of which do incorporate climate emergency measures where possible.

The information gathering exercise as part of the Climate Emergency questionnaire will be reviewed over the next 12 months and will inform the Procurement and CE teams if any additional future requirements are needed in the procurement process and contracts.

**5) Procurement officers seek to develop a specific overarching Procurement Climate Emergency policy to underpin the Procurement and Contract Management process.**

Given the potential complexity and variety of all Council wide procurement contracts, a high-level policy itself would be unlikely to go into detail but would follow the existing principles mentioned of doing as much as possible and demonstrating that sustainability considerations are incorporated within decision making. This would therefore also likely follow the review process.

At this time there is no plan to develop a Procurement Climate Emergency Policy as this would need to follow the Council's own corporate policy to enable a joined-up approach on a council-wide scale and to ensure a "golden thread" approach is taken.

**6) The language in the report be strengthened so that the CE team "requires" action rather than "encourages" action.**

There is now an additional check step involved in the procurement process, through the Procurement Options Analysis paper mentioned above. Meanwhile future actions such as a potential Council Sustainable policy would further support this.

The Procurement team and CE team are implementing as many Climate Emergency measures as possible in procurements and futures contracts, however the team undertake procurements exercises for Council-wide services including Adult Social Care and Children's Services and deal with a variety of suppliers from SME's, local businesses, charities and the voluntary sector. These considerations need to be reflected at the start of any procurement exercise including embedding Climate Emergency requirements into the tender process and subsequent contracts and therefore wording needs to reflect this. Current legislation requires fair and equal treatment of suppliers, proportionality and consideration given to overburdening SME's.

**Summary / Next steps**

Procurement and Climate Emergency are working together to drive more focus from our suppliers on carbon neutrality. It is critical that the Council fully understands market operators' abilities and position, with regard to those standards, as implementing unachievable measures will hinder parts of the business community from bidding or winning work, impacting the ability of the Council to deliver or afford key services and stifling certain business operators.

A key first step is the Climate Emergency questionnaire being introduced for suppliers to complete as part of the tender process. There will be a 12-month review of this data to understand more about our suppliers, and to guide the most appropriate next steps.

Whilst this review is being undertaken two Climate Emergency focused questions within the Procurement Options Analysis paper will guide service areas to consider Climate Emergency when developing their procurement strategy.

There will also continue to be a case-by-case review of our procurement activity and contracts, and Procurement will continue to focus on acting as a gate keeper in identifying any services/contracts that need the CE team's direct input in the tender process. There will be a continued focus on suppliers that have opportunities to do more.

A further update will be provided once data has been collated through the Climate Emergency questionnaire and clear next steps have been established.



## FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the Covid-19 crisis. It is, therefore, imperative that Council resources are focussed on the vulnerable and its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	nil	NA	NA
Next Financial Year (Year 2)	nil	NA	NA
Following Financial Year (Year 3)	nil	NA	NA

### Other financial information relevant to the Recommendation/Decision

Setting climate standards may increase costs to the Council and impact its ability to deliver key services to residents. Climate standards will be further developed with understanding of cost and service implications from feedback from tenders.

### Cross-Council Implications

### Public Sector Equality Duty

**Climate Emergency – The Council has declared a Climate Emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham borough by 2030**

### List of Background Papers

See Appendix 1 – Climate Emergency Questionnaire

<b>Contact</b>	<b>Service</b>
<b>Telephone No</b> 0118 974 6000	<b>Email</b>
<b>Date</b>	<b>Version No.</b>

## APPENDIX 1: Climate Emergency Questionnaire

For information only.

1	<p><u>Net zero commitment.</u> Does your business have a net zero or emissions reductions target? <i>(If part of CCS this is an automatic 2050 target).</i></p>	Yes/No	Comments
2	<p><u>Carbon reduction plan.</u> Does your business have a carbon reduction plan to achieve the above? <i>If yes, please attach a copy or summarise</i></p>	Yes/No	Comments
3	<p><u>Measuring emissions.</u> Does your business measure its Scope 1 and 2 emissions? <i>If yes, please attach a copy of this report.</i></p>	Yes/No	Comments
4	<p>Are whole life emissions included within this? <i>For example, embodied emissions.</i></p>	Yes/No	Comments
5	<p><u>Social value.</u> Within this proposal does all work and materials conform to our social value policy and minimising any negative effects of such? <i>If possible, please provide examples to demonstrate where this has been applied.</i></p>	Yes/No	Comments
6	<p><u>Certification.</u> Does your business have any environmental certification? For example, BS EN ISO 140001. <i>If yes, please outline which and to what extent.</i></p>	Yes/No	Comments
7	<p><u>Supporting the local economy.</u> Is your business located within the Wokingham Borough Council Boundary? Or as part of this contract will you be utilising any businesses/contractors which are based in Wokingham? <i>If yes, please explain.</i></p>	Yes/No	Comments
8	<p><u>Contract Sustainability KPIs.</u> <b>If applicable</b> will your proposal be able to meet the KPIs regarding sustainability within the tender specification? <i>If yes, please detail how.</i></p>	Yes/No	Comments