



CLIMATE CHANGE COMMISSION 15 JANUARY 2008

Report of the Director of Corporate and Adult Services

Climate Change Commission work programme for January/February 2008

RECOMMENDATION

1. That the Commission approve the proposed work programme and agree how the review reports will be signed off.

SUPPORTING INFORMATION

- 2.1 At its meeting on 12 November 2007 the Climate Change Commission agreed to support the Climate Change Board by carrying out reviews to investigate:
 1. How other similar local authorities have addressed climate change issues within their areas
 2. How best practice local authorities have identified and implemented carbon reduction opportunities through changes to procurement procedures.
- 2.2 If the outcome of these reviews is to be provided to the Climate Change Board in time for it to be included on the agenda for the Board's meeting in March 2008, it will be necessary for the Commission to carry out its evidence gathering in late January and February 2008 and for the Co-ordination Officers to write up the Commission's findings in early March. The scoping report contained in Appendix 2 sets out a combined work programme for these reviews and the Commission is asked to approve this.
- 2.3 Commission members are asked to note the timing suggested for the proposed evidence gathering meetings. The dates and times of the meetings will need to be arranged around witness and member availability and the Commission will be advised of these as soon as they are confirmed.
- 2.4 As the Commission does not have another scheduled meeting until 1 April 2008, members will need to decide now how the review reports will be signed off.

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Background papers:	Appendix 1 – Implications
List of appendices:	Appendix 2 – Proposed work programme

Appendix 1

IMPLICATIONS

Financial

1. Any costs arising from the work programme will need to be contained within the Commission's research budget.

Legal

2. None arising from this report.

Personnel

3. None arising from this report.

Equalities impact

4. None arising from this report

Corporate Objectives

5. This report has the potential to link with the following Corporate Objectives,
 - Leading Derby towards a better environment
 - Giving you excellent services and value for money

Climate Change Commission work programme for January/February 2008

At its meeting on 12 November 2007 the Climate Change Commission agreed to support the Climate Change Board by carrying out reviews to investigate:

1. How other similar local authorities have addressed climate change issues within their areas
2. How best practice local authorities have identified and implemented carbon reduction opportunities through changes to procurement procedures.

If the outcome of these reviews is to be provided to the Climate Change Board in time for it to be included on the agenda for the Board's meeting in March 2008, it will be necessary for the Commission to carry out its evidence gathering in late January and February 2008 and for the Co-ordination Officers to write up the Commission's findings in early March. To achieve this objective it is proposed to run the two reviews concurrently through a combined work programme. The proposed scope of the two reviews is set out below:

1. Climate Change and local authority best practice

All local authorities are currently faced with preparing and implementing initiatives to:

- Address and counter the threats posed by climate change
- Respond to the requirements of forthcoming climate change legislation
- Deliver on local and national climate change commitments

Some local authorities have been working towards these objectives for a significant number years and are consequently much further along this road than Derby where combating the effects of climate change have only fairly recently become a high priority of the Council.

The objective of the Commission's review of local authority best practice is simply to identify a number of local authorities that are similar to Derby and appear to have made significant progress in implementing initiatives to combat the effects of climate change. Representatives of these local authorities will then be surveyed, either remotely or, if time allows, through face to face meetings with Commission members, and will be asked about:

1. How long their local authority has had climate change as a priority and the level of importance that is attributed to it
2. The 'baseline' position of the Council

3. When the local authority started to implement its climate change initiatives
4. The degree of political, employee and public support for initiatives for combating climate change
5. The level of funding that has been allocated to taking forward climate change initiatives and the sources of that funding.
6. The number of staff within their local authority that have taking forward the Council's climate change or other 'environmental protection' initiatives as their principal task.
7. The degree of involvement of other Council employees in activities to combat climate change and how that involvement has been achieved
8. The degree of involvement of the public in the local authority area in activities to combat climate change and how that involvement has been achieved
9. Successes that have been achieved, how these have been quantified and measurable outcomes
10. Particular problems that have been encountered. Whether these have been overcome and if so how this has been done.
11. The next tasks that have been identified
12. The current position compared to the baseline position and the approximate cost of achieving the current position.

The information from the other local authorities will be collated and reported to the Climate Change Board together with any recommendations that the Commission's may have for future areas of activity.

2. Sustainable Procurement as a way of reducing the Council's Carbon footprint

2.1 Sustainable Procurement

An effective sustainable procurement policy is one of the keys to achieving carbon reduction opportunities through procurement.

Sustainable Procurement is defined by the Sustainable Procurement Information Network (SPIN) as:

'A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation but also to society and the economy, whilst minimising damage to the environment'

The processes of sustainable procurement by English local authorities are well established. There is a wealth of detailed information on processes and procedures on the excellent SPIN website and some of the information provided in this report has come from that source.

There appear to be two elements that are essential if a local authority is to effectively implement sustainable procurement. These are:

1. The possession by the local authority of a viable sustainable procurement policy
2. The recognition by elected members and employees at all levels within the local authority that they are responsible for what they do and that as virtually everything they do has implications for sustainability, they should consider those implications and act in the manner that results in the minimum adverse impact.

This report also considers the actions taken so far to develop and implement a sustainable procurement policy and seeks to identify what further action will be needed if the City Council is to realise all the potential environmental benefits of sustainable procurement.

2.2 Procurement – the potential for adverse environmental impacts

The acquisition by the Council of any commodity or the provision of any works or services carries with it the potential for a range of adverse effects. These effects can in turn have a knock-on adverse impact on the health and economy of communities.

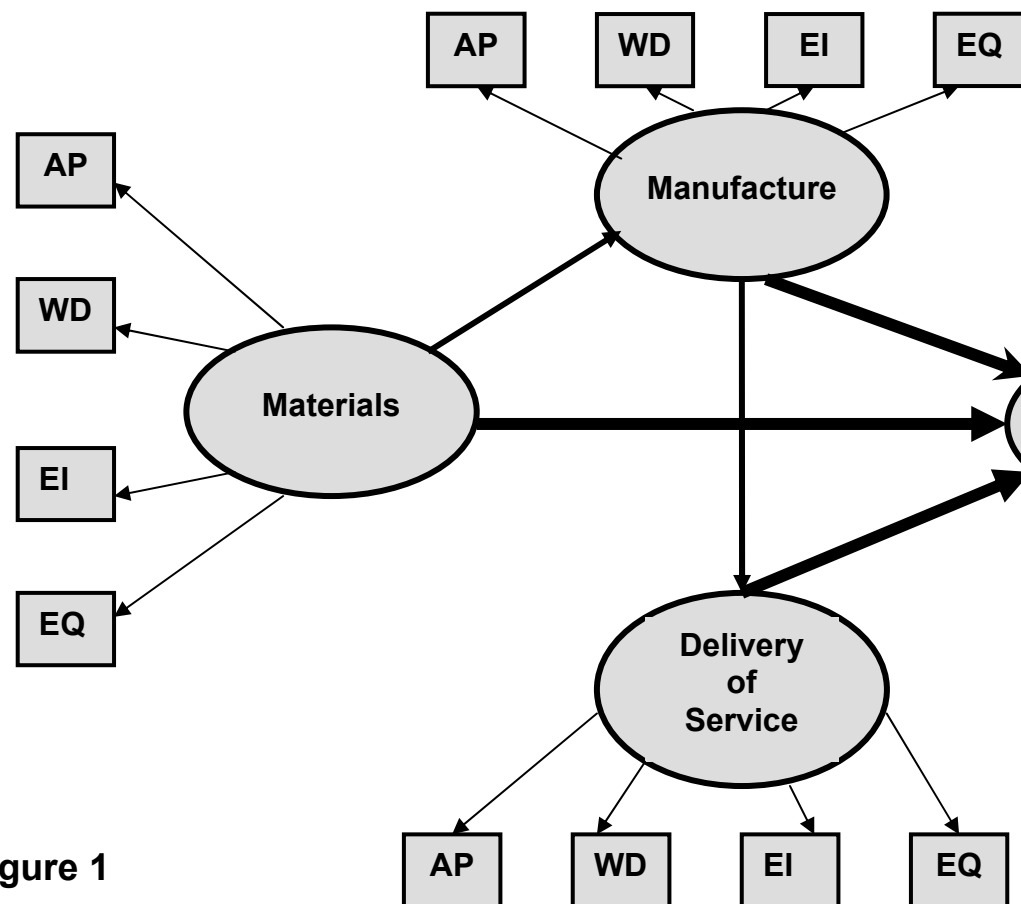
The adverse environmental effects of procurement can be grouped generally under the following headings:

- Increased atmospheric emissions resulting in various forms of local and global air pollution (AP)
- Increased water pollution and/or land contamination through waste disposal (WD)
- Use of irreplaceable natural energy resources (EN)
- A deterioration in overall environmental quality (EQ)

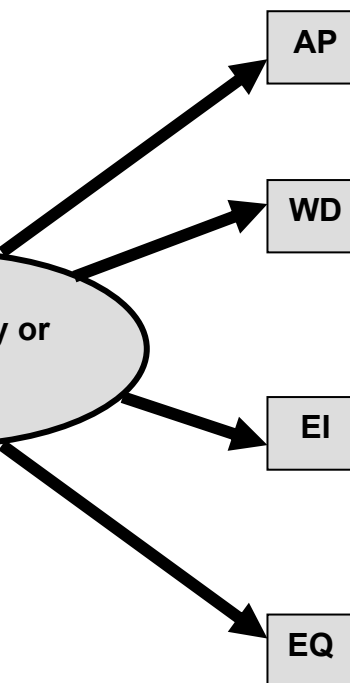
In addition to these environmental effects there may also be health or health and safety effects associated with the procurement of commodities or service.

The adverse environmental impacts of procurement are not just confined to the use by the Council of the commodity or the delivery of the service in question. These are undoubtedly important, particularly as they are under the Council's direct control. However, as is illustrated by Figure 1, the 'end user' impacts may be a comparatively minor part of all the adverse environmental impacts associated with the delivery to the Council of the commodity or service.

Impacts of provision to Council of Commodity or Service



Impacts of use by Council of Commodity or Service



AP – Air Pollution
WD – Waste Disposal
EI – Energy Impact
EQ – Environmental Quality

Figure 1

In developing and implementing processes for environmental procurement it is therefore important not only to consider the environmental impacts resulting from the Council's use of a commodity or the delivery of a service, but also the environmental impacts that have occurred before the Council took possession of the commodity or received the service. These impacts will need to be assessed and wherever practicable procurement should avoid commodities or services which have a high and unavoidable impact on the environment. Examples to be avoided include:

- Food produced in other countries unless there is no locally produced alternative – the extra transport mileage results in increased fossil fuel use and more air pollution
- High solvent paints and varnishes – the Volatile Organic Compounds (VOCs) they contain cause air pollution
- Incandescent light bulbs – because of the high levels of energy they use compared with low energy alternatives
- Certain pesticides and wood preservatives – because of their potential to cause water pollution and environmental damage
- Batteries, especially those that can't be recharged – there are pollution problems associated with the disposal of batteries
- Electrical or mechanical equipment that has a poor efficiency rating or is more powerful than is required for the tasks in question – because it will consume more energy
- 'Overpackaged' commodities – because of the need to dispose of the packaging
- Manufactured goods from 'distant' suppliers – unless those suppliers can demonstrate that their products and the transportation of those products have an acceptably low environmental impact
- Bought in services which have a high adverse environmental impact or where the provider cannot provide information about the environmental impact of the service

2.3 Derby City Council's Sustainable Procurement Policy and Procedures

The City Council already has in place a range of policies and procedures that will contribute to the achievement of sustainable procurement.

The Council's Environmental Policy:

- Defines what the Council means by sustainable development and how it plans to bring this about locally
- Commits the Council to improving the environment through its environmental aims
- Outlines how the Council intends to put its aims into practice
- Provides a framework within which to develop more detailed objectives and action plans

In support of its Environmental Policy the Council has a 187 page Corporate Procurement Code that covers the whole procurement process. Section 13 of the Code, which covers the environmental aspects of procurement is reproduced below:

Environmental considerations

13.1 The Council's Environmental Policy states that as a major purchaser of goods and services it has the ability to 'specify the type and nature of the products we buy and to specify conditions for its suppliers and contractors to follow'. In acknowledgement of this the Policy includes a requirement to 'encourage the purchase of goods and services that cause the least harm to the environment.' You should therefore...

- Include a paragraph in any letters sent to tenderers to make them aware that where appropriate they will be expected to adopt equivalent environmental standards as those contained within the Council's current Environmental Policy while working for, or on behalf of, the Council, if awarded the contract. Include either a copy of the Council's Environmental Policy in the information or 'signpost' this on the Council's website and make them aware of the Council's current Green Work Guide and the need for them to consider the relevant advice given in the Guide to improve their own environmental performance while working for, or on behalf of, the Council.*

13.2 In addition to the standard procedures outlined above, the following procedures should also be followed...

- Identify any obvious environmental issues associated with the purchase and where possible address them within your specification. The Environmental Assessment Questionnaire lists some likely issues, see Appendix 16.*
- Ensure you comply with any relevant environmental legislation, including for example Duty of Care.*
- Specify items that can be recycled or reused.*
- Give preference, where items are of similar cost, to those goods that are manufactured with a high recycled content.*
- Consider the energy usage/cost of operating equipment prior to purchase.*
- Consider goods which can be manufactured, used and disposed of in an environmentally responsible way.*
- Favour suppliers that are committed to environmental improvement, especially through their adoption of an Environmental Management System such as ISO 14001 or EMAS.*
- Consider 'whole life' costs and impacts when assessing equipment for purchase, including the environmental costs associated with the manufacture, use and disposal of the product in question.*
- Use the Procurement Sustainability Policy to take other areas into consideration within your procurement.*

The City Council's Sustainable Procurement Policy which is referred to in 13.2 of the Corporate Procurement Code sets out the process that must be followed to achieve sustainable procurement. The process involves five separate stages which are outlined below.

2.4 Process to achieve Sustainable Procurement

The five stages of the Sustainable Procurement Policy are:

Stage 1- Analysis of need and impact assessment

This essentially involves asking:

1. Do we (the Council) need this product, service, or works project
2. Can the need be met in another way?
3. Can the requirement be met by renting or sharing rather than procurement?
4. Is the quantity required essential?
5. Is the specification for the product/service excessive considering the need?
6. Can the product serve a useful purpose after its initial use?
7. Have the whole life costs of the product/service been identified?

Stage 2 - Specific product/service specification strategy

If the impact/need analysis confirms that the product is required, the second step in the process involves defining the specification. The environmental issues that should be considered at this stage are:

- Resource, energy and water efficiency
- Minimum use of virgin and non-renewable resources
- Minimum pollution
- Maximum durability, repairability, reuseability and recyleability
- Minimum packaging
- Minimum waste and ease of re-use and recycling
- Ability to monitor – running costs etc
- Capacity for biodegradability
- Compliance with appropriate standards

Stage 3 - Tender documentation

Tendering will need to comply with the Council's procedures. The Sustainable Procurement Policy contains guidelines for ensuring that tender documents are clear, user friendly, and do not create barriers to potential suppliers.

Stage 4 - Tender evaluation and award

Tender evaluation will need to consider elements such as:

- Running costs – water and energy – of the product over its lifetime
- Indirect costs/benefits – for example benefits to local people that would result in reduced costs for them
- Administrative costs – a more expensive product might reduce these if there was subsequently less need for staff input to operate/maintain it
- Spending to save – the increased initial cost of better insulation might result in the long term in lower heating costs
- The use of refurbished parts or products instead of new items
- The potential for recycling waste materials – for example printer cartridges
- Disposal costs – an initial undertaking with the supplier to dispose of the waste might prove cheaper than arranging later for disposal
- Operator training costs
- Reducing risk through choosing more benign products
- Likely future legislative requirements

Stage 5 - Contract Management

The performance of the supply of service will need to be monitored during the lifetime of the service of product.

The objective of the monitoring should be to ensure compliance with the principle of the Council's Environmental Policy.

5. Local Authority processes, policies and initiatives to mitigate adverse environmental impacts through sustainable procurement

Local authority procedures to mitigate the environmental impact of a commodity or service are well established and there are a number of local authorities that are recognised leaders in this field.

The SPIN website contains details of case studies as well as toolkits, manuals, handbooks, guidance and policies that have been prepared by other organisations, including several local authorities.

The toolkits listed on the SPIN website include:

1. DEFRA Catering Services and Food Production Toolkit. This is intended to provide buyers and non government professions with a clear and practical guidance framework to enable the procurement of food direct from wholesalers and producers.
2. 'Getting on target'. A Sustainable Energy Toolkit and Benchmark for Local Authorities. The benchmark describes how the ideal local authority would deliver sustainable energy processes and policies. Councils can use it to rate their potential against each benchmark activity.
3. ICLEI Local Government for Sustainability, Procura+ campaign. Procura+ concentrates on the following products:
 - Electricity from renewable resources
 - Energy efficient computers and IT devices
 - Organic food for canteens hospitals and catering
 - Buildings meeting highest heating and cooling efficiency standards
 - Health orientated cleaning services
 - Quality orientated, low emission public transport services
4. Local Authority Environmental Management and Procurement (LEAP). This project was co-funded by the EC LIFE-Environment Programme and led by Leicester City Council who, with ten other European Local Authorities investigated how to improve green procurement in Europe.
5. Public Sector Food Procurement Initiative. This toolkit was produced by DEFRA and is aimed at promoting a world class sustainable farming and food sector. One of its objectives is to reduce the adverse impacts of production and supply
6. The Waste and Resources Action Programme (WRAP), which aims to divert materials away from landfill and limit the depletion of finite resources.
7. Forum for the Future. Public Sector Sustainable Procurement Assessment Tool. This tool was designed by the Forum for the Future in conjunction with the Welsh Procurement initiative and is intended to ascertain the extent to which Sustainable Procurement is being considered in an organisation.

Among the many useful documents referenced on the SPIN website are a number from local authorities which face issues similar to those faced by the City Council. The approach of these local authorities is broadly similar and is summarised by Derbyshire County Council whose aims are summarised in Figure 2 below.

Figure 2 - Derbyshire County Council's Environmental Policy Objectives

Energy & Water

Using energy and water efficiently in council operations.

Pollution

Identifying, adopting and promoting technologies to reduce the emissions of greenhouse gases, within council properties and the wider community. Minimising and, where possible, eliminating the release of any pollutant which may cause damage to health and the environment.

Transport

Reducing the social and environmental impacts of road vehicles on council business. Encouraging the use of more sustainable modes of transport for all journeys.

Waste

Minimising wastes by the best practicable environmental option by eliminating, reducing, reusing, composting and recycling them. Managing unavoidable wastes in accordance with the council's Duty of Care obligations.

Natural & Built Environment

Protecting, conserving and enhancing the environment including landscape character, habitats and heritage. Promoting bio-diversity and local distinctiveness and the conservation of both renewable and non-renewable resources.

Environmental Education

Raising awareness, educating and training employees, and providing information to the public on environmental policies, practices and issues.

Purchasing & Contracts

Ensuring that the council's purchasing power is used to reduce negative environmental impacts and to improve the environmental standards of products and services the council purchases.

Environmental Assessment

Minimising the risk of damage and maximising opportunities for improving the environment by assessing the council's policies and practices for their environmental effects and adopting technologies and working practices which have the greatest benefit for sustainable development.

It is reassuring to note that the aims of Derbyshire County Council closely accord with those expressed in the City Council's Environmental Policy which in summary are to:

- Optimise the use of energy and water
- Identify and promote the use of technologies to reduce the emission of greenhouse gases, both within Council properties and throughout the wider community
- Minimise and where possible, eliminate the release of any pollutant which may cause damage to health and the environment
- Reduce the social and environmental impacts of road vehicle used for Council business
- Minimise the generation of wastes
- Protect, conserve and enhance the natural and built environments

- Promote the conservation and more sustainable use of non-renewable resources
- Comply with relevant environmental legislation and regulations

This overall agreement in approach suggests that if issues exist in Derby they are associated not with the availability of sustainable procurement policies and procedures but instead with general acceptance within the Council's departments of the need to comply with those procedures.

2.5 Use of the Sustainable Procurement Policy by Council departments

Dawn Moran, the Council's Head of Procurement has confirmed that those officers within the Council's departments who are responsible for tendering should be fully aware of the need to comply with the Sustainable Procurement Policy. The Commission will however need to satisfy itself that when tenders are specified and awarded compliance with the Policy is accorded the necessary importance by the relevant officers.

2.6 Proposed methodology of the Review

If it is accepted that the Council already has the necessary procedures and policies for sustainable procurement in place, the Commission will need to explore the way in which these procedures and policies are being implemented by the service departments.

In order to do this it is suggested that the Commission should first interview the Head of Procurement who will be able to provide information on the use of sustainable procurement by the Council's departments. If members consider that the Council's policies and procedures are not being properly applied, they can then invite appropriate officers from the departments to give evidence to the Commission. When they have considered the evidence from the officers members may also wish to invite representatives of one or more best practice local authorities to tell the Commission how they have introduced and sustainable procurement and ensured that it is properly implemented within their authorities.

The anticipated outcome of the review is a series of recommendations to Council Cabinet, and through them to the Climate Change Board, aimed at ensuring that sustainable procurement is implemented effectively throughout the Council.

It will not be possible to confirm the size of the review and the necessary involvement of members until after the Commission has heard and considered the evidence from the Head of Procurement. It is however anticipated there will be a need for the Commission to meet with officers of the service departments and that these will involve some more meetings.

If this is the case it is anticipated that the evidence gathering phase of the review will take between four and six weeks to complete, so completion of the whole review cannot be expected before the end of February 2008.

If members are in agreement with the scope of the review it is proposed to commence the evidence gathering in January 2008 and to arrange a meeting of the Commission for that purpose.

3. Outline work programme for the Commission

If it is to deliver a report to the Climate Change Board in time for it to be included on the agenda for the Board's meeting in March 2008, the Commission must complete its evidence gathering for these reviews by the end of February.

The following outline work programme is therefore proposed for the Commission

Week commencing		Activity	
		Review topic 1	Review topic 2
1	21 January	Survey of representative Councils by OSCers and preparation of first draft report on findings	
2	28 January	Interviews of any witnesses identified from the survey by the Commission	
3	4 February		Commission interview with Dawn Moran, Head of Procurement
4	11 February	OSCers prepare final draft report based on outcomes from interviews	If considered necessary Commission interviews of representatives of service departments to find out how they ensure that environmental implications are taken into consideration when procuring
5	18 February		
6	25 February		OSCers prepare first draft report based on outcomes from interviews
7	3 March	Commission meets to agree final reports and recommendations to Climate Change Board	

This programme will involve Commission members in a maximum of eight meetings during the period 22 January to 26 February 2008. If members wish it may be possible to arrange all five interviews with service department representatives on one day. This would reduce the number of additional meetings of the Commission to four

DRR 7 December 2007.