

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Strategic Commissioning Committee
<b>DATE</b>	16 June 2021
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Commercial & Procurement Shared Service – Climate Update
<b>REPORT NUMBER</b>	COM/21/147
<b>CHIEF OFFICER</b>	Craig Innes
<b>REPORT AUTHOR</b>	Melanie Mackenzie
<b>TERMS OF REFERENCE</b>	4.3

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### 1. PURPOSE OF REPORT

- 1.1 To provide the Committee with an update on the introduction of a climate friendly weighting for contracts the Council procures, as per the Council instruction of 3<sup>rd</sup> March 2020.

### 2. RECOMMENDATION

It is recommended that the Committee:

- 2.1 Notes the work undertaken within financial year 2020-2021 on the review of options for a climate friendly weighting to be included within procurement activity;
- 2.2 Notes the positive outcomes achieved through procurement activity as outlined within Appendix 1 - Climate Change Report 2019-20 (Appendix 1 - Section 5b Procurement); and
- 2.3 Notes the projects identified within the future procurement pipeline (first half of financial year 2021-2022) which will include climate friendly criteria as detailed within Appendix 2.

### 3. BACKGROUND

- 3.1 On 3<sup>rd</sup> March 2020 the Council considered and approved the General Fund Revenue and Capital Programme 2020/21 Report (RES/20/065), which included the recommendation as set out below:

#### **Net Zero Transition**

(iv) to instruct the Head of Commercial and Procurement to introduce a climate friendly weighting for contracts the Council procures and report back to the Strategic Commissioning Committee on the outcomes achieved annually.

- 3.2 The impact of the coronavirus (Covid19) outbreak and lockdown from 23 March 2020 and subsequent cessation of procurement activity unless directly related to supporting the Council's response to lockdown up until autumn 2020, has meant work to enhance current provisions in respect of Climate Friendly Weightings and method of capturing and reporting on the positive impact of those weightings has been deferred until Financial year 2021.
- 3.3 Within financial year 2020-21, the Commercial and Procurement Shared Service had assessed a variety of options for Climate Friendly Criteria/Weightings including assessment of how the impact could then be monitored and reported upon. Representatives from the team are involved with three of the themed Climate Sub-Groups feeding into the Climate Change Plan supporting enabling actions to support integration of climate change in council systems and processes and to build internal awareness and understanding of climate change. Alongside work at a local level officers from the Commercial & Procurement Shared Service have participated within the Climate and Procurement Forum at national level and the Aberdeen and Grampian Chamber of Commerce "Circular North-East" initiative at a local/regional level.
- 3.4 The Climate & Procurement Forum is chaired by Scottish Government and includes representation from across the Public Sector in Scotland. It was initiated to firstly review what leading organisations are doing through procurement to influence the change in behaviours required to tackle the climate emergency, with the ultimate aim being to help transform thinking, so that climate considerations become embedded in behaviours across the Public Sector in Scotland. This group continues to meet regularly but there is yet no significant move forward to an agreed approach nationally, it has been agreed by the group that numeric measurement across all areas may take some time to establish.
- 3.5 To ensure that we can begin to influence climate change through the procurement activity of the Council it was determined that the best approach in the interim (whilst awaiting the outcome of the Climate & Procurement Forum) was to create a new section within the Community Benefits Project Plan/Award Questionnaire section of the template Invitation to Tender Documents to introduce a climate friendly weighting which would supplement the current approach as outlined in the ACC Sustainable Procurement and Community Benefits Policy.
- 3.6 Bidders will be asked as part of their response to tenders to outline commitment on areas directly related to performing the contract, which may include: energy efficiency in buildings, emissions class of fleet vehicles, effective route planning measures, energy/fuel efficiency measures in buildings/vehicles/operations, minimisation of waste, circular economy initiatives, reuse of materials, carbon neutrality initiatives, reduction of material/ packaging/reduced plastic content of packaging, avoidance of single use plastics etc. Performance against this commitment will be monitored during ongoing contract management and it would be anticipated that bidders would provide reports on a regular basis aligned with Contract Management reporting frequency.

- 3.7 The Policy guides sustainable procurement activity at a strategic and operational level and has allowed for contribution through procurement activity positively and progressively to duties and commitments under the Scottish Climate Change Commitments. The policy is sufficiently agile to contribute to broader climate positive aspirations which support global energy transition, application of meaningful circular economy measures and a net zero future for Aberdeen. Strategic and practical guidance is provided at key stages: identification of need, specification development, selection/award and contract management. Policy/guidance assists procurers to proactively address key aspects of the duties: mitigation (ensuring reduction in greenhouse gases/enhancing carbon storage), adaptation (e.g. flood prevention) and maximising added social, economic and environmental value in our procurements and national frameworks call offs.
- 3.8 Appendix 1 is an extract from the Climate Change Report 2019/20 and includes illustrative samples of procurement activity which has been to market and is contributing to the Councils aims by:
- i) delivering a reduction in CO<sub>2</sub>,
  - ii) improving energy efficiency, and
  - iii) incorporation of meaningful sustainability criteria.

### **Next Steps**

- 3.9 The Commercial & Procurement Team have reviewed the forward pipeline of procurements for financial year 2021-2022 and identified those which will include climate friendly criteria within the first half of the year as detailed within Appendix 2, the projects have been selected across a wide range of categories including Construction, Social Care, PPE and Agency workers based upon assessment of most impact in terms of outcomes.
- 3.10 The pipeline of upcoming projects will be reviewed on a continuous basis and additional projects added to the list of those to include climate friendly criteria, where it is proportionate and relevant to do so. Outcomes agreed would be monitored during ongoing contract management and it would be anticipated that bidders would provide reports (frequency of reporting would be agreed within contract terms).
- 3.11 A further review of potential options for a system will be conducted by end of Q2 2021-22, with a view to implementing a system to monitor, measure and report on Community Benefits, Fair Work Practices, Sustainability and Climate outcomes achieved through procurement activity. The area of measuring and monitoring outcomes achieved is one of the key challenges due to the need to compile data across multiple systems and from multiple sites, this to date has been time and resource intensive to manually gather and compile the data for reporting.

## **4. FINANCIAL IMPLICATIONS**

- 4.1 There are no direct financial implications from the recommendations of this report.

## 5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report.

## 6. MANAGEMENT OF RISK

<u>Category</u>	<u>Risk</u>	<u>Low (L)</u> <u>Medium (M)</u> <u>High (H)</u>	<u>Mitigation</u>
<b>Strategic Risk</b>	Lack of progress at a national level, hinders local progress.	L	ACC will continue to participate in the national conversations, the local approach developed will allow for progress in the interim until such time as progress is made nationally.
<b>Compliance</b>	Increased focus on Climate Change leads to loss of focus on aspects	L	A balanced approach is proposed to be adopted to ensure that increased focus on carbon/climate does not diminish all other aspects of the Sustainable Procurement Duty.
<b>Operational</b>	N/A	N/A	N/A
<b>Financial</b>	N/A	N/A	N/A
<b>Reputational</b>	Lack of understanding on what outcomes we are looking to achieve.		Ensure clear guidelines are in place prior to including criteria for Suppliers and for Employees undertaking procurement activity.  Highlight positive changes achieved regularly.
<b>Environment/Climate</b>	Failure to capture any impact from Contracts where	M	Establish a robust approach to Supplier Reporting in the absence

	the Climate Criteria is included		of a Public Sector calculator.
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## 7. OUTCOMES

<b><u>COUNCIL DELIVERY PLAN</u></b>	
	<b>Impact of Report</b>
<b>Aberdeen City Council Policy Statement</b>	The proposals in the report have no direct impact on the Policy Statement.
<b>Aberdeen City Local Outcome Improvement Plan</b>	
Prosperous Economy Stretch Outcomes	Actions to reduce carbon emissions, protect and improve the environment and will indirectly support stretch outcome 1 by having a positive impact on health and wellbeing.
Prosperous People Stretch Outcomes	Stretch outcome 11 - Actions to reduce carbon emissions; protect and improve the environment can have a positive impact on health and wellbeing.
Prosperous Place Stretch Outcomes	The proposals in this report support the delivery of stretch outcome 14 - carbon emissions reduction by 42.5% by 2026.
<b>Regional and City Strategies</b>	Inclusion of Climate Friendly Weightings would support several Regional and City Strategies, Strategic and Local Development Plans, Local Outcome Improvement Plan.
<b>UK and Scottish Legislative and Policy Programmes</b>	The proposal within this report supports the Council's compliance with Part 4 of the Climate Change (Scotland) Act 2009 and Climate Change (Emissions Reduction Targets) (Scotland) Act 2019.

## 8. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
<b>Impact Assessment</b>	Full Impact Assessment not required
<b>Data Protection Impact Assessment</b>	Not required

## 9. BACKGROUND PAPERS

## **10. APPENDICES**

**Appendix 1**            **Extract from Appendix 1 to the Climate Change Report**  
**Appendix 2**            **Pipeline 2021 – 2022 – Inclusion of Climate Criteria**

## **11. REPORT AUTHOR CONTACT DETAILS**

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