



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

**IMPROVEMENT AND SCRUTINY COMMITTEE – CLIMATE CHANGE,
BIODIVERSITY AND CARBON REDUCTION**

MONDAY, 14 FEBRUARY 2022

**Report of the Interim Executive Director - Corporate Services and
Transformation**

Sustainable Procurement

1. Purpose

1.1 The Purpose of this report is to provide an update on the Councils proposals for implementation of Sustainable Procurement.

2. Information and Analysis

2.1 Derbyshire County Council Climate Change Governance

Climate change is a multi-faceted, cross-departmental issue requiring support and action from all employees, so co-ordination of the different agendas is essential to achieve our aims and to maximise the co-benefits of tackling climate change.

To ensure we move forward in a coordinated way the governance of climate change projects and actions within the Council has recently been reviewed. This resulted in the establishment of 12 different “Theme Teams”, each with responsibility of co-ordinating and delivering projects across departments. Procurement is one of the twelve themes established to develop, implement, manage, and monitor delivery plans.

The Derbyshire County Council Climate Change Strategy: Achieving Net Zero (2021-2025) set out two priority actions for Procurement:

- Develop a Sustainable Procurement Framework using the UK government's green procurement guidance to embed environmental requirements and Social Value into all contracts.
- Review the commissioning principles across all teams to ensure that climate change is embedded across our services and partner working.

2.2 Development of a Sustainable Procurement Policy

Sustainable procurement is 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. This means generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to and promoting the health of the environment.

Sustainable procurement requires the Council to work in partnership with suppliers and the supply chain to consider the whole lifecycle, environmental, social and economic impact of procured goods and services.

Sustainable procurement is not limited to environmental considerations alone (such as carbon, waste, and water). Sustainable Procurement is made up of three key principles – Social, Environmental and Economic.

Our Sustainable Procurement Policy (Appendix 2) sets out the proposals for Derbyshire County Council to achieve the best commercial outcome and value for money from our procurement activities whilst delivering environmental, social, and economic benefits.

County Procurement recognises its responsibility to carry out procurement and commissioning activities collaboratively and in an economically, environmentally, and socially responsible manner, aiming to create a long-term, sustainable vision for the county. The Council's supply chain must have a strong focus on people, the environment, and ethics within their business.

2.3 Delivering Sustainable Procurement

A National Value Taskforce was set up in 2016 as a subgroup of the LGA's National Advisory Group for procurement.

In collaboration with over 40 separate public and private sector stakeholders the taskforce established the National TOM's (Themes, Outcomes & Measures) Framework. It was established to encourage public sector organisations to use procurement as a way to achieve wider financial and non-financial outcomes, including improving wellbeing of individuals,

communities and the environment by making them part of the decision-making criterion when awarding contracts.

The 2020 TOMs include extra emphasis and focus on providing councils and organisations with measures specifically dedicated to reducing and mitigating the risks of climate change in our communities,

The Framework provides a golden thread between an organisation's overarching strategy and vision, to the delivery of that vision.

THEMES – the components of an organisation's "vision" for added value

OUTCOMES – the positive changes that the organisation wants to see. In effect, what "good" looks like to that organisation

MEASURES – what objective indicators will be used to measure whether these outcomes are being met

To support the implementation of the TOM's Framework into procurement the Council has recently entered into a contract with the Social Value Portal (SPV) organisation who work with many public sector organisations to help align Themes and Outcomes from the TOM's Framework to their own key priorities.

Work is now progressing to establish the 'Derbyshire' TOM's with representatives from across the different areas of the Council taking part.

An on-line platform which integrates with the Council's current Procurement system 'ProContract' will be used to build 'sustainable procurement' requirements into the tender process giving the Council the ability to include and evaluate sustainable procurement criteria in a structured way. Benefits delivery and reporting functionality is also part of the platform and will provide evidence of achievement.

Essentially the solution will allow us to measure and manage the contribution that the Council and our supply chain makes to society. Translating this into monetary value and evidencing the impact on local communities and the environment.

Other benefits of using Social Value Portal:

- Manages sustainable procurement commitments against those that have been delivered on an ongoing basis.
- Can use Local Needs Analysis reports to target the Council's priorities for specific communities and include feedback from stakeholders.

- Provides a data audit trail and a comprehensive reporting and data downloads.
- Captures sustainable procurement data from the Council's suppliers.

3. Alternative Options Considered

3.1 Soft market testing exercise was undertaken to obtain feedback from organisations who could support sustainable procurement implementation and skills training. What we found was although there was a strong market for consultation type organisations who could provide support on policy production, there was a very limited market of organisations who could offer an implementation package of end to end support and training. We also obtained information from various other Local Authorities and established that the SVP organisation were the market leaders in supporting Local Authorities to successfully deliver sustainability procurement and added social value

4. Implications

4.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

5. Background Papers

6.1 None Identified.

6. Appendices

6.1 Appendix 1 – Implications

6.2 Appendix 2 – Sustainable Procurement Policy

6.3 Appendix 3 – PowerPoint Presentation on Sustainable Procurement

7. Recommendation(s)

That Committee:

- a) considers the Sustainable Procurement Policy and the implications contained within the policy.
- b) resolves to support the further development and implementation of the Sustainable Procurement Policy.
- c) resolves to support the use of the Social Value portal in Council procurements.

8. Reasons for Recommendation(s)

8.1 To ensure that the implications regarding development of a Sustainable Procurement Policy are understood, and that the approach and content of the Sustainable Procurement Policy that is under development is considered fit for purpose and supported by the Committee.

Report Author: **Stuart Etchells** **Contact details:** **Stuart.Etchells@derbyshire.gov.uk**

Implications

Financial

1.1 Cost Analysis and Implications to budgets will need to be considered when sustainable solutions and innovation are applied to Procurement and contract management.

Legal

2.1 All Council procurement and contracting activities need comply with the applicable public procurement and contracting legislation and law, including the Public Contracts Regulations 2015 which prescribe processes for public contracts for goods and services above certain thresholds. The 2015 Regulations have been amended in accordance with the terms of the withdrawal of the UK from the EU by the Public Procurement (Amendment etc.) (EU Exit) Regulations 2020.

Human Resources

3.1 Training and guidance will need to be provided for staff to understand the issues involved.

Information Technology

4.1 There are no Information Technology implications associated with this report.

Equalities Impact

5.1 There are no equalities impact implications associated with this report.

Corporate objectives and priorities for change

6.1 The Policy supports the Council's ambition to be a net zero organisation by 2032, or sooner, and for the county to be net zero by 2050.

Environmental, Sustainability,

7.1 Development and implementation of this policy will improve the environmental sustainability of the Council.