



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

CABINET

16 June 2022

Report of the Interim Executive Director - Corporate Services and Transformation

Sustainable Procurement Policy
(Cabinet Member for Corporate Services & Budget)

1. Divisions Affected

1.1 County-wide

2. Key Decision

2.1 This is not a Key Decision

3. Purpose

3.1 This report provides an update on the development of the Sustainable Procurement Policy and seeks approval of the policy and the actions within the policy across the Council.

4. Information and Analysis

4.1 In October 2021 Cabinet approved the Derbyshire County Council Climate Change Strategy: Achieving Net Zero (2021-2025). The strategy sets out what the Council will do to tackle emissions and achieving net zero targets. There are 32 priority actions, supported by over 120 supplementary actions, initiatives, and projects, which the Council will either lead or support.

- 4.2 Procurement is one of 12 themes established to develop, implement, manage, and monitor delivery plans. Procurement have been issued 2 priority actions within the strategy:
- i. Develop a Sustainable Procurement Framework using the UK government's green procurement guidance to embed environmental requirements and social value into all contracts.
 - ii. Review the commissioning principles across all teams to ensure that climate change is embedded across our services and partner working.
- 4.3 Whilst the Climate Change Strategy is a key driver to the Sustainable Procurement Policy, sustainable procurement is not limited to environmental considerations alone (such as carbon, waste, and water). It also covers economic impacts from procurement actions, such as encouraging increased participation from SME's and supporting local skills and employment, and social impacts such as ensuring human rights, environmental rights and employment standards are always met. 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.
- 4.4 As a result of these actions County Procurement have developed the Sustainable Procurement Policy which acts as an overarching policy for sustainable procurement, a framework of sustainable focuses and goals, and an evolving action plan of how County Procurement will increase sustainability within the Council's contracts.
- 4.5 The Sustainable Procurement Policy stipulates how County Procurement will adapt its current processes and guidance to ensure sustainability is at the forefront of procurement decisions. These changes will benefit the Council in ensuring our products and services are provided in the most sustainable way as well as ensuring our procurement activity impacts the economy and the environment in a positive way. The key changes will see our procurement opportunities more accessible to SME's, VCSE's and the supply chain established within Derbyshire.
- 4.6 At present the inclusion of sustainability in procurements is ad hoc and driven by a stakeholder's desire to include it in the specification of requirements. The Sustainable Procurement Policy highlights key focus areas that align with the Council strategy and plan as well as other ongoing Council initiatives such as the reduction in single use plastic.

These key focus areas will assist both procurement officers and stakeholders when highlighting sustainability factors in Council procurements. Examples include:

- Net Zero Carbon
- Resilience and Adaptation to Climate Change
- Waste Management
- Local Goods and Produce
- Supporting SMEs, Third Sector, Social Enterprise and Local Business

4.7 The Sustainable Procurement Policy contains a road map highlighting targets and achievements made by the County Procurement section. This road map will be updated annually to ensure that sustainable procurement commitments remain in line with Government legislation, the Council plan as well as any new Council initiatives.

4.8 The Sustainable Procurement Policy will be a key tool in the communication to both internal and external stakeholders, highlighting the Council's commitment to procure sustainable products and services, as well as highlighting the key focus areas. The policy aims to drive positive change in the procurement processes and guidance, the attitudes of internal stakeholders carrying out the procurement and the innovation of the Council's supply chain.

4.9 The Sustainable Procurement Policy will be introduced on a phased approach with pilot projects targeted in the 1st year.

5. Consultation

5.1 The policy was developed through engagement with Derbyshire County Council officers, the Environmental Sustainability Group and the Climate Change Theme Leads Group. There is no statutory duty to engage on this document. However, it is the intention to engage more widely with Derbyshire's businesses on the delivery of the policy.

5.2 The policy was also presented to the Improvement and Scrutiny Committee for Climate Change, Biodiversity and Carbon Reduction on 14 February 2022. The committee supported delivery and publication of the policy. The committee will receive monitoring reports against the progress of the delivery of certain aspects of the policy as part of the climate change governance structure.

6. Alternative Options Considered

- 6.1 Not to agree a Sustainable Procurement Policy - impacts County Procurement's ability to meet the priority actions set out in the Climate Change Strategy: Achieving Net Zero (2021-2025). The policy commits to changes that will benefit the Council in ensuring our products and services are provided in the most sustainable way, as well as ensuring our procurement activity impacts the economy and the environment in a positive way.
- 6.2 In developing the policy, alternative sustainable actions were considered, and the final policy is considered achievable within the Council's statutory duties and role as a community leader, subject to the necessary resources being available. The role of other organisations and businesses in becoming more sustainable was also considered and the policy sets out how the Council can use its influence supporting others to become more sustainable.

7. Implications

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

8. Background Papers

- 8.1 None Identified.

9. Appendices

- 9.1 Appendix 1 – Implications
- 9.2 Appendix 2 – Sustainable Procurement Policy

10. Recommendation(s)

That Cabinet:

- a) Approves the Sustainable Procurement Policy at Appendix 2 and delivery of the actions within the Policy.

11. Reasons for Recommendation(s)

11.1 To ensure the Council has a clear Sustainable Procurement Policy in place, setting out a vision for sustainable procurement and prioritised actions to be achieved.

12. Is it necessary to waive the call in period?

12.1 No

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Implications

Financial

- 1.1 The delivery of the Policy will have no immediate financial implications. Actions detailed within the Policy fall as part of ongoing process development and future departmental procurement activity. All procurement activity undertaken is met from the appropriate departmental budget.

Legal

- 2.1 All Council procurement and contracting activities need to 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.
- 2.2 Some of the projects to deliver the priority actions within the Strategy may have Legal implications. These will be considered on a project-by-project basis.

Human Resources

- 3.1 The Policy has no immediate Human Resource implications.

Information Technology

- 4.1 Some areas of the Policy may have Information Technology implications. These will be considered on a project-by-project basis.

Equalities Impact

- 5.1 Some areas of the Policy may have Equalities Impact implications. These will be considered on a project-by-project basis.

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.