

**Report to:** Lead Member for Resources and Climate Change

**Date of meeting:** 11 October 2022

**By:** Chief Operating Officer

**Title:** Environmentally Sustainable Procurement Policy

**Purpose:** To consider adoption of the Environmentally Sustainable Procurement Policy

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**RECOMMENDATIONS:**

The Lead Member for Resources and Climate Change is recommended to:

- (1) Review and approve the County Council's adoption of the Environmentally Sustainable Procurement Policy set out in Appendix 1.
  - (2) Delegate authority to the Chief Operating Officer to review the policy annually and update it in light of relevant changes, to ensure the policy remains fit for purpose.
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## **1 Background Information**

- 1.1 This report sets out the proposed policy to improve environmental considerations in the Council's procurement activities. This will support the objectives in the Environment Strategy for East Sussex (2022-25) and the County Council's Climate Emergency Declaration and Action Plan. Environmental considerations covered by the policy include, but are not limited to, the reduction of greenhouse gas emissions, minimising waste, protecting biodiversity and tackling the impacts of climate change. This policy aims to be adopted by the combined Orbis Procurement Local Authorities to increase the effectiveness of environmental measures, simplify processes for prospective suppliers and create consistency across the partners.

## **2 Supporting Information**

- 2.1 A clear understanding of the carbon emissions generated by our activities is a key foundation for working towards net zero. The carbon emissions of an organisation are usually divided into the following 3 categories:

- Scope 1 – emissions from the combustion of gas, oil, petrol, diesel, coal, or wood. For the Council this covers buildings and vehicles.
- Scope 2 – emissions from the electricity purchased by the Council
- Scope 3 – emissions that result from all other activities of the Council, including business travel, water usage, waste, procurement and staff commuting. In other words, the County Council's scope 3 emissions mostly comprise the scope 1 and 2 emissions of other organisations (e.g. contractors).

Carbon emissions by scope in 2021 (tCO<sub>2</sub>e)

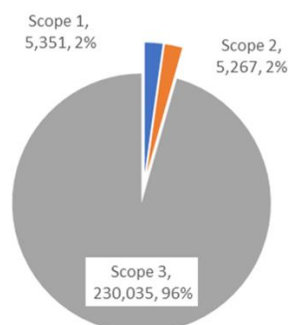


Figure 1. Council scope 1-3 emissions in 2020-21.

- 2.2 Figure 1 is a pie chart that shows the estimated split of the Council's carbon emissions between scopes 1, 2 and 3 in 2020-21. The chart shows that scope 1 emissions contribute about 2% of total Council carbon emissions, scope 2 contributes a further 2% and Scope 3 contributes about 96% of emissions. In other words, the majority of the Council's emissions are as a result of the goods, works and services that the Council procures in order to deliver its statutory functions.
- 2.3 The Environmentally Sustainable Procurement Policy set out in Appendix 1 aims to improve the environmental considerations built into the core delivery of goods, works and services that the Council procures. Having declared a climate emergency and published both the East Sussex Environment Strategy and the Climate Emergency Plan, this policy supports the net zero targets of the Council and will aim to embed environmental sustainability, such as increases to East Sussex's biodiversity and reducing waste, into procurement decisions. This policy will prepare prospective suppliers for the environmental considerations and expectations that will be implemented into the Council's future contracts. Increasing environmental considerations across the Council's procurement activity presents a significant opportunity to influence a reduction in carbon emissions across the Council's services.
- 2.4 As national policy and technology are rapidly changing, the policy must also be agile. Therefore, it is recommended that delegated authority be given to the Chief Operating Officer to review the policy annually and update it in light of relevant changes, to ensure the policy evolves as needed and remains fit for purpose.
- 2.5 The Environmentally Sustainable Procurement Policy was co-developed by Orbis Procurement, which is a public sector shared procurement service between East Sussex County Council, Surrey County Council and Brighton & Hove City Council. The combined service aims to drive efficiencies, pool resources, expertise and knowledge, create greater operational resilience and deliver greater value for money through increased standardisation and removal of duplication.

### ***Implementation of the Policy***

- 2.6 The Policy seeks to increase the effectiveness and consistency in tackling environmental issues through procurement, as well as simplify processes for prospective suppliers. Environmental considerations will be built into relevant projects through specifications, tender questions, evaluation criteria, key performance indicators and contract clauses where relevant and appropriate to the procurement project. Relevance will depend on aspects such as what is being procured, value, longevity of the contract and market readiness.
- 2.7 The policy is supplier facing and aims to prepare prospective suppliers by setting out the Council's expectations regarding environmental considerations in the delivery of their goods, works and services. As the Council's supply chain matures and becomes more able to meet environmental performance goals, increasingly ambitious and challenging targets can be set for suppliers, especially regarding carbon emissions, to enable the Council to reach its net zero emissions target.
- 2.8 It is recognised that not all of the Council's bidders and suppliers will currently be able to provide data and information on their environmental plans due to factors such as organisation size, available resources and maturity. The Council will aim to support organisations where feasible, such as the support provided to small and medium-sized local suppliers through the Low Carbon Across the South East (LoCASE) programme of free energy audits and energy efficiency grants.
- 2.9 For suppliers who have engaged in a contract with the Council, if there is continued or significant failure to meet performance measures, or if there is obvious negligence or disregard for the environment, remedial actions will be taken. Remedial actions are to be decided by contract managers but can include the termination of a contract as a last resort.

- 2.10 To aid effective implementation and embedding of the policy, guidance materials will be provided to officers. This material will provide information on where, when and to what extent environmental measures should be applied and will develop over time as category specific interventions are tested with Directorates and other mechanisms are piloted. These materials will include, for example, minimum environmental standards for procurements, tailored to value and service area, and the development of a supplier carbon reporting process. In addition, and in recognition of the scale of the challenge in reducing carbon emissions from procurement, the Council will be recruiting two additional officers to lead on sustainable procurement, using the additional budget agreed by Cabinet for climate change in 2021-22.
- 2.11 Financial and non-financial risks will need to be considered by project leads for each procurement that the policy is applied to, on a case-by-case basis. There is a risk that improving the environmental considerations of the Council's procurement activities will increase costs of some procured goods, works and services. There is also a risk that higher expectations on our supply chain may discourage prospective suppliers from bidding for Council contracts. To mitigate these risks early market engagement and negotiations (where relevant) will take place and will be managed by each project team following existing governance and budget processes and the policy will only be applied where relevant, as noted above. In addition, consultation work has also begun to understand what measures can be applied to procurement projects to improve the cost efficiency of including environmental considerations, as well as further understand how short-term increased costs could lead to longer term benefits and future cost savings.
- 2.12 Following approval of the Policy, the implementation support work detailed above will be completed and the policy will be published on the Council's website. Once implemented, the effects of the policy will be monitored to ensure that it is reducing carbon emissions, markets are not being inappropriately restricted through increasing environmental considerations and there is not a detrimental impact on costs.

### **3 Conclusion and Reasons for Recommendations**

It is recommended that the Lead Member for Resources and Climate Change:

- 3.1 Approves the Environmentally Sustainable Procurement Policy on behalf of the County Council, to support the Council's objectives in the East Sussex Environment Strategy and its commitment to get to net zero by 2050 at the latest.
- 3.2 Delegates authority for approving any future changes to the Policy to the Chief Operating Officer, to enable the policy to evolve and adapt to local and national developments.

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Chief Operating Officer

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LOCAL MEMBERS: All

### BACKGROUND DOCUMENTS

- 1) East Sussex Environment Strategy: [Environment Strategy 2020 | East Sussex County Council](#)  
2) East Sussex County Council Climate Emergency Plan for 2020-22:  
[Climate change – what we are doing | East Sussex County Council](#)