

David Wright – Session 1


**Sustainable Procurement
in Local Government**



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Presentation Overview



- Role of RCE's
- What is Sustainable Procurement
- Drivers for Sustainable Procurement
- Sustainable Procurement Task Force
- Whose responsibility?
- Draft Local Government Sustainable Procurement Action Plan

Improvement through efficiency

RCEs Role



- efficiency & procurement
- hosted by, run by, and act for LA's with core funding from 'Communities & Local Government'.
- lead change agents and first point of contact for LA's
- assisting Councils to find and achieve efficiency gains.
- Support opportunities for improving performance
- develop and support opportunities for shared working within their region.
- supported by, and co-ordinate the activities of, a variety of change agents working both at national and regional levels.

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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 in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment.”

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Why Sustainable Procurement in Local Government?



- £40bn LA sector annual procurement spend
- Corporate Procurement Strategy aligned to Sustainable Community Strategies
- National Procurement Strategy for LG 2003
- Gershon efficiencies
- SPTF Action Plan
- Government Sustainable Procurement Action Plan
- 3rd Sector – future public service delivery
- ONE PLANET!

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Sustainable Procurement Potential



- Community Benefits & Enhancing Wellbeing
- Collaboration, Partnership & 'Use of Resources'
- Health's 'Corporate Citizen' agenda
- Business Sector's Corporate Social Responsibility
- Economic, Regeneration & Sustainability strategies
- Social Cohesion, Equality & Diversity
- 3rd sector public service delivery
- Environmental, Spatial and Rural strategies
- Waste strategies
- Health Improvement strategies
- Public Sector Food Procurement Initiative
- LAA's, LSP's and LEGI's

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National Procurement Strategy for LG 2003 - Sustainability Drivers



- Corporate Procurement Strategy aligned to Sustainable Community Strategy
- Achieve community benefits
- Improve supplier engagement
- Establish agreements with the SME and 3rd sectors
- Encourage effective supply chains development
- Assure equality & diversity
- Evaluate 'whole life' costs
- Stimulate markets

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Value for Money, People & Place



Social, Economic & Environment Wellbeing

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Sustainable Procurement Task Force Action Plan



Identified three building blocks for sustainable procurement:

- **Flexible Framework approach**
 - 5 key themes
 - People
 - Policy strategy & communications
 - Procurement process
 - Engaging suppliers
 - Measurement & results
- **Setting priorities**
- **Toolkits for procurers**

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SPTF 10 Priority Spend Areas



- Construction
- Health and Social Care
- Food
- Uniforms, clothing and other textiles
- Waste
- Pulp, paper and printing
- Energy
- Consumables – office machinery and computers
- Furniture
- Transport

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SPTF Action Plan Recommendations




1. Lead by example
2. Remove barriers
3. Set clear priorities
4. Build capacity
5. Raise the bar
6. Capture opportunities

Underpinned by effective MEASUREMENT and SCRUTINY

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Evidence from 'pathfinders'




- Commitment from the top and to sustainability generally.
- Corporate approach related to LA's priorities and engaging range of services.
- Lead by example
- Use the SPTF Flexible Framework
- Plan, prioritise and set targets
- Be imaginative
- Build interest, capacity and enthusiasm
- Understand change management:
 - Identify and remove barriers
 - Emphasise the positive
 - Promote champions
- Engage with suppliers
- Provision of coordinator to unlock greater potential.
- Whole life costing but evidence shows short term costs also competitive!
- Kudos and improved reputation.

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RCE's Sustainable Procurement Plan

To assist and encourage local authorities to understand and optimise the 'whole life' environmental, social and economic impacts of their procurement decisions, in order to improve the vitality and wellbeing of their communities in line with their Performance Plans and Community Strategies.



AIMS

- To enable understanding of the strategic and specific impacts of all procurement in order to prioritise their areas for future action.
- To facilitate awareness and adoption of evolving best practice, tools and benchmarks.
- To enable adoption of established minimum product standards which are known to deliver key environmental benchmarks and value for money.
- To champion opportunities for development and stimulation of markets which enhance environmental




Harnessing Participants

- Public Sector – policy, strategy, service, procurers & scrutiny
- Professional organisations
- GO's, Government departments and agencies
- RDA's
- Environment Agency
- Procurement Consortia
- Business Sectors & 3rd Sector
- Business Support Sector
- IDeA
- Audit Commission
- Academia
- RCE's



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Proposals in Draft LG Sustainable Procurement Action Plan (1 of 5)




A. Councils, working with local partners, will pursue the achievement of social, economic and environmental benefits through the Sustainable Community Strategy, Local Strategic Partnership and Local Area Agreement. This will include leveraging the purchasing power of the partners.

B. We will award contracts on the basis of whole life costs and benefits.

C. By April 2008 we will review and, where necessary, reset our strategies, policies, priorities and targets for sustainable procurement and asset management against the *Flexible Framework* and we will measure progress through the council's performance management system.

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Proposals in Draft LG Sustainable Procurement Action Plan (2 of 5)




D. We will encourage ownership of our commitment by the political and managerial leadership of the council and engage scrutiny in the search for more sustainable solutions.

E. We will secure appropriate training and development for councillors, senior managers, procurement, asset management and other professionals, and service managers.

F. We will mainstream sustainable procurement and asset management into all of our activities including those carried out at arm's length and through strategic partnerships.

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Proposals in Draft LG Sustainable Procurement Action Plan (3 of 5)



Acting collectively, councils will take the following action -

G. We will prioritise action on construction and facilities management - the largest category of procurement expenditure in the sector – followed by waste management, energy, transport and food.

H. We will collaborate locally, regionally and nationally, using our purchasing power to transform these key markets including the stimulation of innovation.

I. We will work together to agree a clear set of standards for the sector linked to corresponding standards under development for the rest of the public sector.

J. We will identify exemplars of good practice (against the *Flexible Framework*) and challenge ourselves to raise our own performance.

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Proposals in Draft LG Sustainable Procurement Action Plan (4 of 5)



- K. We will expect our achievements to be measured and recognised through the new performance management framework including our use of resources..
- L. We will take account of the recommendations of LGA's Climate Change Commission in our local and regional strategies
- M. We will expect Government to put enablers in place in a timely manner to help us achieve the shared goal.
- N. We will look to the joint National Improvement Strategy to mobilise sector resources in support of this agenda including through the regional Improvement Partnerships/ Regional Centres of Excellence.

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Proposals in Draft LG Sustainable Procurement Action Plan (5 of 5)



- O. We will ask CIPFA, together with LGTF and 4ps, to review guidance for local government, including budgeting, investment appraisal and tender evaluation, with regard to the consideration of whole life costs and benefits.
- P. We will invite the LGTF to play a leading role on sustainability in the construction and facilities management priority area together with 4ps.
- Q. We will invite 4ps to examine how the focus on sustainability within the local government gateway review process can be enhanced.
- R. We will expect IDEa to develop the national programme on third sector commissioning through a dialogue with councils, the wider public sector and third sector and as an integral part of the sustainable procurement agenda.

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Consultation Questions in Draft LG Sustainable Procurement Action Plan



- Q1. How does the council see sustainable procurement and asset management in relation to the community strategy and the LSP/LAA agenda?
- Q2. How do you see the relationship between sustainability, the efficiency/VFM agenda and budget pressures (now and in the future)?
- Q3. Do you think the proposed action plan is achievable? Does the action plan work for councils of all sizes? Urban and rural councils? If not, what adjustments should be made?
- Q4. Are the proposed actions clear enough from a practitioner point of view? Is more practitioner guidance required?
- Q5. Where collective action is called for, including the development of common standards for the sector, what is the best way to organise that?
- Q6. Would it be helpful if the action plan were presented as a "declaration" that councils were invited to sign up to (like the Nottingham Declaration on Climate Change)?

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Thank You

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