

Board of Management

Finance & Physical Resources Committee

Date of Meeting	Wednesday 9 March 2022
Paper No.	FPRC4-N
Agenda Item	5.4
Subject of Paper	Procurement Climate Change Action Plan
FOISA Status	Disclosable
Primary Contact	Deborah Fagan, Head of Procurement
Date of production	1 March 2022
Action	For Noting

1. Recommendations

The Committee is asked to note the paper submitted at the SMT meeting held on 17 November 2021.

SMT

Date of Meeting	17th November 2021
Paper No.	
Agenda Item	
Subject of Paper	Procurement Climate Action Plan
FOISA Status	Disclosable
Primary Contact	Stuart Thompson, Vice Principal Corporate Services Deborah Fagan, Head of Procurement
Date of production	2nd November 2021
Action	Choose one from: For Approval

1. Recommendations

SMT are asked to review and approve the implementation of the Procurement Climate Action Plan to assist the College in meeting its obligation of the Scottish Procurement Policy Note 1/2021 – Taking Account of Climate and Circular Economy Considerations in Public Procurement. [SPPN 1/2021 Link](#)

Implementation of the plan commencing immediately and all 5 Category Action Plans (FNT2030) completed and approved by May 2022. Ready for publication in the College's Procurement Strategy in July 2022

The Action Plan will also assist in reaching the College's 2040 Net Zero Emission target. Objective 4.1 of the Sustainability Strategy and support Scotland's Green Recovery.

2. Purpose

The purpose of the paper is to provide an overview and plan on meeting the College's obligations and the expectations placed upon us in regards to Climate and Circular economy considerations, in particular Scope 3 emissions in the College's value chain (procurement of goods and services, business travel, staff commuting, water and waste).

3. Key Insights

3.1 Key Expectations

In addition to the Roles and Responsibilities listed within the Policy Note, key expectations of the College are as follows:

- Report within Procurement Strategy (published every July) how the College will prioritise and take account of climate and circular economy in their procurement activity.
- Report ongoing progress against reduction commitments in Annual Procurement Report (published every December), demonstrating how the College are using procurement to support Scotland's response to the global climate emergency.
- Report annually on 'Targets for reducing indirect emissions of greenhouse gases', with mechanisms for measuring outcomes and monitoring against target identified and put in place.
- Embed Cross-Functional working and ensure Senior Management buy-in is a must, communicated from the top
- Ensure College Senior Leaders use the College's influence to stimulate action in the public supply chain
- Ensure Procurement Professionals and lead internal stakeholders are climate literate and have appreciation of how contracting activity can support net-zero aims.

3.2 Tools and Templates Available

Scottish Government's Climate and Procurement Forum, of which our Head of Procurement is the FE representative, have development numerous tools and templates to assist with these requirements:

Flexible Framework - This tool allows an organisation to determine and implement relevant actions that will embed good procurement practice and realise intended

sustainable outcomes. This is also a requirement of the College Climate Reporting duties.

Prioritisation Tool - The prioritisation tool is a self-assessment tool designed to assist early stage strategic planning through the consideration of economic, environmental and social wellbeing, and brings a standard, structured approach to the assessment of spend categories. It helps to ensure appropriate focus on identified priorities within public bodies and category / commodity planning.

Climate Action Plan Template (FNT2030) - This template will enable every public contracting authority to have in place “From now to 2030 climate impact plans (FNT2030)”, activities and monitoring measures by category / commodity (spend groups) for reduction in climate impacts across all relevant spend areas regardless of when their organisation’s net-zero targets are.

Sustainability Tool - The sustainability test is a self-assessment tool designed to help buyers embed relevant and proportionate sustainability requirements consistently in the development of tenders, contracts and frameworks. It can be used in isolation or by reference to the results of prioritisation assessment, where undertaken. Life cycle impact mapping is included within Sustainability Test.

It is recommended that the College adopt these tools and embed them within their Procurement Practises. City of Glasgow College were the first public contracting authority to complete a FNT2030, on Outsourced Catering, to share as an example with all public bodies.

In addition to this Scottish Government have development the following eLearning Modules:

Introduction to Sustainable Public Procurement - This e-learning is intended for all those involved in commissioning and procurement. It introduces the user to the strategic role of procurement in addressing policy and legislative priorities. It summarises the key outcomes and benefits that can come from a focus on sustainable procurement, and outlines the key principles, tools, techniques and guidance available to support sustainable public procurement.

Climate literacy for Procurers - This e-learning is intended to give procurers confidence to minimise risks and maximise opportunities associated with Climate Change.

To date all Procurement Staff have completed both eLearning modules. It is recommended that the first module to rolled out to all staff responsible for placing and approving orders. And the second module to be rolled out past procurement to all

budget managers and those who take the lead stakeholder role when procuring goods and services.

3.3 Implementation

Appendix A provides the draft Procurement Climate Change Action Plan to assist in the implementation of this change.

Following an analysis of spend, Co2 generation and influenceability, it is recommended that the following categories be the focus of the first 5 Climate Action Plans:

Category	Ave. Annual Spend	Ave. Pre COVID Annual Scope 3 Co2 (Metric tonne)	Influenceability	No. of suppliers
ICT – Software & Hardware	£1.5m	2,230	<ul style="list-style-type: none"> • Sector wide Case studies & guidance available 	17
Travel – Flights, Taxis, Coach hire, Car Hire, Accommodation	£600k	1,528	<ul style="list-style-type: none"> • Sector wide Case studies & guidance available 	15
Food	£220k	670	<ul style="list-style-type: none"> • Sector wide Case studies & guidance available • Stakeholder Buy in 	14
Outsourced Catering	£300k (£2m income to provider)	369	<ul style="list-style-type: none"> • Sector wide Case studies & guidance available • Stakeholder Buy in • Sustainability outcomes embedded within the contract 	1
Hair & Beauty	£220k	224	<ul style="list-style-type: none"> • Stakeholder Buy in • Sustainability outcomes embedded within the contract 	10
Totals	£2.8m	5,021		57

The College generates on average 11,315MT of Scope 3 Co2 annually via the supply chain. These figures are generated by the HESCET tool using DEFRA factors and based on spend. This tool will be used initially for benchmarking purposes only until we have our own mechanism for calculating in place.

In order to successfully implement the Procurement Climate Action Plan the following will be required:

- Senior Management buy-in

- Clear communication of the plan to Budget Managers advising of their responsibility and shared accountability, from Senior Management
- Training on Sustainable Procurement and Circular Economy to budget managers and staff responsible for purchasing
- Cross Functional Working with early engagement with procurement in the planning and development stages of projects
- Cultural change from buying new to considering pre-used, repair, re-use, refurbish, remanufacture etc.

4. Impact and Implications

If the plan is not implemented using the tools and templates provided by Scottish Government then the College will have to develop and implement our own tools and templates in order to assist and guide in meeting Scottish Government requirements and the Sustainable Procurement Duty.

Embedding this new process will have resource implications not just for Procurement but also departments. This is an additional workload. Staff, including Procurement, do not have the experience, expertise and/or knowledge of implementing Climate Change Plans. We do not have a sustainability lead within the College to guide on this process. Upskilling of staff will be required with the possibility of additional resource.

Collaborative cross functional working will be required to complete and embed these plans.

Climate Change will form part of the new assessment criteria for the upcoming Procurement & Commercial Improvement Programme (PCIP). If no progress has been made in this area our PCIP Score will automatically drop. Current PCIP score – 94% (Gold)

With increased Climate Change pressure from Government, students and sociality it is not an option to do nothing.

Appendix B – Procurement Climate Action Plan

Action Title	Action Description	Responsible Department	Involvement from	Deadline	Status
Procurement Professionals Training	Procurement staff to complete SG Climate Change eLearning Module	Procurement		Apr-21	Completed
Flexible Framework	Complete the Flexible Framework, aligning to Corporate policy / strategy to establish initial level. - Currently sitting at level 1/2 out of 4	Procurement	VP Corporate Services Depute Principal	Oct-21	Completed
Buy-in	Work to secure agreement from Senior Leaders on their shared accountability to engage procurement early in the planning and development stages of projects in other to make and enable decisions on whether to buy, what to buy, how to buy and how much to buy.	Procurement VP Corporate Services	Senior Management Budget Managers ESGW	Nov-21	Completed
Non-Procurement Professionals Training	Roll out SG Introduction to Sustainable Public Procurement	Procurement		Dec-21	On Track
Non-Procurement Professionals Training	Source and roll out Climate Change/Circular Economy Training for non-procurement staff i.e. Budget Managers. Linking to the College's ambitions for reaching Net Zero.	Procurement	APUC Ltd Zero Waste Scotland	Dec-21	On Track
Outcome Communications	Communicate approval of the Procurement Climate Action Plan to Budget Managers and their shared accountability to engage procurement early in the planning and development stages of projects in other to make and enable decisions on whether to buy, what to buy, how to buy and how much to buy. Linking to the College's ambitions for reaching Net Zero.	ELT / SMT	Procurement	Dec-21	On Track

Prioritisation Tools	<p>Complete Prioritisation Tools for 5 identified Category areas.</p> <p>Note: Outputs from the tool can be used within the reporting. - A good way to marker any initiatives that are impacting the top 5 areas and how they are changing the outcomes.</p>	<p>Procurement Facilities - Catering IT - ICT Hardware Hospitality & Leisure - Food, Hair & Beauty HR - Travel</p>	<p>Lead stakeholders, Sustainability Project Manager, Supply Chain</p>	May-22	On Track
Sustainability Tests	<p>Complete necessary Sustainability Tests aligning with the 5 Prioritisation Tools and for ongoing tender projects where proportionate and relevant.</p> <p>Note: The test will provide direction on what to include and request in the relevant tenders.</p>	<p>Procurement Facilities - Catering IT - ICT Hardware Hospitality & Leisure - Food, Hair & Beauty HR - Travel</p>	<p>Lead stakeholders, Sustainability Project Manager, External Stakeholders</p>	May-22	On Track
Category Climate Action Plans (FNT2030)	<p>Complete Category Climate Action Plans for the top 5 Category Areas. Work across departments to align corporate commitments and timelines to climate change commitments. Use the national tools to identify priorities where an impact can be made. Develop longer term plans for a transition to net zero for these supply chains wherever possible.</p> <p>Note: Aligning strategy to SDG's and having targeted goals will aid in the push towards Net Zero.</p>	<p>Procurement Facilities - Catering IT - ICT Hardware Hospitality & Leisure - Food, Hair & Beauty HR - Travel</p>	<p>Lead stakeholders, Sustainability Project Manager, External Stakeholders</p>	May-22	On Track
Flexible Framework	<p>Re-do the Flexible Framework to identify improvements made by embedding the plan and establish further improvements</p>	<p>Procurement</p>	<p>VP Corporate Services Depute Principal</p>	May-22	On Track

Target Reporting	<p>College to report on 'Targets for reducing indirect emissions of greenhouse gases'. Mechanisms for measuring outcomes and monitoring against targets will have to be identified and put in place for each Climate Action Plan.</p> <p>Note: This will come from the completed Category Climate Action Plans (FNT2030) and reported within the Procurement Strategy. Awaiting further information on the format of this reporting from Scottish Government.</p>	Procurement	Lead stakeholders, Sustainability Project Manager, Supply Chain	Jul-22	On Track
Procurement Strategy Requirements	Report within Procurement Strategy how the College will prioritise and take account of climate and circular economy in their procurement activity. Also included completed FNT2030.	Procurement	FPRC (approval)	Jul-22	On Track
Corporate Culture	<p>Assist with creating a culture and ways of working that support a circular economy and promote strategic decisions on demand management and procuring for re-use, re-design and remanufacture.</p> <p>Note: Update Policies, Procedures and Internal training resources to reflect climate change objectives identified in each FNT2030.</p>	Procurement	Lead Stakeholders, Supply Chain	Sep-22	On Track
Annual Procurement Report	Report ongoing progress against reduction commitments in our Annual Procurement Report, demonstrating how we are using procurement to support Scotland's response to the global climate emergency.	Procurement	FPRC (approval)	Dec-22	On Track