

Sustainability Plan for Carmarthenshire County Council

Course: MBA Sustainability Leadership

Author: Jennifer Lloyd, 2108609

This paper follows a recent review undertaken on the sustainability of Carmarthenshire County Council, and sets out a plan for incorporating new environmental initiatives to improve the sustainability and reduce the carbon emission of the organisation. The Council has made a strong and ambitious commitment to reach net zero carbon by 2030 to tackle the climate and nature emergencies (Carmarthenshire County Council, 2020). There are, however, a number of improvements that can be made to the operations of the organisation to improve the sustainability of the organisation and its impact on the environment.

A number of sustainability initiatives were considered in the preparation of this plan linked to the opportunities for improvement found in the first review. Some initiatives considered included broadening the scope of the organisations decarbonisation action plan to include territorial emission targets based on the Manchester University (Kuriakose *et al.*, 2022), and to undertake a detailed review of all departmental strategies to ensure they are updated to reflect the target to be net zero, consider the Wellbeing of Future Generations Act and have sustainability as a thread throughout. The initiatives that were considered to have the biggest impact to the organisation's sustainability, or would deliver sustainable change in the quickest way, were to improve carbon literacy and sustainable behaviour amongst staff and to adopt a sustainable procurement strategy.

Staff behaviour and practices impact on the sustainability of the organisation. From the way they travel to work, and how they procure goods and services, to their use of offices and equipment, impacts about the organisation's ability to reach its target to be net zero. By ensuring that staff are carbon literate and understand how their working practices have an impact on the environment will encourage them to work more sustainably.

Procurement is the biggest carbon emitting area of the organisation's activities, and is not currently considered within the scope of the organisation's carbon reduction plan, (Carmarthenshire County Council, 2020) offering an excellent opportunity to improve practice in this area, and align with national targets set out in the Public Sector Routemap (Welsh Government, 2021).

Both of these initiatives are explored further below.

Procurement and supply chain

The procurement of goods and services is the highest carbon emitting activity of councils, making up approximately 60% of the total emissions. (Welsh Government, 2021)

The emissions arising from procurement activities fall into the category of Scope 3 emissions – indirect emissions that occur in the Council's value chain (Carbon Trust, 2023). Whilst these emissions are not in the direct control of the organisation as they are produced by other parties, they can be influenced greatly through the Council's procurement policies and processes.

The percentage of the organisation's emissions relating to procurement make it a key area of focus to improve the sustainability of the organisation. Sustainable

procurement and consumption are also one of the UN's Sustainable Development Goals, with target 12.7 stating "Promote public procurement practices that are sustainable, in accordance with national policies and priorities." (UN Environment Programme, 2023)

Though these are not in the direct control of the organisation there are a number of initiatives that can be employed to encourage green procurement practices within the council, reduce carbon emissions and improve the sustainability of goods and services being procured. This report makes recommendations for three green procurement initiatives to be adopted within Carmarthenshire County Council.

Most Economically Advantageous Tender

Public Sector contracts are awarded on the basis of the Most Economically Advantageous Tender (MEAT), a rule which was set out in the Public Contracts Regulations 2015 (Gatehouse Law, 2015). The Most Economically Advantageous Tender is assessed from the point of view of the contracting council and is usually made up of a quality and price split. However, MEAT is most often interpreted that the contract should be awarded to the lowest cost tender.

The cost of sustainable and low carbon products is often higher than those made of standard materials. The UK Building Council reported in "Building the case for Net Zero: Closing the gap towards net Zero Carbon newbuild homes" that the cost of net zero buildings is 6.2-17% higher compared to standard design. However, whilst the upfront capital costs of sustainable materials and products is higher, they often produce carbon and cost savings over a pay back period by being more efficient and of a higher quality and therefore lasting longer. (UK Green Building Council, 2022)

The current interpretation of MEAT therefore can prevent the Council from being able to invest in sustainable goods and services, as the sustainable (quality) element of the tender is outweighed by the cost. (Cabinet Office, 2020)

Moving towards a process which assesses tenders on a Most Advantageous Tender (MAT) basis will encourage Council staff that are tendering contracts to adopt a higher ratio of quality, and therefore sustainable criteria, in the assessment of tenders.

Requiring a Life Cycle Analysis

Currently the most used method of calculating emissions from procurement activities is via industry average conversion of carbon emissions per £ spent (Welsh Government, 2022). This method of using spend based proxies does not give a true representation of the emissions arising from goods and services, and it does not reflect any effort made by an organisation to choose a low carbon product.

Life Cycle Analysis requires a company or organisation to take a holistic approach to measuring the impact of a product or a service on the environment – from the extraction of the raw materials to the emissions of the manufacturing process, to its disposal or decommissioning (Koram, 2020).

By requiring a Life Cycle Analysis from a contractor, it provides council officers with a clear and in-depth understanding of the impact of their purchasing decisions. This will support them in making informed choices on which product or service is the best to procure from a sustainability and carbon perspective.

A Life Cycle Analysis also provides a more accurate account of the emissions as it is based on the actual data received directly from the supplier or manufacturer, as

opposed to a spend based proxy. This improvement in data will help the Council to report its emissions on a more accurate basis.

Procurement Hierarchy

The Sustainable Procurement Hierarchy has been developed by Waste Recycling Action Programme (WRAP) as a process tool for public sector organisations to adopt when preparing contracts for tender, specifically when making the early decisions of if, and what, to purchase.

The hierarchy sets out of the best practice and guiding principles for Council officers to follow when producing new goods and services. Officers start at the top of the hierarchy and consider each principle as they move down the pyramid as follows;

- Reduce – Consider whether the goods/services are really needed, or whether the need can be met by an existing service within the organisation
- Re-use – Purchase used or refurbished items, refurbish existing items
- Buy Sustainable products – Where it is assessed that there is a need to procure new, sustainable products should be purchased that have a high recycled content or are low carbon
- Recover – Where products are purchased, and a low carbon alternative isn't available, end of life options and “take backs” should be negotiated to ensure they are recycled or refurbished (WRAP, 2021)

In the hierarchy Reduce is the most preferred method of purchasing (or not purchasing), and Recover is the least preferred method.

The hierarchy encourages Officers to think about how they can incorporate sustainability into the tender process. This will lead to less being procured, cost savings, carbon savings and a reduced impact on the environment by encouraging staff writing specifications to consider emissions, sustainability and the circular economy at each step of the tendering process.

These three initiatives can be implemented through an update to the Council's Contract Procurement Rules to;

- set out the new requirements for a higher quality to cost ratio in all tender exercises – with the higher ratio of quality weighting to be used by Officers to request sustainability and environmental information from the tendering supplier.
- Require Council Officers to request Life Cycle Analysis of goods and services as part of the tendering process.
- Require Council Officers to consult the Sustainable Procurement Hierarchy when designing specifications for tenders and commissions.

Adopting these three initiatives will greatly increase the sustainability of the Council's procurement practices and will bring a number of benefits to the organisations.

These benefits will include the reduction of Scope 3 emissions by procuring more sustainable and low carbon goods and the reduction of operational emissions by procuring more energy efficient products. Both impacts can be monitored to assess success through the organisation's emissions reporting that is undertaken on an annual basis. (Welsh Government, 2022)

The resources required to implement this initiative will be staff time to draft the updated procurement rules and communicate them to staff and elected members throughout the organisation.

Adopting sustainable procurement practices can also achieve wider positive impacts on the environment by “creating a need for this category and encouraging producers to invest in production, research, and innovation of green lines of product and services.” (Ciumara *et al.*, 2020) Using its purchasing power to influence sustainable change within the supply chain will also contribute to the national target for Wales to be net zero carbon by 2050. (Welsh Government, 2021)

Human Resources

Sustainability is one of the key commitments in Carmarthenshire County Council's Corporate Strategy (Carmarthenshire County Council, 2021), and should underpin all services that the organisation provides to its communities. The success of delivering the sustainability objectives relies on Council staff understanding how their roles and responsibilities have an impact on carbon emissions and sustainability and undertake their activities in a way that aligns with the commitment to be a net zero carbon organisation by 2030.

Staff behaviour change and encouraging staff to adopt more sustainable practices within their roles, has the ability to bring about significant cost and carbon savings to the council.

Research undertaken by the Schools of Management at Langfang Normal University and Jiangsu University found that employees that are committed to sustainability and

promote green behaviour at an individual level play a significant role in improving environmental sustainability in organisations. (Meng *et al*, 2022)

A behaviour change project in Nottingham City Council challenged its staff in leisure centres to a competition to reduce their electricity usage. The challenge made carbon savings of 18.6 tonnes, just from engaging staff in their behaviour around energy use. (Epic Global Group Ltd, 2020)

One way of changing staff behaviour, and ensuring staff adopt sustainable behaviour, is to adopt Green Human Resources Management (Green HRM) practices. Green HRM has been defined as “human resource management activities that enhance positive environmental outcomes and boost environmental stability.” (Meng *et al*, 2022)

One example of such an activity, that this paper recommends is adopted by Carmarthenshire County Council, is the delivery of carbon literacy training.

Carbon Literacy Training is described by the Carbon Literacy project as “learning that catalyses action to reduce greenhouse gas emissions” and is designed to increase staff awareness of how their actions impact on climate change and what they can do to reduce their emissions. The Carbon Literacy Project predicts that it reduces carbon by 5-15% per person participating in the training. (Carbon Literacy Project, 2023)

This prediction has been supported by an evaluation undertaken by Leeds University on the effectiveness of carbon literacy training in Opera North. They undertook surveys with staff before and after the survey and found that following the training

participants showed a higher levels engagement in carbon reducing behaviours, and they were more aware of the contribution the organisation had on climate change.

(Buschs *et al.*, 2021)

As demonstrated above, ensuring the organisation has carbon literate staff will have widespread impact on all of the organisation's functions and will embed sustainable and low carbon practices throughout.

In order to implement this initiative, it will require cost resources in order to pay for the training to be delivered to staff, and staff time to be able to attend the training, however it has the ability to transform the organisation's culture and improve sustainable practices significantly, and therefore the benefits far outweigh the resources required to deliver.

By implement both of these organisational improvements, which focus on two of the higher emitting areas of the council's activities/resources, Carmarthenshire County Council has the opportunity to greatly improve the sustainability of the organisation and reduce its carbon emissions significantly.

Reference List

Buchs, M., Payling, R., Hogarth, M., (2021), 'Engaging staff in carbon reduction: an evaluation of Carbon Literacy training - Briefing Paper for Leeds Climate Commission' viewed on 11/01/23, available online at <https://www.leedscclimate.org.uk/sites/default/files/Evaluation%20of%20Carbon%20Literacy.pdf>

Carbon Literacy Project, (2023), 'What is Carbon Literacy?', viewed on 11/01/23, available online at <https://carbonliteracy.com/organisation/>

Carbon Trust, (2023), 'Briefing: What are Scope 3 emissions?', viewed on 28/12/22, available online <https://www.carbontrust.com/our-work-and-impact/guides-reports-and-tools/briefing-what-are-scope-3-emissions>

Carmarthenshire County Council, 2020, 'Route towards becoming a Net Zero Carbon Local Authority by 2030', viewed on 02/11/22, accessed online <https://www.carmarthenshire.gov.wales/media/1226871/net-carbon-zero-action-plan.pdf?v=202110291522330000>

Carmarthenshire County Council, (2021), 'Moving Forward in Carmarthenshire – the Councils Corporate Strategy 2018 – 2023, Updated April 2021', viewed on 01/11/22, accessed online <https://www.carmarthenshire.gov.wales/media/1225816/corporate-strategy-21-22.pdf>

Ciumara, T.; Lupu, I. (2020), 'Green Procurement Practices in Romania: Evidence from a Survey at the Level of Local Authorities.' Sustainability 2020, 12, 10169, viewed on 05/01/23, available online <https://doi.org/10.3390/su122310169>

Epic Global Group, (2020), 'How individual behaviour changes in the workplace impact corporate carbon targets', viewed on 02/01/23, available online <https://epicglobalgroup.net/how-individual-behaviour-changes-in-the-workplace-impact-corporate-carbon-targets/#:~:text=The%20reduction%20in%20energy%20and%20waste%20disposal%20costs,as%20reducing%20plastic%20use%2C%20carbon%20footprint%20and%20waste.>

Gatehouse Law, (2015), 'The Public Contracts Regulations 2015', viewed on 30/12/22, available online <https://gatehouselaw.co.uk/the-public-contracts-regulations-2015/#:~:text=Regulation%2067%20of%20the%202015%20Regulations%20provide%20that,the%20point%20of%20view%20of%20the%20contracting%20authority.>

Koram, David., (2020), 'What is Life Cycle Assessment (LCA)?' Carbon Intelligence, viewed on 02/01/23, available online <https://carbon.ci/insights/what-is-life-cycle-assessmentlca/#:~:text=LCA%20is%20a%20scientific%20method,total%20impact%20on%20the%20environment.>

Kuriakose, J., et al, (2022), 'Setting Climate Commitments for Carmarthenshire – Quantifying the implications of the United Nations Paris Agreement for Carmarthenshire', Tyndall Centre, viewed 02/11/22, available online <https://carbonbudget.manchester.ac.uk/reports/W06000010/>

Meng, J.; Murad, M.; Li, C.; Bakhtawar, A.; Ashraf, S.F. (2022), 'Green Lifestyle: A Tie between Green Human Resource Management Practices and Green Organizational Citizenship Behavior' Sustainability 2023, 15, 44. Viewed on 02/01/23, available online <https://doi.org/10.3390/su15010044>

UK Green Building Council, (2022), 'Building the case for Net Zero: Closing the gap towards net zero carbon new-build homes', viewed on 30/12/23, available online <https://www.ukgbc.org/ukgbc-work/building-the-case-for-net-zero-closing-the-gap-towards-net-zero-carbon-new-build-homes/#:~:text=UKGBC%E2%80%99s%20report%20%E2%80%98Building%20the%20case%20for%20Net%20Zero%3A,new%20homes%20on%20a%20low-rise%20750-home%20residential%20development.>

UK Government Cabinet Office, (2020), 'Transforming Public Procurement', viewed on 02/01/23, available online https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/943946/Transforming_public_procurement.pdf

UN Environment Programme, (2023), 'SDG 12.7 Target and indicator on Sustainable Public Procurement implementation', viewed on 28/12/22, available at <https://www.unep.org/explore-topics/resource-efficiency/what-we-do/sustainable-public-procurement/sdg-127-target-and>

Welsh Government, (2021), 'Net zero carbon status by 2030: public sector route map', viewed on 01/11/22, available online <https://gov.wales/net-zero-carbon-status-2030-public-sector-route-map>

Welsh Government, (2021) 'Welsh Procurement Policy Note WPPN 12/21: Decarbonisation through procurement - Addressing CO2e in supply chains', viewed on 28/12/22, available online <https://www.gov.wales/wppn-12-21-decarbonisation-through-procurement-html>

Welsh Government, (2022), 'Welsh Public Sector Net Zero Reporting Guide', viewed on 02/01/23, available online <https://www.gov.wales/sites/default/files/publications/2022-06/welsh-public-sector-net-zero-reporting-guide.pdf>

Welsh Government, (2021), 'Net Zero Wales Carbon Budget 2 (2021 – 2025)', viewed on 08/01/23. Available online at <https://www.gov.wales/net-zero-wales-carbon-budget-2-2021-2025>

WRAP Cymru, (2021), 'Sustainable Procurement Hierarchy Guide,' viewed on 02/01/23, available online <https://wrapcymru.org.uk/sites/default/files/2021-07/WRAP-sustainable-procurement-hierarchy-guide-20210702.pdf>