



Notice of a public meeting of

Corporate Services, Climate Change and Scrutiny Management Committee

- To:** Councillors Fenton (Chair), Merrett (Vice-Chair), Ayre, Baxter, J Burton, Healey, Kelly, D Myers, Rowley, Steels-Walshaw, K Taylor, Waller and Widdowson
- Date:** Monday, 22 April 2024
- Time:** 5.30 pm
- Venue:** The Thornton Room - Ground Floor, West Offices (G039)

AGENDA

- 1. Declarations of Interest** (Pages 1 - 2)
At this point in the meeting, Members and co-opted members are asked to declare any disclosable pecuniary interest, or other registerable interest, they might have in respect of business on this agenda, if they have not already done so in advance on the Register of Interests. The disclosure must include the nature of the interest.

An interest must also be disclosed in the meeting when it becomes apparent to the member during the meeting.

[Please see the attached sheet for further guidance for Members.]
- 2. Minutes** (Pages 3 - 8)
To approve and sign the minutes of the meeting held on 18 March 2024.

3. Public Participation

At this point in the meeting members of the public who have registered to speak can do so. Members of the public may speak on agenda items or on matters within the remit of the committee.

Please note that our registration deadlines are set as 2 working days before the meeting, in order to facilitate the management of public participation at our meetings. The deadline for registering at this meeting is **5:00pm on Thursday, 18 April 2024.**

To register to speak please visit www.york.gov.uk/AttendCouncilMeetings to fill in an online registration form. If you have any questions about the registration form or the meeting, please contact Democratic Services. Contact details can be found at the foot of this agenda.

Webcasting of Public Meetings

Please note that, subject to available resources, this meeting will be webcast including any registered public speakers who have given their permission. The meeting can be viewed live and on demand at www.york.gov.uk/webcasts.

During coronavirus, we made some changes to how we ran council meetings, including facilitating remote participation by public speakers. See our updates (www.york.gov.uk/COVIDDemocracy) for more information on meetings and decisions.

4. Greenhouse Gas Accounting and Scope 3 Emissions (Pages 9 - 32)

This report provides information on the council's Greenhouse Gas Accounting and Scope 3 Emissions.

5. Changes in Procurement Legislation (Pages 33 - 48)

This report provides an update to Members on the changes in legislation and how they will impact procurement across the Council.

6. Work Plan (Pages 49 - 50)

To consider the scrutiny overview work plan.

7. Urgent Business

Any other business which the Chair considers urgent under the Local Government Act 1972.

Democracy Officer:

Jane Meller

Contact details:

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For more information about any of the following please contact the Democratic Services Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports and
- For receiving reports in other formats

Contact details are set out above.

This information can be provided in your own language.

我們也用您們的語言提供這個信息 (Cantonese)

এই তথ্য আপনার নিজের ভাষায় দেয়া যেতে পারে। (Bengali)

Ta informacja może być dostarczona w twoim własnym języku. (Polish)

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

یہ معلومات آپ کی اپنی زبان (بولی) میں بھی مہیا کی جاسکتی ہیں۔ (Urdu)

 (01904) 551550

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Declarations of Interest – guidance for Members

- (1) Members must consider their interests, and act according to the following:

Type of Interest	You must
Disclosable Pecuniary Interests	Disclose the interest, not participate in the discussion or vote, and leave the meeting <u>unless</u> you have a dispensation.
Other Registrable Interests (Directly Related) OR Non-Registrable Interests (Directly Related)	Disclose the interest; speak on the item <u>only if</u> the public are also allowed to speak, but otherwise not participate in the discussion or vote, and leave the meeting <u>unless</u> you have a dispensation.
Other Registrable Interests (Affects) OR Non-Registrable Interests (Affects)	Disclose the interest; remain in the meeting, participate and vote <u>unless</u> the matter affects the financial interest or well-being: (a) to a greater extent than it affects the financial interest or well-being of a majority of inhabitants of the affected ward; and (b) a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest. In which case, speak on the item <u>only if</u> the public are also allowed to speak, but otherwise do not participate in the discussion or vote, and leave the meeting <u>unless</u> you have a dispensation.

- (2) Disclosable pecuniary interests relate to the Member concerned or their spouse/partner.
- (3) Members in arrears of Council Tax by more than two months must not vote in decisions on, or which might affect, budget calculations,

and must disclose at the meeting that this restriction applies to them. A failure to comply with these requirements is a criminal offence under section 106 of the Local Government Finance Act 1992.

City of York Council

Committee Minutes

Meeting	Corporate Services, Climate Change and Scrutiny Management Committee
Date	18 March 2024
Present	Councillors Fenton (Chair), Merrett (Vice-Chair), Ayre, Baxter, J Burton, Healey, Kelly, D Myers, Rowley, Steels-Walshaw, K Taylor, Widdowson and Vassie (Substitute for Cllr Waller)
Apologies	Councillor Waller
In Attendance	Cllr Lomas, Executive Member for Finance Performance, Major Projects and Equalities Cllr Pavlovic, Executive Member for Housing, Planning and Safer Communities
External attendees	Tom Gilman, McLaren Group Stephen Hind, Network Rail Tom Devine, Carter Jonas Surveyor for National Rail Museum
Officers Present	Tracey Carter, Director, Housing, Economy and Regeneration David Warburton, Head of Regeneration Helen Whiting, Head of Human Resources Pauline Stuchfield, Director, Customer and Communities Ian Cunningham, Head of Business Intelligence Patrick Looker, Finance Manager, Corporate Dawn Steel, Head of Democratic and Scrutiny Services

36. Declarations of Interest (5.33 pm)

Members were asked to declare any disclosable pecuniary interest, or other registerable interest, they might have in respect of business on the agenda, if they have not already done so in advance on the Register of Interests.

None were declared.

37. Minutes (5.33 pm)

Resolved: That the minutes of the last meeting held on 29 January were approved as a correct record.

38. Public Participation (5.34 pm)

It was reported that there had been one registration to speak at the meeting under the Council's Public Participation Scheme.

Cllr Hollyer, Ward Councillor for Haxby and Wiggington, spoke on item 6, Ward Funding. He raised concerns regarding the formulas used, stating that the recommended options A and E bring forward an error, in that they do not take into account Ward population size.

39. York Central Update (5.38 pm)

The Head of Regeneration introduced the report on the York Central project and provided a brief update to Members, noting the changes which had followed since November's scrutiny meeting and contained within paragraph 2 of the report.

Tom Gilman, Managing Director McLaren Regeneration, gave a presentation on the first phase of the project, Museum Square, and outlined the timeline, stating it should start in 2025, with delivery in 2027.

There followed a number of questions from Members covering parking provision for the residential properties, sustainable design, affordable housing, custom build, community engagement, the park design and office development.

It was reported that:

- Car parking standards were set by the National Planning Policy Framework.
- The design guide set the minimum standards for the homes being built; the developers had high aspirations in terms of design and sustainability.
- All of the CYC owned land within York Central would be allocated to affordable housing; A minimum of 20% affordable housing had been set, based on the council's current housing policy.

- Custom build enabled a cohesive design and cost savings; the community would provide input on the design and the developers undertake the work.
- Community engagement would continue through workshops and presentations.
- 5% of the developers profits would go into a community fund to manage the park.
- High quality office developments with high environmental standards are in short supply and therefore this type of development would be in demand.

Resolved: That the York Central update be received, with a further update to be scheduled for a future date.

Reason: To keep the committee updated on a key project for the city.

40. Workforce Development Plan and Attendance Management (6.29 pm)

The Head of HR presented a report which updated Members on the workforce development plan and provided an overview of attendance management. As the report had been due to be considered at January's meeting, she offered to bring a further report to the Committee's meeting in May, with a view to providing an update to the Workforce Development Plan following the Corporate Peer Challenge and the results of the staff survey.

Members asked a number of questions relating to the staff survey, learning and development, office utilisation, managing workloads, staff welfare issues, living wage increases and pay structures, Trade Union (TU) working agreements, staff vacancies and commissioning of services.

The following was reported:

- The staff survey took place annually, it showed that hybrid working was valued by staff; 50+ officers were in WO every day.
- Learning and Development was provided by York Learning, there was no expectation for staff to give up their own time.
- The average days sickness per full time equivalent (FTE) of 11.3 days, across the organisation, was not considered to be especially high.
- The cost control panel was managing the vacant roles by examining how jobs can be done differently and challenging overtime. Agency

spending had been reduced as permanent employees had been recruited. There were some key technical areas where this had proved more difficult.

- The uplift in the living wage, social value contracts and the pay structure were live issues that were being monitored closely.
- There were no plans to change TU working agreements.

Resolved:

- i. That the report be noted.
- ii. A further update be brought to May's Committee meeting.

Reason: To ensure that the workforce was supported in the challenges of the workforce plan and, from a well-being perspective, to minimise absence.

[7:02 pm Cllr Taylor left the meeting. 7.04-7.12 pm, the meeting adjourned]

41. Ward Funding (7.12 pm)

The Director of Customer and Communities outlined the report on Ward funding models, noting that the key data, the Index of Multiple Deprivation, had not been updated nationally. She confirmed that options A, E and F met the council objectives and the options would be considered at April's Executive meeting.

There followed a discussion around the options where the Head of Business Intelligence clarified some of the technical information. There was a general consensus that there was no perfect solution, with options having positives and negatives, none of which outweighed the other.

The Exec Member for Housing, Planning and Safer Communities thanked Members for their input. He also confirmed that changes were being made to the sign off process for Ward funding, with some amendments being made to the application form and guidance for Members. He also emphasised that any unspent money would not be carried over to the next financial year. Any unspent money would be used to support the York Financial Assistance Scheme. Where approved applications had not been actioned due to project timings, it had been confirmed with the section 151 officer that monies allocated in the current financial year could be spent the following financial year.

[7.44 pm, Cllr Myers left the meeting.]

Resolved: That the report be noted.

Reason: To keep up to date with the possible ward funding models.

42. 2023/24 Finance and Performance Monitor 3 (7.50 pm)

The Corporate Finance Manager presented the Finance and Performance report for Quarter 3. He noted a significant pressure on benefits due to being unable to recover payments for temporary accommodation, also, funding levels had not increased for a number of years. However, an increase of 25% in the local housing allowance rate had been announced for next year which would reduce future pressure but remain an ongoing issue.

[7.51 pm, Cllr Ayre left the meeting; 7.53 pm, Cllr Widdowson left the meeting.]

The Finance Manager and the Head of Business Intelligence responded to questions on housing benefit, coroner related pressures and the number of full time equivalents.

They reported that the housing benefit figures come from the Department of Work and Pensions; they were not outside the usual benchmarking figures. The coroner related pressures were in relation to body storage and therefore outside CYC control. A more detailed report on staffing numbers was provided to the Staffing Matters and Urgency Committee on a six monthly basis.

The Executive Member for Finance and Major Projects confirmed that the necessary repairs for the Mansion House were being carried out and options for the building were being explored.

Resolved:

- i. That the finance and performance information be noted.
- ii. The Head of Business Intelligence would provide additional information to Members on the housing benefit claims.

Reason: To ensure expenditure is kept within the approved budget.

43. Work Plan (7.59 pm)

Members considered the Scrutiny work plan for the four scrutiny committees. The Chair noted a new template for task and finish groups and requested that the template be circulated to the committee so that templates could be completed for the following task and finish groups:

- S106 agreements
- Council Communications

[8.00-8.02 pm Cllr Rowley left the meeting.]

Resolved:

- i. That the work plan be noted.
- ii. Democratic Services would distribute the new task and finish group template to Members.

Reason: To ensure an overview of the scrutiny work programme and a process is in place for task and finish groups.

Cllr S Fenton, Chair

[The meeting started at 5.32 pm and finished at 8.03 pm].



Corporate Services, Climate Change and Scrutiny Management Committee**22 April 2024**

Report of the Assistant Director Policy and Strategy

Greenhouse Gas Accounting and Scope 3 Emissions**Summary**

1. In March 2019, Full Council declared a climate emergency and set an ambition for York to be carbon neutral by 2030. Council resolved to:
 - a) Declare a 'Climate Emergency'.
 - b) Commit to a target of making York carbon neutral by 2030, taking into account both production and consumption emissions (scope 1, 2 and 3 of the Greenhouse Gas Protocol).
2. The Climate Change Strategy 2022-2032, approved by Full Council in December 2022, recognises the challenge of reducing city-wide scope 3 emissions, and sets out a priority of emission reduction with the focus initially on scope 1 and scope 2. However, for council emissions reporting, the council monitors, and where possible, mitigates scope 3 emissions.
3. Greenhouse gas accounting is an essential requirement to monitor progress against this pathway and is a stated objective within the Climate Change Strategy. The council currently reports annually against organisational emissions and area-wide emissions.
4. The council adopted the Local Government Authority's Greenhouse Gas Accounting Tool as the methodology for accounting organisational emissions in 2022/23.

Background

5. Carbon Accounting is the process of quantifying the number of greenhouse gases (GHGs) produced directly and indirectly from an organisation's activities. While there is currently no legal requirement for local authorities to report on GHG emissions, calculating and reporting

annual emissions is an important part of monitoring and managing progress towards the council's net zero ambition.

6. Many frameworks and standards for carbon accounting exist, all with similar methodologies. The most widely used are those developed by the Greenhouse Gas Protocol.
7. Since 2020, the Local Government Association (LGA) has provided a free GHG accounting tool for all councils in England. In 2023, this tool was reviewed by CDP and aligned with the Greenhouse Gas Protocol Standards.
8. After previously developing our own methodology, the council adopted the LGA Greenhouse Gas Accounting Tool as the methodology for accounting for organisational emissions in 2022/23.

LGA Greenhouse Gas Accounting Tool

9. The LGA GHG Accounting Tool is a template used to record and report carbon emissions. The tool calculates a council's direct CO₂e emissions (Scope 1 and 2) which are directly linked to the council's operations, plus some of the indirect CO₂e emissions (Scope 3).
10. Benefits of the tool include:
 - i. standardising how councils measure and report carbon emissions
 - ii. mechanism for analysing and reviewing the impact of interventions
 - iii. enabling consistent sector wide benchmarking and disclosure
 - iv. providing a robust and reviewed tool to calculate and store baselines and the outputs
 - v. alignment with global GHG reporting protocols and other international standards (CDP, Global Covenant of Mayors)
 - vi. free to use and online support and training.
11. The LGA tool allow local authorities to report against a financial boundary or an operational boundary:
 - **Financial boundary:** The authority reports on all sources of carbon emissions over which it has financial control.
 - **Operational boundary:** The authority reports on all sources of carbon emissions over which it has operational control.

The council have adopted an operational control boundary to account for sites it has ownership of or maintenance responsibility over.

12. The tool uses consumption data, provided by the council, and GHG conversion factors, provided by the Department for Energy, Security and Net Zero (DESNZ)¹, to calculate carbon emissions across the Council's operational areas.
13. Each year, the council reports organisational emissions across the following categories:

Table 1: The Scope 1, 2 and 3 categories that City of York Council report emissions for.

Scope	Scope Definition	Emissions Type
Scope 1	Direct GHG emissions from buildings, plant and vehicles owned or controlled by City of York Council.	Heating
		Authority's Fleet
Scope 2	Indirect emissions associated with purchased energy consumed by City of York Council.	Electricity
Scope 3	All other indirect emissions that occur in the Council's supply chain.	Staff Business Travel
		Staff Commuting
		Working From Home
		Transmission and Distribution Losses
		Water
		Material Use
		Waste

14. Total organisational emissions for City of York Council are reported annually through Executive Member Decision Session².

Scope 1 Emissions

15. Scope 1 emissions are released as a direct result of an activity. For the Council, this largely comprises of combustible fuel for heating boilers and fuel burned in Council owned fleet vehicles.
16. Heating data is incorporated from a total of 74 sites (Table 2). This covers our corporate sites, museums and maintained schools, the majority of which are fuelled by natural gas. We also record the use of other fuel

¹ DESNZ Conversion Factors and Methodology <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023>

² Emissions report 2022/23
<https://democracy.york.gov.uk/%28S%28aw2b23jofoyuejfc1asnI055%29%29/documents/s171185/Decision%20Report%20Annual%20Carbon%20Emissions%20Report%20202223.pdf>

sources, as some of our sites operate biomass boilers, fuelled by wood pellets.

Table 2: The different sites operated by the council supplied by heating. Some sites are fuelled by both natural gas and biomass.

Sites	Natural Gas	Biomass
Corporate Sites	44	2
School Sites	22	2
Museum Sites	5	0
Library Sites	2	1

17. The Council fleet currently covers 267 vehicles, with 5 different fuel sources. A breakdown of this is provided below:

Table 3: Vehicles in currently in the Council's fleet by fuel type.

Engine Type	Count	Percentage
Diesel	128	48%
Diesel Euro6	51	19%
Electric	86	32%
Hybrid Plug-in	1	0.4%
Petrol	1	0.4%
Total	267	100%

18. Emissions associated with fossil fuel consumption (petrol and diesel) are accounted for within our Scope 1 emissions, while electricity used by our electric vehicles (EVs) are covered by Scope 2.

Scope 2 Emissions

19. Scope 2 emissions are those released from an organisation's indirect consumption of an energy commodity. For the council, this consists of the purchase and consumption of grid electricity used in its operations.
20. All council purchased electricity is supplied via a green tariff, meaning that it is provided from renewable sources. This tariff has a Renewable Energy Guarantees of Origin (REGO) certification to verify the source of renewable energy. This green tariff has a cost premium of 1.4 pence per

kilowatt for the council, making the total additional cost of purchasing renewable energy for the council's buildings and street lighting £195,978. This equates to 4.3% of the council's total electricity costs.

21. In line with best GHG accounting practice, electricity consumption is entered into the GHG tool to calculate the emissions that would have been produced without a green tariff. However, these emissions are not included in the final total.
22. Council electricity usage covers the following categories:

Table 4: The Council's Scope 2 sources and the relative contribution to total electricity usage from each activity.

Scope 2 Electricity Use	Percentage (%)
<i>Building Use</i>	64%
<i>Streetlighting</i>	36%
<i>Fleet: Electric Cars</i>	>1%
<i>Fleet: Hybrid Cars</i>	>1%
<i>Fleet: Electric Vans</i>	0.2%
<i>Total</i>	100%

Scope 3 Emissions

23. Scope 3 emissions are widely recognised as more difficult to account for than Scopes 1 and 2, because the required data is owned by other organisations. As a result, there is a higher degree of estimation, and therefore uncertainty, across Scope 3 categories.
24. The LGA has found that typically, current Scope 3 reporting by local authorities has been limited to staff business mileage, water, and transmission and distribution losses from electricity consumption. Increasingly, authorities are looking to report on Scope 3 emissions from staff commuting (including public transport), procured goods and services and outsourced contracts (including construction).
25. The Council has been expanding its Scope 3 reporting to capture more of its indirect emissions. The additional sources now include:
 - Staff business travel
 - Staff commuting
 - Staff homeworking
 - Water usage

- Material use from Building Services
- Transmission and Distribution
- Corporate waste

26. Business travel data measures emissions linked to the council’s use of hotels, flights, and trains for work purposes.
27. Transmission and Distribution Losses include the lifecycle emissions of electricity that is consumed or ‘lost’ in the transmission and distribution (T&D) system. This is calculated by the LGA GHG tool based on information supplied about purchased energy use.
28. Emissions associated with water consumption and water treatment are accounted for each year. However, data was unavailable from Yorkshire Water in 2022/23.
29. In 2022/23, the council incorporated emissions associated with material usage associated with our Building Services (Table 5). Data collected for this period accounted for 32% of the materials used. We will continue to expand the number of materials accounted for in our supply chain to build a more comprehensive picture of our Scope 3 emissions.

Table 5: The top ten most carbon-intensive construction materials associated with our building services

Material Type	Emissions (tCO₂e)
<i>Metals</i>	143.7
<i>Sanitaryware</i>	61.3
<i>Boilers</i>	42.5
<i>Chemicals</i>	37.4
<i>Showers</i>	18.9
<i>Plastics</i>	16.7
<i>Wood</i>	8.8
<i>Cement</i>	8.1
<i>Sealants</i>	7.7
<i>Concrete</i>	4.2

30. Emissions associated with council recycling and general waste are recorded by tonnage. We are identifying ways to account for other kinds

of waste, for instance Waste Electrical and Electronic Equipment recycling (WEEE).

31. In 2023, we carried out a staff survey to assess emissions from staff commuting and homeworking. The questionnaire determined how far employees travelled to work and which mode of transport they used (Figure 1), amongst other questions on employee commuting habits. Examples of the questions used can be seen in Annex 1. The design of this questionnaire was informed by a variety of sources. Annex 2 provides further details on survey methodology.
32. Questions about homeworking were also included in the 2023 staff survey. Following the LGA guidance on homeworking, this portion of our staff survey was informed by the EcoAct Whitepaper³. Questions were designed to establish a 'base case' and 'enhanced case' of homeworking emissions in line with the LGA and EcoAct guidance.
33. A 'base case' is the baseline scenario built on a certain set of assumptions as laid out in EcoAct's methodology. Employee's Full Time Equivalent Hours were determined from the survey and entered into the LGA tool, where these assumptions are applied.
34. Some more detailed questions are asked in the survey, allowing for an 'enhanced case' to be developed in future. This is a more bespoke approach which accounts for actual equipment use where possible, the type and duration of heating and cooling and other information. This relies on accurate self-reporting from staff.

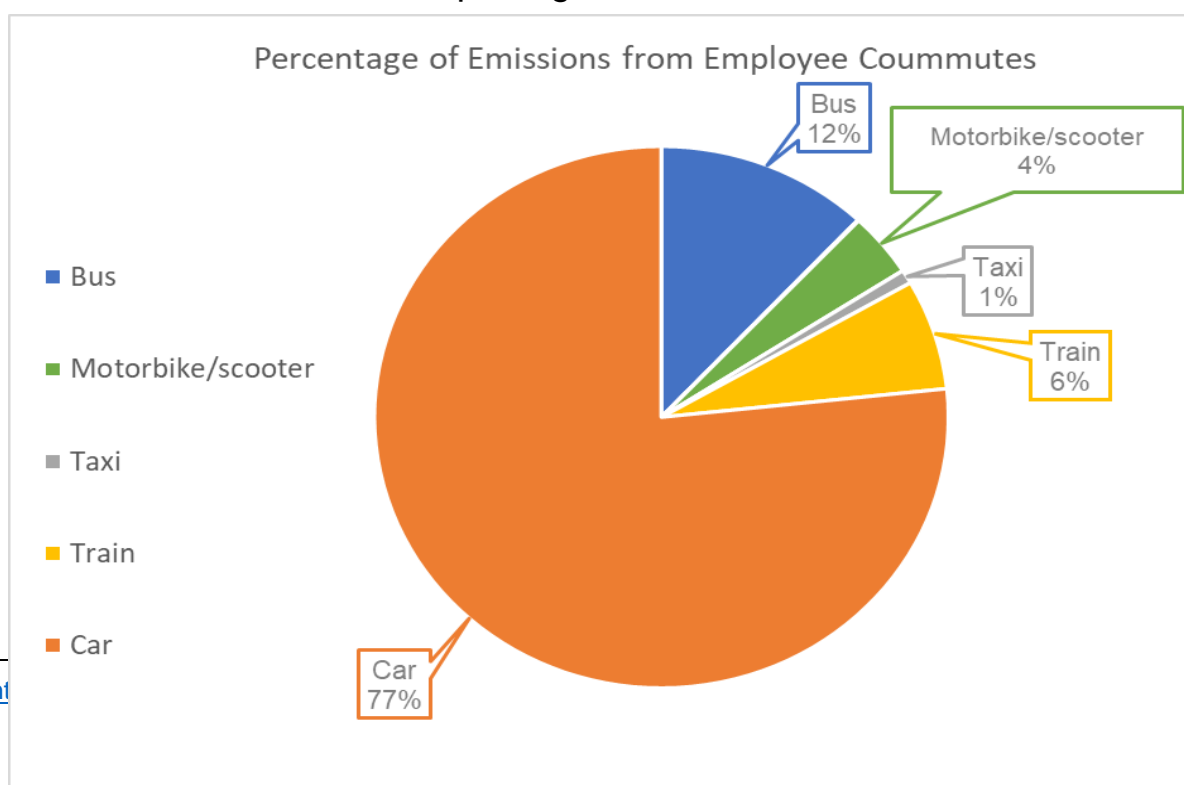


Figure 1 The top five largest sources of emissions from employee commutes (%).

Emissions Reduction – Interventions

35. The council is working on several projects to reduce organisational carbon emissions across Scope 1, 2 and 3.

Scope 1

36. The council has produced Heat Decarbonisation Plans (HDPs) for 22 schools, 4 leisure centres and 8 corporate buildings. These HDPs identify ways to transition to low-carbon heating systems, as well as how to improve energy efficiency and implement renewable technologies.
37. If implemented in full, the recommendations of the HDPs could reduce carbon emissions by 1,593 tCO₂e, which is 61% of our current Scope 1 heating emissions. These measures would also save £432,000 annually in heating at our school sites, £157,000 at leisure centres and at least £31,000 annually at our corporate sites.
38. The capital cost of implementing all the measures outlined in these HDPs would be in excess of £21 million. There is the potential to fund this work through the Public Sector Decarbonisation Fund or alternative grant funding. Opportunities for accessing external funding are continuously being assessed.

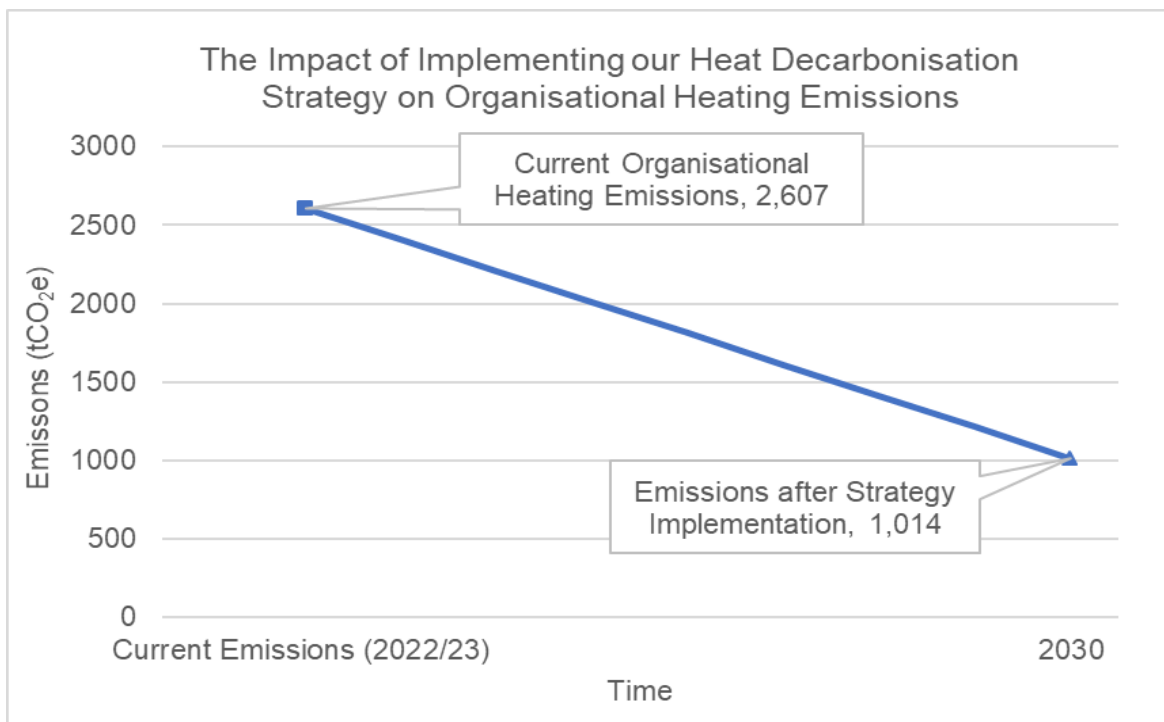


Figure 2 The potential emissions reduction that could be achieved by 2030 with our current heat decarbonisation strategy, comprised of heat decarbonisation plans for 34 assets.

39. The council is replacing its fossil fuel powered fleet vehicles with EVs through the Vehicle Replacement Programme. At present, 32% of the fleet consist of EVs. Currently, 51% of vehicles are classed as “low emission” (Electric, Hybrid and Euro 6), compared to an average of 25% in 2021/22.

Scope 2

40. The council has received funding from the Mayoral Combined Authority (MCA) Net Zero Fund to carry out a number of energy reduction projects:
- LED streetlight conversion – replacing 1,200 lamps with LED will reduce result in an estimated carbon saving of 74 tCO₂e/yr.
 - LED replacement programme at Hazel Court, West Offices and to convert lighting into LED 37 tCO₂e/year.
 - Replacing the inefficient electric heating system at Honeysuckle House and Alex Lyon House with a communal renewable heating system, saving 770 tCO₂e over a 15-year period.
41. Opportunities to implement renewable energy on council assets are continually pursued. Council sites with solar panels can be seen in Table 6 below.
42. The council partner with Solar for Schools and York Community Energy to install solar panels on our school sites. Solar for Schools has seen solar panels installed in three City of York Council maintained schools. We will continue to encourage schools to install solar panels with Solar for Schools and pursue other funding routes to install renewable technologies.

Table 6 Council sites with solar panels installed.

Site Type	Sites	Count
Libraries	The Centre @ Burnholme	
	Clifton Explore Library (Under Construction)	2
Council Offices	West Offices	
	Hazel Court Eco Depot	2
Schools	Clifton Green Primary School	
	Danesgate School	
	Lord Deramore's Primary School	3
Total		7

Scope 3

43. Scope 3 remains a challenging area to measure and reduce emissions. The greatest area for influence is through our purchasing process and supply chain.
44. We have recently developed a series of sustainability-focused questions aiming to both reduce the carbon emissions associated with our procurement process and promote positive environmental impacts with new contracts. The procurement process now includes questions on topics such as carbon emissions, the circular economy, the natural environment, and sustainability. These questions can be seen in Annex 3.
45. The council are using the data from the Staff Homeworking and Commuting Survey to inform a new Staff Travel Plan, which aims to promote active and sustainable travel by council employees across different sites and identifies a range of actions.

Offsetting and Insetting

46. The council is implementing the above measures to reduce its organisational carbon emissions towards its target of net zero by 2030.
47. In order to achieve its organisational net zero target, any remaining emissions that it is unable to decarbonise by 2030 (i.e. residual emissions) will need to be removed from the atmosphere using negative emissions technologies (NETs). This could include nature-based removal methods such as tree planting and ecosystem restoration, or engineered methods such as direct air capture with geological storage (DACCS).
48. The council could address its residual emissions by purchasing carbon credits from carbon removal projects outside the city boundary (i.e. carbon offsetting). Alternatively, prioritising investment in carbon removal activities within the city boundary (i.e. carbon insetting) can provide additional environmental, social and financial benefits for York.
49. The council is developing an insetting/offsetting strategy that will set out an approach to address its residual emissions that aligns with best practice and maximises benefits for York. In line with best practice, the council will prioritise reducing its direct and indirect emissions to minimise the need for offsetting/insetting. Offsetting/insetting will only be considered as a last resort to address residual emissions after all actions

have been taken to reduce and avoid its direct and indirect emissions as much as possible. The council's insetting/offsetting strategy will be shared with partners who are also exploring how to meet challenging net zero targets.

Consultation

50. Internal consultation has taken place with relevant Council departments and Heads of Service.

Options

51. This section is not applicable to this report as there are no options being presented to the Scrutiny meeting.

Analysis

52. This section is not applicable to this report as there are no options presented.

Council Plan

53. The "One City, for all" 2023-27 Council Plan sets out 4 core commitments. Greenhouse Gas reporting most closely relates to the Climate Change commitment for York to be net zero carbon and climate ready by 2030. Greenhouse Gas Accounting provides a mechanism for measuring progress against this ambition and to take appropriate action where required.

Implications

54. There are no implications from this report as it is only to provide information for Scrutiny at this stage.

Risk Management

55. This is an information report to Scrutiny only, with no decisions required.

Recommendations

56. Scrutiny Committee is asked to:

- i. Review the content of the report and provide any recommendations to the Executive Member for Environment and Climate Change ahead of the reporting cycle for 2023/24

Reason

To monitor progress towards the Council ambition of being net zero carbon by 2030.

Contact Details

Author:

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Chief Officer Responsible for the report:

Claire Foale
Assistant Director Policy and Strategy

Report
Approved



Date 11/04/2024

Wards Affected:

All

For further information please contact the author of the report.

Background Papers:

2020/21 EMDS Report Organisational Emissions

https://democracy.york.gov.uk/documents/s153499/EMDS_Corporate%20Emissions%20Report_2021.pdf

2021/22 EMDS Report Organisational Emissions

https://democracy.york.gov.uk/documents/s164307/EMDS_Corporate%20Emissions_Dec%202022_.pdf

2022/23 EMDS Report Organisational Emissions

<https://democracy.york.gov.uk/%28S%28aw2b23jofoyuejfc1asnI055%29%29/documents/s171185/Decision%20Report%20Annual%20Carbon%20Emissions%20Report%20202223.pdf>

Greenhouse Gas Conversion Factors

<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023>

EcoAct Whitepaper on Homeworking Emissions

<https://info.eco-act.com/en/homeworking-emissions-whitepaper-2020>

Annexes

Annex A: Staff Survey: Employee Commuting and Homeworking

Annex B: Employee Commuting & Homeworking Emissions – Resource List

Annex C: Procurement Sustainability Questions

Glossary of Terms

- **Carbon Emissions** – Carbon emissions refer to the amount of carbon released into the atmosphere. Carbon dioxide (CO₂) is the most common greenhouse gas emitted by human activities.
- **Greenhouse Gas Emissions** – Other greenhouse gases (GHGs) are gases released into the atmosphere that contribute to global warming. In addition to carbon dioxide (CO₂), these include methane (CH₄), nitrous oxide (N₂O) and F-gases (fluorinated gases).

- **Carbon Equivalents (CO₂e)** – Carbon dioxide equivalent (CO₂e) is often used to quantify the amount of different greenhouse gases released.
- **Net Zero vs Carbon Neutral** – the council has an ambition to be net zero by 2030. Net zero carbon refers to a balance of the amount of carbon released into the atmosphere and the amount removed to equal zero overall.
- **Scope 1, 2 and 3 emissions** – GHG Emissions are divided into three distinct reporting scopes, describing the different kind of emissions generated by an organisation's operations:
 - Scope 1 emissions are released as a direct result of an activity.
 - Scope 2 emissions are those released as an indirect consumption of an energy commodity.
 - Scope 3 emissions are all other indirect emissions other than electricity.

Staff Survey: Employee Commuting and Homeworking

Please note that this survey was distributed via Survey Monkey, and therefore was formatted differently. The questions represent the plain text format.

Staff were able to skip questions where they did not wish to answer.

Part 1: About You Questions (Standardised)

1. Do you confirm that you have read and understood the privacy notice? You must select 'Yes' in order to take the survey.
2. Would you like to continue to the 'About You' section?
3. Your age: (please select the appropriate range)
4. Your Gender: Is the gender you identify with the same as your sex registered at birth?
5. What is your ethnic group?
6. Do you have any physical or mental health conditions or illnesses lasting or expected to last 12 months or more?
7. If you answered "Yes" above, do any of your conditions or illnesses reduce your ability to carry out day-to-day activities?
8. What is your religion or belief?
9. Which of the following best describes your sexual orientation?
10. Do you look after, or give any help or support to, anyone because they have long-term physical or mental health conditions or illnesses, or problems related to old age? (Excluding anything which is part of paid employment)

Part 2: Commuting

1. Please enter your full home postcode in the box below:

2. How many weeks did you work in the 2022/23 financial year?
(Please factor in your annual leave and any sickness/maternity leave)
3. Please give your typical work start and end time, e.g. 9am to 5pm
4. In a typical week, which days do you commute into a CYC workplace?
5. If you do not commute into a CYC workplace in a typical week, but do so on an irregular basis, please describe these travel patterns below
6. Please enter the number of miles you travel per transport mode on a typical commute to and from work. If you use multiple transport modes, include the miles travelled for each mode
7. If your primary mode of transport to/from work is by car, what type of fuel does this car use?
8. If your primary mode of transport to/from work is by car, do you use your own car?
9. If you drive or cycle to work, where do you park? (select one)
10. If it was possible to change how you travel to/from work, what would you ideally change to or do more of? (select multiple)
11. What would help you to change to this mode? Tick all that apply. (There's a comments box below if you'd like to provide more details.)
 - *Easier accessibility onsite – e.g. fewer physical obstacles*
 - *Better/more onsite parking*
 - *Information about my options – there are some things I don't know*
 - *Cycle training*
 - *TIER Scooter Training*
 - *A friend who can travel alongside me as I learn*
 - *Free trial to see if I want to / can change*
 - *Discounts off cycle or ticket purchases*

- *Cycle to work scheme where I save tax on a cycle purchase*
- *A car/van to use for work journeys*
- *A cycle or cargo bike to use for work journeys*
- *The council already does things for employees that need improving before I take part (please specify below)*
- *I've got an idea for something the council could do, which I'd take part in (please specify below)*
- *Nothing – the citywide infrastructure/services would have to be better first (please specify below)*
- *Nothing – my situation (e.g. late shifts) would need to change first*
- *Nothing – other*
- *I've got an idea for something the council could do for other employees but not me (please specify below)*
- *Please specify*

12. What information about alternative modes of travel would you like the council to provide? Please tick which information you would like to receive:

- *Bus services available near you*
- *A cycle route map*
- *A walking route map*
- *Car sharing scheme*
- *Cycle parking provision*
- *Training for on-road scooter use*
- *I would not like to receive information*
- *Other (please specify)*

13. If you selected 'bus services available near you', please provide your postcode below.

14. If you selected 'cycle parking provision', please state where in the city you would like information in regards to cycle parking.

15. Which of the below services offered by CYC have you accessed? (please tick)

16. To what extent do you agree to the statement: “The council is doing enough to encourage active travel”? (There’s a comments box below if you’d like to provide more details.)

17. Please let us know any other comments you have on travelling to work (Open text)
18. Please let us know any other comments you have on business travel:(Business travel is defined as journeys taken during your work day for work purposes, outside of your daily commute)

Part 3: Working from Home

1. Approximately how many hours do you work from home each day?
2. Approximately how many days per week do you work from home?
3. Which of the following office equipment do you use while working from home, and for how many hours do you use this equipment each day?
4. Do other members of your household work from home? If so, how many?
5. Are there non-working members on your household that are classified as 'stay at home'? (This includes stay at home parents or carers etc.)
6. Does your household purchase 100% renewable electricity from your supplier?
7. What are the barriers stopping your household from purchasing 100% renewable electricity from your supplier?
8. What type of fuel does your home use for heating?
 - *Gas*
 - *Electricity*
 - *Oil*
 - *Solid Wood – Fuel*
 - *Solid Wood – Coal*
 - *Heat Pumps*
 - *Other (please specify)*

Employee Commuting & Homeworking Emissions – Resource List

Introduction

Below is a list of resources, including methodologies and data collection methods for calculating commuting and homeworking emissions (GHG Protocol Category 7).

The methodologies are important as they set out the methods for how to calculate emissions and outline the data that is required to do this.

Data collection methods such as surveys/interviews can then be used to obtain the primary data from staff around commuting and homeworking practices.

Employee Commuting

This emissions category (GHG Protocol Category 7) includes emissions from the transportation of employees between their homes and their worksites (e.g., automobile, bus, rail, air, cycling, walking, etc.).

Methodologies

The GHG Protocol provides [Technical Guidance for Calculating Scope 3 Emissions](#) (See [Chapter 7: 'Employee Commuting'](#)). This document sets out three different calculation methods for scope 3 emissions from employee commuting:

- Fuel-based - involves determining the amount of fuel consumed during commuting and applying the appropriate emission factor for that fuel.
- Distance-based - involves collecting data from employees on commuting patterns (e.g., distance travelled and mode used for commuting) and applying appropriate emission factors for the modes used.
- Average-based - involves estimating emissions from employee commuting based on average (e.g., national) data on commuting patterns

Data Collection

From experience, obtaining quality data on the amount spent on fuel by employees for commuting can be very difficult to obtain from employees. This

is, however, the most desirable method of all the options as it can help to develop the most accurate results.

Obtaining data for the distance-based method (i.e., distance travelled and mode of transport), is generally much easier to obtain. As stated on pg. 89 of the GHG Protocol Scope 3 Technical Guidance, data can be collected on employee commuting habits via a staff survey. This is what most local authorities tend to use. I have attached a few examples below to give an idea of the types of questions included:

- Clackmannanshire Council (Scotland) – [Staff travel survey results](#)
- Southampton City Council – [Travel Survey for Staff](#)
- Portsmouth City Council – [Staff Travel Survey Results](#) (see Appendix for questions).
- Oxford Brookes University – [2022 Staff Travel Survey Summary](#)
- University of Strathclyde – [Utilising a Travel Survey to Calculate Greenhouse Gas Emissions from Commuting at the University of Strathclyde \(Thesis\)](#).

Homeworking

Within the GHG Protocol, emissions associated with working from home also fall into scope 3 emissions as an optional component of ‘Category 7: Employee Commuting’. The GHGP states that ‘companies *may* include emissions from teleworking (i.e., employees working remotely) in this category.’

It does not, however, provide a methodology for calculating homeworking emissions, due to difficulties in sourcing data to base emissions calculations on, as well as a previous assumption that it would not be as material as other elements. Alternative methodologies to calculate homeworking emissions as part of Category 7 are provided below:

Methodologies

- [EcoAct’s Homeworking emissions Whitepaper](#) (2020) – this is the first whitepaper published in 2020 and was the methodology that we used to calculate homeworking emissions. The survey questions were designed to obtain primary data from staff around their consumption of energy associated with office equipment, heating, and cooling from homeworking (in line with the EcoAct methodology). Since this was

published, other methodologies have emerged, most adopt a similar approach to this methodology.

- [Green Element's New Methodology for Measuring Remote Working Carbon Emissions](#) (2021) – this methodology gathers data from employees working from home focusing on hours worked, and energy consumed from the workstation, lighting, and heating. This is very similar to the EcoAct guidance, although it provides further guidance around developing surveys and obtaining the data required to calculate emissions.
- [Anthesis' Estimating Energy Consumption & GHG Emissions for Remote Workers White Paper](#) (2021) – an alternative whitepaper that provides three methodological approaches to support in collecting data and quantifying energy consumption and GHG emissions from their remote workers. The three method options include: a) no survey; b) basic survey' c) enhanced survey. Further explained in [this journal article](#).
- [Carbon Trust & Vodafone's Homeworking report](#) (2021) – provides an assessment of the impact of teleworking on carbon savings. The methodology is outlined in section 2 of the report. The methodology is largely assumption-based as opposed to using primary data from staff derived through a survey.

Other helpful reports around homeworking can be found below:

- Energise - [Working From Home Carbon Emissions](#)
- ADEC Innovations – [How to Account for Remote Work in Your GHG Inventory](#)
- VMWare – [Carbon Impact of the Future of Work: The Environmental Implications of Remote Working](#)
- University of Edinburgh – [The Carbon Impact of Homeworking](#)
- University of Exeter – [Assessing the GHG Emissions of Home Working Versus Commuting to an Office](#)
- Institute of the Environment and Sustainability at UCLA – [The Telework Transition](#)

Data Collection

The data required to calculate homeworking emissions can also be obtained through an annual staff survey. The survey questions can be designed to obtain

key primary data that can be used in the calculations (i.e., office equipment, heating energy, lighting, cooling energy etc.). It is recommended that questions for both staff travel and homeworking are combined into one single survey for ease.

Alternatively, a mixed methods approach could be used to calculate the carbon emissions impact of homeworking (i.e., combination of surveys/interviews/diaries etc.). Whilst this would provide the most accurate and comprehensive findings, this would require additional officer time and effort. Current literature does not yet utilise data beyond traditional census-like surveys to study homeworking habits¹. Furthermore, the methodologies above do not require a mixed method approach; a survey will suffice.

¹ Institute of the Environment and Sustainability at UCLA – The Telework Transition:
<https://www.ioes.ucla.edu/wp-content/uploads/2020/09/The-Telework-Transition-Karchmer-Schumann-UCLA-IOES-Corporate-Partners-Program-FINAL.pdf>

Procurement Sustainability Questions

Carbon emissions

Describe how you will reduce your carbon emissions as a result of winning this contract. You may describe how your own operations will be affected, or how delivery of the works, goods or services provided as part of this contract will be reduced compared to what they are currently. You may reference your own understanding of carbon emissions and your carbon reduction plan, any carbon lifecycle analysis you have done, and the specific actions you will undertake to reduce emissions immediately, or during the life of the contract.

Circular economy

Explain how your goods or parts provided as part of this contract will be minimised, or form part of a circulate economy. Ensure you state any compliance with environmental regulations, how you will meet or exceed these. Explain how you minimise waste and how much you intend to minimise.

Natural environment

Describe how will you reduce negative environmental impacts, and enhance biodiversity, as a result of winning this contract. You may describe how your own operations will be affected, or how delivery of the works, goods or services provided as part of this contract will be reduced compared to what they are currently.

Sustainability

Describe how will you increase sustainability as a result of winning this contract. You may describe how your own operations will be affected, or how delivery of the works, goods or services provided as part of this contract will be reduced compared to what they are currently. You may reference and certifications by third party organisations that you, or your services or products, have acquired.

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Corporate Services, Climate Change and Scrutiny Management Committee**22 April 2024**

Report of the Chief Finance Officer

Changes in Procurement Legislation**Summary**

1. The purpose of this report is to update the Committee on the upcoming changes and how they will impact procurement across the Council.
2. Prior to the UK's exit from the European Union, procurement was bound by EU Directives that governed the way public procurement was undertaken. This was detailed in 4 separate sets of Regulations (Public Contracts Regulations 2015, Utilities Contracts Regulations 2016, Defence and Security Public Contracts Regulations 2011 and the Concessions Contracts Regulations 2016).
3. Following the UK's exit from the EU, Government took the opportunity to develop and implement new procurement regimes to allow further flexibility and opportunities during the tender and procurement period. The Procurement Bill was introduced into parliament on 11 May 2022, and it will replace the Public Contracts Regulations 2015 (PCR's). This will bring significant and challenging changes to how public contracts are tendered and how they are managed.

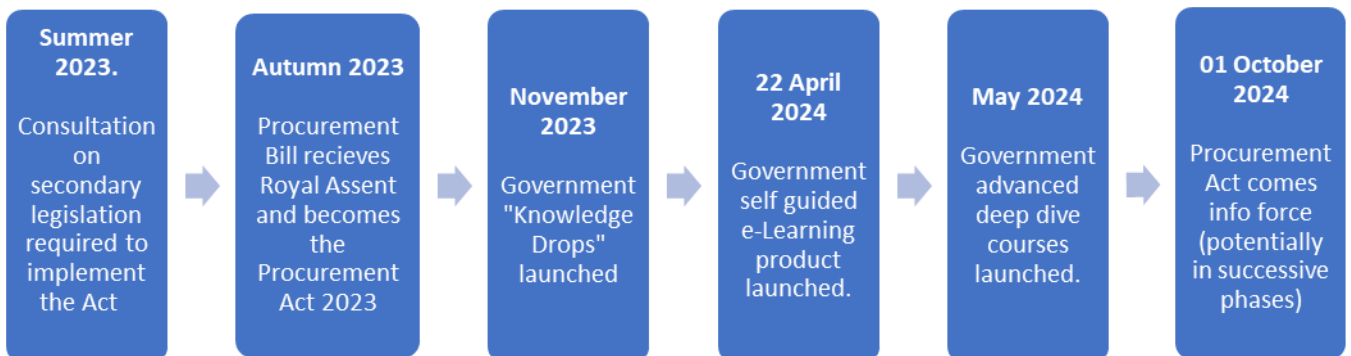
Background

4. The Procurement Act 2023 has now received Royal Assent and is expected to come into force 1 October 2024. Once implemented, the Procurement Act 2023 will replace the Public Contracts Regulations 2015, the Concessions Contracts Regulations 2016, and the Utilities Contracts Regulations 2016 to become the law that regulates procurement in England, Wales, and Northern Ireland.
5. The intention was to create a shorter, more simplified set of rules (combining the 4 sets of Regulations into 1) and offering greater flexibility in procurement governance. Some exclusions from the Act will remain, such as the contracts referred to under the Light Touch Regime, where

the full application of the legislation is not required, but at present it remains unclear which parts are relevant or not.

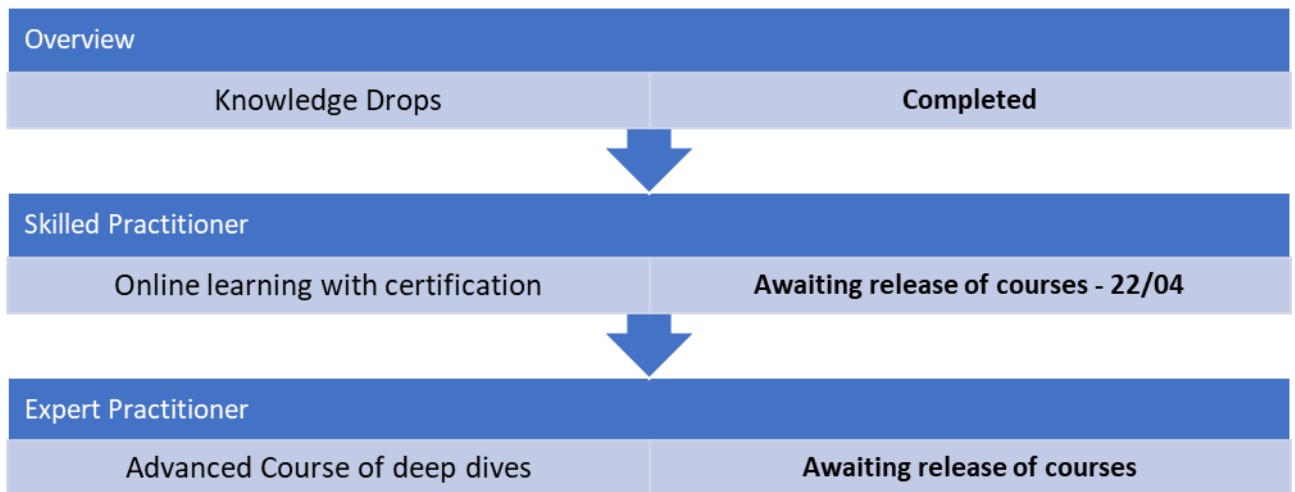
6. The Act allows for Central Government to implement secondary, supplementary legislation, and the main requirement that will sit under the Act will be the National Procurement Policy Statement (NPPS). The NPPS will set out the national strategic priorities for procurement that will need to be considered alongside any local priorities.
7. In addition to the Act, the provision of Healthcare Services is to be removed from the main Procurement regime and will be subject to their own legislation, the Health Care Services (Provider Selection Regime) Regulations 2023, referred to as PSR. These regulations came into effect on the 1 January 2024.
8. The Bill has gone through an extensive legislative process and as Royal Assent was received 26 October 2023, and implementation of the Act will officially begin on the 1 April 2024 and come in to force 1 October 2024. A Learning and Development programme taking place 6 months prior to the go live date.

Route to Implementation



Learning and Development, Upskilling the Commercial Procurement Team

9. The centrally funded Learning and Development package will be provided by Cabinet Office and is available to all councils across the UK. The packages range from an overview of the changes, through to more detailed and specific instruction on the new regime for practitioners in contracting authorities, and an intensive advanced course of ‘deep dive’ learning focussed on the behavioural and cultural changes required. Knowledge Drop sessions have already been completed by the Commercial Procurement team in advance of further Online Learning and the Deep Dive courses. The pathways available are shown below:



Intention of the Procurement Act 2023:

10. Government have set out their reasons for introducing the Bill and their vision for the future of procurement. The key themes have been captured below (note these are the Government’s terminology):

<u>Change</u>	<u>Reasoning</u>
Taking back control of public money	Currently, the UK is still adhering to the EU PCR’s 2015. This consists of four regimes for procurement. The intention for the new Act is to replace this with one single regime, which is intended to reduce administrative costs and driving up competition.

Slashing red tape and driving innovation	Removing complex administration elements with the view to creating flexibility and “simpler” rules for buyers and suppliers.
Levelling up the UK	While value for money will be the highest priority in procurement, the Act will require buyers to take account of national strategic priorities such as job creation potential, improving supplier resilience and tackling climate change. This will be driven through social value and sustainability.
Taking tougher action on underperforming suppliers	The Act will put in place a new exclusions framework that will make it easier to exclude suppliers who have underperformed on other contracts. It will also create a new ‘debarment register’, accessible to all public sector organisations, which will list companies who should be excluded from contracts.
Creating an open and transparent system	The Act will deliver a step change in transparency and openness, with notices mandated for direct awards and publication requirements extended from planning to termination, including contract performance.
Effective crisis procurement	The Act will introduce new competition processes for emergency buying, reducing the reliance on direct awards and noncompliance in the council.

Implementation

11. The Commercial Procurement Team are continuing to review and gather information and go through key criteria internally to prepare for the go live date of 1 October 2024. External training has been received to highlight key changes and to allow Commercial Procurement to build a risk profile on the risks to the council.
12. It became apparent during and after the training that whilst there will be a reduction in “red tape” for the market and for businesses, this will not be the case for the council. The changes outlined in the Act will ultimately create additional work and steps during each procurement. Consequently, the Commercial Procurement Team have identified a series of immediate changes that are currently being implemented. Additionally, work is on-going to identify what areas of the regulations will require future and further in-depth planning to allow for a successful implementation.

13. The activity being currently undertaken by the Commercial Procurement Team in preparation is as follows:
- The council's Contract Procedure Rules (CPR's) have been updated in line with the new Act. They have now been imbedded within the council's constitution following approval Audit and Governance Committee and Full Council.
 - Review and amendments to the procurement strategy.
 - The Commercial Procurement Team are assuming responsibility for social value policy and updating as necessary to link in with the new Act. Research to improve social value measures are being explored.
 - Updating of all procurement training provided at the council, bespoke training for complex departments and via MyLo.
 - Redrafting and creation of procurement documents covering all routes and options available within the Act.
 - Reviewing the council's standard Terms and Conditions.
 - There will be a new requirement to publish pipelines of future procurement opportunities (minimum 18 months – ideally 3-5 years) at the start of each financial year (as a minimum). This will be created and maintained by the Commercial Procurement Team and replace the existing forward plan.
 - Updating of all procurement web information, including the procurement toolkit and general guidance on Colin as well as the external council website.
 - Horizon Scanning – The Commercial Procurement Team will be reviewing future projects and analysing spend to ensure the council will be adhering to the new legislation.
 - Supplier and Market Awareness – A schedule will be drafted to engage with the market through events held by the Commercial Procurement Team.
 - Stakeholder and Service Area Awareness – Starting to prepare information for all staff across the council.
 - Supply Chain analysis – The Commercial Procurement Team will identify who the councils' key suppliers are so this will allow the council to feed updates through supply chains.
14. In navigating the Act, the Commercial Procurement Team will be looking at the market with which the council engages to identify where training and guidance will be required to assist its suppliers, with a heavy focus on York's supply chain and SME's. As detailed above, there will be a

further, more in-depth engagement plan when the implementation period is live, so the council is able to confidently deliver information to the market.

15. The changes are spread across the procurement regulations, and there are over 350 rules which govern the public spending, and whilst there are opportunities for the council to drive value there are also several challenges. The Commercial Procurement Team are constantly refreshing, learning, and gathering information on the Act to ensure the council is ready for implementation on 1 October 2024 and continuously review any risks associated with the Act.

Risks and Mitigations:

16. Until the implementation phase commences the Commercial Procurement Team are not able to identify all risks that apply to each regulation, and the level of risk may change from now until the 1 October 2024. However, the following high-level risks have been identified at this stage and are being managed by the Commercial Procurement Team to mitigate wherever possible and to prepare for.

RISK	PREPARATION TO MANAGE
Failure to prepare	The Commercial Procurement Team are preparing for the Act to come into force. We are highlighting and completing work now and creating forward plans to ensure a successful transition.
Transparency through notices	The Act is introducing additional mandatory notices to complete before, during and after a procurement and outside of procurements. The purpose of this is to strengthen compliance across councils. This is beneficial to the council and will drive compliance throughout. However, this does increase the risk of challenges and FOIs as any non-compliant issues will be open to greater scrutiny. To minimise this, the council will strengthen its position on compliance and maintain an open, fair and transparent system. This will have an impact on the current capacity within the Commercial Procurement Team and will bring a burden on resource available. Currently, we are working with 3 notices, and this is increasing to 12+.
Transparency across the board	Increased transparency across any purchasing or procurement activity has been included within the Act, covering the full procurement lifecycle (planning, procurement, contract implementation and management, and

	<p>finalisation / expiry). This increased transparency aims to:</p> <ul style="list-style-type: none"> - Ensure integrity in public procurement. - Ensure effective competition. - Provides opportunities for collaboration. - Prevent fraud. - Captures data on the whole life of public contracts from spend through to performance, modification and termination. - Make it easier to access data to improve procurement decisions on routes to market. <p>Whilst this is extremely positive, it will put additional pressure on service areas across the council to comply with the procurement legislation. Additional training will be given by the Commercial Procurement Team. However, there will need to be a renewed and increased focus on compliance.</p>
Capacity for the new Bill	<p>The implementation and application of the new Act will impact on capacity across the council and will involve more time-consuming procurement processes and contract management. This will affect both the Commercial Procurement Team and potentially Contract Managers who procure services, goods and works. The capacity to deliver successfully under the new regime will need on-going review, before, during and after the implementation period.</p>
Data Systems	<p>A review of the procurement systems and data reporting systems is underway to ensure it will be capable of delivering both efficiently and the new transparency requirements. This review will highlight where any constraints exist and allow planning to improve where needed.</p>
Exemptions within the Healthcare Services	<p>The new Provider Selection Regime (PSR) which will be a new set of rules specifically relating to the procurement of healthcare, Public Health services and are separate from the Procurement Act 2023. The PSR has three different provider selection processes to award contracts for health care and Public Health services, these are: 1. direct award, 2. most suitable provider process and 3. competitive process. Whilst this can be seen as beneficial in terms of speeding up a process, it also brings the risk to the council of the justification, rationale for the provider selection process selected, and the associated risks include not being able to evidence value for money, fully assessing the market of providers, invite and consider innovation/new ways of service</p>

	<p>delivery, openness, fairness, transparency, or savings for the council. The council will need to develop strategic policies and a suite of templates to assess and record the decision route selected that evidence why a provider selection process was chosen to comply with the PSR and make informed decisions and maintain audit trails and relevant approvals.</p>
<p>Contract Management</p>	<p>Contract Management at the council has been identified as an area which requires improvement.</p> <p>In the Act, more detailed and onerous provisions have been included regarding contract management and performance, with the aim of improving contract management practice across the public sector.</p> <p>From 1 October 2024, there will be a requirement to publish contract change notices and a redacted copy of the modified contract. For contracts over £5m, details of 3 KPI's are to be published. During the term of the contract, there is an expectation that these KPIs are monitored and recorded, and the performance information is published annually via a new Contract Performance notice.</p> <p>New mandatory Contract Termination notices are to be introduced. These are required for all contracts irrespective of whether the contract has expired naturally, or it has been terminated early. Where a supplier has breached contract, and this has resulted in termination of the contract, the award of damages or a settlement between the supplier and contracting authority must be included in this notice. Contract Managers will need to correctly manage and oversee their contracts and complete mandatory notices to show contract management is taking place across the council.</p>
<p>Supplier feedback</p>	<p>In the new Act, <i>assessment summaries (rather than feedback)</i> are to be provided to each supplier along with a full copy of the successful supplier's assessment summary. Whilst this removes the requirement for the Council to produce the characteristics and relative advantages of the winning bidder, this will now be left for the unsuccessful bidder to determine themselves. This will require detailed and concise <i>assessment summaries</i> to be produced to limit the number of potential complaints / challenges that could be</p>

	<p>received as a result.</p> <p>Once the <i>assessment summaries</i> have been issued, a new mandatory Contract Award Notice is required for publication, and this notice will now be what triggers the commencement of the standstill period (not the issuing of the letters as is currently the practice). In addition, the standstill period has been altered from 10 calendar days to 8 working days.</p> <p>Whilst this is a good tool to help improve businesses in the bidding process, it will require all service areas within the council to adhere to and complete the relevant documentation from the Commercial Procurement Team.</p>
<p>Conflict of Interest Assessment</p>	<p>This has always been an integral part of the procurement process, but the new Act seeks to strengthen this requirement. The Council will be required to demonstrate all reasonable steps have been taken to identify and manage <u>actual</u>, <u>potential</u>, and <u>perceived</u> conflicts of interest through all stages of the process.</p> <p>A conflict-of-interest assessment will need to be prepared and revised throughout the procurement and management of the contract and will be a responsibility of every individual involved in the procurement to highlight actual, potential, and perceived conflicts. This includes individuals involved in defining the requirement, drafting specification, undertaking evaluations, granting approvals etc, including political members and external consultants.</p> <p>Where it is determined that a supplier is at an advantage and this cannot be resolved, the supplier must be excluded from the procurement process.</p>
<p>Procurement Review Unit (PRU)</p>	<p>The key role of the PRU is to oversee a contracting authority's compliance with the Act and seeks to realise the benefits of the legislation.</p> <p>They will:</p> <ul style="list-style-type: none"> - Investigate where there are suggestions of non-compliance. - Investigate suppliers to add onto the debarment list. - Investigate poor procurement practice (i.e., poor payment practice).

	<p>Following investigation, the PRU may issue improvement plans for implementation.</p> <p>This means, as noted above within compliance and transparency, the council must adhere to the procurement legislation and any breaches made by service areas across the council, must be dealt with appropriately.</p>
Resource within the Commercial Procurement team	<p>At present, the Commercial Procurement team is not fully resourced. With the new Act, there are risks associated with capacity levels due to the additional work, processes, notices, collating performance data, compliance requirements and implementation. A review must be in place to assess whether additional posts need to be created for the Commercial Procurement Team to deliver the best legislative requirements and outcomes for the council. A fully resourced Commercial Procurement team will be able to drive efficiency and identify savings for the council. Improved, effective procurement strategies would be developed to ensure the council achieves value for money whilst meeting all council priorities and all legislation. Strengthening the council's position on compliance, openness and transparency.</p>

Overview of spend at the council:

17. Currently, the council has over 550 published contracts in place across all portfolios, although this figure changes daily due to the number of procurements becoming live and expiring, and purchase order commissions. This shows the level of detail and investigation that will take place by the Commercial Procurement Team to ensure that future procurements comply with the Act. The spend allocated is as follows:

Year	Criteria	Spend
2022/23	Businesses with a YO postcode	£ 17,278,989
2022/23	Businesses in Yorkshire and Humberside	£ 135,142,585
2022/23	Businesses with less than 10 employees	£ 1,858,771

Year	Criteria	Spend
2022/23	Third Party – Micro	£ 17,435,416
2022/23	Third Party – Small	£ 57,098,609
2022/23	Third Party – Medium	£ 51,094,122
2022/23	Third Party – Large	£ 103,255,365

Communication

18. Whilst the Commercial Procurement Team are working on the internal implementation plan and taking the required steps for readiness, communication is essential to all council staff and external suppliers and markets. This will be achieved in the following ways:

Internal communication:

- Statement via Ian Floyd all staff COMMS email. *This has been issued.*
- Statement via COMMS to all CYC Managers. *This has been issued.*
- Internal web pages updated with information and presentation attached. *This has been issued.*
- Agenda item on Leading Together. Due to present in May.
- Agenda item on CMT & DMT sessions. On-going.
- Information sharing in meetings consisting of all levels of staff. Ongoing.
- Invitations for 1 on 1 training, group training and service area training. On-going.

External Communication:

19. External communication has already started and will continue to be monitored and updated. To date, the actions completed are:
- Email to over 1000 suppliers to the council
 - External website has been updated with information and appropriate links to Government guidance
 - Statement in the weekly business newsletter
 - Statement on the council's social media page, LinkedIn
 - Supplier and Market Awareness – A schedule will be drafted to engage with the market through events held by the Commercial Procurement Team – **This is not yet live**

Social Value in Procurement and Opportunity for Improvement

20. Delivering Social Value is a key priority for the council and procurement is one of the key tools in achieving this. Social Value can include factors such as sustainability, job creation, fair labour practises, support of local economy, diversity and inclusion, community engagement, charity work and employment and skills.

21. Many council contracts already include Social Value, and the above measures are delivered in projects such as:
- Housing Delivery Programme
 - York Station Gateway
 - Guildhall
 - Capital projects
 - Healthwatch
 - Reablement and Rapid Response Services and;
 - Public Realm and Fleet.
22. These examples include requirements for the use of York's local supply chain for any subcontracting work; work placements for college students; reducing carbon footprints; sustainable materials and resourcing; creation of apprenticeship opportunities; and engagement with communities.
23. The new Act continues to recognise the importance of procurement in delivering social value in procurements. An opportunity of further improvement can be found with the new Act to maximise Social Value the council delivers. With the flexibilities and changes being made, there are opportunities to use procurement differently and meet the demands of policies and priorities. Whilst the council maintains a good record of Social Value, there is no tool or system in place to monitor this. To achieve maximum benefit, options of purchasing a system to observe Social Value credits should be considered so that we can increase the council's vision and drive priorities through the council's expenditure.

Contract Management Improvement

24. The Act will also provide the council with greater scope to improve the way contracts are managed. The new requirements focusing on Contract Management will ensure we adhere to legislation and meet our requirements as a contracting authority.
25. The Commercial Procurement Team have previously identified an area requiring improvement within the council is effective Contract Management. As detailed above in section 13 risks and mitigations, the Act places new demands and requirements on how Contract Management should be effectively conducted, monitored, and documented.

26. For procurements budgeted over £5M, data will be published into the public domain to demonstrate that the council is managing the contract appropriately and dealing with poor performance. Adhering to those demands will push the council to upskill staff where required, drive efficiencies throughout the contract, ensure the council is receiving a quality service for the residents of York, and is able to evidence value for money.

Conclusion

27. The Procurement Act 2023 represents a major change in regulatory environment within which the council undertakes all procurement activity. To ensure and enable a smooth transition the Commercial Procurement Team have developed and continue to update delivery plans and strategies to minimise risks and ensure the council is ready for the implementation of the Act. This approach will ensure the council is prepared and ready for when the Procurement Act 2023 comes into force in October 2024, and realise the opportunities it will provide in improving the services, social outcomes, and value for money for the residents of York.

Consultation

28. As set out in paragraphs 18 and 19 of this report there is a fully developed communication plan in place to ensure all suppliers and internal impacted officers are engaged in the implications of the changes resulting from the new Act.

Council Plan

29. The council's response to the changes in the Act are focused on how the Act can be best applied to deliver the priorities in the Council Plan. As noted, there are specific opportunities associated with Social Value that are set out in this report.

Implications

30. **Financial** - There is a significant amount of additional work required to implement the new legislation, both for the procurement team and for officers across the Council who are managing contracts. There has been no additional funding from Government to support this work. It is therefore expected that the work needed to implement the changes will be contained within existing budgets.

31. **Human Resources (HR)** – It is considered that there are no implications.
32. **Equalities** – It is considered that there are no implications.
33. **Legal** – Legal have been fully involved in interpreting the implications of the new legislation, which are set out in the report.
34. **Crime and Disorder** – It is considered that there are no implications.
35. **Information Technology (IT)** – Adhering to the Act, may require implementation of new procurement systems as noted above in the report.
36. **Property** – It is considered that there are no implications.

Risk Management

37. As set out in this report, the Commercial Procurement Team have undertaken significant actions to mitigate the risks associated with implementing the new Act. Principle amongst there are:
 - Attended Government training sessions and briefings
 - Fully understood the legislation and assessed the implications
 - Implementation plan has been created and put in place
 - Communication plan has been created to inform all effected parties of the upcoming changes and what they are required to do

This means the council is well prepared to successfully implement and comply with the new Act.

Recommendations

38. Members are asked to note the contents of the report.

Reason: To update the Committee on procurement activity

Contact Details

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Debbie Mitchell
Chief Finance Officer

Report Approved

Date 10 April 2024

Specialist Implications Officer(s)

Not applicable

Wards Affected:

All

For further information please contact the author of the report

Background Papers:

None

Annexes

None

Abbreviations

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Scrutiny Work Plan

Meeting Date	Committee	Agenda Item
22/04/24	CSMC	<ul style="list-style-type: none"> • Climate Change – Carbon Accounting, York Climate Fund and Local Energy Plans • Procurement
23/04/24	HHASC	<ul style="list-style-type: none"> • NHS Health Checks • Weight Management Pathway and Obesity • Vaping • Homelessness Resettlement Pathway
25/04/24	EPAT	<ul style="list-style-type: none"> • Digital ResPark • Parking Enforcement • Dial and Ride Task and Finish Group
07/05/24	CCC	<ul style="list-style-type: none"> • Work Planning
13/05/24	CSMC	<ul style="list-style-type: none"> • Ten Year Strategies • Council Motions • Petitions Schedule

The Forward Plan can be found [here](#).

Committees

CSMC	Corporate Services, Climate Change and Scrutiny Management Committee
EPAT	Economy, Place, Access and Transport Scrutiny Committee
HHASC	Health, Housing and Adult Social Care Scrutiny Committee
CCC	Children, Culture and Communities Scrutiny Committee

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