

CORPORATE GOVERNANCE COMMITTEE – 27 JANUARY 2023**QUESTIONS ASKED BY AN ELECTED MEMBER UNDER
STANDING ORDER 7****Question asked by Mr Max Hunt CC**

- “1. All companies bidding for Central Government contracts worth more than £5million a year must commit to achieving Net Zero emissions by 2050 but Leicestershire County Council has no (Scope 3) requirements of that nature. What commitments on, or even recording of, carbon emissions have been requested of bidders to the recent Residual Waste Contract?
2. What proportionate requirements to meet Net Zero Carbon can be added to our current Qualitative Sustainability Criteria for procurement and would they be enforceable?
3. How can we strengthen our current Supplier Code of Conduct to encourage reporting of Carbon and other Green House Gas (GHG) emissions?
4. Where we have existing contracts, what can be done to collect data on their GHG Emissions?”

Reply by the Chairman

- “1. The (non-mandatory) guidance released by central government to incorporate a commitment to achieving Net Zero emissions by 2050 was issued after the Council started the Residual Waste Contract procurement.

The Residual Waste Contract does, however, have a specific requirement in relation to future reporting of performance indicators relating to environmental factors which can be amended at any time to include reporting on national obligations such as Carbon Dioxide emissions. The Contractor is required to support and use all reasonable endeavours in providing such information, if requested.

The Contractor must also perform the Contract in accordance with the Council's environmental strategy and there is specific reference in the contract to the Council's declaration of a climate emergency with the Contractor required to support the Council with this in relation to the waste managed under the contract.

2. We are currently working on a set of proposals which will be reported to Corporate Governance Committee setting out how the Council can incorporate Net Zero considerations into its procurement activity more effectively. The criteria would be enforceable, providing they could be administered consistently. Some of the challenges in adding to the criteria in procurement include:
 - Not all companies are currently required to report emissions. SMEs are less likely to have reported and audit information.
 - For companies who do report data, quality can be variable; for example, scope 3 emissions require some assessment of the emissions associated with supply chains. This is difficult to calculate and even harder to allocate to a specific contract or assimilate into the bidding process.
 - There could be a conflict with other objectives. For example, smaller local operators may not be the most carbon efficient operators because they do not have the resource to appoint specialist expertise and implement initiatives to drive down their carbon emissions.
3. The Supplier Code of Conduct was refreshed this year to include an expectation of all of the Council's suppliers to be aware of how their activity can contribute to the Net Zero Strategy and the Net Zero target. The supplier code of conduct was designed to lay out the legal requirements the Council expects suppliers to meet and is fit for purpose for all suppliers. As it is not a legal requirement for all organisations to report on carbon and GHG emissions, it is not appropriate to include this as a mandatory requirement at this stage. We are exploring other ways through the procurement process, supplier set up or supplier questionnaires to capture this data.
4. In February it is planned to issue a questionnaire to all of the Council's current providers which will enable data collection on the supply chain and its maturity in recording and reporting GHG emissions."