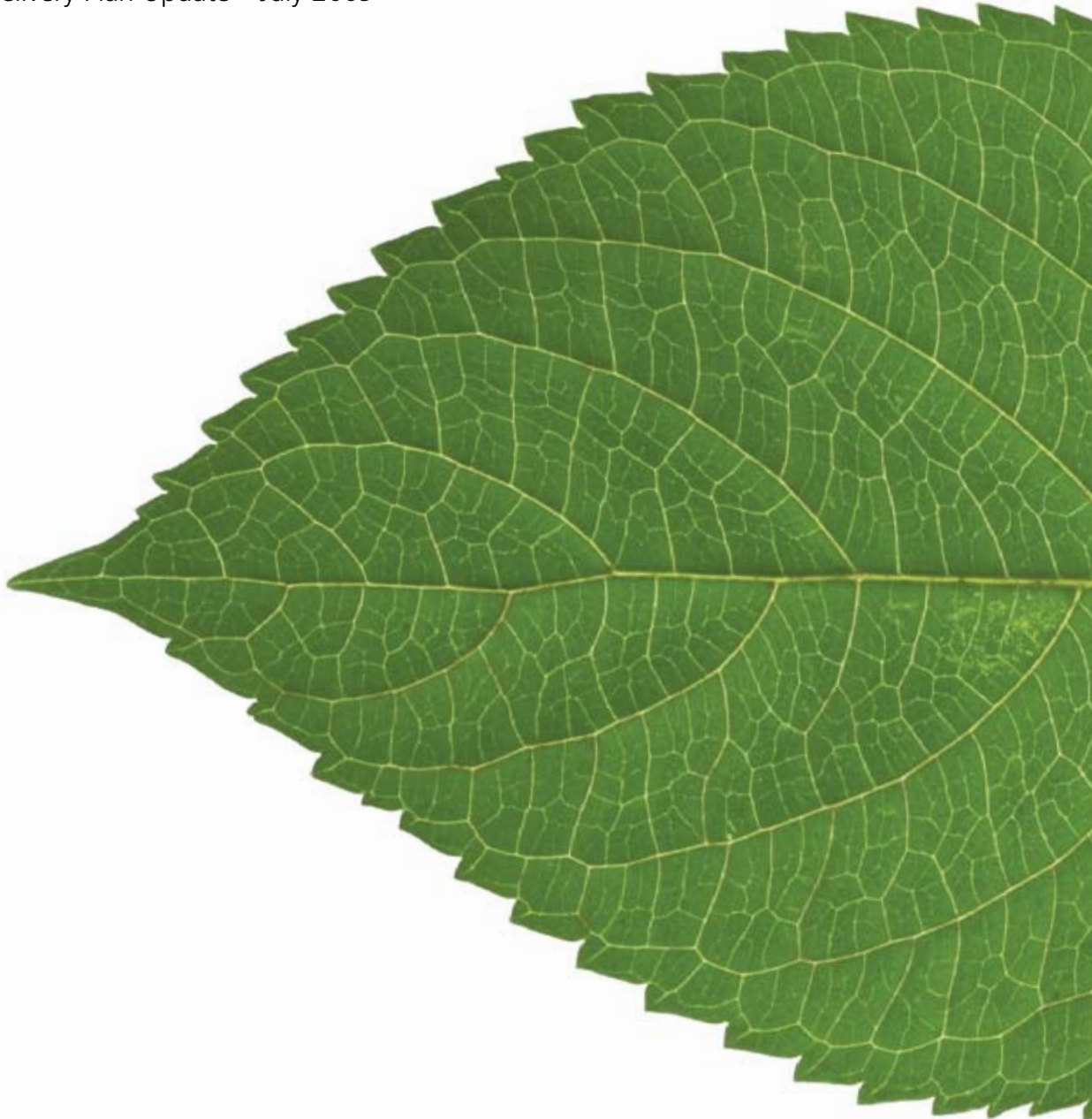
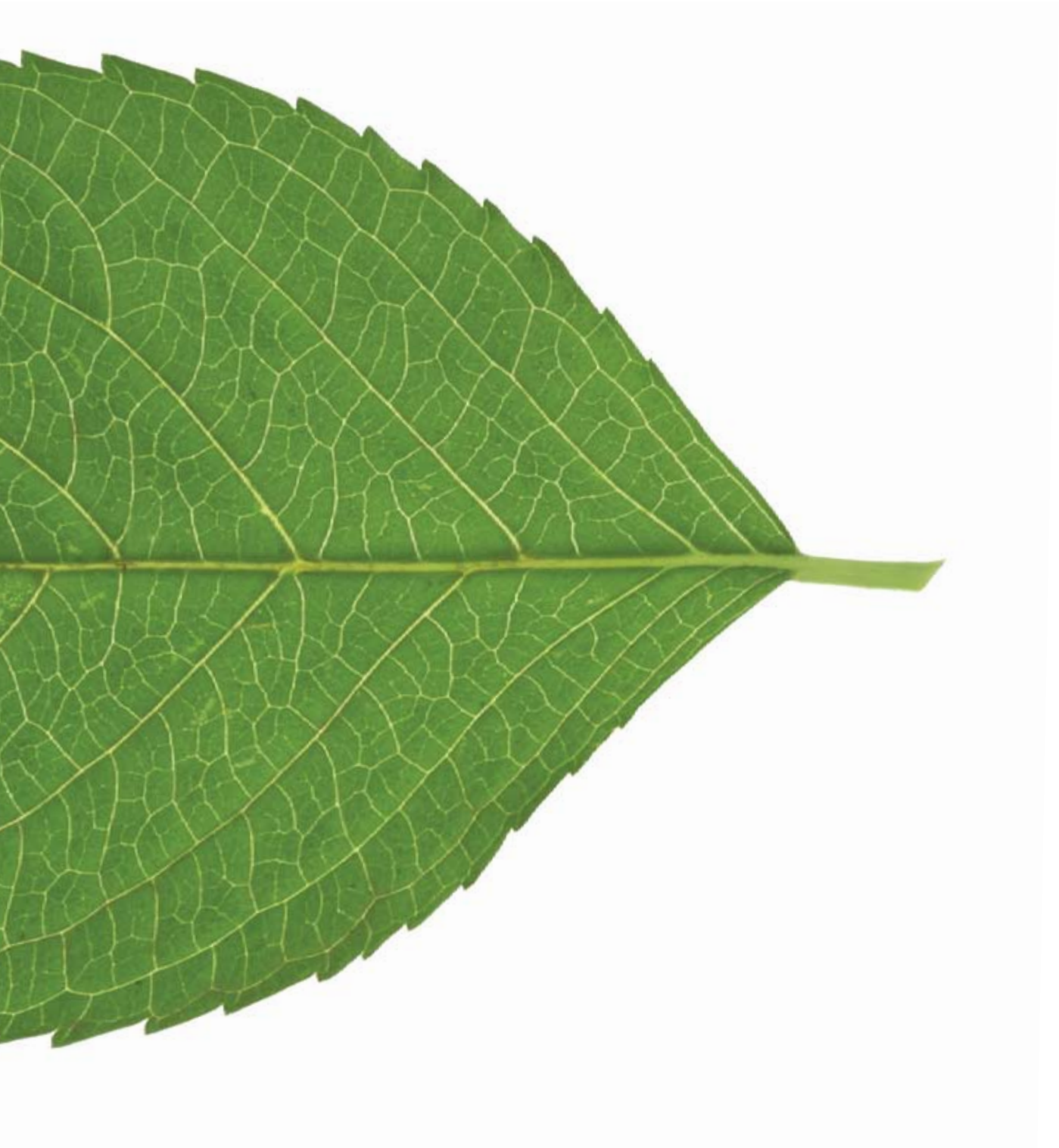


Sustainable Procurement and Operations on the Government Estate



Government Delivery Plan Update – July 2009





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Practitioners

Throughout the document you will find 'tabbed boxes' (like this one) containing material that is especially relevant to you and your department. These should give you a good idea of:

- Upcoming changes to performance reporting.
- The support that is available to your department (e.g. research, guidance, funding).
- What other departments are doing to improve their sustainability performance (explored through some more detailed case studies).

Sustainable Procurement and Operations on the Government Estate: Government's *Delivery Plan* and *Delivery Plan Updates*.

In August 2008, the government published a *Delivery Plan* that brought together, for the first time, all of government's commitments to achieve sustainability across its estate, procurement function and operations. It also set out the actions that central government plans to take to ensure these commitments are met. This document is the second *Update* on progress towards delivering that plan.

The Centre of Expertise in Sustainable Procurement (CESP) was established in March 2008 to help the UK Government become one of the European Union (EU) leaders in sustainable procurement by 2009, and to achieve its targets for sustainable operations on the government estate by 2010/11. CESP is committed to reporting progress against the *Delivery Plan* in six-monthly updates. These Updates report on activities that have taken place across government over the previous period and key priorities in the next.

The August 2008 *Delivery Plan*, and the December 2008 *Update* can both be downloaded from www.ogc.gov.uk/cesp



Government's Chief Sustainability Officer's Summary

I am delighted to present Government's second *Delivery Plan Update* for Sustainable Procurement and Operations on the Government Estate. The UK Government is committed to becoming a leader in the delivery of sustainable operations and procurement, and in the last Update (published in December 2008) we saw real progress being made towards the meeting of that goal; with performance improvements across all of government's key targets for Sustainable Operations on the Government Estate (SOGE).

Central government departments have plans that will enable the UK Government collectively to exceed its 2010/11 targets for carbon emissions from offices and road vehicles, waste arisings, recycling, carbon emissions from offices and water consumption.

New performance data from departments will be included in the next Update (due to be published in December 2009). At that time, forward plans and trajectories will also be revised.

The current Update focuses on two main priority areas for improvement:

- Carbon emissions and the energy efficiency of government offices; and
- Sustainable procurement.

These priorities reflect the themes that emerged from two key reports published on government performance over the past six months: the Sustainable Development Commission's (SDC) *Sustainable Development in Government*, and the National Audit Office's (NAO) *Addressing the environmental impacts of government procurement*. Government's priorities also align with the key issues raised at the recent Environmental Audit Committee hearing. Government welcomes the SDC's and NAO's recommendations and, for those that aren't addressed in the main body of the *Delivery Plan Update*, specific responses have been set out in Annex A.

A number of critical initiatives will help deliver a large part of the improvement needed for government to meet its key SOGE targets, and the Office of Government Commerce's (OGC) CESP will be regularly reviewing milestones with departments to ensure these initiatives are delivered along with the forecast environmental benefits.

Improvements in energy efficiency will be brought about by a range of measures. These include: reducing the government estate's footprint to achieve private sector benchmarks for staff space occupancy; purchasing new buildings in the top quartile of energy performance; ensuring all new builds and major refurbishments meet BREEAM excellent and very good certification standards respectively; and improving the

energy efficiency of the existing estate through measures such as retrofitting them with energy saving equipment. Compliance with government's 'mandated mechanisms' (such as BREEAM certification) has been low. OGC has now completed a study into the causes of low compliance and is working with departments to address those causes and to ensure full compliance in the future.

The recent SDC and NAO reports indicate the need for government to take further action on sustainable procurement. Foundations have already been laid for priority work in 2009/10; in particular for building a shared vision and outcome measures, and developing a more consistent and collaborative approach to supplier engagement across central government departments.

This work will build on the progress achieved since the last Update. For instance, strong progress towards sustainable procurement continues to be made at government's 'collaborative procurement category board' level, as sustainability objectives are embedded in the procurement of ICT, Fleet, Energy, Professional Services, Office Solutions and Travel – now increasingly procured on the basis of single pan-government strategies. On supplier engagement, three government departments have now successfully completed pilots with the Carbon Disclosure Project to determine the carbon footprints of their key suppliers, and this initiative is now being extended to 12 central government departments; encompassing 300 key suppliers to government.

In addition, OGC has work underway with central government departments and the SDC to promote the development of the skills and knowledge needed to deliver this agenda, and to embed sustainability within the procurement, estates, policy and programme and project management professions.

Government departments have made good progress in the past year against current targets; but we recognise the need to ensure that the overall target framework represents leading practice in the longer term. Over the coming months, the Department for the Environment, Food and Rural Affairs (Defra) will be consulting across Whitehall on proposals for government's future sustainable procurement and operations targets. New forward targets, that will enable the UK to remain a leader in sustainable procurement and operations, will be announced before the end of this calendar year.



William Jordan
Chief Sustainability and Operating Officer
Office of Government Commerce

Section 1.

Progress Towards the 2010/11 Targets

Summary of government's 2007/08 sustainability performance¹

Area of Focus	Government's Key Commitments
Environmental Impact of Central Government's Estate and Operations	To reduce carbon emissions from road vehicles used in government's administrative operations by 15% by 2010/11 relative to 2005/06 baseline
	To reduce waste arisings by 5% by 2010 relative to 2004/05 baseline
	To increase recycling to 40% of waste arisings by 2010
	To reduce carbon emissions from offices by 12.5% by 2010/11 relative to 1999/00 levels
	To reduce water consumption by 25% on office and non-office estate by 2020, relative to 2004/05 levels
Compliance With Mandated Environmental Management 'Mechanisms'	Departments to work towards an accredited certified environmental management system (EMS) i.e. ISO 14001 or EMAS
	Departments to adopt the Carbon Trust's Carbon Management Programme
	The application of BRE's Environmental Assessment Method (BREEAM) 'Excellent Standard', or equivalent, to all new builds and major refurbishments
Sustainable Procurement	All departments to conduct sustainability appraisals of office relocations
	Permanent Secretaries are accountable for their department's overall progress in achieving the Sustainable Procurement Action Plan (SPAP) commitments
	Key staff in departments have sustainable procurement performance objectives and incentives linked to performance objectives for delivering efficiency savings
	Departmental use of the 'Flexible Framework' self assessment tool for sustainable procurement
	'Buy Sustainable – Quick Wins' minimum product standards included in relevant government contracts

- Key** ■ 'No progress or poor progress' – where no progress or only slight progress (in the SDC's judgement) has been made.
- 'Some progress' – which recognises that some progress has been made, but not sufficient to be on track to meet the target (in the SDC's judgement).
- 'Good progress' – which is defined as being on track to hit the target.

¹Source: SDC December 2008 data web-publication (<http://www.sd-commission.org.uk/sdig2008/>)

Progress at March 2008 (First published in December 2008)	Forecast	Government Action
10.3% reduction relative to 2005/06 baseline	20.9%	<p>Interested in the plans government has put in place to improve the sustainability of its estate?</p> <p>See section 2 (pages 12-24)</p>
28.8% reduction relative to 2004/05 baseline	37.6%	
35% of waste recycled	67.8%	
Reduction of 6.3% relative to 1999/00 levels	16.9%	
Reduction of 17.8% relative to 2004/05 levels	26.7%	
12 of 21 departments (54.7%) have an accredited EMS	No Forecast	<p>The 'mandated mechanisms' are designed to support the achievement of a more sustainable government estate. Want to find out how government plans to improve compliance with these?</p> <p>See section 2 (page 23)</p>
11 out of 21 departments reported good coverage of their estate, with 4 further departments reporting reasonable coverage	No Forecast	
Only 42% of departmental projects achieved the required BREEAM standard (up from 8% last year)	No Forecast	
47 of the 62 (76%) office relocations reported to have a sustainability appraisal	No Forecast	
All departments confirmed SPAP objectives have been set for Permanent Secretaries	No Forecast	<p>Interested in government's plans to procure more sustainably and meet its sustainable procurement commitments?</p> <p>See section 3 (pages 25-31)</p>
Only 5 of 21 departments reported staff have SPAP/SOGE objectives	No Forecast	
19 departments using Flexible Framework (16 achieved at least level 1 in all 5 areas)	No Forecast	
15 out of 21 departments confirmed use of standards	No Forecast	

Government's 2008/09 performance will be published in the December 2009 *Delivery Plan Update*. For further details on the sustainability of the government estate, please download the *State of the Estate* report (published June 2009) from www.ogc.gov.uk

Data Collection and Reporting

Future Changes and Improvements to Performance Reporting

From the beginning of 2009, the OGC has taken responsibility for collecting departmental performance data. This role was previously carried out by the SDC, and reported in their 'Sustainable Development in Government' (SDiG) report. The data will now be published on an annual basis in the December *Delivery Plan Updates* and the annual *State of the Estate* report. This has the benefit of giving the UK Government closer access to the data it generates, which will assist with managing performance improvement.



Further improvements to performance reporting are also taking place to enable better monitoring and management of performance, and to further raise the profile of sustainable development across central government. These include:

'Accounting for sustainability'

OGC is working with the 'Sustainability Working Group' led by HM Treasury to explore how departments can report sustainability performance in their annual report and accounts, and to ensure that any new process is as closely aligned as possible with existing SDiG and SOGE reporting.

Move to quarterly data reporting

As part of its commitment to improving the quality and timeliness of sustainable operations performance data, the OGC has modified its e-PIMS database² to enable departments to report quarterly on SOGE data at both an individual property basis and/or at organisation level. Over the previous six months the system has been trialled by Department for Work and Pensions (DWP), Her Majesty's Treasury (HMT) and the Office of National Statistics (ONS). Quarterly reporting is now being rolled out to all remaining departments in a phased approach through 2009. (See table on page 9 for the detailed roll-out schedule.)

OGC will initially be measuring departmental progress and monitoring data quality as quarterly reporting is rolled out. As this is extended across Government, quarterly reporting will result in the collection of more timely and accurate data; enabling departments and the OGC to understand the cause and effects of initiatives implemented, and also identify the 'big win' initiatives. OGC is also looking to develop a performance dashboard which will enable senior management to assess performance 'at a glance', identify circumstances affecting performance, measure progress against targets and assist in scenario planning.

continued...

²e-PIMS is the 'electronic Property Information Mapping Service' operated by the OGC to record information about all the properties central government bodies own, use, control, occupy or plan to occupy.

Data Collection and Reporting *continued.*

Wave	Departments	Consultation	First data entry
1 (Pilot)	Department for Work and Pensions Her Majesty's Treasury Office of National Statistics	January–March	April–June
2	Department for Culture, Media and Sport (DCMS) Her Majesty's Revenue and Customs (HMRC) Home Office (HO) Law Officers' Department (LOD) Department for International Development (DfID) Cabinet Office (CO)	April–June	July– September
3	Department for Business, Innovation and Skills (BIS) Communities and Local Government (CLG) Department for Children, Schools and Families (DCSF) Department for Transport (DfT) Export Credits Guarantee Department (ECGD) Foreign and Commonwealth Office (FCO) Food Standards Agency (FSA) Ministry of Defence (MOD) Department of Health (DH) Department for Environment, Food and Rural Affairs (Defra) Ministry of Justice (MoJ)	July–September	October– December

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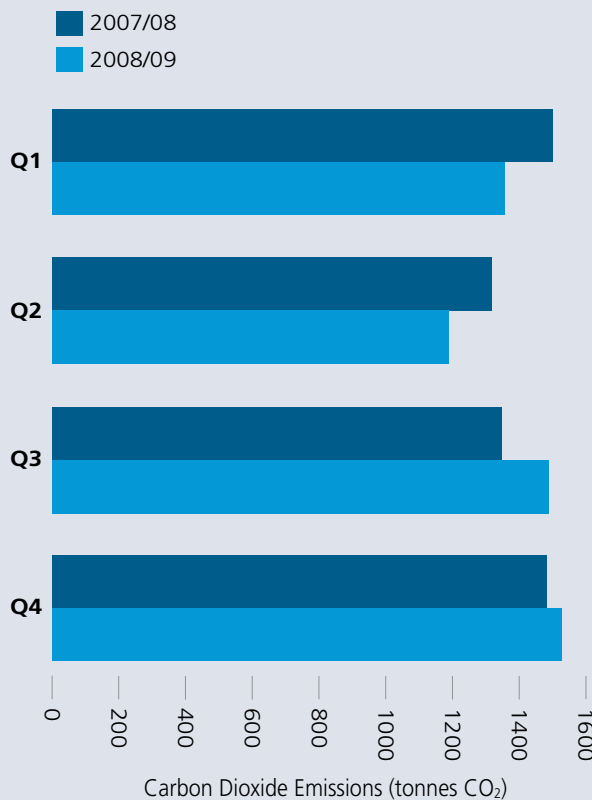
Data Collection and Reporting *continued.*

Example of Quarterly Data Reporting: HM Treasury

As part of the pilot, HM Treasury uploaded their quarterly data onto e-PIMS. Figure 1 displays 2008/09 performance against that of the previous year. Although overall carbon dioxide emissions fell by 2% in 2008/09 compared with 2007/08, recording the data quarterly has enabled the department to identify the key factors affecting performance. The fall in Quarter 1 and 2 is attributed to OGC vacating Trevelyan House

and moving into 1 Horse Guards Road (1 HGR), thereby reducing the overall size of the estate. During the latter half of 2008/09, economic circumstances resulted in the increased occupancy and far more intensive use of the estate particularly 1 HGR increasing overall energy consumption. In addition, Quarter 4 of 2008/09 saw particularly low temperatures, requiring additional heating.

Figure 1.



OGC moved from Trevelyan House into 1HGR in September 2007, reducing HMT's CO₂ emissions in **Quarter 1 and 2** of 2008/09.

The economic downturn and preparations for the G20 Summit resulted in increased occupancy of the estate in **Quarter 3 and 4** of 2008/09.

1 HGR saw an increase in energy consumption from the Whitehall District Heating System in **Quarter 4** of 2008/09, compared with 2007/08 due to a colder winter, which the Met Office describes as the coldest since 1995/96.

Note: This data has not been weather corrected

continued...

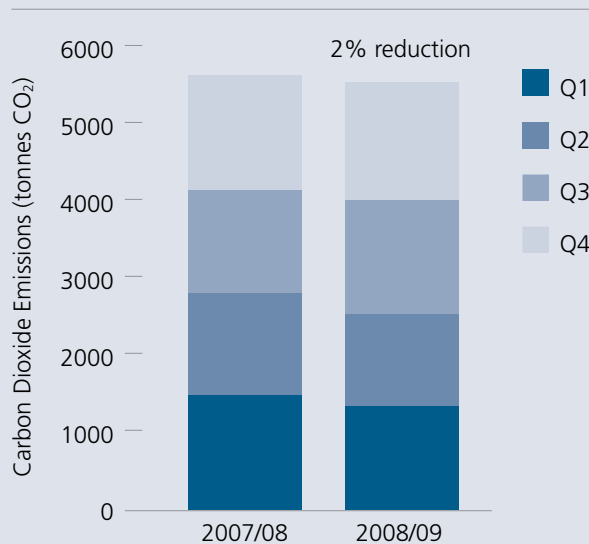
Data Collection and Reporting *continued.*



Recording data on a quarterly basis has enabled HM Treasury to identify easily the causes which have led to the rise of emissions in Quarter 3 and 4. Understanding these causes will enable the department to develop plans to mitigate such circumstances should they arise again in the future. Despite these exceptional circumstances, estate rationalisation and the implementation of Carbon Trust recommendations in November 2008 has ensured carbon dioxide emissions have fallen overall. In recognition of its continued reduction in carbon emissions, HM Treasury's 1 HGR building was awarded the Carbon Trust Standard this year.

HM Treasury is already exceeding the 12.5% reduction in carbon emissions from offices required by the 2010/11 target and is taking steps to further improve where possible.

Figure 2.



Note: This data has not been weather corrected

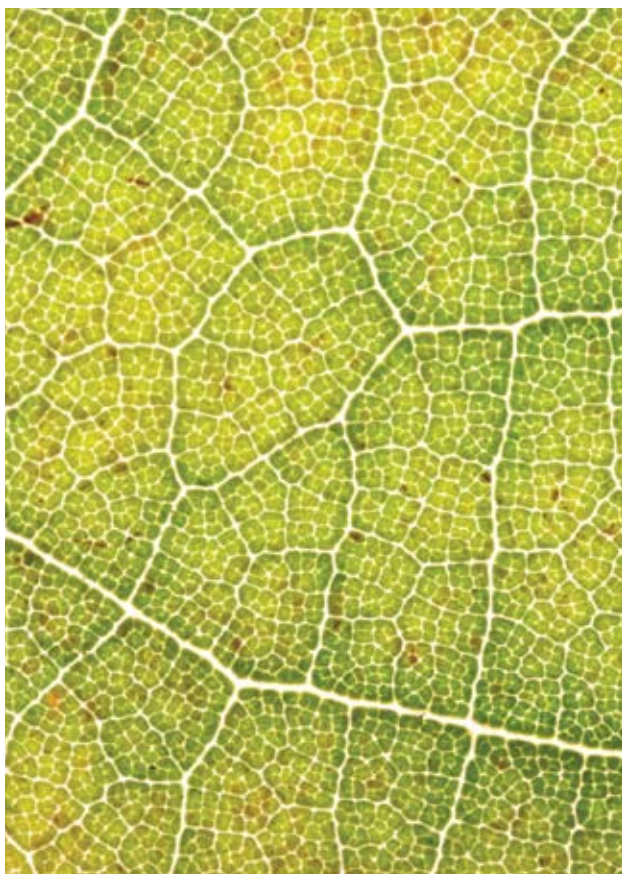
Section 2. Sustainable Operations on the Government Estate

The government has made good progress towards meeting its SOGE targets³ over the last year. The latest performance data, published by the SDC in December 2008, shows that government is on track to meet all of the five key targets, except the 12.5% reduction in carbon emissions from offices by 2010/11. However, government is currently forecast to meet this target, subject to the successful implementation of departmental plans as set out in the August 2008 *Delivery Plan*, (see section 2.1 in this Update for more details).

In addition to the SOGE targets for reducing carbon dioxide emissions, waste arisings and water consumption, and improving recycling rates, the Government is committed to increasing the energy efficiency of its estate. The energy efficiency of the government estate is measured and monitored through:

- Energy efficiency per m² and Display Energy Certificates (DECs) for the existing estate; and
- Energy Performance Certificates (EPCs) for new acquisitions, and BREEAM standard for new build.

Data corresponding to these indicators was published by the SDC in December 2008 and in the government's *State of the Estate* report on 1 June 2009, and the overall picture shows that there is still considerable scope for improvement by government in the energy efficiency of its buildings.



Government Focus for 2009/10:

Based on its assessment of 2007/08 performance, the government's top two priorities for sustainable operations on its estate in 2009/10 are: (1) Ensuring that departmental initiatives are implemented and that they deliver the necessary reduction in carbon emissions from offices (see section 2.1); and (2) reducing carbon emissions from offices and improving the energy efficiency of its buildings through:

1. Reducing the size of the government estate's footprint by moving to private sector benchmarks for space occupancy by staff (see the *State of the Estate* report)
2. Procuring buildings that fall into the top quartile of energy efficiency performance, and ensuring that all new builds and major refurbishments meet BREEAM excellent and very good certification standards (see section 2.2)
3. Improving the energy efficiency of buildings that government continues to occupy for the long or medium term. This can be achieved for example, by retrofitting those buildings with energy saving equipment (see section 2.3)

2.1 Top Departmental Initiatives for Government Delivery of SOGE targets

The Government's success against its five main SOGE targets is heavily dependent on the delivery of a limited set of initiatives by large government departments. Just four or five initiatives account for between 86% and 89% of the necessary reductions in CO₂ from vehicles, waste and water. To meet the CO₂ from offices target, government relies on 10 departmental initiatives to make 78% of the reduction. The pie charts that follow show the relative contributions of departmental initiatives for four of the main target areas. These are accompanied by a short description of what each initiative entails.

From April 2009, the OGC has been developing a risk management programme; targeting priority initiatives that are key to government meeting its SOGE targets. The first step was to identify the departmental initiatives government relies on to meet and go beyond the 2010/11 thresholds for four key target areas (reducing carbon dioxide emissions from offices and vehicles, as well as waste arisings and water

consumption); and subsequently to hold a senior level meeting for departments to share the risks associated with their implementation and develop appropriate support mechanisms.

One of the top risks to delivering the forecast 16.9% reduction in carbon emissions from offices comes from DWP, which is currently being affected by the recession due to the department's pivotal role in the employment market. This includes expanded opening hours and potentially increasing staff numbers to support people back into employment. OGC and DWP are working together to manage this risk, and an update on DWP's performance will be published in the December *Delivery Plan Update* (when all departmental trajectories will be updated).

Despite the temporary difficulties that DWP is facing in this area, government is still forecast to meet the target 12.5% reduction in carbon emissions from offices by 2010/11.



Carbon emissions from offices

Target: 12.5% reduction by 2010/11

Forecast: 16.9% reduction by 2010/11

Government’s overall performance towards the target reduction of carbon emissions from offices is heavily dependent on a handful of departmental initiatives. Ten initiatives account for over three quarters of the forecast reductions, and nearly a quarter of the total reductions forecast come from a single MOD programme on its top 220 sites. Other MOD initiatives account for a further 16% of government’s total forecast reductions, and selected DWP, MoJ and HMRC initiatives account for 39%.

However, DWP’s increased activity in assisting unemployed people back into work (as highlighted on page 13) may make maintaining such progress increasingly difficult.



Departments

Brief description of initiative

MOD (22%)



Implement Recommendations from Energy Audits on Top 220 Sites: MOD is auditing its 220 most energy consuming sites, to an agreed methodology, and is implementing the recommendations to reduce energy consumption across the estate.

DWP (15%)



Energy Efficiency: Telereal Trillium (DWP’s workspace provider) has continued to roll out the RISE initiative (Relaunched Initiative for Saving Energy), building upon the successful pilot models in 300 priority sites accounting for 75% of DWP energy consumption. The RISE package includes regular maintenance of plant for operational efficiency and the continued and repeated checking and re-setting of heating/cooling and lighting timers. Daylight cleaning has also been introduced where possible along with the installation of spend to save devices.

MOD (10%)



Carbon Trust Standard: MOD’s aim is for all its main management areas (Top Level Budgets) to hold Carbon Trust Standard accreditation by March 2010. This will help MOD improve its energy management and reduce its emissions.

MoJ (6%)



Kit installation: A composite group of 44 separate initiatives – biggest contributors include the installation of voltage optimisation equipment, and lighting, heating and cooling controls.

HMRC (6%)



Implement Carbon Management Programme: HMRC are working with the Carbon Trust to develop a carbon management programme. Surveys of the top 20 energy consuming buildings will begin in Autumn 2009. The costed recommendations resulting from this process will be developed into a delivery plan, and roll out will commence as soon as feasible.

MoJ (5%)



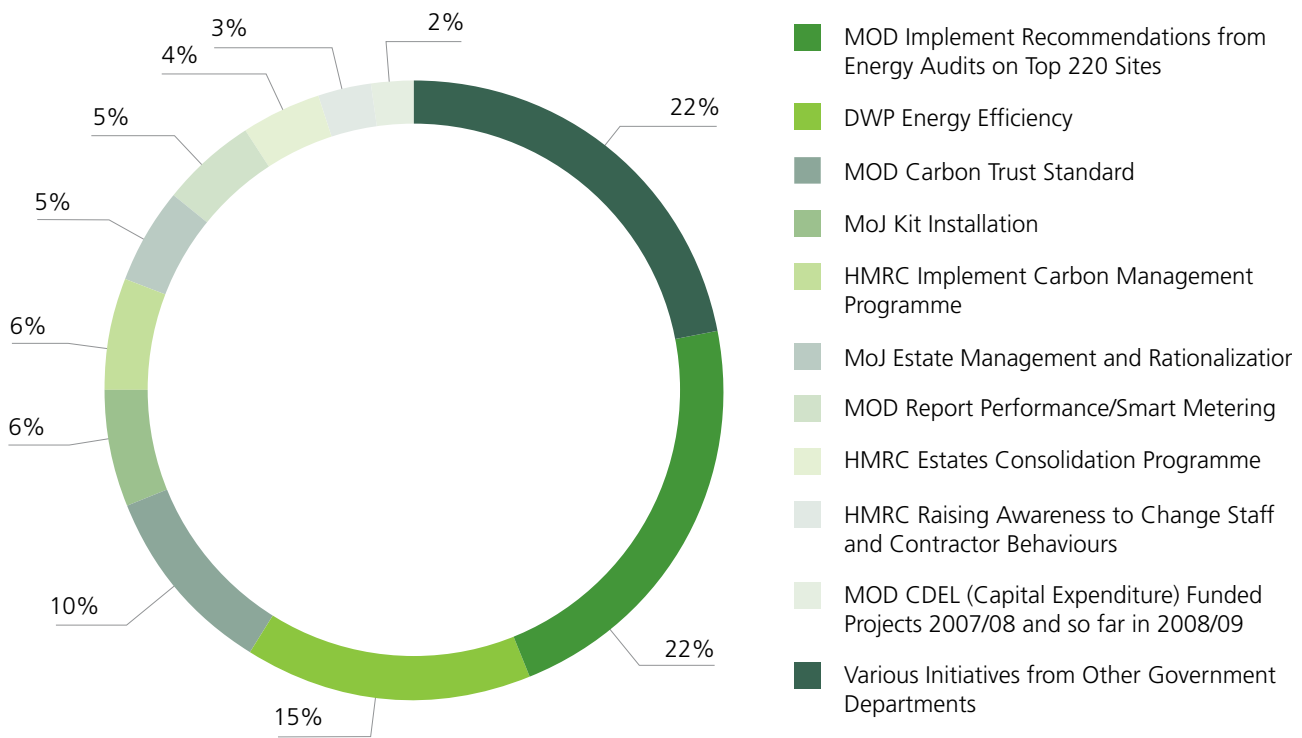
Estate Management and Rationalisation: A composite group of 44 separate initiatives, with 11 disposals contributing the greatest reduction.

MOD (5%)



Report Performance/Smart Metering: MOD is rolling out half hourly Smart Meters to measure electricity and natural gas use by September 2009. These will enable more accurate information to be recorded on the MOD’s top energy using sites allowing better management of energy use.

Figure 3. Top 10 Initiatives as Percentage of Total Planned CO₂ Emission Reductions from Offices



Departments	Brief description of initiative
HMRC (4%)	Estates Consolidation Programme: The HMRC Estates Consolidation Programme will reduce accommodation running costs by a quarter, office space by a third and the number of offices by half. Current projections are cumulative savings of £231million by March 2012. By then HMRC will have reduced its estate by over 500,000m ² .
HMRC (3%)	Raising Awareness to Change Staff and Contractor Behaviours: HMRC are raising awareness amongst staff in three key ways: (1) Top level leadership. The agenda has high profile, with senior managers having sustainability related performance objectives. (2) Restructuring of local resources now means that Senior Responsible Managers for every building have greater responsibility for the environmental impact of their operations, and through associated cost savings, a financial incentive to improve. (3) Green Volunteering. The first week of June 2009 was HMRC's Environment Week. Guidance was produced to support 'green volunteers' in taking forward locally driven improvements and a number of programmes were launched including implementation of measures to power down computer base stations, the development of a Carbon Management Plan for buildings and roll out of a comprehensive recycling strategy across the Department.
MOD (2%)	CDEL (Capital Expenditure) Funded Projects 2007/08 and so far in 2008/09: MOD has sought to identify suitable projects where energy savings can be made. These projects may then apply to a central MOD fund specifically for capital expenditure on energy efficiency measures.

Case Study

Home Office: Carbon Reduction Initiatives

The Home Office and its agencies held a Carbon Week in March 2009 to highlight what it is doing as a department to address its carbon footprint, and to look at what individuals can do to reduce energy use. This included a combination of news features on the Home Office intranet, regional news stories and other activities under the slogan "You've got the power...switch it off!"

With the support of Sir David Normington, the Home Office's Permanent Secretary, staff were:

- Reminded to turn off all computers, printers and lights when not in use, and in particular before going home for the weekend.
- Provided with free home energy saving advice from the Energy Savings Trust (Headquarters staff only).
- Given a link to the 'Act on CO₂' calculator to enable them to calculate their own carbon footprint and receive a personalised action plan with recommendations about how they can help to tackle climate change at home.

The carbon week culminated in a switch off campaign. Energy consumption over the weekend was measured across 21 sites and compared to previous weeks. The data showed that 4,639 kWh less electricity was used compared with the previous weekend, amounting to a 2% reduction in emissions (2,491 kg CO₂).

The Home Office is currently piloting a carbon viewer in its London headquarters, in collaboration with the Institution of Mechanical Engineers (IMechE). A second viewer is planned for Lunar House: an immigration office in Croydon. The viewer provides a continuously updated measure of carbon emissions by digitally reading the combined electrical, gas and water consumption. Readings are converted into equivalent carbon-dioxide-per-second emissions and the results are displayed on a television screen. Early staff feedback suggests this

could be a highly effective way of raising awareness on carbon use and the role staff can play in reducing it.

The Home Office is also working with the Carbon Trust on a year-long carbon management project. This involves collaboration with energy and environmental consultants Briar Associates, to identify and tackle the problem of energy waste, and with facilities management suppliers Amey, Interserve and EcovertFM, who have all appointed energy specialists to take forward improvement activity.

For more information, please contact the Sustainable Development team:
(SustainabilityEnquiries@HomeOffice.gsi.gov.uk)



Carbon emissions from vehicles

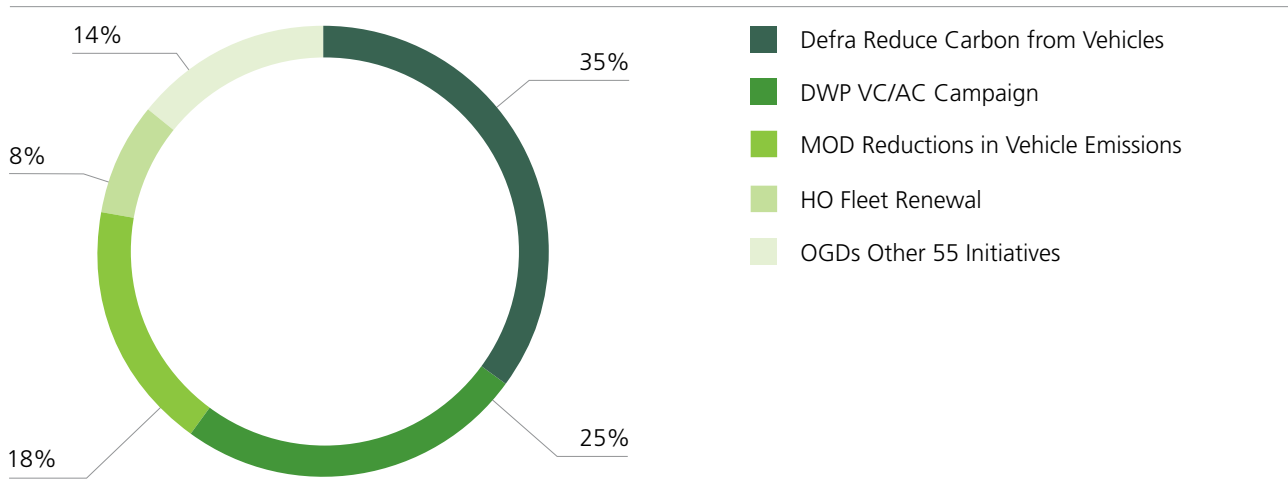
Target: 15% reduction by 2010/11

Forecast: 20.9% reduction by 2010/11

Four of the current initiatives account for 86% of the total forecast reductions in carbon emissions from vehicles, with half of the forecast total reductions coming from just two of these initiatives.

This is in part due to the fact that a number of departments have already made strong progress towards meeting or exceeding the 2010/11 target and now plan to maintain this performance.

Figure 4. Top 4 Initiatives as a Percentage of Total Planned CO₂ Emission Reductions from Vehicles



Departments	Brief description of initiative
Defra (35%)	Reduce Carbon from Vehicles: Defra is implementing a rolling vehicle replacement plan on its Private Use Scheme of 223 vehicles, procuring only vehicles with the highest industry emissions standards and working towards a new fleet emissions average of 130g/km by 2010. It has also implemented processes for reporting more accurate management information to identify Grey Fleet vehicle usage and is actively engaging with remote or mobile working through the implementation of a Green information and computer technology transformation programme. This programme includes the initiative of Portable Video Conferencing as a mechanism of reducing the travel requirement.
DWP (25%)	VC/AC Campaign: Following improvements in the video-conference booking system, campaigns were launched in September 2008 across the DWP group to raise awareness of video and audio-conferencing as alternatives to business travel. These messages are promoted on a quarterly basis. In 2008/09 the use of audio-conferencing trebled.
MOD (18%)	Reduction in Vehicle Emissions: MOD is working in partnership with VT Land to introduce less polluting cars to reduce emissions and ensure achievement of the average 130g/km target for new cars in the fleet for 2010/11. MOD's main management areas are taking responsibility for managing their fleets and justifying procurement of vehicles with emissions over 130g/km. VT have brokered a deal with Toyota for the provision of a limited number of Prius hybrids at no additional cost to MOD.
HO (8%)	Fleet Renewal: Home Office has a fleet of approx 500 cars, all held via three year lease agreements. Around 170 cars are replaced each year. The department is committed to procuring only vehicles in the highest industry emissions standard, currently Euro 4. As industry standards improve, the department will continue to procure best rated vehicles, generating continuous fleet improvements.

Waste arisings

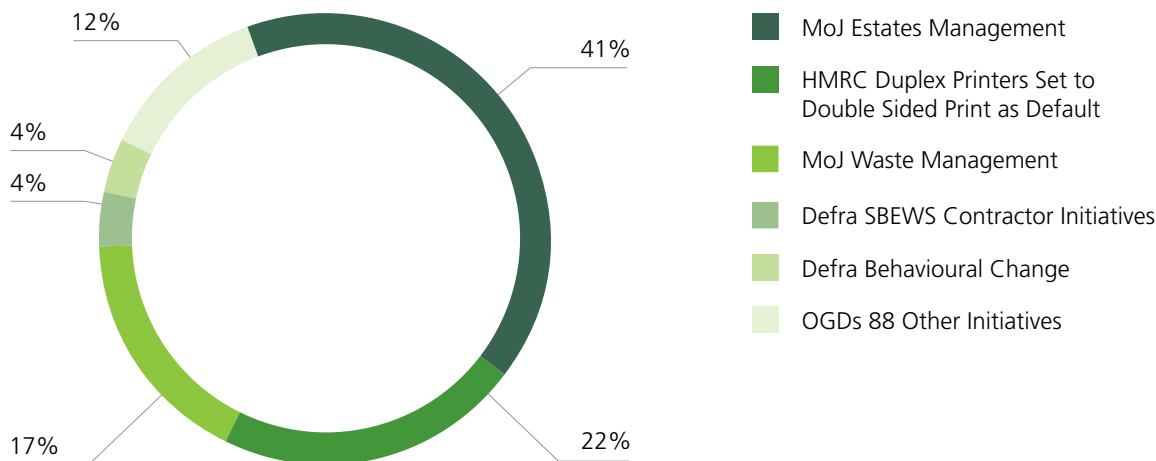
Target: 5% reduction by 2010

Forecast: 37.6% reduction by 2010

Just two initiatives (one each from MoJ and HMRC) account for over 60% of total forecast reductions in waste arisings. Five initiatives account for 88% of total reductions, with a further 88 initiatives providing the final 12%.

MOD had previously been excluded from the pan-government forecasts of performance for waste reduction, as it had still to establish a baseline. This work has now been completed and forecasts published from December 2009 onwards will include MOD data.

Figure 5. Top 5 Initiatives as a Percentage of Total Planned Waste Reduction



Departments

Brief description of initiative

MoJ (41%)



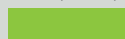
Estates Management: This initiative covers two main activities - the closure of 11 offices (4 MoJ and 7 Land Registry), and the mandated use of duplex printing (double sided) in the Court Service.

HMRC (22%)



Duplex Printers Set to Double Sided Print as Default: a programme of printer replacement to reduce paper consumption and waste is to be developed.

MoJ (17%)



Waste Management: The phasing out of bottled water provision in meeting rooms across the Court Service estate, and its replacement with tap water.

Defra (4%)



SBEWS (Sustainable Built Environment Workplace Support) Contractor Initiatives: The SBEWS contract commenced on 1 April 2009. The Sustainable Workplace Management (SWM) contractor is undertaking a comprehensive waste survey and has plans to improve measurement and reporting. The contractor is also reviewing current waste contracts to identify any opportunities for driving out better value for money.

Defra (4%)



Behavioural Change: The SWM contractor has developed a plan for generating better behaviours around waste creation and disposal, starting with Chief Executive buy-in to give the necessary leadership. The pilot will commence shortly, followed by a roll-out across the estate. Defra are exploring options to incentivise behaviour change.

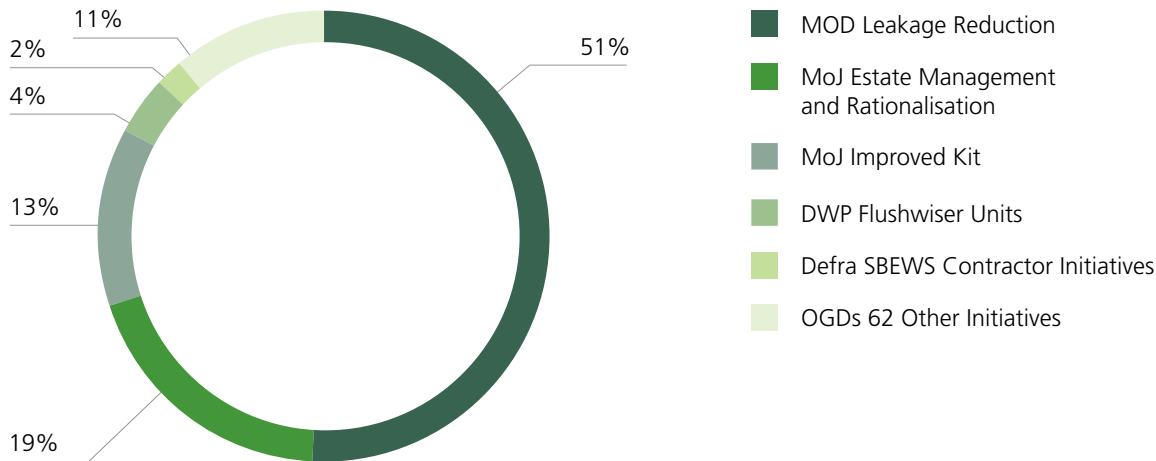
Water

Target: 25% reduction by 2020

Forecast: 26.7% reduction by 2010/11

MOD's programme to reduce water leaks accounts for just over 50% of total forecast reductions in water consumption, and two further initiatives (both MoJ) account for a further 32%.

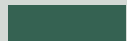
Figure 6. Top 5 Initiatives as a Percentage of Total Planned Water Reduction



Departments

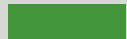
Brief description of initiative

MOD (51%)



Leakage Reduction: Project Aquatrine covers approximately 85% of the MOD estate in Great Britain. The Aquatrine Service Providers continue to work to reduce leakage from the 2004/05 baseline by over 20%. In 2008 they installed water efficient technologies such as water displacement devices (hippos) in water cisterns, push taps and aerated shower heads at approximately 20 high consuming sites in England. Prior to the installation 13 of the sites were using nearly 300,000m³ but early indications from them suggest approximately 88,000m³ will be saved at these sites in the first year. Additionally the Aquatrine Service Provider for South West England, Midlands and Wales has embarked on an alternative measurement study at 10 key sites. By fitting additional meters a greater understanding will be achieved of water usage patterns that will be used to encourage improved business practices to reduce consumption further.

MoJ (19%)



Estate Management and Rationalisation: This initiative covers one main activity – the closure of 11 offices (4 MoJ and 7 Land Registry), but also includes the trial of rainwater harvesting at two sites.

MoJ (13%)



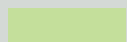
Improved Kit: The reductions under this initiative heading come from the installation of equipment to 1) reduce flush quantity (i.e. Hippos / dual flush); 2) reduce water flow from basin taps (ie tap aerators, timed flow taps, PIR controlled taps); and 3) restrict water flow.

DWP (4%)



Flushwiser Units: A rollout programme is planned for a new device – ‘flushwiser’ – currently undergoing trials to establish the optimum setting. This small device is easy to fit in to existing cisterns and effectively replaces some of the water in the cistern with air, whilst maintaining the flush force. The flushwiser device can save between 1 and 4 litres per flush and has the potential to deliver approximately 10% water saving across the estate.

Defra (2%)



SBEWS Contractor Initiatives: The SBEWS contract commenced on 1 April 2009. The contractor has undertaken a comprehensive water survey of washrooms, collated the information, and drawn up a range of solutions, such as waterless urinals, which are now being implemented across the estate.

2.2 Improving the Energy Efficiency of the New Estate

Procuring Buildings in the Top Quartile of Energy Performance

What is Government's 'Top Quartile Commitment'?

The commitment to procure buildings in the 'top quartile' of energy performance was originally announced in the Energy Efficiency Action Plan 2004. With the introduction of Energy Performance Certificates (EPCs) this year under the Energy Performance of Buildings Directive, government can now define the 'top quartile'.

CLG has calculated that the top quartile level for 2009 is 64 (a mid C). It will calculate the new top quartile level for use during 2010 later this year and OGC will communicate it to departments. As the market moves to provide more energy efficient buildings, the level of the top quartile commitment can be expected to rise. Guidance on the scope of the top quartile commitment is available on the OGC website.

Not all buildings procured in 2008 had an EPC rating, as EPCs were phased in throughout 2008 and most buildings did not require an EPC at the time of the procurement. EPCs are now required for all buildings when sold, leased or constructed, but those buildings procured before an EPC was required will not now have one until they change ownership.

Government procured 42 buildings during 2008, nine of which required EPCs at the time. Of these, six exceeded the level of the top quartile commitment (one with an EPC rated A, four rated B, and one rated C) and three fell below it (with EPCs rated C, D and E). As the top quartile level for 2008 was not known at the time of these procurements, departments could not specify buildings meeting it. However, those departments which did procure buildings with EPCs greater than 64 have explained the reason for these acquisitions as reported in the *State of the Estate* report for 2009. Departments will be expected to provide similar reports on compliance with the commitment in each year's *State of the Estate* report.

Building to BREEAM 'Excellent' and 'Very Good' Certification Standards

The top quartile commitment is not the only environmental consideration which should be taken into account when planning new builds or major refurbishments. Departments and executive agencies are also required to ensure their plans support the SOGE targets and comply with the underlying 'mandated mechanisms'. These include the achievement of BREEAM 'excellent' and 'very good' ratings for new build and major refurbishment projects. The BREEAM criteria include energy efficiency as well as a range of other environmental and social issues. Departments and executive agencies should check that their projects will meet the required BREEAM level as well as the top quartile level in place at the time.



2.3 Improving the Energy Efficiency of the Existing Estate

Current Performance: Display Energy Certificates (DECs)

What are Display Energy Certificates?

From October 2008, buildings with a total useful floor area of over 1000m² that are occupied by a public authority and/or by institutions providing a public service to a large number of persons (and therefore visited by those persons) must display their DEC Operational Rating in a prominent place clearly visible to the public.

DECs provide critical information to improving government's energy performance. Figure 7 shows central government performance in relation to DEC ratings as at January – March 2009; when this data was collected.

While there are some examples of excellent performance (42% of operational ratings exceed the benchmark for that category of building), 58% of buildings that required and met the compliance deadline for DECs fell below the benchmark of 100.

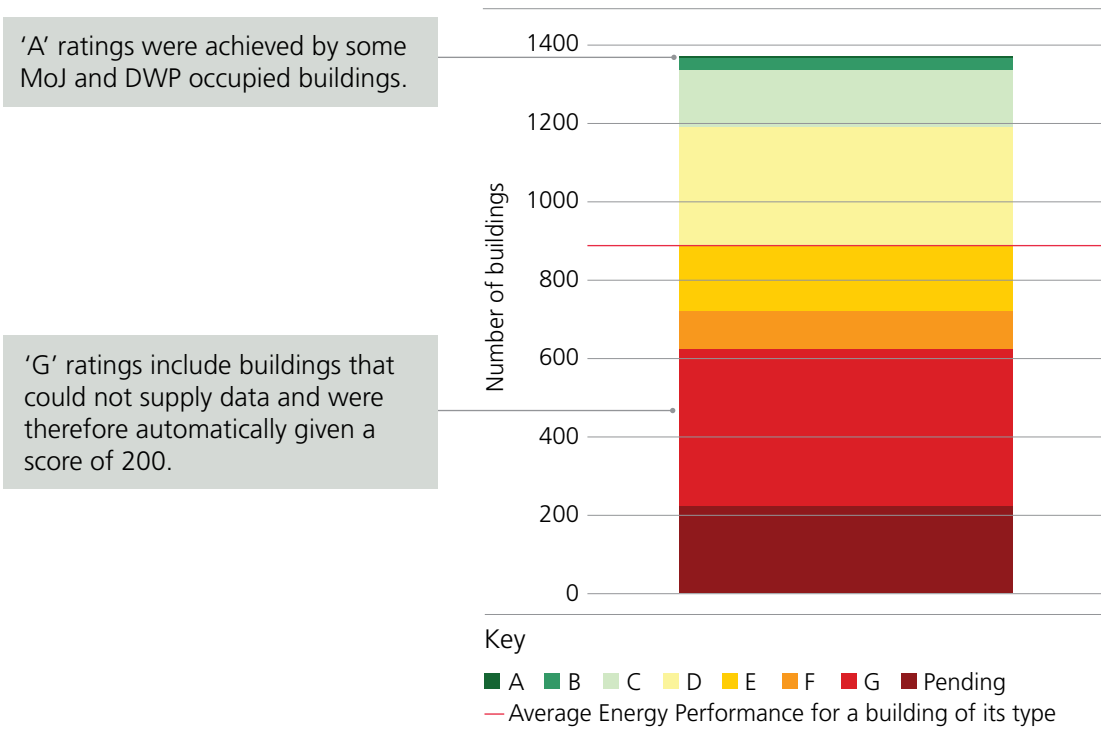
Actions for Improvement: Potential for a Retrofit Programme

The current level of performance is not what government would hope from its estate, and improving DEC ratings is one of the top priorities of focus for 2009/10. Central government has already allocated resources to this priority area; announcing an additional £65m in assistance for public sector energy saving projects in the 2009 Budget, and kick-starting a scoping study to determine the feasibility of a central government 'retrofit programme'. Further details on these two areas of support to central government departments can be found in the 'Research, Guidance and Funding' tabbed box later in this section.

For an illustrative example of the comprehensive departmental action already planned and underway to improve DEC ratings, see the case study provided by the Department of Energy and Climate Change that follows.

From Summer 2009, full details of departments' building-level DEC ratings will be available on the OGC website.

Figure 7. Pan-Government DEC Ratings by Percentage



Data reported in government's *State of the Estate* report – published June 2009

Case Study

Department of Energy and Climate Change: Action to Improve DEC Rating

On 3 October 2008, the Department of Energy and Climate Change (DECC) was formed and took up residence in its London Headquarters (HQ) at 3 Whitehall Place. Ministers and staff were concerned by the poor energy performance of the building, which received an overall DEC rating of 'G'. The energy efficiency of DECC's HQ is limited by the fact that it is a Grade II Listed Heritage Building; its age and design makes it inherently difficult to match the energy efficiency standards of modern buildings. But DECC's situation is true of many of Britain's domestic, private and municipal buildings, and the department hopes to demonstrate that it is possible to have low carbon emissions and be energy efficient in an older building with planning restrictions.

DECC is considering a number of measures to reduce its carbon emissions and improve its overall sustainability. These include:

- Upgrading its lighting to use less energy and produce less heat.
- Introducing additional motion and daylight sensors.
- Reducing the number of hours the air conditioning is in operation.
- Upgrading the heating system to one based on Combined Heat and Power.

Many of these changes relate to more intelligent use of the Building Management System, and will not be visible to staff or visitors. However, these measures should result in a reduction of up to 10% reduction of the building's CO₂ emissions by the end of the 2009/10 financial year. In April 2009 DECC contracted a new facilities management supplier and the contract was negotiated with sustainability in mind. This makes it much easier to implement the many changes DECC would like to make to its estate, and ensures the process is properly project-managed.

Alongside these behind-the-scenes changes, DECC is also implementing more visible measures including a series of 'Act on CO₂' campaigns, starting with a drive to encourage staff to use the stairs rather than lifts. There are also plans to install Real Time Displays on all floors, and to designate carbon champions to help measure, monitor and progressively reduce consumption of energy and water. Behavioural change will be critical to this.

Micro-generation and renewable technologies are also being investigated by DECC but they have limited space in their headquarters for new plant. There will therefore be a trade-off between the effectiveness of the generation option (and the corresponding payback period), and the benefits in terms of stimulating the micro-generation and renewable technologies markets, and leading by example.

Leading by example on climate change is critical to the UK Government's ability to be able influence others. DECC faces a number of challenges in this regard, but aims to make real progress under difficult circumstances, and therefore be an inspiration to and demonstration site for others.

For more information, please contact DECC's 'Greening Team': greening@decc.gsi.gov.uk

Research, Guidance and Funding

Support for Departments in Improving the Sustainability of their Estate

Research: Barriers to Uptake of 'Mandated Mechanisms'

Government recognises that central government departments are not performing well enough against the mechanisms and processes (mandated centrally) to ensure operations are sustainable. OGC has now completed a study into how departmental performance can be improved on these 'mandated mechanisms' and research has identified a number of common barriers to departmental compliance including:

- Uncertainty over the scope of these mandates and how to account for any reasonable exemptions, for example site constraints or value for money.
- Limited opportunities for sharing information and best practice on how to implement the mandates efficiently and effectively.

OGC is working with departments to resolve these issues through actions which include:

- Establishing a cross-departmental collaborative group on carbon management to share lessons learnt and work towards achieving the Carbon Trust Standard.
- Working with the Building Research Establishment (BRE) to support departments in meeting their commitments on BREEAM certification for new builds and major refurbishments.
- Developing departmental guidance on undertaking a sustainability appraisal, building on existing good practice such as the MOD's bespoke methodology.

Public Sector Energy Efficiency Loans (Announced in Budget 2009)

The Budget 2009 announced an additional £65m in assistance for the public sector to invest in energy saving projects, of which £54.5m is available in England through Salix Finance. The scheme will be delivered through Salix Finance and provide loans to pay for the installation of a wide range of energy efficiency measures in public buildings. This will support the public sector in making further progress towards reducing their energy bills and carbon emissions.



continued...

Research, Guidance and Funding *continued.***Scoping Study: Central Government Retrofit Programme**

OGC is working with key departments to assess the potential for piloting a cross-government programme to retrofit energy efficiency measures in a range of existing buildings. This work aims to identify clusters of potential sites, evaluate the solutions that could deliver the best carbon reductions and improved energy efficiency, and assess the costs and financing models.

Solutions could include: improving the thermal performance of the building envelope; reducing energy use for lighting, heating, cooling, ventilation and equipment; fuel switching and on-site energy generation, and passive measures such as natural day-lighting, shading and natural ventilation.

We will provide an update of progress on this work in the next [Delivery Plan Update](#).

Guidance: 'Top Quartile' Commitment

Following consultation with departments, OGC (working with DECC and CLG) has published guidance explaining the scope of the commitment and setting out the top quartile level which must be met for buildings acquired during 2009 (an EPC rating of 64 or better).

Guidance published June 2009.

Guidance: Carbon Reduction Commitment

As a visible demonstration of government leadership, all departments, regardless of their size, will be required to participate in the new Carbon Reduction Commitment scheme when it starts in 2010/11. There are a range of issues specific to government (e.g. machinery of government baseline changes) which need to be resolved to ensure best practice implementation by departments. OGC is working with DECC, as the lead policy department, and the Environment Agency, as the regulatory authority, to develop practical support for departments and executive agencies on complying with the scheme's requirements and integrating reporting with existing management information on the SOGE targets, to minimise the reporting burden on departments.

Guidance in development; due for completion by the Summer.

Pilot Project: Green Memoranda

The Civil Estate comprises approximately 9,177 holdings, of which approximately 3,900 are leased, and these represent a significant opportunity to improve government's environmental performance. There is a need to develop a model that can be applied to existing leases (where negotiating power with landlords may be limited), as well as a different "Deeper Green" model for new leases where negotiating power is likely to be stronger and more can be achieved. To achieve this, OGC is piloting the London Better Buildings Partnership "Green Memorandum" guidance with two departments, and will assess its potential for widespread use on the civil estate for existing lease situations.

Guidance: Green Leases

Work has started on a much stronger set of lease clauses intended to secure more significant contributions from our landlords towards meeting the SOGE targets. OGC is currently developing a set of best practice green leasing guidance notes aimed at: lease break, lease expiry and new lease acquisition situations, as well as those steady state situations where we have either a strong negotiation position opposite the landlord, or a particularly supportive landlord.

All guidance can be accessed from the OGC website: www.ogc.gov.uk/cesp

Section 3. Embedding Sustainability into Government Procurement

Recent reports by the SDC and the NAO show that while the government has made some progress towards meeting its sustainable procurement commitments over the last year, much more needs to be done.

Priority actions involve creating an overall vision for sustainable procurement that is shared by all central government departments, and developing indicators to measure progress towards its achievement. Other requirements for immediate action include: procuring

more sustainable goods and services by delivering on existing commitments such as meeting mandatory product standards ('Quick Wins'); working with suppliers on a voluntary basis to improve the sustainability of their operations; and stimulating the market to develop more sustainable solutions.

Government Focus for 2009/10:

Based on its assessment of 2007/08 performance, the Government's top priorities for sustainable procurement in 2009/10 are:

Policy Priorities

1. Creating a shared vision of sustainable procurement (see section 3.1)
2. Clarifying the procurement policy landscape (see section 3.2)



Delivery Priorities

Buying more sustainable goods and services

Understanding and improving the sustainability of suppliers' operations

Stimulating the market to develop more sustainable solutions

Delivery Mechanisms

3. Embedding sustainability in pan-government procurements (see section 3.3)

4. Improving departmental take-up of 'Quick Wins' product standard specifications (see section 3.4)

5. Increasing engagement with suppliers around sustainability, and in particular carbon emissions (see section 3.5)

6. Forward Commitment Procurement (see the Research and Guidance box)

3.1 Creating a Shared Vision of Sustainable Procurement

Central government departments have been working actively to improve their performance on sustainable procurement since government published the *Sustainable Procurement Action Plan* in 2007. In its April 2009 report the NAO notes governance and leadership improvements made in recent years by the five large departments interviewed.

However, while some impressive work has been carried out at departmental level, current thinking and support tools have often not been developed collaboratively or in a consistent manner. Neither have examples of leading practice and lessons learned been sufficiently shared across departments. There is therefore a clear need to develop a cross-central government shared vision for sustainable procurement and new ways of measuring progress. The benefits of such an approach are clear – improved collaboration, greater consistency and reduced duplication – so 2009/10 will see central government working much more collaboratively around sustainable procurement.

Work to develop such a “shared vision” is already underway: OGC is working with key departments (including MOD, Defra, HMRC, FCO, DWP, BIS, DfT, Home Office, Cabinet Office, MoJ, CLG and DCSF), the government’s Energy, ICT, Fleet, Food and Construction collaborative procurement category boards, and with Buying Solutions, to identify what “good” sustainable procurement looks like. This work will lead to: the creation of a shared vision for sustainable procurement (which will be integrated into the development of targets and measures - see section 5), a more coherent supplier engagement programme (building on action already underway – see section 3.5), and will enable government to build capability and skills in a co-ordinated way (see section 4).

3.2 Developing Policies on Sustainable Procurement

An important input to the shared vision of collaborative procurement will come from the further development of the government’s policies on the social and economic aspects of sustainable procurement.

The public sector spends around £175bn annually on the procurement of goods and services and there is rightly increasing pressure to use this purchasing power to deliver policy agendas on all three pillars of sustainability (social, environmental and economic).

Delivering on relevant policy agendas will lead to better and more efficient public services, as well as resulting in better value for money. These agendas include meeting environmental commitments, driving innovation, making public procurement opportunities accessible to Small and Medium Enterprises, furthering equality and helping supported factories and businesses.

Of course it will not be possible to take account of each policy agenda, in every procurement activity. Moreover, all action taken as part of the formal procurement process must be both relevant and proportionate. In 2009/10, the OGC will be working with departments to clarify for procurers how to apply the relevant policy guidance in practice, and to develop success measures for this work.

3.3 Embedding Sustainability in Pan-Government Procurements

The collaborative procurement of common goods and services can contribute to the delivery of the SOGE targets and government’s sustainable procurement commitments by utilising large sums of government spend to invest in more sustainable solutions.

The Government has developed a programme of work on collaborative procurement which, until April 2009 covered the categories of: energy, fleet, ICT, professional services, office solutions and travel. In the 2009 Budget, it was announced that the collaborative procurement programme will be extended to cover the additional categories of construction, food and facilities management. This will mean that some £89bn of government spend is potentially covered by the programme of pan-government collaborative procurement.

Increasing percentages of government spend are being channelled through pan-government collaborative procurements and the government has announced targets for 80% of central departmental spend and 50% of spend in the wider public sector to be channelled through these strategies by 2011. The 80% target for central government is already being met in the case of both fleet and energy procurement.

Sustainability initiatives being run through the first set of these collaborative procurement categories were reported on in the December 2008 *Delivery Plan Update*. Progress on these, and information regarding new initiatives are set out below:

- **Energy:** The sustainability work stream (led by DECC’s Low Carbon Economy Team), is focused on collaborating with public sector organisations to deliver pan-government solutions that will contribute to demand reduction, energy efficiency and renewable measures. In addition to the DCMS

IT Power Management Framework awarded in May 2008, Buying Solutions and Defra will be leading collaborative procurements for Automatic Meter Reading and Voltage Reduction respectively. Up to date information on these procurements and the wider Energy Project are available on the *energy category website*.

- **Fleet:** Since 2007/08, 5 central government departments have been working proactively to tackle grey fleet (the use of their own vehicles by civil servants for business travel). From April 2007 to March 2009, these organisations have together reduced their grey fleet miles by 22 million miles; saving a total of £8.4m and a CO₂ reduction of over 5300 tonnes⁴.

The Fleet Category has also implemented a 'market intelligence database', with data feeds received direct from suppliers, which enables customer organisations to track spend, savings and carbon dioxide emissions of vehicles acquired via the National Health Service Purchasing and Supply Agency Pan-Government Framework for lease cars and car derived vans, and the DWP motor vehicle purchase framework agreement. This data helps

organisations track performance against SOGE targets. By Q4 of 2008/09, 50% of all vehicles acquired within the two frameworks were below the 130g/Km emissions threshold. This is the target that the government is committed to meeting, on an average basis, for emissions from vehicles used for administrative purposes by 2012.

- **ICT:** Since the last *Delivery Plan Update*, the OGC has been working with Defra, CO, and the representatives of the Chief Information Officers in the Greening Delivery Unit (the unit responsible for delivering the recommendations made in the Greening ICT Strategy) to develop a strategy for how the ICT category is going to deliver the collaborative and commercial elements of the Greening Government's ICT Strategy 2008. This will involve developing a Greening Government ICT 'Book of Business', which will identify opportunities for, and deliver, value for money savings and carbon reduction benefits. The category will also test a 'Total Cost of Ownership' model to enable government departments to self assess their ICT in terms of total cost of ownership, including energy consumption criteria.



■ **Professional Services, Office Solutions and Travel (Buying Solutions):** Buying Solutions has launched a 'Greenticks' facility on its online catalogue. This enables suppliers to indicate which of their products meet Defra's 'Buy Sustainable – Quick Wins' product standards; making it easier for customers to find and buy sustainable products. There are currently over 300 'Greenticked' products available in white goods and ICT, and Buying Solutions is working with its suppliers to increase this number. There are also a number of important procurements for the sustainability agenda underway, including the re-let of environmental consultancy frameworks; and a new contract for Project Management and Full Design Team services⁵, incorporating sustainability into building design solutions.

In addition, both the **Energy** and **Fleet** categories ran pilot programmes with the Carbon Disclosure Project in 2008/09; working with some of government's key suppliers to achieve disclosure of their carbon footprints.

Defra and OGC are also working to harmonise the Quick Wins product standards with the standards emerging from the EU's Green Public Procurement (GPP) initiative.

In addition, OGC is leading work to better understand and address the challenges faced by Departments in implementing Quick Wins, and to drive continued uptake by working to improve awareness and understanding. It is anticipated that by Autumn:

- Quick Wins standards will be promoted via new mechanisms (such as the OGC Digest and emails to key stakeholders) and plans will be in place for future communications initiatives.
- The new approach to developing and updating Quick Wins will facilitate more structured engagement with the procurement community, thereby increasing understanding and confidence in the standards.
- We will have a better understanding of the complexities and issues underlying Quick Wins compliance and a clearer understanding of priority areas for support.

3.5 Increasing Engagement with Suppliers around Sustainability

Working with suppliers to improve the sustainability of their goods and services is critical to improving the sustainability of government operations as a whole. Some departments are already strongly engaged with their suppliers; through signing joint statements of intent, organising sustainability focused conferences and awards, as well as identifying key areas for improvement. But the government recognises that it would benefit from developing a cross-departmental strategy and common approach for supplier engagement, in particular where central government departments have common suppliers.

The work reported in the December 2008 *Delivery Plan Update* to embed sustainability into existing supplier engagement programmes and develop a more co-ordinated approach across government to relationships with key suppliers continues. The main emphasis over the past six months has been to build on the success of the Carbon Disclosure Project pilot initiative by mainstreaming carbon measurement in government's relationship with its major suppliers, and doing so on a collaborative basis (see the case study on page 29 for further details).

3.4 Improving Departmental Take-Up of 'Buy Sustainable – Quick Wins'⁶

The SDC reported insufficient departmental take-up of mandatory 'Quick Wins' product standards in 2007/08, and this finding was confirmed in the NAO's April 2009 report on sustainable procurement in government (which took an in-depth look at 5 leading departments). OGC is working closely with Defra to address the low take-up and other recommendations in the NAO report on product standards and Quick Wins. Defra leads regular reviews of the range and level of Quick Wins standards and OGC is working with Defra to develop a new approach to setting standards. This includes facilitating structured engagement of OGC and other government departments procurement professionals in standards development, rigorous cost benefit analyses, and market capacity appraisals to demonstrate the value for money offered by 'Quick Wins'.

⁵This is a project management service which can facilitate/help clients with developing 'options appraisal' for office space. Options appraisal can include redesigning existing office spaces and/or construction works. The Project Management company provides any services associated with delivery of both types of option; including change management, communications, relocation of staff to new buildings. Sustainability considerations will be included in any design developed by these providers.

⁶'Quick Wins' originated from the Sustainable Procurement Group (SPG) report of April 2003. The list contains a number of categories across a wide range of commonly purchased products and identifies minimum environmental standards for each.

Case Study

Carbon Disclosure Project

An example of co-ordinated cross-government supplier engagement around sustainability issues is the work OGC and the Carbon Disclosure Project (CDP) are doing with central government departments and their agencies to ensure that their suppliers' greenhouse gas emissions and climate change related risks are identified.

Building on the success of the pilot with the FCO, Defra and OGC in 2008, 12 central government departments⁷ and agencies are participating in the 2009 programme.

- CDP is managing this process with each department individually, but working with OGC to ensure that government works on this agenda in a co-ordinated manner and reduces duplication. For example, a single data request will be sent to suppliers on behalf of government.
- Over 300 suppliers will be approached and the results used to identify future opportunities to reduce emissions.

The work here is vital to advancing our understanding of the climate change risks relating to our suppliers, and will ultimately encourage them to improve the sustainability of their supply chains.



⁷The 12 participating government departments and agencies are OGC, HMT, DfT, DECC, FCO, Defra, HO, CO, MOD, BIS, NHS Purchasing and Supply Agency, Buying Solutions.

Research and Guidance

Support for Departments to Continue Embedding Sustainability into their Procurement

Leading Practice Case Studies: Sustainable Procurement and Operations

The UK government is determined to become, and to remain, an exemplar of leading practice in sustainable procurement and operations. OGC has facilitated the promotion and sharing of practice by developing a range of case studies. These promote examples of behaviour change and illustrate government's approach to sustainable procurement and operations in order to assist departments in improving their performance.

Collation of case studies will be an ongoing programme, the first of which are published alongside this Update.

Consolidation of Guidance: Sustainable Procurement and Operations

OGC has run a project to consolidate all existing guidance on the SOGE targets, mandated mechanisms and SPAP commitments in order to create a core set of documents for use by departmental practitioners. Additionally this work has suggested how existing guidance can be communicated to practitioners and identified gaps in existing guidance, as well as prioritising topics for future development.

The consolidated set of documents is now available within the 'Policy and Standards Framework' section of the OGC website.

Competition: Forward Commitment Procurement

OGC has been working closely with BIS to support the 'Innovations for Sustainability' competition which ran during January and March this year. BIS has now received 25 submissions, mostly from local government, and 12 projects have been chosen, which will receive full support through the Forward Commitment Procurement (FCP) process. These include submissions from FCO, HO and MoJ.

The MoJ submission is a follow on from the 'Zero Waste Mattress Project'. MoJ wants to take this initiative a step further and are aiming for zero waste prisons. The HO submission is about improving the energy efficiency of the housing they provide for asylum seekers, and is driven by the need to reduce carbon emissions and meet SOGE targets. The FCO has a number of listed buildings for which it wants to explore the choices available around energy saving lighting and suitable glazing for such properties.

OGC are contributing funding for the development of a step by step guide for practitioners wishing to take their projects through the FCP process.

This guidance will be available by the end of this financial year.

Guidance: Implementing the EU Code of Conduct for Data Centres

The EU Code of Conduct for Data Centres is a European wide voluntary initiative that aims to develop energy efficiency performance standards for data centres. OGC has been working closely with the ICT category team and Defra to produce guidance for data centre owners and operators to enable them to comply with the EU Code of Conduct. The guidance outlines the implementation process and provides illustrative case studies.

Guidance to be published August 2009.

continued...

Research and Guidance *continued.***Guidance: Building Sustainability into Value for Money**

OGC has committed to support and drive the process of value for money measurement across central government and the wider public sector. A practical guide is currently being developed to help evaluate and measure value for money from procurement. It will provide practitioners with a standard methodology to capture value for money from both their efficiency initiatives and sustainable procurement initiatives. The latter looks at the areas of carbon, waste and water, recognising the priority for environmental sustainability within value for money.

Additional guidance will be created to help practitioners make practical use of the Green Book guidance on value for money. For example, how to carry out whole life costing and thereby develop business cases that take into account sustainable procurement as well as efficiency considerations. This should enable public sector organisations to have a clear method to prepare robust investment appraisals for sustainable procurement over the longer term. Ultimately this should drive more consistent reporting against targets and facilitate transparent decision making.

Guidance to be published by September 2009.

Guidance: Practical Handbook for Sustainable Contracts

Feedback that OGC collected from procurement practitioners repeatedly indicated that current sustainability contract guidelines are too generic and predominantly focused on “new” contracts. In response to this, OGC has commissioned the development of a practical guide to integrating sustainability into the procurement contracting processes, with illustrative case studies. This guide is being developed in consultation with departmental practitioners, and will include a communication and engagement plan to ensure widespread take-up of the guidance.

Guidance to be published by September 2009.

Initial Scoping for a Sustainable Government Travel Policy

The OGC and SDC jointly commissioned a project to review sustainable travel in Government, and to identify:

- Current sustainable working practices and key implementation challenges facing central government.
- Examples of good practice both in the private and public sectors.
- Opportunities and barriers for making travel more sustainable including ‘Quick Wins’.

OGC will meet with the central government departments that have responsibility for travel policy and delivery, to discuss how the recommendations coming out of the report can be taken forward.

All guidance can be accessed from the OGC website: www.ogc.gov.uk/cesp



Section 4. Raising Capability for Sustainable Delivery

Since the December 2008 *Delivery Plan Update*, the government's focus for raising capability has been on the development of a Capability and Leadership Strategy (section 4.1), supporting departments through the practitioner network (section 4.2), and communicating the sustainability message across government (section 4.3). This is in addition to a number of support activities already noted in this *Update*. All these activities will continue to be developed and implemented over the next six months.

4.1 Capability and Leadership Strategy

While there are many sustainability focused capability and leadership strategies being implemented by departments, there is merit in developing a cross-central government approach to improve collaboration, achieve greater consistency and provide opportunities to reduce duplication.

Over the past six months OGC has developed a high-level practical strategy and an 18-month implementation plan aimed at embedding sustainable procurement and operations within central government departments, with OGC's support. This encompasses: raising knowledge, skills, awareness and practice, as well as leadership commitment, attitudes and behaviours. In addition, while the overarching strategy was being developed, OGC offered core sustainable procurement and operations training to central government departments in April 2009.

The starting point for implementing the strategy is the activity already in place across departments and central government. This includes:

- Training programmes and key human resources support tools (e.g. competency frameworks) run by departments to build sustainability skills across their sustainability, procurement, estates and policy professions. The main measure for capability development in government is the Flexible Framework, at least for procurement, where departmental self assessments show a range of stages of maturity in sustainable procurement practice.
- OGC's work to build procurement, estates and Programme and Project Management professions skills, where sustainability will form a core aspect. This includes for example OGC's work on the Government Procurement Service and Procurement Capability Reviews.
- The SDC's work on building capability for sustainable development delivery. The SDC commissioned a cross-government capability review and needs analysis in March 2008 and the results have been used to start pilot work with CLG and HMT to embed sustainability into their procurement functions.



The forward strategy is to integrate sustainability into this existing work rather than develop a separate or parallel proposal. This will be done by:

- Integrating sustainability requirements into existing OGC, departmental and capability provider forward plans.
- Leveraging recent information from other sources on departmental progress regarding capability and leadership development (e.g. NAO's 2009 report on environmental sustainability in procurement and the SDC's 2008/09 SDiG report).
- Making greater use of the Flexible Framework to measure departmental performance on the people category.
- Adopting a proposed 'future state leadership capability model' to measure individual performance. The proposed model is targeted at the individual leadership level (for those people who have the responsibility of delivering sustainability in central government) and is defined to be a combination of the following elements:
 - **The tangibles:** described in *Procuring the Future* under the 'vision of a leader'.
 - **The intangibles:** attributes demonstrating leadership values, attitudes, behaviours (e.g. expert knowledge, visionary).

It is anticipated that any individual who is able to demonstrate that they have implemented most of the tangible items and is also able to show some of the priority values, behaviours and attitudes in the intangibles list, shall be perceived to be a good leader within the sustainable development arena.

Government Focus for 2009/10:

The following immediate steps to develop sustainability capability and leadership will be taken forward by the CESP team:

- Developing a 'sustainability competence model' that can be integrated into other relevant frameworks, e.g. Government Procurement Service skills framework and departmental human resources processes.
- Drawing on good practice already in place, producing toolkits that will help departments reach level three, four and five of the 'people' category of the Flexible Framework.
- Developing a senior leadership engagement programme for the senior civil service by developing clear specifications for training providers.

4.2 Support and Networking for 'Sustainability Practitioners'

The practitioners' forum is an active network which aims to help drive departments' performance to meet the sustainable operations targets and sustainable procurement measures. It brings together departmental sustainability officials to build relationships and benefit from each others' experience.

The forum meets every other month; with three meetings held since the last *Delivery Plan Update*. The forums usually feature:

- One of the practitioners speaking on best practice and lessons learned in their department.
- A networking session to give practitioners the opportunity to seek views and assistance and learn from each other. and
- Occasionally an invited expert from outside central government.

The forum is open to central government departments, executive agencies, and to non-departmental public bodies. It celebrates success and best practice across government and, in turn, supports the delivery of sustainable procurement and operations.

4.3 Communicating the Sustainability Message across Government

To support greater coordination across government the OGC has developed and implemented a comprehensive communications strategy for central government. This has included formal arrangements for stakeholder feedback, as well as coordinated key messages and questions and answers for departmental use.

Communication and engagement with the Civil Service Trade Unions have continued as a key means to engage civil service employees and harness their interest in sustainability. The first Joint Forum was held in January following the December *Delivery Plan Update*, with representatives from the OGC, the Cabinet Office and the Council of Civil Service Unions. This concluded with agreements on work to be taken forward in relation to leading practice and the departments' support programme in relation to sustainable operation targets. These Forums will continue on a six-monthly basis, following each *Delivery Plan Update*, reporting to the Cabinet Office and CCSU Joint Group on 'Work and Well-being'.

Section 5. Moving beyond the 2010/11 targets

Review of SOGE Targets and Development of Sustainable Procurement Measures

As shown by central government departments' performance trajectory graphs (last published in the December *Delivery Plan Update*), government as a whole is forecast to meet the 2010/11 SOGE targets. Departments have plans in place to make the necessary improvements and there is visibility of their high impact projects through the CESP Programme Board. This is a substantial step forward for government but there is still more to do to ensure that the overall target framework for sustainable operations and procurement represents leading practice in the longer term.

Over the past few months, OGC, together with Defra, DECC and DfT, has overseen the first stage of a strategic review of the target framework. This has assessed the overall framework (benchmarked across the private sector and internationally), and developed a set of options for ensuring our targets remain best practice, ambitious, and aligned with government policy.



The following general principles have informed the first stage of the review:

- The refreshed target framework should be more coherent, with fewer but more integrated targets than the existing framework.
- We must recognise departments' constrained resources in the current economic climate and ensure that the new framework offers an efficient way to provide incentives and monitor improvements.
- The refreshed framework should be based on good practice in the private sector and elsewhere in the public sector.
- Any proposals for change should be supported by evidence of costs and benefits.

Issues under consideration include:

- How will the targets be better aligned with government's wider sustainable development policies (for example, new developments such as carbon budgets)?
- Is the current scope correct? Should the targets be extended to cover Non-Departmental Public Bodies (NDPBs), the overseas estate, operations (as well as administration) and/or the impacts of major outsourced activities? What would the consequences of such an expansion be in terms of ensuring compliance, establishing baselines and collecting data?
- What is current good practice in the private sector and internationally and how can government build on this to show leadership?
- What sort of sustainable procurement measures would best provide an incentive to bring about reductions in the negative sustainability impacts of procurement? Should we concentrate on process-based measures to embed strong sustainable procurement practice and capability, or develop measures focused on the sustainability outcomes of procurement activity?
- How can the target set provide incentives to both departments with a strong record on sustainability and those which have further to go?
- Is a new process necessary to assess the impact of proposed new government commitments which might be added to the target set in future?

Responsibility for leading the second stage of the review has now passed to Defra, as the overall policy owner of the target framework. Defra (supported by OGC, DECC and DfT) will use the report to inform proposals for change to be put to departments for consideration over the Summer. Following analysis of departmental comments, a proposal for refreshing the target framework will be put to Ministers in Autumn 2009.

Departments will be kept updated throughout this process and further details will be included in the next *Delivery Plan Update* due for publication in December 2009.



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