

# Navigating the Net Zero transition for cities and regions: Supply chain

Newport City Council



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# Welcome

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National Graduate Development Programme



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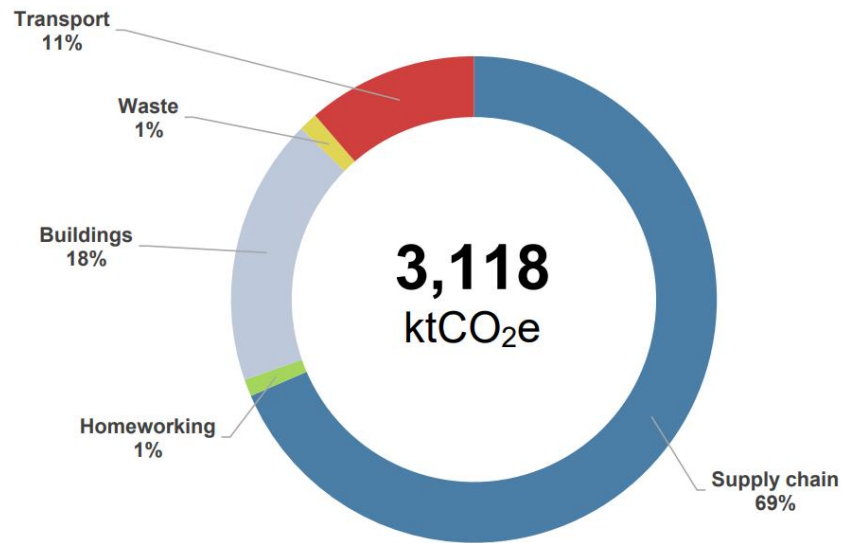


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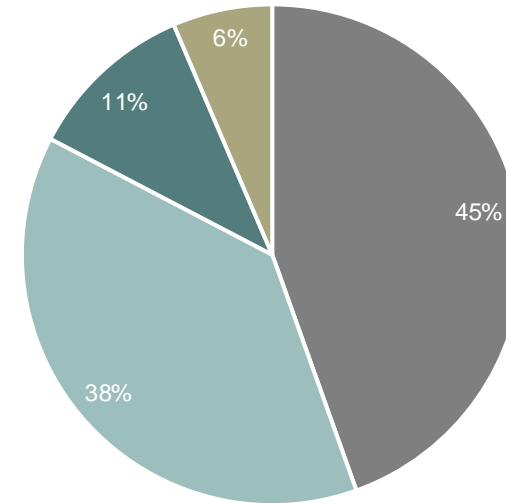
# Addressing a National Issue

A recent report outlined that the majority of public sector emissions arise from the supply chain  
In 22/23, 80% of Newport City Council's our emissions stemmed from Scope 3

### Public Sector Emissions



### Newport City Council - 2022/23 Scope 3 Emissions



■ Waste ■ Supply chain ■ Business travel, commuting & homeworking ■ Buildings, fleet & other assets

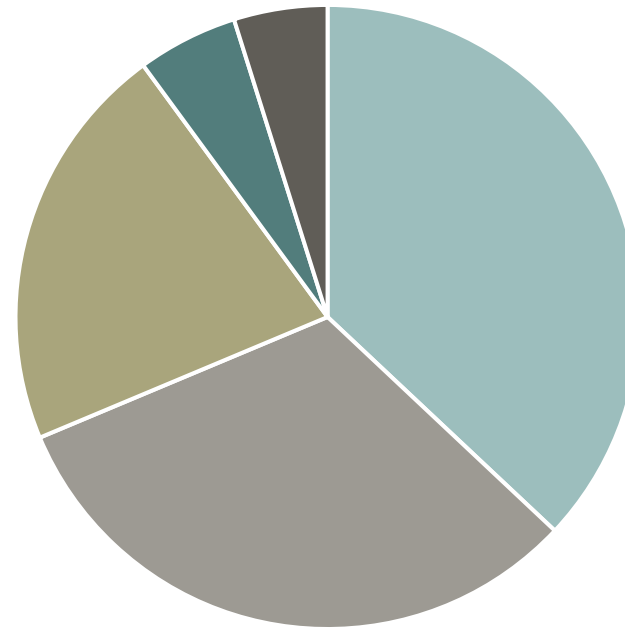


# Carbon Hotspots

## 22/23

The top 5 CO2e emitting categories for Newport City Council in 22/23

Carbon Hotspots 2023/24



■ Waste ■ Purchased goods & services ■ Buildings ■ Commuting ■ Fleet and equipment



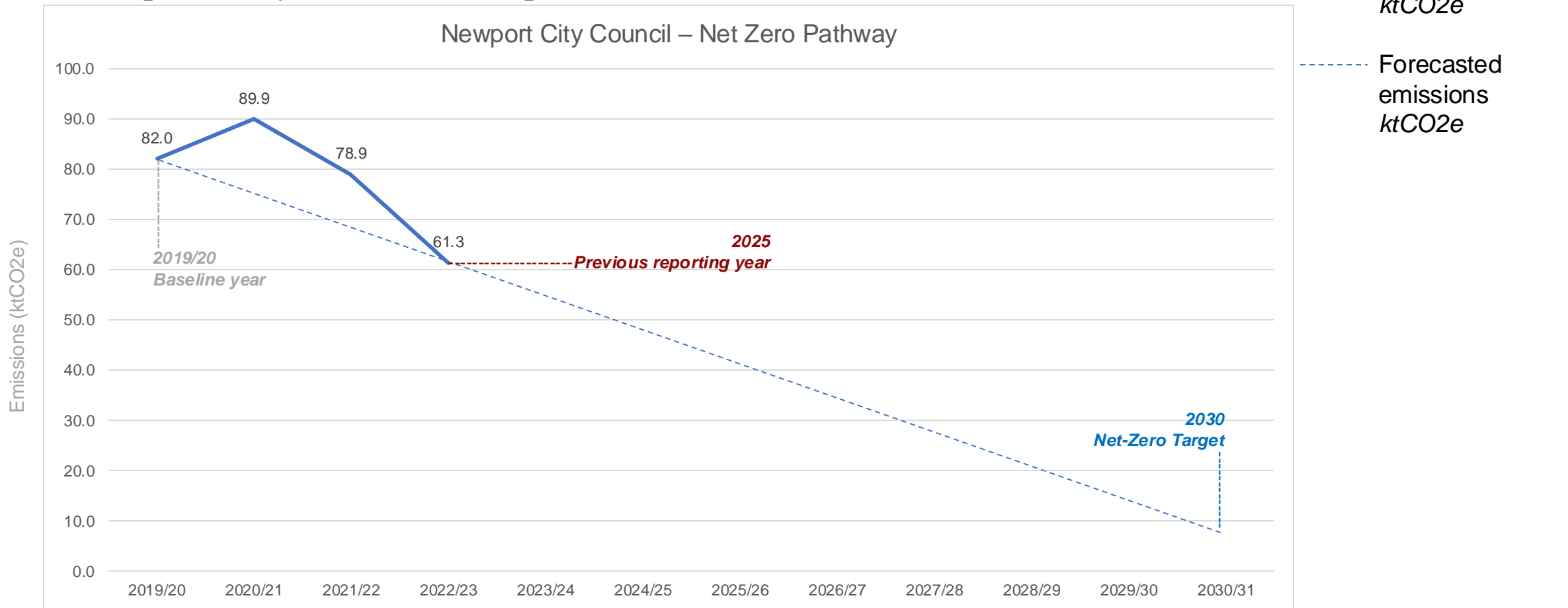
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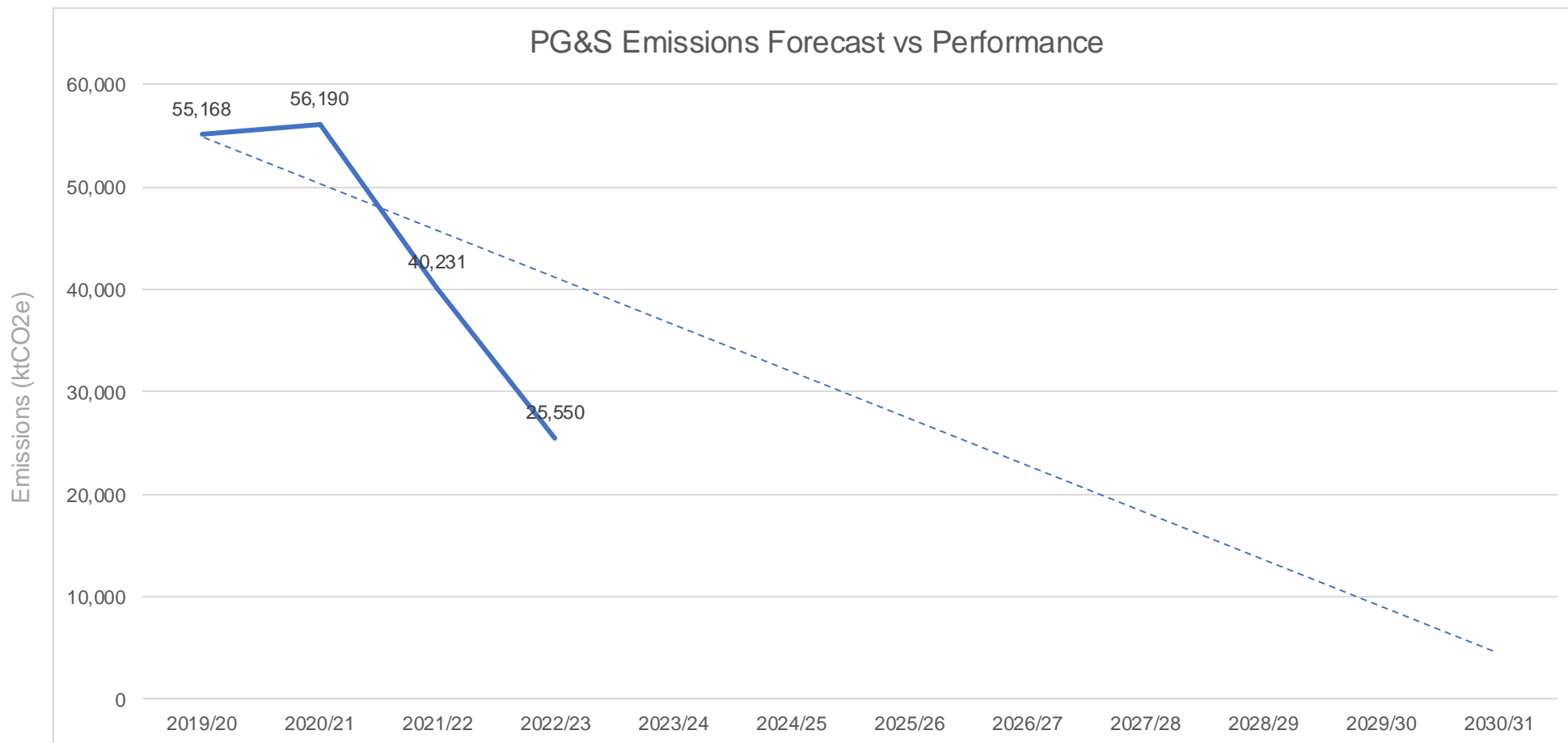
# Net-Zero Forecast vs Performance

## Newport City Council: Scope 1, 2 & 3



# Net-Zero Forecast vs Performance

## *Purchased Goods & Services*



### Key

— Actual emissions  
ktCO<sub>2</sub>e

- - - Forecasted  
emissions  
ktCO<sub>2</sub>e

- To meet targets, annual reduction of **4,314tCO<sub>2</sub>e** would have been required to meet net zero emissions from baseline year
- However, as emissions from purchased goods and services fell by nearly 40% from 2021/22 to 2022/23 due to changes to the DEFRA conversion factors, less drastic reduction is required
- Emissions are to be reduced by **2,504tCO<sub>2</sub>e** per annum to meet baseline year targets



# Scope 3 Accounting: What is required?



- Full financial expenditure across the reporting period (*financial year*)



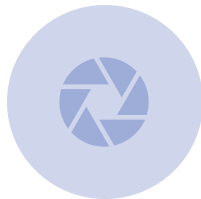
- Our CRM portal, *Atamis*, allows us to produce and export reports, outlining total LA spend



- Incorporated in the report are Standard Industrial Classification (*SIC*) codes



- Codes provide a framework for collecting and presenting a large range of statistical data according to economic activity



- Each supplier is allocated an SIC code, this is used to convert financial values to CO<sub>2</sub>e

Example below:

Product Category	SIC Code	Total spend (£)	Conversion factor ( <i>kgCO<sub>2</sub>e</i> )	Multiplication	Total <i>kgCO<sub>2</sub>e</i>
Machinery and equipment	28	£10,000	0.336	10,000 x 0.336	3,360 <i>kgCO<sub>2</sub>e</i>



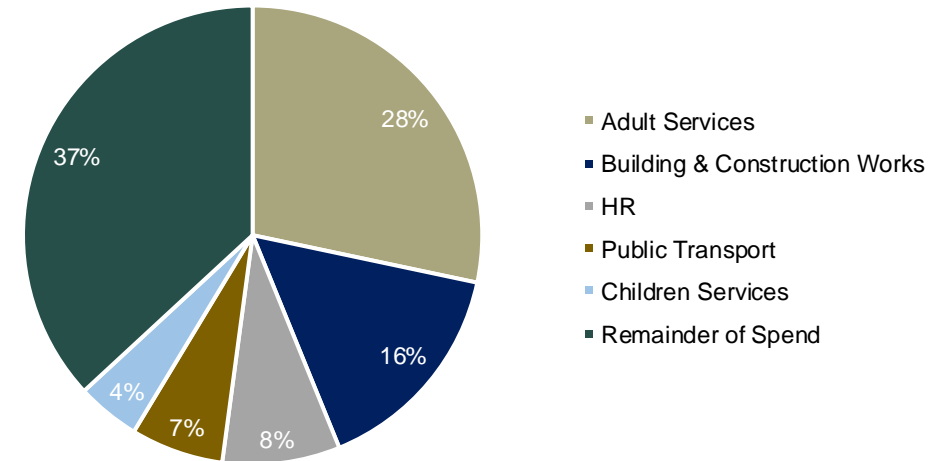
# Decarbonising the Supply Chain



## Overview

- As a supply chain emissions have been identified as one of our 'carbon hotspots', clear targets needed to be set
- Financial data was required to track and analyse our procurement expenditure to gain a clear understanding of businesses in our supply chain
- The initial focus was to engage with top suppliers in our supply chain to request accurate emissions data

## 2022/23 Procurement Expenditure





# Financial Analysis

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- Data analysis revealed that **39** suppliers accounted for the top **50%** of our spend. 3,000+ suppliers included in the remainder of spend



- Top suppliers responded to outreach, sharing carbon footprint reports and consumption data to convert to CO2e



- However, engaging with SMEs within our top 50% of spend presented various challenges. These organisations lacked exposure to emissions reporting



- The unfamiliarity with carbon reporting highlighted the necessity for tailored guidance and support



- External engagement was crucial in addressing these challenges



# Carbon Footprint Tool

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- In Q1 of 2023, I developed a 'NCC Carbon Calculator' for our suppliers



- I utilised the emission factors and structure of the existing carbon models employed by UK Government, Welsh Government & GHG Protocol



- Designed to cater to all our suppliers. Our collective aspiration was to reshape the landscape and to empower organisations to begin emissions reporting and emissions reduction



- The toolkit has since been rolled out to **all** suppliers **over £75k** annual spend - many of which are SMEs



# Results & Progress

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Top 50 % of Spend



22/39 Suppliers Scope 1  
& 2 data obtained  
*at a minimum*

Suppliers £75k+



103/393 Suppliers Scope  
1 & 2 data obtained

Total NCC Spend  
Accounted



£111,372,907.50

Progress



Our work has enabled us to  
support to our suppliers to  
measure their carbon footprint  
for their contract/organisation



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# Sustainable Procurement Process

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- Internally, we have made significant modifications to the procurement process



- As of Q2 2023, all suppliers with *new* or *renewed* contracts over £75,000 are *required* to report on their emissions for the duration of their contract(s)



- This is *pivotal* in ensuring seamless integration of this process from the **outset** of new contracts and tenders



- By embedding this requirement at this stage, we are streamlining the adoption of sustainable practices across our procurement process



- We are **committed** to ensuring that all organisations we work with are supported



# Low Carbon Tendering

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- As part of our procurement process, I consult on a variety of tenders reviewing specifications, liaising with project managers, and researching climate risks & opportunities relevant to the sector.
- Based on this analysis, I recommend additional questions to be included in the tender, alongside the standard set of carbon-related questions.
- This is not intended to cause apprehension among suppliers but rather to gain insights into their reporting, policies, and overall readiness for future requirements. It aims to be beneficial for suppliers and the LA alike.
- By engaging from the outset of a contract, suppliers demonstrate their commitment to working with Newport City Council to ensure that our sustainability and carbon reduction goals are aligned.



# Continued Development



Business as usual



Strategic emissions  
reduction targets



Carbon Footprint  
Assessments and  
Reports



Southeast Wales  
Collaboration



Building strong  
relationships with  
large corporates and  
SMEs



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# Contact

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An aerial photograph of a city, likely Cambridge, Massachusetts, showing a large body of water (the Charles River) winding through the urban landscape. A prominent bridge spans the river in the foreground. The city buildings are densely packed, and the surrounding area is filled with trees, some of which are in autumn colors. The sky is clear and blue.

Thank you for listening