

GUIDANCE

Welsh Procurement Policy Note WPPN 06/21: Decarbonisation through procurement - Taking account of Carbon Reduction Plans

WPPN 06/21 adopts the UK Procurement Policy Note 06/21, providing further information specifically to Welsh public sector bodies to help them meet the 2030 target for a net zero public sector in Wales.

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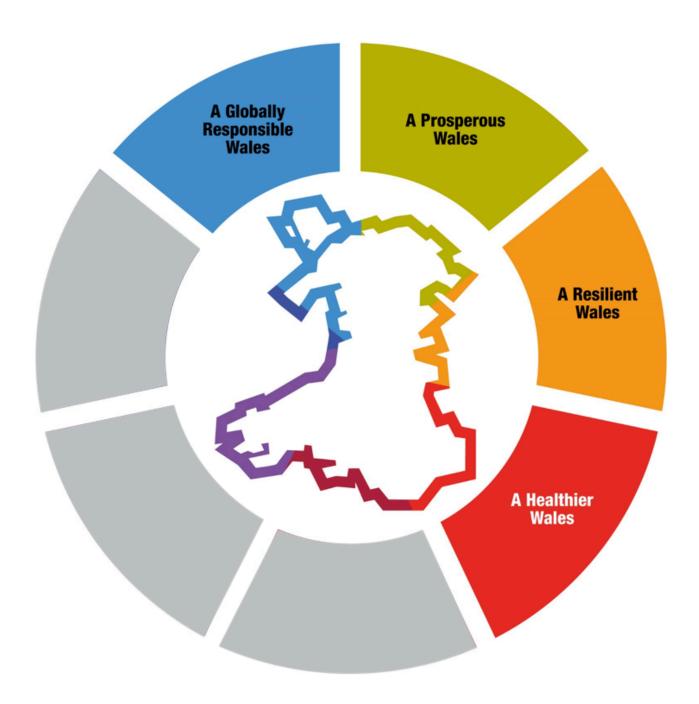
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Well-being of Future Generations Act's well-being goals supported by this WPPN



- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A globally responsible Wales

Points to note

- The information set out in this document is neither legal advice nor statutory guidance and is not intended to be exhaustive. Nor is it intended to override existing legal obligations applicable to Welsh public sector (WPS) bodies – contracting parties should seek their own independent legal advice as appropriate. Please also note that the law is subject to constant change and advice should be sought in individual cases. This document reflects the position as at October 2021.
- This Welsh Procurement Policy Note (WPPN) builds on, and is consistent with, the Wales Procurement Policy Statement and the Public Contracts Regulations 2015 ("PCR 2015" - SI 2015/102) that remain unaffected by The Public Procurement (Amendment etc.) (EU Exit) Regulations 2020 (SI 2020/1319), effective from 1 January 2021.
- This note assumes a certain level of knowledge of public procurement.
 It is available via the Welsh Government website GOV.WALES and any queries should be directed to CommercialPolicy@gov.wales or via the Welsh Government customer services.

1. Purpose

- 1.1 WPPN 06/21 adopts the recently published UK government Procurement Policy Note PPN 06/21: Taking account of Carbon Reduction Plans in the procurement of major government contracts ("UKG PPN 06/21") and associated guidance by the Cabinet Office.
- 1.2 Welsh Government has decided to adopt the UKG PPN 06/21, mandating for Welsh Government contracts valued at £5 million or more from 1st April 2022, and recommend it as good practice to the rest of the Welsh Public Sector (WPS). This WPPN provides further information specifically to WPS bodies to help them meet the 2030 target for a net zero public sector in Wales and be aware of the amendments made to the Environment (Wales) Act 2016.

2. Dissemination and scope

- 2.1 This WPPN has been published to assist all WPS bodies in Wales, including Welsh Government departments, NHS Wales bodies, Welsh Government sponsored bodies, local authorities and the wider public sector. This WPPN covers goods, services and works contracts being delivered in Wales.
- 2.2 Please circulate this WPPN across your organisation and to other relevant organisations that you are responsible for, drawing it to the specific attention of those in procurement, commercial and finance roles.

3. Background and guidance

3.1 Welsh Government amended the Environment (Wales) Act 2016 in March

2021 by introducing Wales's commitment to a net zero UK by 2050. The Environment (Wales) Act 2016 requires Welsh Government to reduce emissions of greenhouse gases (GHGs) with a system of interim emissions targets and carbon budgets. Under Section 39 of the Act Welsh Ministers must prepare and publish a report for each budgetary period setting out their policies and proposals for meeting the carbon budget for that period.

In addition, we have an interim target to achieve a net zero public sector set out in 'Net zero carbon status by 2030: A route map for decarbonisation across the Welsh public sector' (July 2021).

- 3.2 The public sector in Wales currently spends around £7 billion on the procurement of goods, services and works delivered through suppliers, service providers and contractors. How these supply chain partners address decarbonisation is therefore critical to the journey to net zero.
- 3.3 By introducing the requirement for all bidders for public contracts valued at £5 million or more to include carbon reduction plans as part of their tenders, WPS bodies can verify prospective supply chain partners are committed to working with them to achieve net zero carbon status.

4. Actions required by Welsh Public Sector bodies

4.1 In line with the adoption of the UKG PPN 06/21, from 30 September 2021, WPS bodies should make the inclusion of a **carbon reduction plan** (CRP) a requirement at the selection stage of the procurement of public contracts valued at £5 million or more. By introducing this new selection criteria as part of assessing a supplier's technical and professional ability bodies can assure a bidders commitment to contributing to a net zero public sector in Wales by 2030 and net zero UK by 2050.

- 4.2 For further information, please read the full guidance on adopting and applying the PPN 06/21 Selection Criteria stage.
- 4.3 Welsh Government will publish a further WPPN on decarbonisation through procurement, which will provide further information and guidance to WPS bodies when procuring goods and/or services and/or works with an anticipated contract value below £5 million.

5. Legislation

- Environment (Wales) Act 2016, part 2 and Climate Change (Wales)
 Regulations 2021 (12 March 2021)
- The Environment (Wales) Act 2016
- The Well-being of Future Generations (Wales) Act 2015
- The Public Contracts Regulations 2015
- The Public Procurement (Amendment etc.) (EU Exit) Regulations 2020

6. Timing

This WPPN is effective from the date of publication on 1 October 2021 until it is superseded or cancelled.

7. Welsh Government Procurement Policy Statement (WPPS) relevance

This WPPN aligns with the following WPPS principles:

Principle 6

We will act to prevent climate change by prioritising carbon reduction and zero emissions through more responsible and sustainable procurement to deliver our ambition for a net zero public sector Wales by 2030.

8. Additional information

In addition to the links mentioned in UKG PPN 06/21 on how to calculate carbon emissions, you may want to consider the following Wales specific guidance:

- A net-zero carbon reporting spreadsheet and supporting guide are available for public bodies to calculate and their report carbon emissions (May 2021)
- Natural Resources Wales published an Advice on emissions accounting and reporting methods to inform Welsh public sector decarbonisation policy delivery (May 2019).

9. Contact details

If you have any questions about this WPPN, please contact:

Commercial Policy – Polisi Masnachol: CommercialPolicy@gov.wales.

10. Acknowledgements

The following publications were utilised in the preparation of this WPPN:

- Guidance on adopting and applying the PPN 06/21 Selection Criteria (Cabinet Office June 2021)
- Net zero carbon status by 2030: A route map for decarbonisation across the Welsh public sector (Welsh Government July 2021)
- Procurement Policy Note 06/21: Taking account of Carbon Reduction
 Plans in the procurement of major government contracts (Cabinet Office June 2021)
- Wales commits to net zero by 2050, but sets out ambitions to get there sooner (Welsh Government February 2021)

11. References

- Frequently Asked Questions Procurement Policy Note 06/21: Taking account of Carbon Reduction Plans in the procurement of major government contracts (Cabinet Office June 2021)
- Guidance on adopting and applying the PPN 06/21 Selection Criteria (Cabinet Office June 2021)
- Net zero carbon status by 2030: A route map for decarbonisation across the Welsh public sector (Welsh Government July 2021)
- Procurement Policy Note 06/21: Taking account of Carbon Reduction Plans in the procurement of major government contracts (Cabinet Office June 2021)
- Technical standard for Completion of Carbon Reduction Plans (Cabinet Office June 2021)
- Welsh Government Engagement Approach for Low Carbon Delivery Plan 2 (Welsh Government March 2021)

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