

**GREEN
ACCORD**

Business Plan

11 June 2009



The Green Accord - Executive Summary

The Green Accord is a proven accreditation that drives sustainability and addresses the expanding environmental responsibilities facing those who procure or supply services. The Green Accord demonstrates best practice and promotes the reduction of environmental impact through the whole supply chain by demanding practical actions and the instigation of alternative working practices by suppliers. The strengths of the Green Accord are:

- For Client bodies, adopting the Green Accord for their diverse supply chains shows that they recognise their corporate social responsibility in terms of the environment, are actively engaging with their suppliers and, if a public body, are meeting the requirements of the Government sponsored Sustainability Task Force's Flexible Framework.
- For suppliers, adopting Green Accord practices will produce business savings for the supplier, reduce the environmental impact of their operations and, by having the recognition of the accreditation mark, will set them apart from their competitors.

The Green Accord was originally devised by members of staff in Contract Development (within Contracts and Direct Services Unit) after recognising the need to drive the council position in terms of the wider sustainability agenda, address the challenges set by the Government's Sustainable Action Plan and Flexible Framework targets and, as a welcome by product, seek to contribute to reducing climate change.

Whilst other authorities and social commentators have talked a lot about driving sustainability, involving making green pledges, or seeking just to measure carbon and the like, all of these relied heavily on merely words and not deeds to reduce climate change. It was therefore seen that if a green accreditation was to be worthy, drive change and really mean something, both to the employer and the workforce alike, then it had to be about taking practical actions in the business workplace and within its operations. On this premise the Green Accord accreditation was created to set achievable goals for suppliers to ultimately reduce their operating cost through reduced waste, improve their business opportunities and bring environmental improvement for community benefit.

The Green Accord tackles all aspects of sustainability, including issues such as fuel usage, travel, waste reduction/recycling and responsible sourcing. Suppliers can initially self-assess their own Green Accord compliance with Exeter City Council's sustainability requirements, by visiting the



website and, without obligation, test their sustainability credentials via the interactive tick list form. When suppliers proceed with their commitment to the Green Accord a benchmark is set against which future improvements can be measured.

Green Accord accreditation levels start at Select (red apple), increasing to Superior (yellow apple) and finally rewarding the highest standard at Premier (green apple).

By operating three levels of accreditation the Green Accord inherently provides opportunities for continuing improvement and is inclusive. That is, allowing a level of environmental accreditation to be achieved by every business from 'one-man band' enterprises to national companies. It has also been written in a way that requires tangible practical evidence of sustainable business practice, thereby deliberately avoiding a need for carbon calculations or related statistical pledges that are often difficult for companies to substantiate and often impossible for the average person to envisage or understand.

The Green Accord, and its driving mantra to act with 'deeds, not words' has engaged the council's construction related supply base who now share a common goal and desire to make a difference where previously they were unclear as how to actively tackle the sustainability issue. The Green Accord is at present a unique system. There is no similar system in place in the country at this time. Being unique the Green Accord provides a significant business opportunity for the council to exploit.

The benefits to the council include:

- Large potential financial income
- Places Exeter as a leading authority in best practice and sustainable development
- Transparently contributes to the council's sustainable agenda and strategic objectives

As the benefits of the Green Accord include:

- A unique accreditation scheme, one already highly regarded
- A self assessment tool that is generic and inclusive, being suitable for all supply chains and company size
- delivering real energy and waste savings, highly advantageous in light of the sustainability agenda and today's economic climate
- providing long-term social, economic and environmental improvements



The range of use of this accreditation system is potentially vast being one that can be used in both private and public sector procurement, for the entire supply chain. The financial benefit to the host of this accreditation is therefore potentially substantial.



Business Plan Contents

Outline Business case

1. Strategic Objectives
2. Key Personnel
3. Proposed Advisors
4. Services to be offered
5. Proposed charging structure for Green Accord Accreditation and incoming payment arrangements.
6. Market for services
7. The competition
8. SWOT analysis
9. Business Risk Assessment referring to Appendix A
10. Business strategy and partnership with Global Action Plan
11. Proposed Business structure and skills
12. Growth plan and staff resourcing
13. IT Investment
14. Financial Plan referring to Appendix B and C
15. Sources of potential external investment
16. Appendices – A-D including in appendix D a signed memorandum of understanding from the Met Office to undertake Green Accord to their supply chains



1. Strategic objectives

Undoubtedly the Green Accord has the potential to become a highly respected national Accreditation/Certification Scheme. The following objectives set out our strategy to achieve this:

- 1.1. To promote ECC as a leading force in local authority sustainable procurement
- 1.2. To build on ECC Sustainable objectives
- 1.3. To attain, as a minimum, level 3 on the Task Force Flexible Framework for the council
- 1.4. To drive the sustainability agenda both within ECC and with other local authorities, other public bodies and institutions and with the private sector
- 1.5. To establish the Green Accord as an allied Exeter City Council service facility set to both meet council objectives in terms of the sustainability agenda, whilst developing the Green Accord as a business. To manage, promote and deliver revenue from fees charged from principally:
 - Providing client organisations, from public or private sector, with a management service to deliver Green Accord accreditation for their supply chains.and secondly from:
 - Providing a service directly to suppliers of clients to allow them to achieve Green Accord accreditation.
- 1.6. To establish a professional web presence, linked initially to ECC website, but with its own widely respected identity such that its national database has credibility in the market and is highly valued.
- 1.7. To derive profit from fee charges made to further develop the Green Accord, bring revenue to the council and contribute to the Exeter City Council's sustainable agenda.



2. Key Personnel

The key personnel driving the Green Accord will initially and principally be those members of Contract Development, that is:

- Mel Jones, ECC Contract Development Manager - Lead Development Officer

Responsible for deciding, in liaison with Head of Contracts and Direct Services, overall strategic objectives, financial objectives and policy direction from democratic decisions taken

- Jo Pearce, ECC Policy and Commercial Development Officer – Lead Officer for developing policy, marketing and promotion.

Responsible for developing, adapting and partnership development of the Green Accord to meet market requirements, marketing and promotion strategies to widen customer and client base.

- Dave Licence, ECC Principal Quantity Surveyor - Lead Officer for IT development, web site marketing strategy and financial strategy.

Responsible for developing web-based and electronic solutions to service delivery, ensuring IT proposals from marketing consultant are compatible with ECC IT requirements and meet the future Green Accord needs such that systems are self governing to keep the need for staff resources to a minimum

In terms of corporate responsibilities, the above staff have been directed as necessary and supported by Paul McCormick, Head of Contracts and Direct Services who has provided, and continues to provide, the liaison with Director and ultimately Strategic Management Team.

The skills possessed by the above team have brought national recognition for a variety of innovative projects. The dedication of the Team's work has been widely recognised through Society of Procurement Officers Awards in 2003, 2005 and 2006 for outstanding achievement in procurement. The team also achieved Charter Mark accreditation in 2005 for the Unit (before this was corporately applied). Mel Jones, Team Manager, won the Government Opportunities (GO) Individual Award for Public Procurement Excellence in 2006 and recently the Green Accord team won the 2008 GO Sustainability Award specifically for the Green Accord initiative.

To date the above staff have been able to cope with the assessment needs of suppliers to Exeter City Council, but it is recognised that more assessors would need to be engaged, from separately or externally employed sources, to cope with the likely high demand, say from Met Office and Exeter and Bristol Universities. In order to prepare for this need all the above officers have been trained as assessor trainers. Initial discussions have been held with CHAS (Contractors Health and Safety Assessment Scheme) to seek to partner with this already well established Health and Safety mark to seek to develop a trained assessor database for both CHAS and Green Accord.



3. Proposed Advisers

To complement the key personnel and to facilitate the business case the following advisers have and will provide valuable liaison resources for the Green Accord team:

- Paul McCormick, Head of Contracts and Direct Services. Providing procurement advice in terms of his corporate role as Chair of Procurement Group and ensuring all work carried out by the team is in line with corporate objectives and does not conflict or detract from allotted programmed work duties.
- Simon Copper, ECC Litigation Solicitor. Providing advice to safeguard the Green Accord intellectual property rights and product rights for the council and provide advice on general matters in relation to developing the Green Accord as a certification mark, trade mark and other commercial aspects.
- Sally Reeve, ECC Accountant. Advisor on commercial finance issues, principally to develop the financial plan for the Business Plan.
- Christine Banfield, ECC Web designer. Providing advice to tie in Green Accord IT web site requirements with ECC IT services
- Kathryn Lamble, ECC Environmental Coordinator . Providing advice to coordinate Green Accord strategic objectives and developments with ECC policy and objectives.
- Simon Best from Envirowise and Mark Hodgson from Envision (Global action Plan), both Government sponsored bodies promoting sustainability and action on climate change. They have provided and continue to provide advice on direction of Green Accord, establishing marketing contacts and providing advice on and establishing training programmes for existing and potential clients or other organisations. The close partnering arrangement developed specifically with Global Action Plan (see 10.1) will bring market credibility and a better market lead as they will provide induction training for prospective clients in relation to how the Green Accord can benefit their supply chains in terms of sustainability and by seeking to reduce climate change not just measure it.
- Alder and Alder, Marketing consultants with environmental credentials.
- CHAS, the Contractors Health and Safety Assessment Scheme owned and managed by Merton Council. To act as a potential effective partner in a complimentary field to market the Green Accord accreditation in tandem with this already established and well respected Health and Safety Assessment mark.



4. Services to be offered

Whilst suppliers may simply apply directly to the Green Accord for accreditation, for control and better management purposes, it is planned that the main services to be offered, in relation to the accreditation, will principally be to client organisations.

That is, the Green Accord team will provide a client organisation (local authority, government body, University or large private company) with a management service, at no cost to that organisation, whereby the client firstly determines that their supply chain must achieve Green Accord accreditation (the client possibly being better able to take this decision following the induction arrangements made through the partnership between Green Accord and Global Action Plan as described in 10.1 below).

The Green Accord team then directly deals with those client suppliers to achieve the Green Accord accreditation. The Green Accord team will provide all necessary scheme information, regulations and arrange further training for suppliers to improve their level of accreditation. The accreditation fee will allow the supplier to hold the accreditation for two years. As the cost of the Green Accord is paid for by the suppliers, not the client, then, for clients, this is a very attractive proposition. Further, as the fee is pitched at a very economic level, then it is most unlikely that such fee costs will be passed onto the client, particularly because the accreditation would allow suppliers the opportunity to generate business from other clients for no additional fee.

For suppliers to achieve Green Accord accreditation, they apply directly to The Green Accord by visiting the web-site and completing the following steps:

- 1) fill out an online self assessment (interactive tick list)
- 2) gather supporting documents (for all ticked self assessment requirements)
- 3) send required evidence to the assessor, with the fee, to achieve correct level of accreditation.

A charge is made per assessment and the supplier will send the payment with the evidence to the Green Accord team. Following assessment of evidence the supplier is to be contacted within 10 working days to verify the outcome and company details added to Green Accord data base.

All accredited suppliers will be listed on the central Green Accord data base.



5. Proposed charging structure for Green Accord

The charge made to suppliers for assessment of Green Accord Accreditation application is:

- **£180 + VAT** - if employing 5 or more people, for a two year licence
- **£90 + VAT** - if employing fewer than 5 people, for a two year licence
- A supplier who fails the first assessment will receive a written summary of any weaknesses noted. There will be a further charge of **£40** to cover the assessor's time to check any then resubmitted assessments.

The assessor or audit fee would be taken from the supplier fee charge (broadly following the CHAS model). So without fee payment, no assessment will be carried out.

5.1 Incoming payment arrangements

In discussion with Treasury Services the following arrangements to facilitate payment of audit fee will be;

- An "F" account number has been set up as the repository for all Green Accord payments
- When payments into the account are made they will have to be made with reference to a prefixed and company specific GA number which, when the payment is electronically then deposited in the "F" code account, will mean that it will be easy to check which companies have paid the requisite fee.
- Payment will be made by BACS to account number 089027 61139554 quoting the GA number, by telephone through 01823 265734 again quoting the GA number, by post with cheque or postal order or by cash/cheque in person at the Customer Service Centre. Credit card payments will accrue a fee of 1.5%.



6. Market for Services

To date we have identified interest from both public and private sectors as follows:

- Other Local Authorities – East Devon District Council, Teignbridge District Council, Hampshire CC. However, to date we have found that these authorities have not yet developed their sustainable procurement policies to be confident to proceed with Green Accord accreditation for their supply chains at this time. So presently local authorities are considered only as future potential customers. Nevertheless we have received some more positive interest in the Green Accord from the Wirral Consortium of Local authorities, and the proposed partnership with Global Action Plan (described in 10.1 below) will, it is believed, overcome reticence so far experienced in this market.
- Commercial companies – SunGuard. But again we found that they have not yet thought out how the Green Accord accreditation could be best arranged for their supply chains at this time. However, Canon have expressed particular interest in applying the Green Accord across their company/supply chain and we are in the process of making further contact to proceed with them.
- Other Public Bodies/Public Private organisations – MET Office, Exeter and Bristol Universities and West Berkshire Unitary Authority. Having met with these bodies we have generated great interest such that all have confirmed they wish to proceed with Green Accord accreditation for their supply chains. The issues for them being only as to what supply chains to initially apply the accreditation process to. It is likely that the process will target construction suppliers initially, being tried and tested. Exeter and Bristol Universities have agreed to work together to develop the initiative for their purposes in 2009. Bristol University provide a lead, in terms of sustainable developments, for some 600 other universities and some 300 colleges, so there is real potential for the Green accord to be more widely adopted, across the country, by such bodies. We have also recently been approached by the Natural History Museum who wish to examine how the Green Accord can be used for their supply chains.
 - The Met Office have now signed up to apply the Green Accord to their major construction suppliers initially with further expansion into all other supply chains (appendix D). The initial number of suppliers to be audited is a minimum of 75

Logo, name and Green Accord marketing information is already in hand. Challenges set and currently being tackled are:

- Creating a strong user friendly online presence
- Defining the ownership and trademarking of the Green Accord
- Developing a strong visual identity for the Green accord



7. The Competition

Presently we are informed by Envirowise, Envision (Global Action Plan) and CHAS that there is no similar competition for such a scheme as it is unique in its concept and operation, particularly the aspect where suppliers do not work for an organisation without this suitable sustainability accreditation.

This situation does mean that there are many companies who would potentially look to “steal” the rights and properties of the accreditation scheme. We are watchful of such a threat and that is why we have engaged our Litigation Solicitor to secure intellectual property rights and copyright for ECC.

We presently consider that we can further effectively negate competition threats by partnering with CHAS, to gain better market support for the Green Accord by working in tandem with this Health and Safety mark.

Whilst there is no comparable scheme operated in the country at this time there are organisations that offer carbon measurement for suppliers, such as Carbon Disclosure Project (CDP) and CAESAR. But these organisations do not readily drive practical actions to reduce climate change, just aim to measure carbon and, in the particular case of CDP, they charge the client up to £18,000 p.a. so is not particularly economically attractive to clients. This is borne out by the Natural History Museum who have turned to the Green Accord because it is a more economical solution for them in terms of driving sustainability through their supply chains. However, despite these organisations' questionable benefits in terms of reducing climate change they are nevertheless gaining wider interest from their slick strategic marketing to Government promoted sustainable bodies. This is why we need to move swiftly both to safeguard the brand and deliver on opportunities through having effective, strategically directed, promotion to bring a professional presence on a dedicated web-site and also to widely demonstrate our value over spin off alternative initiatives. To this end we have developed a close partnering arrangement with Global Action Plan to provide market credibility for the Green Accord brand, to better introduce clients to the benefits of the initiative for them and their supply chains.



8. SWOT Analysis

a. Strengths

- The Green Accord is a unique scheme not only in this field but also in that it offers a proven driver for continuous improvement through a traffic light system of level of accreditation. This traffic light system is inherently designed to be inclusive such that small companies can similarly achieve a level of accreditation, despite perhaps less resources, alongside the larger companies.
- The sustainability agenda is nationally recognised, highly prized and of the moment
- We already have dedicated staff within Contract Development involved in the development of the Green Accord
- We have valuable partners in Envirowise and Envision(Global Action Plan) who provide advice and also provide specifically targeted training for clients and suppliers in terms of:
 - On-line support to suppliers
 - Potential to bring cost savings and increased business worth to suppliers
- The Green Accord accreditation is free to client bodies
- Commitment from large, high profile large clients, to date includes: Exeter University, Bristol University, the MET Office, West Berkshire Unitary Authority.
- The Green Accord has received national recognition, particularly through winning the GO Sustainability Award in June 2008 which led to the invite to speak at the SOPO Conference in November 2008 alongside such sustainability champions such as Barbara Morton (Director, Action Sustainability) and being invited to speak at the National Sustainable Procurement Conference in London March 2009 alongside William Jordan (Acting Chief Sustainability & Operating Officer, Office of Government Commerce) and Chris Large, Director of Global Action Plan. This recognition provided excellent testimonials to promote the initiative more widely.
- The Green Accord has been welcomed by ECC suppliers and has given them the impetus to drive sustainability for their own business needs. A particular success has been with the building company Arque. After achieving the Green Accord accreditation, at Select/Red level, they decided to take up the training offer provided by Envision to pursue a recognised environmental management standard such as ISO 14001 which, when achieved, will also bring them Premier/Green level under the Green Accord. But further, as part of this process, Envision will use a “carbon tracker” tool to measure the reduction in Arque carbon footprint as they achieve greater sustainability through their operations as promoted by Green Accord. This will thereby increase the credibility of the Green Accord as a beneficial tool to transparently tackle the issues of climate change. The Arque case has brought good publicity for the initiative both locally, through Express and Echo (February 2009) and nationally through an article in the Environment Agency magazine “Your Environment“(Nov-Jan 2009). In particular the quote from Arque (in E&E) shows how the Green Accord can make a difference “Most of us (*sic contractors*) are interested now in being a bit greener, but that (*sic having to have Green Accord to work for ECC*) was the kick up the backside for companies to embrace sustainability and derive the business benefits from it.”



b. Weaknesses

- Lack of dedicated website presence. A professional presence of Green Accord on a host website is essential and BIT Bid is to be re-submitted, providing SMT support gained, to secure a widely recognised website presence.
- The brand is not completely safeguarded and secured in terms of copyright, trademark at this time. So there are companies, of which we are aware, that would seek to “steal” the initiative or use parts and benefits of the initiative to promote their own products.
- Copyright of the Green Accord trademark was initially potentially problematic due to another company previously registered as Accord. So, if challenged a change of name had to be considered. However we have, through legal services, sought further legal advice and a trademark agent in order to resolve any issues in this regard in order to maintain the Accord name. Further, it is understood that the Accord company has since been taken over by another, so it is likely that such company name is not now effectively trading.
- Resourcing – this could be problematic if expansion is needed in rapid time. It would then be difficult for the present Green Accord team to react quickly to demands of the market, which may mean business impetus and opportunities could be lost or compromised. In order to counter this, and following discussion and advice from ECC HR Payroll Services, the Green Accord would seek to first employ appropriately trained and trusted ECC staff on a casual worker fixed fee basis defined as “Casual Contracts Auditors”, who would carry out audits outside of their normal work. This follows precedents already set within the Council in relation to leisure coaching and leaflet distribution for Housing services. It is considered this is the best initial step to maintain control and quality of the auditing until such a level of demand for the Green Accord is secured where more resources are required. When more auditing resources are needed, as higher demand is secured to be able to attract auditors such that they would be willing to pay for training, then appropriately trained external auditors would be employed to take on the accreditation process, again on a fixed fee basis (similar to the CHAS system for assessment). All assessment fees being paid out of the supplier fee received before audits are carried out. Either way a register of auditors would be developed and random checks would be made, particularly in terms of external audits, to ensure the quality of auditing was maintained and remained consistent.



c. Opportunities

- Accreditation assessment charges made will derive a profit and, after costs, that profit can be used to both finance the further development of the project and contribute to the council's sustainable agenda
- Marketing opportunities as discussed under section 5.0 above and through partnering with Global Action Plan to provide training and support for prospective clients to assist them to better recognise the benefits of the accreditation for both them and their supply chain.
- Extensive financial opportunities (see 7 year financial forecast in Appendix B)
- Raises the profile of the council and City alike in terms of sustainability and sustainable procurement in particular.

d. Threats

- That we do not secure professional web presence for the future identification of the Green Accord
- That we do not safeguard the initiative such that it is stolen
- That present Green Accord team members leave and impetus is lost
- That the Green Accord team are not supported and afforded the flexibility to expand in terms of influence and resources
- Unitary status means that the initiative ends or is purloined by other public body arrangement.
- Envirowise and Envision(Global Action Plan) cease to exist or provide free or subsidised training support.



9. Business Risk Assessment

Seven main areas of risk have been explored and the risk assessment can be viewed on Appendix A.

Of these the two highest risks to success are seen as;

1. Not having a separately identifiable website presence to properly market the initiative.
2. Not securing the initiative for the council, such that it is plagiarised and effectively “stolen” by others.



10. Business Strategy

This initiative has the potential to bring significant additional net income to the council. At present there is no similar initiative of this kind in the country, so the council stands at the threshold of this potential unique business opportunity.

Accreditation assessment charges made will derive a profit and, after costs, that profit could be used to both finance the further development of the project and provide a contribution to the council's sustainable agenda.

Despite set up costs the financial plan shows a small profit in first operational year, with revenue generation in future years. See attached 7 year financial plan in Appendix B for details. Market development is seen as through:

- **Exeter City Council supply chain** – This needs top down management support at Exeter to fully embrace the system internally. However the Green Accord accreditation need has already been sited in the ECC draft sustainable procurement policy.
- **The Web** -The Green Accord will require a strong web presence. It is essential that the website would contain marketing material and a look to satisfy the market in which the Green Accord will grow to maximise profits. Through the interactive website individuals must have access to the system components such as the self-assessment and a database of accredited companies.
- **Client Companies** – Spreading the word through networking (i.e. Society of Procurement Officers, Constructing Excellence and BIP contacts). The initial idea being to select a private sector company who will wish to partner with us on the initial move into this market, to develop the opportunities/potential income of the Green Accord with them to assist with the business case for further resources and expansion.
- **Client Public/Private Authorities** – Target generally Local authority consortiums/Universities and the like geographically positioned to potentially act as hubs to market the Green Accord to others in their region. Work with these to develop the Green Accord for them and so bolster the business case for further resources and continuous expansion.
- **Other supply companies that wish to be Green Accord accredited** – Spreading the word through networking and exposure to the logo. The level of uptake will determine the business case for additional resources at Exeter. One promotional success has been the large Green Accord banner erected by BAM at the RAMM Redevelopment site to advertise their company's accreditation.



10.1 Business Strategy - Green Accord Partnership with Global Action Plan

Global Action Plan were described by Jonathan Porritt, chair of the Sustainable Development Commission, “as the best organisation to engage people in environmental change.” So consequently, in promoting and marketing the Green Accord as a credible accreditation mark that treats climate change not just measure it. So we believe it important to partner with Global Action Plan, who also believe in the Green Accord and see that its benefits outweigh those promoted by other like initiatives.

When we have found that certain clients have been reluctant to apply the Green Accord to their supply chains, in particular other local authorities, we have interpreted this as either;

- them not having developed a robust sustainable procurement policy to provide them with strategic direction
- them being unsure as to whether they would “lose” valuable suppliers if they apply the Green Accord unilaterally because of them not being convinced that their suppliers were capable of achieving the accreditation.

We assumed this because, at Exeter, we have a sustainable procurement policy in place and our client officers are, in the main areas of procurement, well aware of the abilities of suppliers.

However, we have since found, through Global Action Plan, that there is an issue whereby other clients are frankly not sufficiently aware of the skills and abilities of their suppliers such that they do not know how the Green Accord could benefit them or their suppliers. Clients have also expressed the wish to become accredited themselves before applying to their supply chain.

Consequently, some clients are at present being won over by companies selling just carbon measurement initiatives (like CDP), believing this gives the client the “tick in the box” in terms of sustainability for them to meet their corporate social responsibilities and level 3 of the Flexible Framework. However, just measuring carbon doesn’t treat climate change. Global Action Plan have recognised that the Green Accord takes action on climate change not merely benchmarks it. So they have decided to pledge their support to promote this initiative to larger and more influential clients over and above these Carbon measurement organisations. In this way, Global Action Plan will provide the accreditation with a national presence and the kudos it needs to beat off potential market competition.

The business strategy being developed with Global Action Plan is described in the flow diagram attached but is also explained as;

1. In future both Green Accord and Global Action Plan may approach clients as one or separately. With Global Action Plan involved, clients will be more comforted that the Green Accord will deliver benefits to them.
2. Either way, clients will be advised of the benefits to them of the Green Accord and that it will be free for them if they are willing at that point to apply the accreditation to their suppliers.
3. If clients are happy to proceed at that point, then the accreditation process would be launched only through the Green Accord.
4. If clients are concerned at this point about the effect on its supply chain, Global Action Plan would offer the client advice and/or support training (for a fee) to enable them to be assured that the Green Accord accreditation is viable and beneficial both to them and to their supply chain. Global action Plan would assist the client in

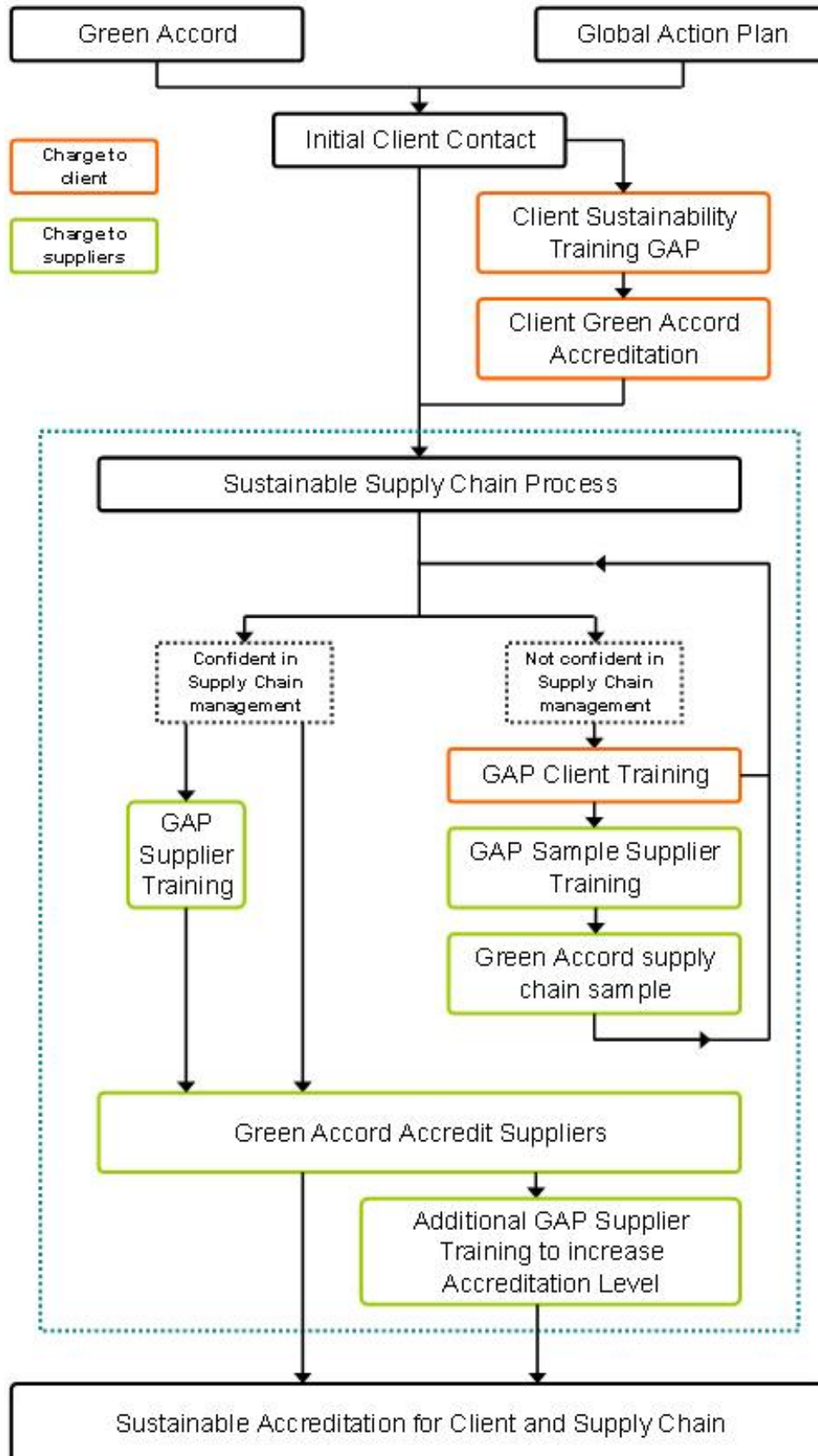


achieving the accreditation for themselves if they so wished at that point, with any fee for the accreditation itself being paid to Green Accord.

5. If clients then need more convincing, in terms of applying to their supply chain, Global Action Plan would offer to “sample test” the accreditation with a sample of their suppliers. Here, the client would pay the Green Accord fee for the accreditation on behalf of their sample suppliers. Global Action Plan would offer any training support (for a fee) for suppliers as required.
6. If, after the client training, sample testing and the like are complete, the client then wishes to proceed, then the normal accreditation process would be launched only through the Green Accord and fees from suppliers paid to the Green Accord.
7. If, after obtaining a level of accreditation, suppliers require more advice and training (to perhaps attain EMAS qualification, BS8555 or ISO14001), then that would be arranged with Global Action Plan by Green Accord.

So this partnership still provides for the Green Accord to be free to clients and therefore remains a viable and economic option in terms of marketing to clients. This partnership would not preclude supply companies applying direct to the Green Accord for the accreditation and also would still provide Global Action Plan with the opportunity to offer training to that supplier.

Green Accord and Global Action Plan Partnership





11.0 Proposed Business structure and skills

Presently the Green Accord Team driving the initiative comprises;

Mel Jones, Contract Development Manager, FRICS Quantity Surveyor with specific skills and responsibilities in terms of procurement and contract arrangements

Jo Pearce, Policy and Commercial Officer, Dip. Waste Management, with specific skills and responsibilities in terms of environment protection, waste management and promotion and marketing

Dave Licence, BSc honours in Quantity Surveying, applying specific skills and responsibilities in terms of IT development, web site development and marketing and financial strategy.

Energy Manager (previously Andrew Pedrick, Electrical Engineer since left the council), but we have now forged a partnership with Global Action Plan (Mark Hodgson and Tom Kennard) to bring specific energy management and energy saving skills and advice to the Green Accord Team.

These staff have presently been able to accredit all the building contractors used by the council to the Green Accord, the work largely involving the auditing of contractor self assessments.

However, with external company take up, it is proposed that trained trusted ECC employees or external auditors be employed, paid for from the fee charge made to applicants (as per the CHAS model).

In order to facilitate such other auditors all the present staff above were up-skilled to be able to train auditors to the required standard.



12.0 Growth plan and staff resourcing

2009 will be the critical year for the wider development of the Green Accord for commercial benefit to the council. The cost and variety of resources needed in 2009 are likely to be higher than subsequent years as many of the resources will be needed for initial set up of systems. However, the amount of resources needed will be dictated by the take up by client operators and suppliers. But it should be noted that with each take up of the accreditation a fee is received, so revenue is received for audits before auditing is arranged and accreditation awarded. So any expansion of resources in future years should be paid for in advance of need.

In terms of growth, major clients that have already expressed the wish to apply the Green Accord accreditation to their supply chains are;

Met Office – initially wishing to carry out a pilot project of accreditation specifically for their major maintenance contractor and allied suppliers before applying across other supply streams

Exeter University – working with us to apply the accreditation to their construction and building maintenance supply chain.

Bristol University – expressed the desire to mirror Exeter University as a pilot project before applying to their wider and diverse supply streams. Bristol have also expressed a desire to disseminate the Green Accord accreditation as a sustainability mark for Universities around the country.

Canon – have expressed their desire to attain the Green Accord accreditation themselves before applying to their supply chain

Wirral Consortium of Local Authorities – have expressed a desire to bring in the accreditation for Local Authorities in the region.

West Berkshire Unitary Authority – after witnessing the initiative at the GO Sustainability Conference March 2009 they are meeting the Green Accord Team in April 2009 to drive the Green Accord through their supply chains.

Natural History Museum – again after witnessing the initiative at the GO Sustainability Conference March 2009 and, after rejecting the Carbon Disclosure Project initiative as being an uneconomic and unviable solution for them, wish to further explore the Green Accord to both make their supply chains more sustainable and also to narrow down their supply chain to a more manageable size.

CHAS – This is a nationally recognised health and safety certification mark (developed with the Borough of Merton) held by mainly construction companies and revered widely by Local Authorities and other public bodies. There is potential to “partner” with CHAS such that when the CHAS mark is marketed, clients are also offered the opportunity to have the Green Accord as a sustainability mark for their supply chains to compliment this health and safety mark.



The major issue in terms of matching resources to growth will be in relation to the need for auditors to carry out the auditing of supplier self assessments. However, because we are working with a small group of clients and then on pilot schemes initially, it is most likely that the requirements to carry out auditing of self assessments will arrive in small batches, particularly in 2009, rather than large batches all at one time. So, as long as the IT requirements and developments are supported which seek to make the operation of the Green Accord more self managing then any additional resources needed to manage growth should be small and nevertheless would be financed from income.

With more customers, there will no doubt be a need for an administration resource, but all the developments in the Green Accord have been aimed and designed to need minimal management and administration in its operation, because it will rely heavily on its IT website facilities.

In terms of likely revenue to the council, to pay for any resources needed in relation to developing the Green Accord, it is likely that the council will receive, before deduction of audit costs, net income of either £90 or £180 per supplier. However, as the majority of suppliers will have more than 5 employees, the council is likely to receive more £180 units rather than £90. Receiving income from the Met Office and Exeter/Bristol Universities just on their pilot schemes will mean that the potential income, just from these clients after roll out of these pilot schemes to their other supply chains, is likely to be of substantive financial benefit to the council.

With regard to the benefits to accredited companies, an important key to the continued successful development and use of the Green accord is the strong business returns available to participating companies. The advantages of accreditation for a company being:

- Clear demonstration of green credentials for company business benefit
- A system that drives sustainable working practices and procurement
- Cost savings made through real energy and waste reduction
- Free online and assisted training
- Improved business worth and advantage in terms of competition with competitors



13.0 IT Investment

The initiative must be supported by a widely recognised presence from an easily accessible, highly visible and credible web-site (as was advised both by CHAS and Alder& Alder).

The web-site will need to be identifiable with the product such as to facilitate its professional promotion. The Green Accord will therefore require a strong web presence in order to advertise and maintain its sustainable credibility

As part of the drive to achieve a credible web presence, and to further secure the brand, appropriate website domain names have been reserved and acquired after advice from and in liaison with IT Services. Domain names such as “green-accord.gov.uk” or “greenaccord.org” and similar have been secured for the council.

The Green Accord must have an easy to use IT interactive system in place. It is essential that the website contain marketing material and look to satisfy the market in which the Green Accord will grow to maximise profits.

Through the interactive website individuals must have access to the system components such as the self-assessment and a database of accredited companies including their supporting documentation and all will need to be stored electronically, accessible through the site via secure login.

Easy pay facilities will also need to be put in place (as described in 5.1 above) to allow fees to be paid quickly by suppliers with the submission of the assessment. It is understood there are current arrangements in place to enable other council payments to be made by card over phone or in person at Customer First. Some expansion of such current facility to allow for self assessment fees to be paid should therefore not be problematic.



14.0 Financial Plan

This 7 year plan has been set out in Appendix B. The financial plan has been developed in consultation with Treasury Services. To better explain the various estimates used, refer to line numbers in left hand margin of the plan with the notes provided below. Such estimates and projections have been prepared both from the best information available at this time and from consultation with various informed sources.

- Lines 1 to 8 – Income from Units sold
In establishing the accreditation and developing its use initially for Exeter City Council building construction related suppliers it was considered that no accreditation fee be charged, apart from a minimal charge (£5) for a cd disk for business use of logos.

Consequently, little substantive income has been accrued for the accreditation to date. However, for any future suppliers, and for ECC suppliers after 1st April 2009, it is planned for the charges as detailed in clause 5.0 above to be charged.

The estimates in lines 3 and 6 now represent the likely numbers of suppliers who would seek the accreditation, paying the requisite fee as detailed in clause 5.0 above every two years (on lines 4 and 7). These annual estimates of sales (lines 4 and 7) are seen as reasonable but tend towards the conservative. For example, if just the Universities and colleges take up the Green Accord for their supply chains, as has been proposed by Martin Wiles Bristol University's lead on sustainable procurement, it would mean 900 Universities and colleges. If they only have 10 suppliers each, that would amount to 9000 suppliers. So, in order not to overstate the potential of this scheme at this stage, the numbers of potential suppliers have been marked down in this financial plan.

It therefore follows that all potential income calculations, in lines 4 and 7 for example, are based on a more conservative estimate of supplier take up. These income calculations do not take into account the additional income from clients that may be derived through the partnership with Global Action Plan as described in 10.1 above.

Payment of the accreditation/audit fee allows a company to retain such accreditation for two years, before a re-application has to be made. Line 8 therefore details the income projected to be derived from re-applications. The year 2 estimate of £5,400 in line 8 expects at least some 30 existing suppliers to re-apply at a cost of £180, which again is considered a conservative estimate.



- Lines 10 to 14 – Expenses and Audit Fee
The Online transaction fees in line 11 assume a 1% banking charge in relation to collecting the income shown in lines 4 and 7.

There will be a need to engage auditors in order to assess the Green Accord applications and re-applications. Following the CHAS model, it is proposed to engage, initially, trained ECC employees as auditors paid for on a casual fixed fee basis, where audits are carried out outside normal working hours. As applications increase external auditors will be employed and, in this regard there is both potential to partner with similarly appointed CHAS auditors or to employ an auditing company such as SGS United Kingdom Limited.

CHAS have advised that the market charge for external auditors for CHAS audits is up to £90 per audit, for the larger companies. For smaller companies it has been estimated that auditor's costs would be smaller due to there being fewer items to audit. Estimates of these auditor costs have been taken into account in lines 13 and 14 (renewals).

- Line 18 - Travel and accommodation expenses
This is an estimate to account for likely travel expenses in terms of when staff are needed to travel to potential clients or to events to explain and promote the Green Accord. As a rail ticket to London can cost some £200 return at this time, then the estimate here is not seen as unreasonable. Growth in this cost has not been included on the basis that it is anticipated that less promotion work will be needed in future years as the accreditation becomes more widely accepted as an industry norm and so widely adopted.
- Line 19 - Training of auditors
This is an estimate of the potential costs which will be incurred (for example for room hire, training, materials etc) by the Green Accord team to train both internal and external auditors. Particularly, in respect of external auditors we would expect to place a charge on each auditor for the training given (this again follows the CHAS model). However, external auditors would be sourced only when higher demand is secured to be able to attract auditors such that they would be willing to pay for training because of the potential income opportunities for them. Nevertheless, at this time as it is difficult to calculate how many external auditors would be required and how training would be carried out (in small groups or large), it is difficult to establish what income could be recovered from potential auditor training. Therefore no credit has been allowed for in these figures for recovery of such training costs.
- Lines 20, 21 and 22 - Website and Legal Revenue costs
These estimates have been established from current likely costs as discussed with the marketing and promotion consultants Alder and Alder, ECC IT Services and ECC Legal Services and include some allowance for growth over time.
- Line 23 and 24 – Publicity and Brand Development Revenue Costs
These estimates have been established from current likely costs as again discussed with Alder and Alder, and vary in value year on year as there may be less need for such publicity as the brand becomes more accepted more widely as an industry norm.
- Line 25 – Insurance
This represents any additional insurance costs relating to professional indemnity insurance, Estimates were developed with Corporate Finance Manager in Treasury Services in consultation with Zurich Municipal.



- **Line 26 – Administration costs**
These costs represent the likely level of administrative support needed, as the take up of the accreditation evolves. Whilst it is planned for certain sophisticated IT systems to be in place to reduce administration, it is clear that an additional administration resource will be needed to ensure applications are audited and their dissemination to auditors is taking place. There also needs to be a resource in place to periodically check income is being received from suppliers and fees are being paid. As numbers of suppliers increase it is considered so will the need for administrative support. But as it is difficult to predict at this stage as to what the demand for the accreditation will increase to, it is difficult to estimate when more administrative support will be needed, particularly with the likely wider use of IT developments. However, if demand outstrips present predictions, then fee income from applications will be available to pay for any increased cost of support.
- **Line 27 – Administration Revenue Apportionment Costs**
In order to establish likely cost of resourcing more senior administration of the scheme, zero based budgeting calculations have been established in line with the standard range of council stewardship provisions as accounted for in typical unit cost centres. That is, encompassing such items as salaries, equipment, training, room rental, admin and payroll support, network connections and software support. Such calculations have been developed in consultation with Treasury Services. These costs have been calculated to reflect the absorption of part of the salary paid to existing staff (in their present roles) to identify what portion of their job is likely to be allocated to the Green Accord. This therefore attempts to establish what level of financial resource, in terms of staff time and peripherals, would be needed as the demand for the accreditation increases. As these costs do not represent any increase in the council's overall cost, they are mirrored in line 44.
- **Lines 31 to 35 - IT set up costs and Brand Promotion**
Estimated provision is made here to cover mainly for any IT hardware needs such as additional laptops, printers or communication equipment. Display equipment costs are likely to be incurred in terms of promotional materials and display boards or software. Costs here also represent the work need in establishing a separate web-presence for the initiative, developing the electronic administration of auditing and a database record of level of company accreditation. The estimates have been prepared through discussion with Alder and Alder and ECC IT Services.
- **Lines 36 to 38 – Copyright/Trademarking/Certification mark**
These represent the cost of initially safeguarding the initiative for Exeter City Council and then establishing the brand as a credible certification mark. We have liaised closely with ECC Legal Services in relation to this and particularly with the Litigation Solicitor, who has since joined the Green Accord project team. Through the Litigation Solicitor we have received legal advice in terms of establishing the Green Accord as a trademark/certification mark and legal advice in terms risk and potential challenges in the use of the Green Accord name. Estimates have been developed in liaison with the Litigation Solicitor.
- **Line 42 to 44 - Funding contributions**
To date, it is considered that development costs incurred be paid for by contribution in Year 1 from two sources (lines 42 and 43). That is from the Carbon Management Programme, as this initiative is in line with council sustainable Strategic Objectives, and from the existing Professional Fee budget in relation to costs of valuable advice from Legal consultant (as advised by ECC Litigation Solicitor) in terms of copyright and trademarking and marketing company, Alder & Alder (as advised by environmental consultant Envirowise), in terms of promotion and developing market presence.



The cost of staffing (Line 44) reflect the amount of existing staff and other costs to be contributed from existing resources (as in Line 27) to establish and develop the Green Accord to a position where it can be reasonably marketed externally and then improved and expanded to attract and benefit other interested parties and to increase income to the Council.

- Line 45 – Contribution to General Reserves
These balances represent the projected “profit” from the scheme with full overhead recovery. These amounts will therefore be there for the council to either re-invest in the Green Accord, perhaps paying for additional resources as needed, or to invest elsewhere.

In addition to all the above a Break Even plan is also included separately in Appendix C to show the targets to be achieved in terms of Units sold, in order to achieve a break even position within 3 years. This again has been produced in consultation with Treasury services.



15.0 Sources of potential external investment

All present set up costs and fees have been financed from both carbon management and set aside consultancy funds as all work carried out as been in line with the council's Strategic Objectives (9d Promotion of Sustainability, 11a Driving up service standards, 11b Pursuit of best value, 11c Pursuit of sustainability) and designed to specifically achieve the targets set by the Government sponsored Sustainability Task Force in terms of the Flexible Framework. That is the public sector bodies were charged to achieve level 3 of the Flexible Framework by 2009. By hosting by the Green Accord we are assured by Envirowise that the council has now exceeded that level in terms of sustainable procurement practices and supplier engagement. This means that the council is a leader for the public sector in terms of the flexible framework as nationally the achievements by others are at best patchy and there are some public bodies who presently do not know when they will achieve this level (according to Barbara Morton - Director, Action Sustainability).

Whilst additional investment from Government grants and sustainable programmes will be sought, whilst such income would be useful to help with initial set up costs incurred, such income is fortunately not considered essential as future potential income could fund capital and revenue costs.

As an example, presently some external income was pursued through the BREW (Business Resource Efficiency and Waste) scheme. They offer funding for what they term as Local Authority Trailblazer projects. Despite this, when we investigated further it appeared that the Green Accord did not readily fit their definition of "trailblazer" and we further found that Kathryn Lamble is already seeking grant aid from BREW for the council in respect of another sustainable project .

So, in order for the council to take advantage of such a unique system the Green Accord team need support from Senior Management Team to be allowed to pursue this business case to so provide a value for money accreditation scheme that brings greater sustainability and a greener environment for the benefit to the council as the host and for the community in Exeter.

APPENDIX A

GREEN ACCORD BUSINESS RISK ASSESSMENT

RISK	IMPACT	LIKELIHOOD	HOW TO OVERCOME
IT Capabilities / separate website	HIGH	HIGH	Provision of an adequate database and professional website presence is essential for the scheme to have a presence be promoted and grow
Theft of accreditation idea /Green Accord name/ green Accord Self Assessment	HIGH	HIGH	Our representative in Legal Services is currently obtaining copyright for the Green Accord name and a service mark for the accreditation. Presently the Green Accord has been widely recognised (through various awards) and is already well regarded and has given good publicity to the City Council.
The Accreditation being overtaken by other non-similar products through lack of adequate promotion as the principal sustainable accreditation mark	HIGH	MEDIUM	We are aware of comparisons to the other “marks” emerging, but our two principal benefits to clients over these “competitors” is that our accreditation is free to clients (where CDP charge clients up to £18k pa) and the Green Accord is cheaper and simpler for suppliers to participate in and operate. As above, whilst we have already gained recognition for the Green Accord, it is important that the promotion and marketing is smartly driven with some haste and continued to ward off the ability of potential competitors to gain marketing position ahead of Green Accord. To further achieve recognition and market credibility and market lead we have recently developed a close partnering arrangement with Global Action Plan such that they will provide initial support to Clients to give them confidence to apply the Green Accord to their supply chains such that we “sell” our ability to “treat climate change not just measure it”.
Departure of individual officers.	LOW	LOW	Scheme is not reliant on one individual and is currently the success of a team effort.

APPENDIX A

GREEN ACCORD BUSINESS RISK ASSESSMENT

RISK	IMPACT	LIKELIHOOD	HOW TO OVERCOME
Failure to deliver / planning for future growth	HIGH	MEDIUM	Recruitment of assessors and business planning is essential, but we have taken advice from CHAS as to how they trained and recruited external assessors and in this regard all the present team members are trained assessors and could train new assessors. Partnering with Global Action Plan will provide allow a more measured and strategic approach to betaken in relation to prospective client opportunities.
Lack of scheme enhancement /promotion for the Green Accord and Exeter as a beacon Council in terms of embracing sustainability initiatives.	HIGH	MEDIUM	Continue to promote/apply for professional awards/market through partners. Expand on support from professional bodies
Financial income from new clients	HIGH	LOW	Target 'large' customers, with Global Action Plan, to obtain sufficient capital required to meet the immediate database development needs including new server and software
Change of Government priorities	LOW	LOW	Sustainability brought about by the need for climate change is a Government priority that already has ingrained long-term plans spanning to at least 2050. The likelihood of any change or decrease in this drive is extremely unlikely given it's high level of global focus. It is rather, more likely to become an even higher priority in future years
Recession	LOW	LOW	The Green Accord has proven financial savings for small suppliers that far exceed the minimal outlay of £90 for 2 years. Implementing the Green Accord will actually help suppliers become more efficient and be better prepared to weather the storm of the recession

PROJECTED INCOME AND EXPENDITURE FOR FIRST 7 YEARS

	per unit	year 1	year 2	year 3	year 4	year 5	year 6	year 7	total
1 INCOME									
2 large companies									
3 no of units		200	500	1,000	1,000	1,500	1,500	2,000	7,700
4 gross income	£180	36,000	90,000	180,000	180,000	270,000	270,000	360,000	1,386,000
5 small companies									
6 no of units		50	150	250	250	250	250	250	1,450
7 gross income	£90	4,500	13,500	22,500	22,500	22,500	22,500	22,500	130,500
8 renewals			5,400	40,500	103,500	243,000	306,000	535,500	1,233,900
9 Total income from subscriptions		£ 40,500	£ 108,900	£ 243,000	£ 306,000	£ 535,500	£ 598,500	£ 918,000	£ 2,750,400
10 DIRECT EXPENSES									
11 Online transaction fees	1%	405	1,089	2,430	3,060	5,355	5,985	9,180	27,504
12 Accreditation audit fee									
13 initial		20,250	51,750	101,250	101,250	146,250	146,250	191,250	758,250
14 renewal		0	2,700	20,250	51,750	121,500	153,000	267,750	616,950
15 Total direct costs		20,655	55,539	123,930	156,060	273,105	305,235	468,180	1,402,704
16 Net income from activities		19,845	53,361	119,070	149,940	262,395	293,265	449,820	1,347,696

PROJECTED INCOME AND EXPENDITURE FOR FIRST 7 YEARS

	year 1	year 2	year 3	year 4	year 5	year 6	year 7	total
17 OTHER ANNUAL REVENUE COSTS								
Travel & accommodation for promotional purposes	1,000	1,000	1,000	1,000	1,000	1,000	1,000	7,000
19 Training of auditors		1,000	1,000	1,000	1,000	1,000	1,000	6,000
20 Website & database maintenance	1,000	1,000	1,050	1,100	1,150	1,200	1,300	7,800
21 Website hosting / server	1,000	1,000	1,000	1,050	1,100	1,150	1,200	7,500
22 Legal costs	500	500	500	500	500	500	500	3,500
23 Publicity	2,500	1,500	1,500	1,600	1,600	1,000	500	10,200
24 Brand development	2,000	2,000	1,600	1,200	1,000	800	600	9,200
25 Insurance	2,000	2,000	2,100	2,200	2,300	2,400	2,550	15,550
26 Administration - additional staffing costs	0	19,401	19,401	19,401	19,401	19,401	19,401	116,405
Administration - estimated apportionment of existing budgets	0	8,399	25,699	56,899	58,399	60,799	63,199	273,395
28 Total revenue costs	10,000	37,800	54,850	85,950	87,450	89,250	91,250	456,550
29 Net surplus	9,845	15,561	64,220	63,990	174,945	204,015	358,570	891,146
30 CAPITAL AND SET UP COSTS								
31 IT peripherals	1,000	1,000		1,000		1,000	1,000	5,000
32 Portable display equipment	1,000			1,000			1,000	3,000
33 Brand development	3,000							3,000
34 Website & database maintenance	4,000							4,000
35 Website hosting / server	4,000							4,000
36 Companies House	50							50
37 Certification mark	1,000						1,000	2,000
38 Legal costs	9,500	7,500						17,000
								0
39 Total capital and setup costs	23,550	8,500	0	2,000	0	1,000	3,000	38,050
40 Net cash inflow for the year	(£13,705)	£7,061	£64,220	£61,990	£174,945	£203,015	£355,570	£853,096
41 Funding:								
42 Carbon Management fund	5,000							5,000
43 Professional fees budget	10,000	5,000						15,000
Existing budget for administration & staffing costs	0	8,399	25,699	56,899	58,399	60,799	63,199	273,395
44	0	8,399	25,699	56,899	58,399	60,799	63,199	273,395
45 Contribution to General Reserves	1,295	20,460	89,919	118,889	233,344	263,814	418,769	1,146,491

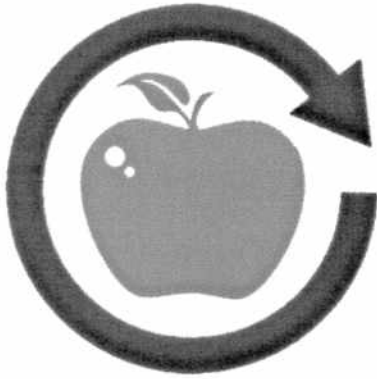
BREAK EVEN CALCULATION

	per unit	year 1	year 2	year 3	total
1 INCOME					
2 large companies					
3 no of units		87	217	415	719
4 gross income	£180	15,660	39,060	74,700	129,420
5 small companies					
6 no of units		22	69	104	195
7 gross income	£90	1,958	6,210	9,338	17,505
8 renewals				17,618	17,618
9 Total income from subscriptions	£	17,618	£ 45,270	£ 101,655	£ 164,543
10 DIRECT EXPENSES					
11 Online transaction fees	1%	176	453	1,017	1,645
12 Accreditation audit fee					
13 initial		8,809	22,635	42,019	73,463
14 renewal		0	0	8,809	8,809
15 Total direct costs		8,985	23,088	51,844	83,917
16 Net income from activities		8,633	22,182	49,811	80,626
17 OTHER ANNUAL REVENUE COSTS					
Travel & accommodation for promotional					
18 purposes		1,000	1,000	1,000	3,000
19 Training of auditors			1,000	1,000	2,000
20 Website & database maintenance		1,000	1,000	1,050	3,050
21 Website hosting / server		1,000	1,000	1,000	3,000
22 Legal costs		500	500	500	1,500
23 Publicity		2,500	1,500	1,500	5,500
24 Brand development		2,000	2,000	1,624	5,624
25 Insurance		2,000	2,000	2,100	6,100
26 Administration - additional staffing costs		0	19,401	19,401	38,802
Administration - estimated apportionment of					
27 existing budgets		0	8,399	25,699	34,098
28 Total revenue costs		10,000	37,800	54,874	102,674
29 Net surplus		(1,367)	(15,618)	(5,063)	(22,048)

BREAK EVEN CALCULATION

	year 1	year 2	year 3	total
30 CAPITAL AND SET UP COSTS				
31 IT peripherals	1,000	1,000		2,000
32 Portable display equipment	1,000			1,000
33 Brand development	3,000			3,000
34 Website & database maintenance	4,000			4,000
35 Website hosting / server	4,000			4,000
36 Companies House	50			50
37 Certification mark	1,000			1,000
38 Legal costs	9,500	7,500		17,000
				0
39 Total capital and setup costs	23,550	8,500	0	32,050
40 Net cash inflow for the year	(£24,917)	(£24,118)	(£5,063)	(£54,098)
41 Funding:				
42 Carbon Management fund	5,000			5,000
43 Professional fees budget	10,000	5,000		15,000
Existing budget for administration &				
44 staffing costs	0	8,399	25,699	34,098
45 Contribution to General Reserves	(9,917)	(10,718)	20,636	0

Appendix D



GREEN ACCORD

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is made this 10 day of JUNE 2009

BETWEEN:

(1) Green Accord (hereafter referred to as the Administrator)

AND

(2) MET OFFICE (hereafter referred to as the Client) *

• of: ~~FITZROY~~ ROAD, EXETER, EX13PB

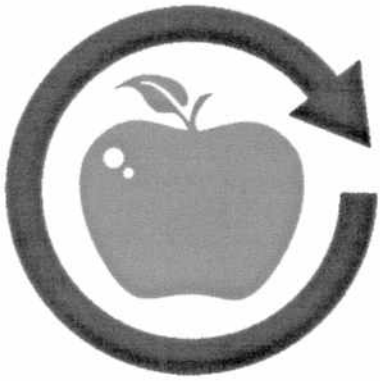
The Client hereby agrees that the Green Accord accreditation will be applied to the supply chain(s) as agreed and set out in appendix 1 and that after the initial accreditation stage only those suppliers in the agreed supply chain(s) that have attained Green Accord accreditation shall be used by your company/organisation.

Subsequent supply chains can be appended to this agreement upon occasion when agreed to by both parties by creation of additional appendices.

The Green Accord accreditation shall be awarded for a two year period to your supplier(s), after:

1. due completion, by your supplier(s), of the Green Accord online self assessment and,
2. submission of supporting evidence and appropriate fee by the supplier(s) to the Administrator using electronic means and,
3. following successful audit of the suppliers' evidence,

providing the principles and commitments of the Green Accord are upheld throughout the period of accreditation.



GREEN ACCORD

IT IS THEREFORE HEREBY AGREED AS FOLLOWS:-

- The Client will diligently uphold the principles and values of the Green Accord and promote its use and application within the organisation, associates and supply chain as agreed
- The Client will promote the objective of obtaining Green Accord Accreditation amongst its chosen and agreed supply chain
- The Client's agreed supply chain must attain Green Accord accreditation in order to remain a supplier to the Client's company/organisation
- The Administrator and its successors will control the Green Accord and award the Green Accord accreditation to those suppliers successfully meeting the relevant criteria set out in the Green Accord Self Assessment
- Self Assessment requirements will be reviewed and updated in line with new legislation and sustainable developments as determined by the Management Group of the Green Accord
- The Green Accord operates in partnership with Global Action Plan (GAP) an independent environmental charity that provides a range of services to businesses, including subsidised help and advice. The Client hereby agrees to promote this service to their supply chain

Signed:

.....

Administrator


.....

Head of Procurement
Client Met Office