

EXETER CITY COUNCIL
SCRUTINY COMMITTEE - RESOURCES

19 SEPTEMBER 2012

THE GREEN ACCORD SCHEME

1. PURPOSE OF THE REPORT

1.1 To update Members on Council's Green Accord scheme.

2. BACKGROUND

2.1 The Green Accord is the Council's own Environmental Accreditation Scheme which has been developed to help local companies reduce their impact on the environment. To gain accreditation companies have to fulfil a range of requirements including: core environmental competencies, waste practices, energy and water use, transport and equipment operations, procurement and business practice. This is done by way of an online self assessment, which gives clear definition and practical guidance to encourage changes in business operations for the company's benefit. Accreditation is valid for 2 years.

2.2 Green Accord is unique because:

- It can be used by both public and private organisations and is a sustainable procurement tool that sets a standard that can be applied to the whole supply chain, no matter what size or type of business provider.
- It is based on practical actions to reduce environmental impact of company operations, rather than only the formulation of policy and procedures. This makes it substantially different and stands it apart from other accreditation schemes providing for long term carbon savings through energy and waste reduction.

2.3 The scheme offers businesses the ability to measure, monitor and reduce energy, water and waste, deriving financial savings and sales and marketing advantages. It also provides incentives to develop sustainable business practices further. Green Accord accredited businesses, such as local graphics company Peninsular One Source and construction companies Arque, DR Jones and Schooling Building Contractors, have each demonstrated carbon savings through reduced environmental impact of business operations, some as high as 35 tonnes per annum. 35 tonnes of carbon is equivalent to the annual emissions from approx 6 x 3 bedroom homes or approx 12 x medium size petrol cars

2.4 The scheme offers the council reputational benefits, and has received much acclaim. It is an effective driver for reducing carbon emissions and measuring carbon. It also enables us to demonstrate corporate social responsibility in terms of the environment and through active engagement with suppliers and it can help us reduce our own costs. It makes a small surplus from audit fee income, much of which has been invested in the development of the scheme, to date. The Green Accord is a complete online tool so administration costs are kept to a minimum.

2.5 The Green Accord has been adopted by the Met Office and Exeter University. Interest has been received from Bristol City Council, South West Water, Devon and Cornwall Constabulary, the Eden Project and Plymouth Aquarium. Support and key links have been established with Exeter Chamber of Commerce, Federation of Small Businesses, Devon Environmental Business Network (DEBI), and new links are being developed with the Granted Environmental Consultancy and Bicton Earth Project, Energy Saving Trust, Local Enterprise Partnerships and Exeter University Business School.

- 2.6 Income from the scheme has continued to grow year on year and in 2011/12 it broke even. Based on a conservative increase in uptake, a small profit will be achieved in 2012/13. Start up costs, such as website development and legal fees, have been significant but these are one-off. Despite the enthusiasm shown for the accreditation by some potential major clients, uptake of the scheme has been slower than anticipated, resulting in the original Business Plan income forecast not being achieved. However, with minimal investment the scheme can be further developed so that it would, as a minimum, break even.

	Income and expenditure year ended 31.3.2010	Income and expenditure year ended 31.3.2011	Income and expenditure year ended 31.3.2012	Predicted Income and expenditure year ended 31.3.2013
Income from Applications	(2,606)	(4,101)	(10,032)	(20,064)
Direct Expenses; Audits, Transaction fees	807	2,008	3,116	6,232
Net Income	(1,799)	(2,093)	(6,916)	(13,832)
Annual Revenue Costs; Website maintenance, Publicity, Promotional Travel	300	4,479	1,465	2,500
Capital and Set Up Costs; Brand Development Website Development, Data base maintenance, hosting Legal costs	18,789	1,625	5,750	4,790
Net Cash (Inflow) / Outflow for the period (not including internal recharges)	17,290	4,011	299	(6,542)

3. DEVELOPMENT OPPORTUNITIES

- 3.1 The Green Accord has the potential to develop further into a tool that can drive and influence carbon reductions, a priority in the new Corporate Plan.

This provides:

- potential to place Exeter as a leading authority in best practice and sustainable development
- a low cost tool that delivers carbon savings for businesses and community benefit
- an inexpensive means of measuring carbon saved by local businesses
- a vehicle to help businesses reduce their running costs
- alignment with the latest recommendations set out in the Department of Environment and Climate Change report 'Key Messages' for Local Authorities

- 3.2 A system for measuring accurate carbon emission data from Green Accord accredited companies has been sought for some time so that the Council can demonstrate benefits and carbon saved. Currently we obtain data from companies but this is time consuming and there are variations in data. We are about to invest in a better system at a cost of £3,650 plus VAT, available through our partnership with Granted Ltd, a locally based Environmental Consultancy that already has close links to the Green Accord through Zero2050 and Global Action Plan.

- 3.3 Granted Ltd have given the Green Accord scheme the opportunity to sit within its new online Measure to Manage (M2M) tool, engaging with supply chains and organisations that use M2M. This brings a number of opportunities for the Green Accord scheme, notably;
- A standardised and evidenced mechanism for recording carbon savings achieved by companies through the Green Accord
 - A new route to market for Green Accord, with a client base of 70,000 organisations
 - An opportunity, due to the unique training partner approach, of a dedicated half hour of the training course being about the benefits of the Green Accord.
 - The opportunity to derive an additional income stream from M2M through retention of the license fees
- 3.4 The Green Accord has gained enormously from its own website and complete online accreditation process, which has provided customers with national exposure, reduced administration and paper free accreditation.

To ensure current and future customers receive the information and support required, the website is being developed to provide an online database of accredited businesses. This will provide both a marketing opportunity and endorsement for individual companies. A reporting system will be available to provide customers with a breakdown of their suppliers, where they are in the accreditation process, when accreditation has been awarded, level achieved and a breakdown of which requirements were met to allow for future training and engagement if required. This is essential information that all potential users of the scheme have requested.

4. RECOMMENDED

- 4.1 That Scrutiny Resources Committee notes the progress on and the development of the Green Accord Scheme.

ASSISTANT DIRECTOR HOUSING & CONTRACTS

Local Government (Access to Information) Act 1985 (as amended) Background papers used in compiling this report:

None