

Senedd Cymru | Welsh Parliament

Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith | Climate Change, Environment and Infrastructure Committee

Datgarboneiddio'r sector cyhoeddus | Decarbonising the public sector

Ymateb gan Partneriaeth Cydwasanaethau GIG Cymru | Evidence from NHS Wales Shared Services Partnership (NWSSP)

Summary

The Welsh Government (WG) has great influence over the public sector in Wales, both through its policies as well as its funding responsibilities. Consequently, it has a critical role in supporting public bodies in achieving the net zero carbon ambition by 2030.

Generally, NWSSP believe that the WG's *Net zero carbon status by 2030: A route map for decarbonisation across the Welsh public sector* (the 'route map'), sets out a clear strategic direction for the public sector and that the WG is doing an effective job in supporting the decarbonisation agenda.

However, there are very significant challenges, and we believe the key areas for concern in achieving the 2030 ambition are:

- Lack of capacity both in terms of decarbonisation expertise to plan and drive projects forward and sector capacity across a range of key enablers e.g., electrical infrastructure, electrical fleet vehicles etc.
- Access to capital and revenue funding at the scale needed to deliver the change programme.

1. What are your views on the role of the Welsh Government in supporting public bodies to deliver on the five 'calls for action' identified in the Audit Wales' report?

1. Strengthen your leadership and demonstrate your collective responsibility through effective collaboration.

The WG and NWSSP work closely together on a whole range of decarbonisation issues, much of which is focused on leadership and collaboration. For example, colleagues from the WG's Climate Change and Environmental Public Health Division and NWSSP's Decarbonisation Programme Team and subject matter experts have a very close working

relationship, with activities including supporting the overall governance arrangements and shared monitoring and reporting of the *NHS Wales Decarbonisation Strategic Delivery Plan - 2021 [the NHS Plan]*.

Opportunities for collaboration are also regularly discussed, which on occasion can lead to new arrangements for programme delivery. For example, the establishment of an NHS Wales Transport Task and Finish Group to oversee the development of *Strategic Guidance for EVCP on Healthcare Sites*, was partly due to feedback received from the WG.

Colleagues from the WG's Climate Change and Environmental Public Health Division have also been helpful in facilitating connections to be made between NWSSP and other parts of the WG and elsewhere, where there is common ground or enabling activity being undertaken and shared learning opportunities can be exploited.

The WG have also established a Community of Experts Groups to help review emerging plans and initiatives and share examples of good practice.

II. Clarify your strategic direction and increase your pace of implementation.

NWSSP commissioned the Carbon Trust to help develop the *NHS Plan* which was developed in parallel with the WG's *Net zero carbon status by 2030: A route map for decarbonisation across the Welsh public sector* and shares a similar format, for example *The Journey to net zero* (and associated timeline) is identical in both documents.

The *NHS Plan* sets out a clear strategic direction for NHS Wales.

Following publication of the *NHS Plan*, and in discussion with WG colleagues, it was recognised that NWSSP needed to bolster its delivery team capacity to help increase the pace of implementation. With the support of the WG, we have agreed a plan to increase our decarbonisation programme resource, although recruitment continues to be hugely challenging, given the demand nationally for these skills.

III. Get to grips with the finances you need.

Finances will be a critical factor in achieving progress towards a net zero ambition and the WG has established a number of different funding sources to support NHS Wales bodies¹ decarbonisation plans such as Re:fit Cymru, and the Estates and Facilities Advisory Board (EFAB) 1 and EFAB 2 schemes.

The WG has also provided funding to support specialist resources needed to organise and deliver decarbonisation projects, for example, funding to support NWSSP's decarbonisation programme team as well as specialist resources in procurement. This support is extremely welcome and has enabled activity to be taken forward that would not otherwise have been possible.

¹ NHS Wales bodies is used to describe all NHS organisations including NWSSP, Health Boards and Trusts.

However, as we start to move forward within the delivery phase, and whilst acknowledging that many of the detailed financial plans still need to be finalised, the funding eventually required could well be significantly beyond that available to the WG or the broader public sector.

This is particularly true of NHS Wales, which following Brexit, the covid pandemic and the Ukrainian war with the subsequent cost of living crisis, is currently under immense strain with significant waiting lists and treatment backlogs. Attempting to deliver decarbonisation projects within healthcare facilities, which can be costly and disruptive, against such a backdrop is extremely challenging.

Similarly, developing the infrastructure to accommodate the move to electrical vehicles and the fleet transition challenges will require very detailed planning and significant capital investment in a market that is developing rapidly but is still fragile.

Lack of financial resource has been identified by NWSSP as one of the key risks in delivering the decarbonisation programme.

IV. Know your skills gaps and increase your capacity.

NWSSP have been aware for some time the significant skills gaps that needed to be filled to help deliver our decarbonisation plan, as referenced above in the response to **3. Get to grips with the finances you need** above.

Closing these skills gaps have, in part, been supported by the WG either directly or indirectly. For example, the Welsh Government's Energy Service (WGES) has on several occasions been used by NHS Wales to augment its own skill base either through commissioning services from WGES or by utilising the likes of the Carbon Trust to help develop core documentation.

Similarly the Re:fit Cymru Programme Implementation Unit also provides a heavily subsidised route to access specialist energy efficiency support for buildings and assets.

A very significant problem encountered by NWSSP has been the inability to recruit staff with the right specialist skills to help drive the programme forward. The reasons for these difficulties are complex but clearly the demand nationally for such staff across all sectors is huge.

Failure to build decarbonisation capacity across the whole industry is identified as another of the key risks to NWSSP's decarbonisation programme.

V. Improve data quality and monitoring to support your decision making.

NWSSP initially calculated our carbon baseline in accordance with the Carbon Trusts' methodology. This approach has generally been superseded across Wales by the WG's *Welsh Public Sector Net Zero Reporting Guide - May 2021*. Consequently, NWSSP are

discussing with the WG how best to manage the transition from the previous reporting system to the new one.

The current plan indicates full alignment by the end of 2023.

Notwithstanding this specific change, the decarbonisation industry is developing quickly and ongoing refinement of data definitions and means of measurements is to be expected as the process matures.

However, NWSSP greatest concern with data and reporting relates to procurement.

Currently, for procurement activity, carbon is measured on industry averages based on £ spend. Consequently, as the activity of NHS Wales increases with associated procurement spend, an inexorable rise in carbon emissions is recorded. Clearly one of the main challenges facing NWSSP Procurement is the shift from expenditure-based carbon reporting through to actual supply chain carbon measurement to ensure more accurate data is recorded.

This work is a priority area and NWSSP now has a sustainability team in place that is working with procurement teams pan Wales to help address this issue.

2. What are your views on the WG's Net zero carbon status by 2030: A route map for decarbonisation across the Welsh public sector as a means of providing strategic direction to public bodies?

The WG's *Net zero carbon status by 2030: A route map for decarbonisation across the Welsh public sector* (the 'route map'), sets out a clear strategic direction for the public sector. We understand that it was designed to be a high-level framework to allow local solutions to be developed, reflecting organisations' particular circumstances.

The route map is, in NWSSP's opinion, well presented and helpfully includes a broad timeline divided between Moving up a gear 2021-2022; Well on our way 2022-2026 and Achieving our goal 2026-2030, all referenced against changes required to Behaviours, Standards and Innovation as we move towards the 2030 target.

The route map also identifies Buildings; Mobility and Transport; Procurement and Land Use as priority areas, again helpfully expressed with specific targets across the timeline, for example for Buildings:

**Well on
our way
2022-2026**

Firm proposals & business cases are in place for hard to decarbonise building types (e.g. complex hospitals) & shared spaces.

Transition to all new schools, colleges and offices built to net zero (and associated reduction in supply chain impacts). All remaining existing buildings will be highly energy efficient OR scheduled for replacement & renewable heat schemes will be rolled out.

The route map does not contain any analysis of the distribution of carbon savings necessary across the public sector to achieve net zero. Consequently, different public sector organisations are unable to determine their 'share' of the savings implicit within the net zero target.

3. What are your views on the progress made by public bodies in the priority areas for action set out in the route map: sustainable procurement, net zero buildings, mobility and transport, and land use?

Whilst NWSSP has many contacts with other public bodies across the range of our activities including decarbonisation, we do not have sufficient information to comment on their progress in the priority areas for action.

The following comments are therefore confined to progress by NWSSP.

Sustainable Procurement

The *NHS Plan* identifies 46 initiatives, eight directly linked to procurement, which contributes approximately 62% of NHS Wales carbon footprint. The initiatives within procurement have several linked activities involving complex projects and multiple parties. There is collaboration between the WG, the NWSSP Sustainability Team and with procurement teams pan Wales, working together in systems leadership roles within NWSSP.

To further progress and decarbonise the NHS supply chain, NWSSP has engaged with the WGES. To reach net zero by 2030 a co-ordinated input from procuring public bodies and suppliers is required, across both reporting and mitigation to improve the accuracy of emissions calculations and to reduce emissions.

The current methodology based on expenditure used to report supply chain emissions has significant uncertainty and is not appropriate for long-term monitoring or target setting. If we are to progress towards our 2030 target, it is crucial these estimates are replaced by more robust methodology. We are transitioning to a market-based approach; however this involves thousands of suppliers.

Supply chain carbon reporting is a technical, complex and logistical challenge that will require collaboration between our suppliers and procurement teams.

WGES are holding workshops on behalf of the public sector as part of the collaborative effort to improve carbon reporting. In future, our suppliers will have to routinely provide the carbon impact of their goods and services, particularly for contracts identified as high emitting CO₂e.

We are also working collaboratively with other parts of the UK to reduce and avoid any duplication of efforts.

Net Zero Buildings

NWSSP works with its partners in NHS England, Scotland and Northern Ireland on the maintenance of a national publications programme covering healthcare building design and engineering standards. All four countries have similar aspirations for net zero buildings and agreed to jointly commission an *NHS Net Zero Building Standard*.

The document was published in February 2023 for information and will now be incorporated into the WG's *NHS Wales Infrastructure Investment Guidance* and will shortly be adopted as mandatory guidance for all new building infrastructure business cases.

NWSSP manages the all-Wales *Building for Wales* construction and consultant frameworks for all new healthcare developments and the frameworks are currently being reprocured for April 2024. The *NHS Net Zero Building Standard* will be integrated into the tender documents and implemented for all new projects procured under the new frameworks.

In addition, NWSSP offers advice and guidance to all NHS Health Boards and Trusts on the decarbonisation of existing buildings. For example, we will shortly issue guidance on *Heat Decarbonisation Pathway for NHS Wales* which NWSSP commissioned to support Health Boards and Trusts in planning and delivering local decarbonisation projects.

Mobility and Transport

The transport sector is one of the industries most impacted by worldwide supply chain issues. The current situation means that the supply of raw materials, vehicle parts and vehicle build, as well as items linked to infrastructure have been adversely affected by both availability and cost. As a result, the milestones are more challenging and at risk of not achieving full compliance without sufficient investment.

Despite these challenges progress is being made across a number of mobility and transport initiatives.

NWSSP, are currently developing *Strategic Guidance for EVCP on Healthcare Sites* through the all-Wales Transport Task and Finish Team. This will set out clear guidance and a best practice approach for electric vehicle charging technology, procurement and car park space planning including consideration of NHS Wales's own fleet, staff vehicles, and visitor EV charging. This will need to accommodate the WG's *Welsh National Standards for Electric Vehicle Charging Infrastructure* (expected to be published shortly)

NWSSP is also committed to an EV HGV pilot, as part of a UK Government sponsored trial to test proof of concept for zero emission road freight and we look forward to the operational testing and reporting from late April 2023. In conjunction, our planned fleet replacement for HGV is currently reviewing use of alternative fuels such as HVO or biomethane as more sustainable fuel sources.

We have also taken steps to increase our operational EV fleet and have currently maximised our available charging infrastructure. In conjunction with the strategic guidance being

developed nationally, work is ongoing to review our revised requirements to meet the expected future demand.

Land Use

Land holdings within the public sector are dominated by Natural Resources Wales and Local Authorities with less than 0.2% with NHS bodies.

NWSSP will review the latest GHG Protocol Guidance, when published, for emerging land use opportunities which might be suitable for NHS Wales land.

4. What are your views on the support provided by the WG to deliver progress in the priority areas, including any gaps?

Sustainable Procurement

The WG has provided support to NWSSP through the WGES to identify learnings from initial supply chain engagement workshops, which are due to be published in March 2023. Our belief is this will provide a clear roadmap for suppliers to transition to a market-based approach to supply chain emissions accounting.

In addition to the support offered by WGES, NWSSP Procurement are engaging with suppliers directly, looking at specific categories and opportunities to maximise CO2e reduction opportunities.

The WG has also provided excellent guidance via the *Welsh Procurement Policy Note (WPPN) 06/21 Decarbonisation through procurement – taking account of Carbon Reduction Plans* and *WPPN 12/21 Decarbonisation through procurement – Addressing Co2e in the supply chains*.

There is however a clear skills gap in the wider public sector workforce more generally regarding sustainability, GHG emissions and climate change and as stated previously there is also a gap in the specialist skills to help drive the programme forward.

Any further support in this area would be welcomed.

Net Zero Buildings

A number of large hospital sites have been reviewed by the WGES for potential renewable energy projects, with the outcomes presented to NHS bodies. This work now needs to be developed further to test viability, hopefully replicating the success of the Morrision solar farm project. It is anticipated that in future years this work can be undertaken on more sites within the NHS Wales estate

The *Heat Decarbonisation Pathway for NHS Wales* was partly funded using revenue funding secured from the WG. This has enabled NWSSP to produce guidance and information documents that can be used to develop pathways to achieve low carbon heating on a range of sites.

Mobility and Transport

The WGES are working with NWSSP on the extent of data capture in relation to fleet use and CO2e emissions to help inform minimum system specification and standardised reporting.

The WG has also provided funds to support a commission to help develop *Strategic Guidance for EVCP on Healthcare Sites*.

Land Use

NHS Wales land holding are de minimis in the context of the public sector in Wales and any support needed is provided through the NWSSP-SES property team.

NWSSP

Date: Feb 2023