

Buying recycled

A review of sustainable procurement
by the private sector in London

June 2006



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Chair's foreword



When considering the term “environmentally friendly” most people think of recycling their waste products, but the flip-side of this coin is the need to also consider buying recycled products. In addition to recycling more waste, it is equally important to actively support firms to buy more recycled products.

Our investigation suggests that the Mayor, through the London Development Agency and London Remade have been putting most of their efforts into supporting larger firms within the private sector to buy recycled goods. This is all very well, but larger firms tend to have more resources to devote to procurement. Small and medium sized firms do not have this luxury and therefore require more support. Ninety nine per cent of London firms employ fewer than 50 people and this accounts for over a third of all employment in London with a turnover estimated to be almost £200 billion. They are very important to the success of the London economy and if more support is given to these firms then even a small percentage increase in the amount of recycled products they purchase will produce significant gains for London.

We have recommended that the LDA should work with other agencies to develop and commission a London-wide portal to provide easy access to information on purchasing recycled goods and to prepare a publicity and marketing campaign to raise awareness of the importance of buying recycled amongst small and medium sized firms in London. We also believe that London Remade should set up a brokerage service to establish buying consortia to offer a cost effective way of increasing the involvement of smaller firms. There should also be greater pressure by the LDA and London Remade on suppliers to encourage them to increase the choice of recycled products in their brochures.

We acknowledge that progress has been made to encourage more firms to buy recycled with private sector signatories to the Green Procurement Code purchasing over £100m of recycled goods in 2004/5. However, why should we be content with this? If we target small and medium-sized firms and actively support and make it easier for them to buy recycled products then the gains could be even greater for London. We believe that the Mayor, the LDA and London Remade need to be ambitious with more targeted support for small and medium-sized firms.

I would like to give thanks to the rest of the Committee and to everyone who contributed their views and comments to this inquiry.

A handwritten signature in black ink, which appears to read 'Darren Johnson'. The signature is fluid and cursive, written on a plain white background.

Darren Johnson AM
Chair, Environment Committee

Executive summary

Our investigation focused on the procurement of recycled goods by private sector companies, and whether the Mayor, London Development Agency (LDA) and London Remade are doing enough to engage with the private sector on this topic.

In the course of our work, it became clear that there are important differences in the experience of larger companies that have the time and resources to develop policies and devote resources and small and medium sized companies whose resources are dedicated to survival. A lot of work at the LDA and London Remade is targeted at the larger-sized companies, yet small and medium sized enterprises (SMEs) play a significant role in London's economy. As a result, we commissioned a survey of 20 SMEs to obtain their views on buying recycled products and what more needs to be done to support them in doing this.

SME's told us that they would welcome: the development of a London-wide portal providing easy access to information on buying recycled products; a targeted information pack and tailored Green Procurement Code; and, more pressure on suppliers to increase the number of recycled goods in their brochures.

In order to make it easier for SMEs and to encourage them to buy recycled, we believe that the LDA and London Remade should take forward our following recommendations:

- The LDA should work with its delivery partner to develop a methodology to ensure that the contribution of code signatories to green procurement is captured and to provide a progress update to the Environment Committee in 6 months;
- The LDA should work with London Remade, London Boroughs and trade associations on designing, developing and commissioning a London web-site portal which would provide easy access for SMEs to obtain information on buying recycled products;
- Where geographical clusters of business units militate against the problem of delivery to multiple sites, London Remade should set up a brokerage service to establish buying consortia which could offer a cost-effective way of involving larger numbers of SMEs;
- The LDA and London Remade should work together to improve the information currently on the London Remade web-site and also re-design a less complicated Green Procurement Code information pack targeted specifically at SMEs;
- LDA and London Remade should work with suppliers to increase the number of recycled goods in their brochures, including special offers and incentives on recycled products marketed at SMEs; and,
- The LDA should work with boroughs and trade associations in preparing a publicity/marketing campaign, which should also include the marketing of the London web-site portal, aimed at encouraging more SMEs to buy recycled goods.

We acknowledge that progress has been made already in encouraging more private firms to buy recycled. Private sector signatories to the Mayor's Green Procurement Code have purchased over £100m of recycled goods in 2004/5. Some 386,000 tonnes of recycled material was contained in the purchased products and hence diverted from landfill – set against the tonne of waste discarded each year by the average London household. We are delighted with this improvement by the private sector in buying recycled products but we shouldn't rest on our laurels and more work needs to be done. We hope that the Mayor, LDA and London Remade implement our recommendations over the coming year in order to make further progress in this area and encourage more firms to purchase recycled goods.

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1. Introduction

- 1.1 At its 29 November 2005 meeting, the Environment Committee took evidence from a large number of contributors into how the procurement of recycled goods by private sector companies can be increased. The focus for our investigation was to assess the adequacy that the support companies receive from the London Development Agency¹ and London Remade² and to look at ways to improve it.
- 1.2 In the course of our work, it became clear that there are important differences in the experience of larger companies that have the time and resources to develop policies and devote resources and small and medium sized companies whose resources are dedicated to survival. A lot of work at the LDA and London Remade is targeted at the larger-sized companies, yet SMEs play a significant role in London's economy. As a result our research has concentrated on looking at how SMEs can be supported to buy recycled products. To provide a level playing field for our assessment we looked at recycled office equipment such as IT equipment and accessories and stationery.

A survey of London SMEs

- 1.3 The Environment Committee commissioned GfK NOP to undertake qualitative research with a sample of London SMEs (businesses with 250 or fewer employees) on their attitudes to buying recycled and the scope for greater engagement with small businesses. The principal objective of the research was to add new knowledge to the existing body of work on 'green' purchasing and on the environmental practices of SMEs. GfK NOP used creative idea generation techniques to elicit suggestions about the types of services that would help SMEs buy more recycled goods. It was intended that the findings could add value to the LDA's review of the Green Procurement Code.
- 1.4 GfK NOP conducted face-to-face interviews with senior managers at 20 SMEs within the business and financial services sectors. The sample included Black and minority ethnic – run businesses to ensure that the findings reflect the diversity of London's population.
- 1.5 The small sample size means that the results of this research are, strictly, only indicative of the issues relevant to SMEs in these sectors buying recycled goods. Nevertheless, the in-depth qualitative approach adopted means it has been possible to elicit rich data, taking into account the context within which the businesses operate, and exploring the dynamics involved within the businesses surveyed. There are common-sense inferences that can be drawn from this examination of buying recycled office supplies, that are likely to apply beyond the particular sectors surveyed. This has enabled the Committee to make recommendations on how the Green Procurement Code can better engage with SMEs in the future.
- 1.6 Our key findings are:
 - SMEs' would welcome the development of a London-wide portal providing easy access to information on buying recycled products;
 - SME's would welcome a targeted information pack and tailored Green Procurement Code; and,
 - SME's would welcome pressure from the LDA and London Remade on suppliers to increase the number of recycled goods in their brochures.

¹ The London Development Agency is committed to delivering sustainable economic development. The LDA currently funds the Mayor's Green Procurement Code.

² London Remade is in the business of recycling and providing environmental solutions for a sustainable London. It is responsible for delivering the Mayor's Green Procurement Code with support from the LDA.

2. Encouraging business to buy recycled

The business case

- 2.1 The Government's Waste and Resources Action Programme³ (WRAP) has published numerous documents setting out the case for recycled content in a range of products and services, to help purchasers identify opportunities to improve their environmental performance. They identify a business case for companies to use recycled content based around the following factors:
- improving image by demonstrating corporate social responsibility;
 - differentiating performance and thereby gaining an edge in competitive tendering;
 - improving applications to planning and development authorities, and meeting policy requirements of both private and public sector clients; and
 - reducing costs in some circumstances.
- 2.2 Recycled products need to compete on cost and quality, as these factors are prioritised by companies when making purchasing decisions. WRAP's research with 300 top UK companies⁴ found that perceptions of the quality of recycled materials was improving, and companies were interested in such products as long as they were competitively priced. Indeed, two-thirds of the companies had policies on sustainable procurement, with 44% setting requirements for buying recycled products (most also thought these policies were actually being implemented). However, time, resources and awareness within companies influence the extent to which they actually procure recycled goods, along with the availability of reliable information about products and suppliers.
- 2.3 The evidence we reviewed made it clear that huge progress has been made by manufacturers in terms of the quality of recycled products.⁵ However it is still often the case that recycled options cost more – for example, WRAP found a price differential of up to 50p per ream for economy A4 office paper. This price gap is narrowing as de-inking plants increase in number and collection of waste paper improves. The price difference is also reduced for larger orders, through long term framework contracts with suppliers, or through buying consortia.

The Mayor's Green Procurement Code

- 2.4 The LDA explained to us that the Green Procurement Code project was identified as a result of a feasibility study, which was conducted to identify what type of investments would help to develop a commercially viable recycling sector in London. The Agency concluded that:
- "...probably the single most important thing that we could do would be to invest in stimulating procurement. Unless you have people who are buying recycled content, then the whole waste management/recycling chain does not stack up."*⁶
- 2.5 The Mayor launched the Green Procurement Code in March 2001 with the aim of stimulating the market for recyclates. The Code is being delivered on behalf of the Mayor by London Remade, a not-for-profit organisation. Over 450 organisations and businesses have signed up - two-thirds of them are private sector organisations. There are four levels to the Green Procurement Code, with levels A1 and A2 involving discussions with London Remade to develop potential procurement strategies; and levels B1 and B2 involving setting targets for buying recycled, and the provision of

³ WRAP is funded by Government and its mission is to accelerate resource efficiency through the creation of stable and efficient markets for recycled materials and products, and by removing barriers to waste minimisation, re-use and recycling.

⁴ WRAP Private Sector Procurement Report, April 2004, www.wrap.org.uk/downloads/PrivateSectorProcurement.e9bde177.pdf

⁵ Eg, WRAP publications on recycled content options for office paper and tissue paper – www.wrap.org.uk

⁶ Lesley Harding, Head of Health and Sustainability, London Development Agency, transcript of Environment Committee meeting, 29 November 2005. Copies of the written submissions received by the Committee and records of meetings are available on request from the London Assembly Secretariat.

monitoring data to London Remade. Nearly half the signatories are at 'active' levels B1 or B2. Around 10-15% of signatories progress upwards to another level of the Code each year.

- 2.6 London Remade deliver the Code on behalf of the Mayor, offering a dedicated team of brokers providing free advice and putting signatories in contact with suitable suppliers for a range of recycled products. London Remade help ensure that Code signatories can access recycled products without paying more or settling for inferior quality, by demonstrating to suppliers that if they make recycled products competitive and cost effective, they can tap into demand from a range of buyers. According to the LDA it is one of the few environmental support services in London which goes beyond providing advice and guides organisations through the implementation of initiatives.⁷
- 2.7 Between 2002/03, London Remade found that £11.8 million worth of recycled products had been procured by signatories to the Code. This rose to £188 million in 2004/05, with 386,000 tonnes of recycled material contained in the purchased products. Of this total, £106.4 million was procured by the private sector.⁸ This level of spending on recycled goods is set against a cost of running the Code of £1million over the last three years.

“There was one FTSE 100 company who purchased one product and spent in excess of £100 million. This gives you an idea of just how much can be achieved from the decisions to switch from one product to another.”⁹

- 2.8 The London Development Agency argue that the Code has also created/safeguarded 137 jobs, led to training for 64 procurement managers and over 1,200 advice sessions to businesses, and created 7 new businesses.¹⁰
- 2.9 Arguably the true benefits of the Code are difficult to assess in full, because they include not only the direct benefits from the quantity of recycled goods bought in a given year, but also the broader effects on the capacity of suppliers to offer good quality recycled products at a competitive price.

“It is an indication to the market – that is the suppliers – that there is reasonable demand out there.”¹¹

- 2.10 The question that arises, however, is to what extent London Remade's involvement is a necessary factor in driving these purchasing decisions. London Remade told us that a number of signatories significantly increased their purchase of recycled products from one year to the next. However, it was not possible to say whether London Remade's monitoring was capturing purchases that would have happened anyway.
- 2.11 LDA funding for the Green Procurement Code is in place until March 2006. The LDA carried out a review of the Green Procurement Code between February to June 2005 to identify whether its remit should be developed.

LDA Review of the Green Procurement Code

- 2.12 The Committee received evidence from the London Development Agency setting out plans for developing the Green Procurement Code, based on a review undertaken by Brook Lyndhurst Consultants.¹² It was clear that there is a need to carefully balance the range of environmental concerns this programme can address, the number of signatories involved, and the depth of service

⁷ Written submission from London Development Agency, November 2005

⁸ London Remade Third Year Purchasing Report, www.londonremade.com/download_files/Mayors%20GP%20Code%20Y3%20Final.pdf

⁹ Tina Perfrement, Market Development Director, London Remade, transcript of Environment Committee meeting, 29 November 2005

¹⁰ Written submission from London Development Agency, November 2005

¹¹ Tina Perfrement, Market Development Director, London Remade, transcript of Environment Committee meeting, 29 November 2005

¹² Written evidence from London Development Agency, November 2005

provided – not to mention the cost. For the Committee, another key issue is how better to engage the SME community with the aims of the Code.

- 2.13 From the evidence presented at our Committee meeting it would appear that there are insufficient funds available to extend the scope of the Green Procurement Code, as well as increase the number of signatories taking part, and maintain the type and level of service that is currently offered. Each of the London Remade brokers already manages around 100 signatory relationships.¹³

“Do we continue to simply expand the number of signatories? ... it is probably not appropriate for us to continue year-on-year to increase the amount of money we put into this and to continue to provide an ever-increasing free service.”¹⁴

- 2.14 We recognise the value of the Green Procurement Code effecting large changes in a small number of organisations. However, with over 300,000 private businesses in London,¹⁵ this approach can only influence the very tip of the iceberg. The Green Procurement Code needs to work smarter in order to maximise its effectiveness, and we welcome the ongoing work to review this programme, carried out by the London Development Agency.
- 2.15 It is important that the LDA ensures that it obtains value for money from its investment in the Green Procurement Code. The Environment Committee has undertaken this investigation so that we can contribute to the LDA's review and development of the Green Procurement Code. Following the hearing in November, the LDA has informed us that they have analysed the different investment options for the future of the Mayor's Green Procurement code and they have subsequently recommended investing £2m over the next four years in the Code. The LDA is finalising a 15 month contract with the existing delivery partner for the Code, which will see it transformed over this period into a new expanded Code. The expanded version will increase the impact of the code by widening the scope beyond recycled content to other forms of green procurement and also by introducing a set of indicators as the basis for targets for code signatories. This will enable the impact of the code to be quantified more effectively and will also ensure that membership of the code demonstrates a real commitment to action.

Recommendation 1:

The committee recommends that the LDA work with its delivery partner to develop a methodology to ensure that the contribution of code signatories to green procurement is captured and to provide a progress update to the Environment Committee in 6 months.

¹³ Written evidence from Danny Silverstone and Tina Perfrement, London Remade, November 2005

¹⁴ Lesley Harding, Head of Health and Sustainability, London Development Agency, transcript of Environment Committee meeting, 29 November 2005

¹⁵ London Development Agency Annual Business Survey 2004

www.lda.gov.uk/upload/pdf/London_Annual_Business_Survey_2004.pdf

3. Support for small and medium-sized enterprises to buy recycled

- 3.1 Ninety nine per cent of London firms employ fewer than 50 people and this accounts for over a third of all employment in London. The turnover of companies in London with fewer than 50 staff is estimated to be almost £200 billion, which is equivalent to 35 per cent of the total for London.¹⁶ A study by Brook Lyndhurst Consulting for the London Development Agency found that SMEs cumulatively account for the bulk of environmental impact by businesses – over half of business energy usage and nearly two thirds of commercial and industrial waste. In 2003, the total purchases of goods, materials and services by SMEs was over £260bn for the London region.¹⁷ The importance of their behaviour for environmental outcomes should not be underestimated.
- 3.2 Despite this, Environment Agency research has found that the vast majority of SMEs did not consider that their operations had an adverse environmental impact, although when prompted with examples, many of the businesses acknowledged areas in which their activity could harm the environment.¹⁸ However there are barriers to SMEs engaging with the environmental agenda.

“If you have a wet Sunday afternoon with nothing better to do, you may look at recycling and sustainability. They would like to do more. However, they do not have the time to do more.”¹⁹

- 3.3 The business case for buying recycled (or ‘green’ initiatives more generally) is often less convincing for smaller companies. The costs of changing to recycled products are relatively higher – SMEs are less likely to have a dedicated procurement team to focus its energies on this question – and the arguments in favour of ‘greening’ the business are generally much further down the agenda of small business owners than the core tasks of day to day operation and survival. As noted above, smaller orders of some recycled products can involve a significant price differential unless the business is able to negotiate a better deal; but this ability often depends on achieving economies of scale.
- 3.4 On the other hand, the Environment Agency’s survey of SMEs in 2005²⁰ found that around 70% of SMEs had undertaken at least one measure to reduce their environmental impact – but only when prompted with a list of possible activities. Many businesses also linked environmental practices with commercial benefits such as improved competitiveness or reduced operating costs.

Services for small businesses

- 3.5 The one-to-one service offered by London Remade, which extends beyond the provision of advice into the practicalities of implementation, is the feature that signatories to the Green Procurement Code most appreciate. It is also highly labour-intensive and because it relies on skilled staff with specialist knowledge, this can be relatively costly. Therefore it is not a service delivery model that can be scaled up to deal with an ever-larger client base. Providing this level of service to the huge number of businesses in London is ultimately not affordable.
- 3.6 There is a tension between providing an effective service and reaching a larger number of London’s businesses, within the available budget. SMEs within our survey said that they didn’t want a one to one support service. They preferred to receive tailored advice and information on buying recycled via a web-site which they could easily access with a minimum amount of effort. The provision of information in this way would negate the need for a one to one support service and the money saved from providing such a service could be used to develop a web-site tailored for the needs of SMEs.

¹⁶ Small Business Service - Small and Medium Sized Enterprises statistics UK and the regions 2003

¹⁷ Office for National Statistics <http://www.statistics.gov.uk/>

¹⁸ 2002 NetRegs Benchmarking Survey, *How green are small businesses?*; 2005 NetRegs SME-environment survey

¹⁹ John Holbrow, Federation of Small Businesses, transcript of Environment Committee meeting, 29 November 2005

²⁰ 2005 NetRegs SME-environment survey

Headline results from GfK's survey of small and medium sized businesses

SME Purchasing Context:

- 3.7 SMEs are busy & cost conscious. They are concentrating on survival and building success. Office goods purchasing is a mundane task, to be completed as quickly as possible, with limited time to rethink product or supplier choices. SME processes are established, quick to operate and simple, with minimal written documentation.

Is Purchasing Recycled on the SME Agenda?:

- 3.8 The GfK survey highlights that buying recycled is a far lower priority than getting their business waste recycled. SMEs generally wish to be responsible and help the environment, but their primary environmental concern is lack of a subsidised recycled waste collection service for businesses. This is the first stage in expanding their awareness of a more environmentally friendly business world.
- 3.9 Of the SMEs surveyed, a third are consciously buying recycled, more if we include buying refilled ink cartridges. Of those that buy recycled products: half buy one minor product: jotting pads, post-it notes & toilet rolls; while the other half (often the larger SMEs) buy more high profile paper products: copy paper, formal paper, envelopes, plus a few secondary items - paper towels, toilet rolls, paper cups, and post-it notes. Some non-buyers have never even thought about this, some have poor perceptions or poor actual experience. Two firms have rejected buying recycled products after careful trials or testing samples.

Barriers and Levers:

- 3.10 The main barriers are:
- a lack of awareness;
 - a lack of time;
 - poor image; and
 - cost perceptions.
- 3.11 The GfK survey found that paper is the one recycled office product SMEs mention. This creates two problems: it severely limits the range of products they think about, and recycled paper has a poor image. People tend to think of recycled paper as being inferior – grey, with a poor finish, and too absorbent – and so it does not create a good corporate image.
- 3.12 There is potential in encouraging SMEs to start to buy or to expand their range into non front-line office goods, eg brown envelopes, paper towels, folders. Each product category has its own set of pros and cons, and the small size of an SME order can also affect the cost benefit equation.
- 3.13 Advertising, promotion (and education) will move this issue onto the SME agenda. This can be targeted at all employees, as all staff levels can initiate change.
- 3.14 The key incentive to encourage SMEs to buy recycled is cost effectiveness, plus recognition. SMEs oppose further regulation or compulsion. They do not see themselves creating buyer demand or pressure. The majority of SMEs will only change if they are offered a no effort solution, as they do not perceive a compelling business case for buying recycled in their line of business.

Supporting the SEM sector: The SME Toolkit:

- 3.15 SMEs are self-reliant – they want speedy, bite-size, no effort information and advice. The self-service approach of a well designed website, plus telephone access, is their clear preference. Handholding, broker negotiation, and site visits are not required. They want an information portal designed for SMEs - a one-stop shop for all recycling information for businesses, covering recycling waste, as well as buying recycled.
- 3.16 We have identified three strands of work that should form part of the development of the Green Procurement Code:
- reducing the barriers for SME involvement,
 - providing simple but effective one-to-many services, and
 - closer working with business representative organisations.

a) Reducing the barriers for SME involvement

- 3.17 Given that SMEs are generally wary of environmental improvement programmes, it is likely that the degree of commitment required when engaging with the Green Procurement Code is a relevant issue. The requirement to sign up – even though this need only mean that they receive information from London Remade – could be a stumbling block for businesses that want to sample the service on offer. At present though, the Green Procurement Toolkit is only available by CD-ROM on signing up to the Code, rather than being accessible on the London Remade website.
- 3.18 We recognise that London Remade want to be able to measure their impact and monitor the involvement of businesses with the Code. However, this must be balanced against the possible benefits to be gained from removing a psychological barrier by offering ‘no strings’ guidance through a web-based Toolkit. The chance to gain image and PR benefits by formally signing up to the service (and progressing through the levels of the Code) is more likely to be attractive if the business has gained some confidence that it can meet the obligations attached to the Code. SMEs have said to us in our survey that they would like to obtain information about buying recycled products via a user-friendly web-site. They would like government to make it easier for them to access this information. We would like the LDA to work with relevant organisations to design, develop and commission a London web-site which would provide an easy point of access for SMEs to obtain the information they require on buying recycled products.

Recommendation 2:

The LDA should work with London Remade, London Boroughs and trade associations on designing, developing and commissioning a London web-site portal which would provide easy access for SMEs to obtain information on buying recycled products.

- 3.19 We also advocate a service that minimises the effort for SMEs. This would be a move away from the current tiered approach where buying more recycled goods goes along with agreeing targets and providing monitoring data. London Remade could offer incentives for businesses to comply with a more structured approach. For example, only those who participate in some element of performance monitoring would be eligible for promotional benefits offered through the Green Procurement Code.
- 3.20 Finally, it is evident that SMEs are likely to find it more difficult to negotiate good value contracts for the supply of recycled products. They are less likely to benefit from the economies of scale available to large companies, in terms of the size of individual orders and the scope for entering into longer term framework contracts. However, evidence from London Remade suggests that pooled procurement activities could help SMEs to lever better prices for recycled products.²¹ The Committee believes that where geographical clusters of business units militate against the problem of delivery to multiple sites, a brokerage service by London Remade to establish buying consortia could offer a cost-effective way of involving larger numbers of SMEs.

Recommendation 3:

Where geographical clusters of business units militate against the problem of delivery to multiple sites, London Remade should set up a brokerage service to establish buying consortia which could offer a cost-effective way of involving larger numbers of SMEs.

²¹ Written evidence from London Remade, November 2005

b) Simple but effective one-to-many services

- 3.21 The need for tools that could be used by businesses independently of a more labour-intensive service was recognised by the London Development Agency. The Committee considers that there is considerable scope for increasing the accessibility of the Green Procurement Toolkit, which is provided on CD ROM to organisations that sign up to the Code. As discussed above, we think there should be an option for businesses to access this resource through the London Remade website on a 'no-strings' basis. The content of the Toolkit itself could also be adapted to be less reliant on working with a London Remade broker, particularly by offering more direct links to sources of recycled products.
- 3.22 We also feel that the LDA and London Remade should make it easier for SMEs to buy recycled by producing an information pack specifically designed and tailored to suit their needs. SMEs taking part in our survey made it clear to us that they didn't need handholding and a personal service to encourage them to buy recycled. They requested simple and clear information on buying recycled products via a web-site, newsletter or through a telephone service. There is an immediate requirement to amend the information on the London Remade web-site and the information they circulate in order to encourage more SMEs to start buying recycled. The information should be tailored to the specific needs of SMEs. For instance, a simple electronic newsletter could make SMEs aware of London Remade, the Green Procurement Code, suppliers who specialise in selling and buying recycled products and perhaps some introductory offers. This could be a start in getting SMEs switched on to buying recycled and address their perceptions of recycled products which some view as inferior. The LDA and London Remade should work together to improve the information currently on their web-site and in the information they distribute.

Recommendation 4:

The LDA and London Remade should work together to improve the information currently on the London Remade web-site and also re-design a less complicated Green Procurement Code information pack targeted specifically at SMEs.

- 3.23 The lack of a straightforward catalogue of recycled products is a weakness of the London Remade website, and a barrier to offering quick and easy services to larger numbers of organisations. Both the London Remade and WRAP catalogues²² take the buyer to individual supplier websites rather than facilitating one easy search for a particular product. The London Development Agency recognise this gap, and suggest that existing manuals of environmentally friendly products, developed by local authorities in Europe, could be adapted to the UK context.²³ The Environment Committee considers that a user-friendly product finder website would be a significant benefit for businesses en masse, providing a simple means of selecting items that meet their needs and cost criteria.
- 3.24 However, the businesses that we surveyed as part of this investigation said that their choices of office products was primarily based on the options presented in their usual catalogues. A brief inspection of some of the best-known office catalogues online suggests that their treatment of the recycled option varies – it is sometimes listed alongside virgin products without any specific marking to indicate its green credentials; other suppliers have a separate recycled catalogue rather than treating these as mainstream products. Neither of these seem to lend themselves to 'quick and easy' procurement of recycled options. We would like to see London Remade working with office supply companies to help ensure that the recycled option is accessible and highly visible to potential buyers. It might also be viable for London Remade to negotiate introductory offers for Green

²² www.recycledproducts.org.uk

²³ Written evidence from London Development Agency, November 2005

Procurement Code signatories, coordinating incentives from suppliers with assured demand from a cohort of buyers.

Recommendation 5:

LDA and London Remade should work with suppliers to increase the number of recycled goods in their brochures, including special offers and incentives on recycled products marketed at SMEs.

c) *Closer working with business representative organisations*

- 3.25 When this investigation was initiated, we were disappointed to find that some of the key business representative organisations – the London Chamber of Commerce and Industry, CBI London and London First – did not wish to submit evidence to the Committee. They felt they had little to say about the issue of engaging businesses with the Green Procurement Code, and had not been involved to any significant extent with this programme. Having said this, we were pleased that the Federation of Small Businesses provided useful information to assist our investigation.
- 3.26 It seems to the Committee that an opportunity is being missed to cooperate with these organisations. We acknowledge the London Development Agency's comment that the Green Procurement Code service has limited capacity, suggesting that it may be premature to encourage more businesses to join this service.²⁴ However, the London Development Agency should consider how engagement with these large mainstream groups - which have extensive communications networks and a strong role in informing business opinion - could complement the operation of the Green Procurement Code. The LDA could work with these organisations to develop a publicity and marketing campaign for buying recycled goods. This campaign should also seek to promote the London web-site portal, which we have recommended in paragraph 3.18.

Recommendation 6:

The LDA should work with boroughs and trade associations in preparing a publicity/marketing campaign aimed at encouraging more SMEs to buy recycled goods. This should also include the marketing of the London web-site portal recommended in paragraph 3.18.

²⁴ Lesley Harding, Head of Health and Sustainability, London Development Agency, transcript of Environment Committee meeting, 29 November 2005

Annex 1 – Recommendations

Recommendation 1 - The committee recommends that the LDA work with its delivery partner to develop a methodology to ensure that the contribution of code signatories to green procurement is captured and to provide a progress update to the Environment Committee in 6 months.

Recommendation 2 - The LDA should work with London Remade, London Boroughs and trade associations on designing, developing and commissioning a London web-site portal which would provide easy access for SMEs to obtain information on buying recycled products.

Recommendation 3 - Where geographical clusters of business units militate against the problem of delivery to multiple sites, London Remade should set up a brokerage service to establish buying consortia which could offer a cost-effective way of involving larger numbers of SMEs.

Recommendation 4 - The LDA and London Remade should work together to improve the information currently on the London Remade web-site and also re-design a less complicated Green Procurement Code information pack targeted specifically at SMEs.

Recommendation 5 - LDA and London Remade should work with suppliers to increase the number of recycled goods in their brochures, including special offers and incentives on recycled products marketed at SMEs.

Recommendation 6 – The LDA should work with boroughs and trade associations in preparing a publicity/marketing campaign aimed at encouraging more SMEs to buy recycled goods. This should also include the marketing of the London web-site portal recommended in paragraph 3.18.

Annex 2 – Environment Committee Members

Darren Johnson, Chair	Green
Angie Bray	Conservative
Roger Evans	Conservative
Peter Hulme Cross	One London
Murad Qureshi, Deputy Chair	Labour
Valerie Shawcross	Labour
Mike Tuffrey	Liberal Democrats

Terms of reference for the sustainable procurement review:

- To determine how the procurement of recycled goods by the private sector can be increased;
- To identify whether the London Development Agency is doing enough to engage with the private sector on this issue; and,
- To identify whether London Remade is working effectively as a vehicle for delivering improvements.

Contact:

Richard Davies, Assistant Scrutiny Manager
Richard. Davies@london.gov.uk
Tel: 020 7983 4199

Annex 3 - List of those who provided views and information

The following organisations provided written views and information to the Committee:

Federation of Small Businesses
London Development Agency
London Remade
London Sustainability Exchange
Waste and Resources Action Programme

The following people attended a meeting of the Environment Committee on 29 November 2005:

- Lesley Harding, Head of Health & Sustainability, London Development Agency (LDA)
- Aminata Diaby, Assistant Project Manager, Environment Sector, LDA
- Tina Perfrement, Market Development Director, London Remade
- John Holbrow, Federation of Small Businesses (FSB)
- Nyree Connell, FSB
- Steve Creed, Director of Business and Procurement, Waste and Resources Action Programme (WRAP)

Annex 4 – Principles of London Assembly scrutiny

An aim for action

An Assembly scrutiny is not an end in itself. It aims for action to achieve improvement.

Independence

An Assembly scrutiny is conducted with objectivity; nothing should be done that could impair the independence of the process.

Holding the Mayor to account

The Assembly rigorously examines all aspects of the Mayor's strategies.

Inclusiveness

An Assembly scrutiny consults widely, having regard to issues of timeliness and cost.

Constructiveness

The Assembly conducts its scrutinies and investigations in a positive manner, recognising the need to work with stakeholders and the Mayor to achieve improvement.

Value for money

When conducting a scrutiny the Assembly is conscious of the need to spend public money effectively.

Annex 5 – Orders and translations

How to Order

For further information on this report or to order a copy, please contact Richard Davies, Assistant Scrutiny Manager, on 020 7983 4199 or email Richard.davies@london.gov.uk

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