



Implementation of the UK's Timber Procurement Policy

Analysis of WWF survey responses

About WWF-UK

WWF-UK has worked on public procurement for around 20 years, with a specific focus on central government and local authority timber procurement policy. This report represents our first attempt to assess performance of central government departments against the policy and follows five previous assessments of local authority performance. Central and local government are key buyers within the UK timber market and therefore can exert a great deal of positive influence over the way this market operates. Our aim is to seek to maximise these benefits in a way that helps deliver a legal and sustainable timber market in the UK by 2020.

Find out more about our forests work at

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1. THE UK'S TIMBER PROCUREMENT POLICY

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Over the last decade, several governments have started to use their public procurement policies to increase the market for legal and sustainable timber and timber products.

The public sector is a major purchaser of timber, which will be used for a variety of purposes – including paper products and furniture as well as in construction, refurbishment and maintenance. By requiring government purchasers to specify legal or sustainable timber products, governments can help to exclude illegal and unsustainable timber from the market – and the evidence suggests that, by encouraging suppliers to modify their sourcing practices, this can have a wider impact on the timber market than just the direct impact of public purchases.

More than 25 consumer countries, mostly in the EU, now possess a timber procurement policy or have incorporated specifications for timber products in their wider green procurement policy.¹ The UK was one of the first to introduce such an approach, adopting voluntary guidance in 1997 that encouraged government departments to purchase timber and timber products from legal or sustainable sources; this became a binding commitment in 2000.

The Timber Procurement Policy (TPP) has been modified on a number of occasions, most recently in 2009. Public authorities are now required to purchase legal and sustainable timber products (which includes products with a FLEGT – Forest Law Enforcement, Governance and Trade – licence)² or recycled products. If sustainable products are not available, legal-only products can be procured, but this exemption is intended only for those rare situations where a particular type of product or timber species is needed – for example, in marine defences or in the refurbishment of a historic building.

£14 BN

The UK is the world's fifth largest market for wood based products, valued at over £14 billion last year



In 2004, the government established the Central Point of Expertise on Timber (CPET) to provide guidance to government purchasers, to carry out training and awareness-raising exercises and to conduct periodic assessments of existing forest certification schemes against the criteria for legality and sustainability.³ The two main global certification schemes, those of the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC), have been assessed as meeting the UK Government's criteria, and are overwhelmingly the most common means used by suppliers to meet the requirements of the TPP.

Since EU procurement rules require that procurement policies must rest on criteria, not on whether a product has been certified by any particular scheme, the system must also be able to assess any claims by suppliers that their products meet the sustainability criteria even if they are not certified by any recognised scheme – the so-called 'Category B' evidence ('Category A' refers to the certification schemes). CPET carries out these assessments, but in practice this route is infrequently used; one example is for greenheart, an exceptionally durable hardwood often used in marine environments, but not yet covered by any certification scheme.

1.1 APPLICATION

The UK government, of course, possesses hundreds of procurement officers managing thousands of contracts for tens of thousands of products and services.

A series of steps have been taken to make it easier for these staff to comply with the Timber Procurement Policy (TPP):

- The CPET assessments of the forest certification schemes, which mean that procurement officers know that FSC or PEFC-certified products meet the TPP criteria.
- The inclusion of the timber procurement requirements in the Government Buying Standards (GBS) developed by the Department for Environment, Food and Rural Affairs (Defra) make it easier for public bodies to issue tenders to procure sustainably. To date, eleven sets of standards have been developed, including for paper, furniture and timber for buildings and construction projects – the main timber-using sectors. All of these include the TPP requirements for legal and sustainable products, and often other criteria too; the GBS for paper products, for example, include criteria requiring varying proportions of recycled content for different product types.⁴
- The development of central procurement frameworks and catalogues by the Government Procurement Service (GPS; now part of the Crown Commercial Service), the agency that aims to maximise value for money in public procurement, including through offering advice, assistance and coordination. The frameworks set out procurement specifications (incorporating GBS where they exist), list suppliers and offer standard contract terms and conditions. The GPS catalogues list suppliers and products that meet the specifications included in the frameworks – so that a department choosing, say, office furniture from a supplier listed in the catalogues will know that the products meet the TPP requirements.

- The GPS also increasingly procures products and services directly for public bodies through managed services provided on behalf of public customers. In 2011–12, 6.7% of all central government procurement expenditure was channelled through GPS, and this figure was expected to increase over time.⁵

Many public sector bodies agree broad-ranging supply contracts with companies designed to meet all the bodies' procurement needs, or all in a particular sector, over the contract's lifetime. This is particularly common for buildings maintenance, but is also used for furniture, paper and sometimes procurement in general. The TPP requirements should then be embedded in the contracts, and it becomes the supplier's responsibility to comply with the policy.

Some departments also use contracts negotiated by other public bodies to procure their own supplies. This is common for the smaller public bodies, which are likely to use contracts set up by their sponsoring departments, but it can happen between larger public bodies too. One major example is the contract for 'closed loop' paper negotiated by HM Revenue & Customs, under which Banner Business Services collects confidential documents, shreds them securely (or provides on-site shredding equipment), recycles them and manufactures them into copier paper. Although HMRC manages the contract, several other government departments use it or are intending to.

1.2 COVERAGE

The TPP is mandatory for central-government departments, executive agencies and non-departmental public bodies.

It does not apply to the 'broader public sector' – the National Health Service, universities, public corporations and local government – which is a significant limitation on the policy; between them, these bodies may account for as much as 80% of public sector procurement spend.⁶ These organisations are, however, encouraged to adopt the same or a similar timber procurement policy, and they are also able to participate in CPET training courses.

The TPP is also more accurately described as an English, rather than a British, policy; it does not apply to the devolved administrations in Northern Ireland, Scotland and Wales. In fact, the Northern Irish and Welsh administrations have both decided to adopt the UK TPP. Due to concerns over the burden of sustainability certification on small woodlands and producers, the Scottish government has not endorsed the latest version of the TPP, introduced in 2009, preferring the previous version, which was to require legal, but only encourage (rather than require) sustainable products.⁷ However, it also promotes the use of the GBS, so if Scottish government buyers use these, in practice they are procuring legal and sustainable products, as in the rest of the UK.



1.3 REPORTING

Monitoring the implementation of the TPP (and, indeed, of sustainable procurement policy in general) has been a constant challenge.

The government has been keen not to put too many bureaucratic burdens on public sector purchasers, but in turn this has meant that 'the lack of available data makes it impossible to monitor performance' of the TPP.⁸ In 2008, CPET was tasked with trying to measure the impacts of the TPP. It conducted a case study of the construction sector,⁹ and published a study of impacts more broadly in 2010, although this was based on a survey of stakeholders rather than on quantitative data.¹⁰ The latter study concluded that:

Based on published reports and the findings of the stakeholder consultation exercise undertaken for this study it is fair to say that the Government has made gradual progress towards full implementation of its timber procurement policy within all mandated bodies over the past 10 years but is by no means there yet. A very subjective estimate would be that 50–60% of relevant contracts contain sustainable timber requirements but only 10% of deliveries are checked for compliance. There are significant differences between individual organisations both in terms of the actual requirements used and level of implementation. There is also evidence of a lack of compliance checking, i.e. to ensure that the timber product procured and delivered actually meets the contract requirements.¹¹

In 2010–11, the coalition government established a new framework for the government's sustainable development policy, outlined in the document *Mainstreaming Sustainable Development – the government's vision and what this means in practice*. This identified procurement as a key element in meeting the government's sustainability objectives and included the following commitment:

WE WILL LEAD BY EXAMPLE WITH THE GREENEST EVER OPERATIONS AND PROCUREMENT THROUGH A STEP CHANGE IN LEADERSHIP, EFFICIENCY, TRANSPARENCY AND ACCOUNTABILITY THAT WILL UNDERPIN THE GOVERNMENT'S OPERATIONS AND PROCUREMENT ... WE ARE ALSO COMMITTED TO BEING OPEN AND TRANSPARENT WITH MORE OF OUR SUSTAINABLE OPERATIONS AND PROCUREMENT PERFORMANCE DATA, SO THAT THE PUBLIC AND PARLIAMENT CAN HOLD US TO ACCOUNT.¹²

Alongside this, the government published the 'Greening Government Commitments', setting out the steps by which it aimed to reduce the environmental impact of its own operations, including a commitment to: 'ensure government buys more sustainable and efficient products and engages with its suppliers to understand and reduce the impacts of its supply chain'.¹³

1.4 GREENING GOVERNMENT COMMITMENTS

The Greening Government Commitments Guidance published in June 2011 sets out public bodies' reporting requirements against these commitments.¹⁴

These requirements apply to all central government departments, their executive agencies, executive non-departmental public bodies and non-ministerial government departments in England. Exemptions from reporting are permitted for non-departmental public bodies in specific circumstances, including those whose operations occupy less than 1,000 m² of floor space or employ fewer than 250 staff.

For the sustainable procurement commitment, public bodies must report progress in incorporating the GBS in procurement contracts of values above the threshold set under EU rules (for most supplies for central government authorities, this is currently €134,000) for a number of key product groups, including all the timber-using sectors: construction, furniture and paper. Since the GBS incorporate the TPP criteria, if contracts are GBS-compliant they should also be TPP-compliant.

The first report on compliance with these aims, covering 2011–12, showed that many departments had not started to record the purchases they had made which were GBS-compliant; accordingly, the data were not particularly useful.¹⁵ The second report, covering 2012–13, was rather better:

- Construction: all 21 departments¹⁶ reported, but ten recorded zero spend, and five of those with spending did not record data on GBS-compliant contracts (two of them because their construction projects were too small to fit into the definition). Of the remaining six, five reported 100% GBS-compliant contracts (by value), and the other one 85%.
- In addition, departments were asked for the number of construction contracts that contained clauses requiring compliance with the TPP (as noted, if the GBS are used, the contract should be consistent anyway, but this question applied to all contracts, not just those above the EU threshold).

£100,000

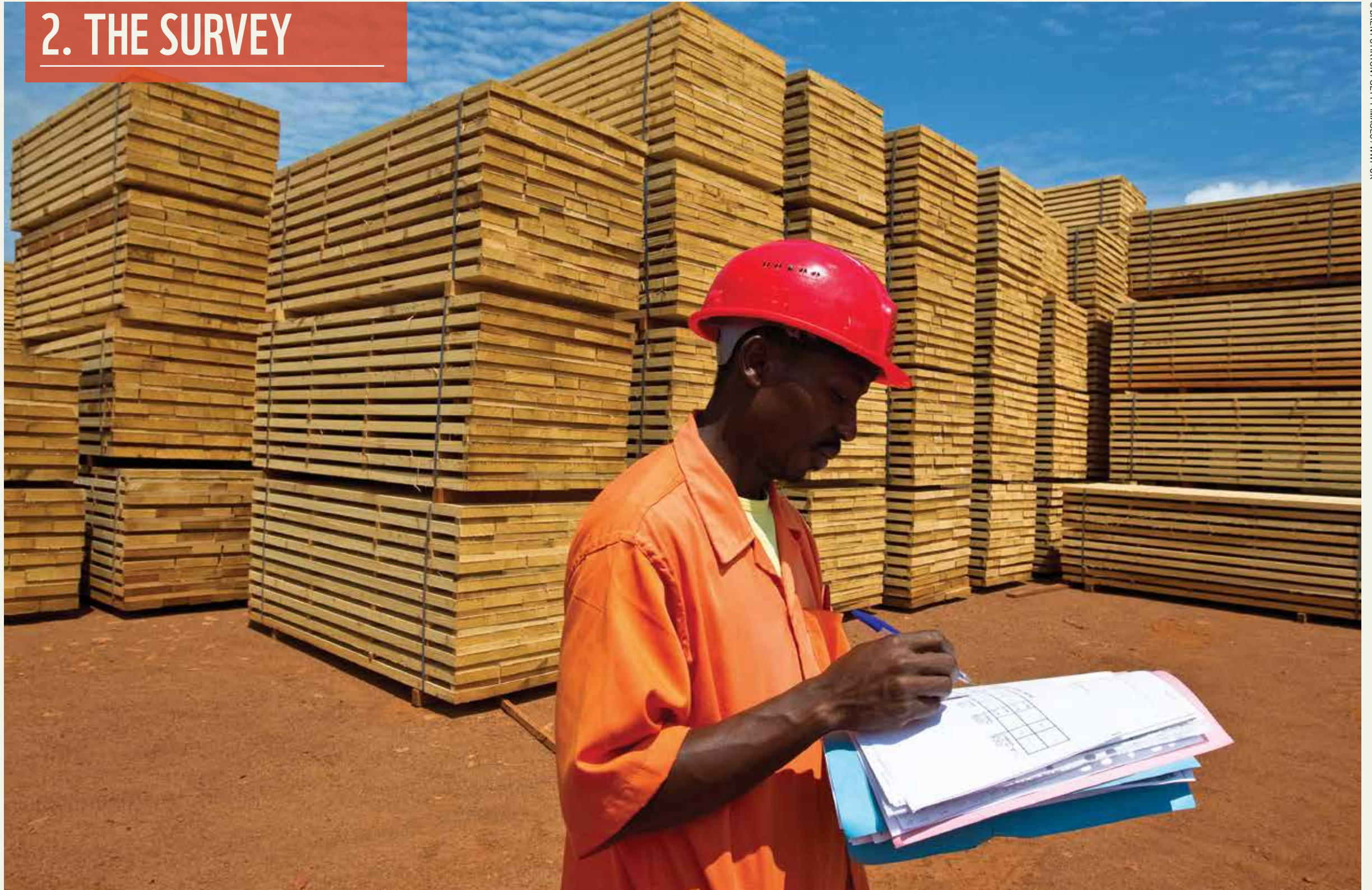
is the threshold above which the government requires reporting on the use of Government Buying Standards within procurement contracts (the GBS incorporates the TPP)

Of the 11 departments recording spending on construction, eight reported that all their contracts included TPP clauses, one that some of them did and two that none of them did.

- Departments were also asked for the number of construction contracts for which the suppliers had provided documentary evidence of compliance with the TPP; of the eight departments including TPP clauses in their contracts, seven reported that such evidence had been provided for all their TPP-compliant contracts and the remaining one reported that evidence had not been provided for any (because the suppliers had not been asked, although the facility to do so existed).
- Furniture: 17 out of 21 departments reported percentages of GBS-compliant contracts (by value); ten reported 100%, while two reported less than 50%, and the rest were in between.
- Although departments were not asked separately for compliance with the TPP for furniture, assuming that GBS-compliant contracts are also TPP-compliant, the report concluded that 77% (by value) of all furniture known to be purchased definitely complied with the TPP. The remainder might comply, but it was not possible to say for certain (not all items of furniture are made of wood, which complicates reporting).
- Paper: 19 out of 21 departments reported percentages of GBS-compliant contracts (by value); seven reported 100%, five reported less than 50%, and the rest were in between.¹⁷

In addition to the data on the use of GBS in procurement contracts, the Greening Governments Commitments Guidance requires departments to make a range of information available on their websites. This includes, among other things, a description of their GBS monitoring systems and processes, including any internal or external audits and spot checks, steps being taken to improve GBS monitoring systems and processes, and plans for improving compliance. Neither of the two reports on implementation published so far, however, has included information on compliance with these requirements.

2. THE SURVEY



2. THE SURVEY

For more than 20 years WWF has worked to promote demand for legal and sustainable timber and wood products.

This has included regular assessments of local authority timber procurement policies¹⁸ and, in 2011, an assessment of central government's timber procurement policy based on published data.

In January 2013, WWF invited all UK central government bodies to complete an online survey about their implementation of the government's timber procurement policy. The survey (which was developed with advice from a number of public sector procurement experts) contained a total of 63 questions, although only the largest bodies with significant procurement spend would have had to answer them all. The questions covered the following issues:

- Basic information about the organisation and the individual respondent. (8 questions)
- Procuring timber products. Does your own organisation or another one (e.g. your sponsoring department, GPS, etc.) procure timber products? If you procure your own products, do you procure products directly or through contractors? (7 questions)
- Implementation. How do you implement and communicate the TPP, do you have a target for it and what contact have you had with CPET? (8 questions)
- Applying the TPP to paper and paper products (including printer and copier paper, envelopes, tissue paper, presentation folders, notebooks, binders, file dividers, etc.). How do you procure these products (directly or through contractors)? How do you know they are compliant with TPP criteria, how is implementation monitored, and how fully do you think the TPP is implemented for these products in your organisation? (10 questions)
- Applying the TPP to wooden furniture (including desks, chairs, filing cabinets, bookcases, park benches, etc., which are wholly or partially made of wood). The same questions as for paper. (10 questions)

- Applying the TPP to timber for construction, refurbishment, maintenance or flood defences (including site hoarding, roofing, flooring, window frames, door frames, doors, panelling, flood defence materials, etc.). The same questions as for paper, plus one on use of the Building Research Establishment's Environmental Assessment Method (BREEAM) standards, or an equivalent environmental assessment method. (11 questions)
- Measuring the application of the TPP. Data on volumes and/or value of the recycled, legal and sustainable products procured by the organisation or its contractors. (6 questions)
- The EU Timber Regulation (EUTR). Have you heard of the EUTR and do you believe it will require you to take any action? (3 questions)

Ignoring the first group, there were therefore a total of 55 operative questions.

The initial aim of the survey was to cover all central government bodies, including departments, executive agencies and non-departmental public bodies – a total of almost 600 (including the devolved administrations and their own agencies and bodies in Northern Ireland, Scotland and Wales). In fact, simply acquiring contact details for procurement officers in these bodies proved a major task, and it was not possible to obtain a comprehensive database. It is also not known which bodies use their sponsoring departments to procure products for them – about half of the total 600 are, in any case, advisory bodies without any staff or procurement of their own, and many of the smaller bodies will also use other organisations' procurement services. This may help to explain the very low response rate to the survey: only 41 out of 569 bodies surveyed responded, a response rate of about 7%.¹⁹

The decision was therefore taken to focus on the highest tier: the ministerial departments, government departments headed by a Secretary of State or other senior minister, with their own resources (voted for by Parliament) and accountable, through their ministerial team, to Parliament. There are currently 24 of these, which vary enormously in size, and the two smallest – the Offices of the Leaders of the House of Commons and House of Lords – are based within the Cabinet Office and do not possess their own procurement services.

Of the remaining 22 departments, only four responded to the survey initially: the Department for Transport (DfT), Department for Work and Pensions (DWP), Ministry of Justice (MoJ) and HM Treasury (HMT). This is an exceptionally poor response, hardly indicative of any real commitment to public transparency of the kind mentioned in the 2011 document *Mainstreaming Sustainable Development* (quoted above).

Accordingly, WWF made requests under the Freedom of Information Act to the 18 central government departments that had ignored the initial enquiry. It should be noted that public sector organisations are legally obliged to respond to such requests and provide the relevant information that they hold (with a few exceptions, such as for cases of sensitive information or excessive cost). WWF gave the central government departments the choice of completing the online survey or answering a list of questions in the Freedom of Information letter; necessarily, this was an abbreviated version of the survey. Of the 18 departments:

- Eight responded to the request by completing the online survey: Office of the Advocate General for Scotland, Department for Communities and Local Government (DCLG), Department for Culture, Media and Sport (DCMS), Department for Education (DfE), Foreign and Commonwealth Office (FCO),²⁰ Home Office (HO), Northern Ireland Office (NIO), Wales Office.
- Nine responded by letter: Office of the Attorney General (AG), Department for Business, Innovation and Skills (BIS), Cabinet Office (CO), Department for Energy and Climate Change (DECC), Department for Environment, Food and Rural Affairs (Defra), Department for International Development (DFID), Department of Health (DH), Ministry of Defence (MoD) and UK Export Finance (UKEF).
- The Scotland Office did not answer, on the grounds that they do not procure for themselves.

18%
Only four central government departments initially responded to the survey - a response rate of 18%

Three of the smaller departments do not procure supplies for themselves, but use the services of other agencies: the Office of the Advocate General for Scotland and the Scotland Office (47 and 60 staff, respectively; in each case procurement is managed by the Scottish government's procurement body, Scottish Procurement) and the Wales Office (49 staff; procurement managed by the Ministry of Justice). These have therefore been excluded from the survey, leaving a pool of 19 departments whose responses are analysed below. Ten of the 19 completed the survey, nine responded by letter. The quality of the responses varied quite substantially; although, in general, those who completed the survey gave more comprehensive information, the Department for Education completed only four out of the 63 questions in the survey.

In practice, not all of the survey questions resulted in useful data, so not all of them are analysed here. Some resulted in primarily qualitative (rather than quantitative) responses, so information is included below in summary form but not included in the scorecard (see section 4).

As mentioned above, 19 other public bodies also responded to the first survey, and some of them – particularly the Environment Agency – clearly do have very good procurement systems in place. Some of their responses are used below to highlight good practice.

3. THE RESPONSE



3.1 APPROACH AND IMPLEMENTATION

Departments were asked what timber procurement policy their organisation followed (see Table 3.1). All but three of the 19 named the UK TPP (or slight variants, such as ‘the CPET policy’). Two did not know or did not answer. One stated that they

purchased a small volume of paper which was not recycled either because their supplier did not offer the option, or on cost grounds; this cannot be regarded as being in full compliance with the TPP.

	Approach	Strategy/policy	Training	Contracts	Suppliers	GPS
Attorney General's Office	TPP but not all paper					✓
Department for Business, Innovation and Skills	TPP				✓	
Cabinet Office	CPET			✓	✓	
Department for Communities and Local Government	GPS		✓			
Department for Culture, Media and Sport	TPP					✓
Department for Education	No answer					
Department of Energy and Climate Change	TPP					✓
Department for Environment, Food and Rural Affairs	TPP	✓		✓		
Department of Health	TPP	✓				✓
Department for International Development	TPP	✓	✓			
Department for Transport	TPP	✓		✓		
Department for Work and Pensions	TPP			✓		
Foreign and Commonwealth Office	TPP	✓	✓			
HM Treasury	TPP				✓	
Home Office	TPP	✓		✓		
Ministry of Defence	GBS	✓				
Ministry of Justice	TPP					
Northern Ireland Office	Don't know					
UK Export Finance	TPP					✓
TOTALS		7	3	5	3	5

Table 3.1 Approach and implementation steps

Departments were asked whether they had taken any steps to ensure that their policy was implemented at a strategic or corporate level. Sixteen of them had, one (Ministry of Justice) had not and two (Department for Education, Northern Ireland Office) did not know or did not answer. They were also asked what steps they had taken; possible answers were listed in five broad categories (multiple answers were possible; see Table 3.1 and Chart 3.1 – the chart includes only the 16 departments that answered positively):

STRATEGY

the commitment to follow the TPP is written into the department's procurement strategy, policy manuals, guidance, etc.

TRAINING

relevant staff have been trained in applying the policy.

CONTRACTS

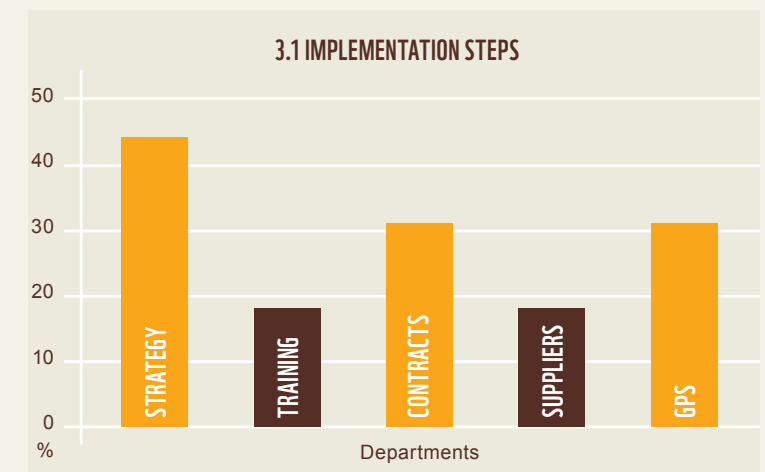
TPP requirements are written into contracts with suppliers.

SUPPLIERS

the departments' suppliers are responsible for ensuring the TPP criteria are satisfied.

GPS

since GPS procurement frameworks and/or suppliers are used, it is assumed that the TPP criteria are satisfied.



3.2 APPLYING THE TPP

Departments were asked a series of questions (see Tables 3.2, 3.3 and 3.4) on how they applied the TPP to the following three categories of products shown opposite:

The Freedom of Information request sent to departments that did not respond to the original survey asked a shorter series of similar questions, applying to all categories of timber products together rather than breaking them down individually. The data in sections 3.3 and 3.4 only relate to the departments that answered the survey: ten for paper, and nine for furniture and construction (the Ministry of Justice did not procure any furniture, although this is not supported by its Greening Government Commitments report; another did not procure any timber for construction – this is supported by its Greening Government Commitments report).

All departments were asked whether they procured timber products directly or used contractors to fulfil their procurement needs. In fact, most used both, though unsurprisingly it was more common to use contractors rather than direct purchasing for construction and maintenance work. A number of companies were mentioned as providing broad-ranging procurement services, including Interserve Facilities Management (used by three departments), UK Shared Business Services Ltd (a public sector mutual, jointly owned by its customers and providing procurement and a range of other services to its owners), Bouygues UK, Emtor UK, Mitie and a number of other more specialist companies. (Banner's 'closed loop' paper – see above – was also mentioned frequently.) The extent to which these companies have in place robust systems for guaranteeing the supply of legal and sustainable timber is, obviously, important.

All departments completing the survey (apart from DfE) identified the timber criteria they used (for both direct purchasing and for contractors) for the products they purchased were those specified in GPS framework contracts or catalogues, and/or the GBS – in both cases these include the TPP criteria. The Home Office and Defra also stated that they aimed to use second-hand furniture or refurbished furniture where possible, which is consistent with the TPP 'recycled' criteria.



3.3 CHECKING AND MONITORING

Departments were given a number of opportunities to describe the systems they used for checking compliance with the requirements of the TPP.

As has been seen, GPS framework contracts incorporating the GBS are very widely used; indeed, smaller departments (who probably regularly only procure paper) may use no other route to purchase timber products. In general, departments assumed that products procured under these mechanisms were TPP-compliant.

Larger departments tend to have more detailed means of checking compliance. Bidders for contracts may be asked about the procedures they have in place for ensuring TPP compliance. Provisions can be written into contracts with suppliers and contractors specifying the TPP criteria, and including requirements for the supplier to maintain records, produce evidence on request, independent verification and the right to reject products that do not comply with specified requirements. (CPET provides model contract conditions on its website.)

The implementation of contracts is generally monitored by the procurement teams within the departments (see further below); compliance with the TPP (or GBS) can be included within the key performance indicators matrix. A number of departments (DWP, FCO, Home Office, Treasury), mentioned periodic audits of procurement contracts, requiring production of the relevant evidence, such as certificates or chain-of-custody numbers, or simple checking of appropriate logos (recycled, FSC, etc.). The Home Office measures sustainability performance through a supplier self-assessment questionnaire, together with a procedure for querying the results.

Departments were asked whether they systematically monitored the implementation of their timber procurement policy; the options included monitoring linked to an internal system (e.g. spreadsheet), monitoring linked to an externally audited environmental management system (e.g. EMAS, ISO 14001), and monitoring by other systems (see Table 3.3 and Chart 3.3, for the ten departments that answered).

	Paper	Furniture	Construction
Department for Communities and Local Government	–	–	Internal
Department for Culture, Media and Sport	X	X	(No purchases)
Department for Education	–	–	–
Department for Transport	X	X	External
Department for Work and Pensions	Internal	Internal	Internal
Foreign and Commonwealth Office	External	External	External
HM Treasury	Internal	Internal	External
Home Office	Internal	Internal	Internal
Ministry of Justice	Don't know	(No purchases)	X
Northern Ireland Office	External	External	External

Table 3.3 Monitoring

Departments were also asked if they used the Building Research Establishment's Environmental Assessment Method (BREEAM) standards, or an equivalent environmental assessment method. All but one of the departments who responded did, although one only for larger projects.

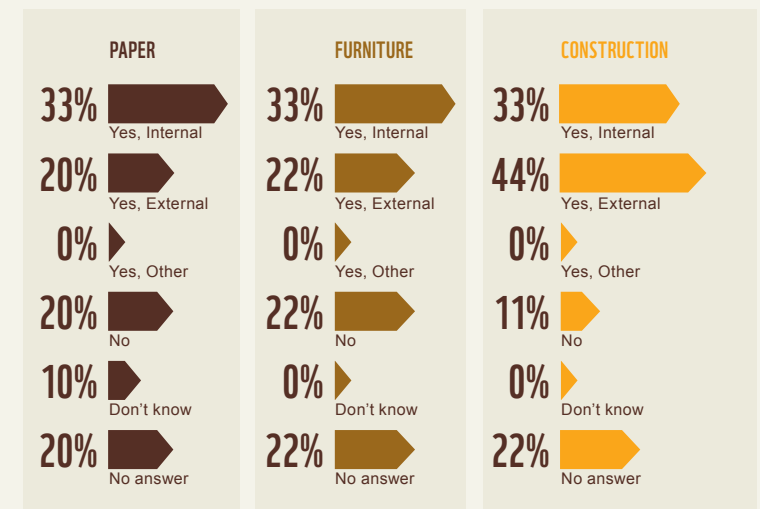


Figure 3.3 Monitoring

3.4 SELF-ASSESSMENT OF IMPLEMENTATION

Departments were asked about the extent to which they thought the TPP was being implemented in their organisation.

Possible answers were ‘in full across all units and projects of the organisation’; ‘in some units or projects’; ‘not at all’; and ‘don’t know’ (see Table 3.4 and Figure 3.4).

	Paper	Furniture	Construction
Department for Communities and Local Government	Full	–	–
Department for Culture, Media and Sport	Full	Partial	(No purchases)
Department for Education	Full	Full	Full
Department for Transport	Partial	Full	Full
Department for Work and Pensions	Full	Full	Full
Foreign and Commonwealth Office	Partial	Partial	Full
HM Treasury	Full	Full	Full
Home Office	Full	Full	Full
Ministry of Justice	Don't know	(No purchases)	Don't know
Northern Ireland Office	Partial	Partial	Partial

Table 3.4 Self-assessment of implementation

It is interesting that implementation appears to be better for construction than for the other two categories; this is probably because this sector involves a smaller number of larger contracts, which are more easily monitored.

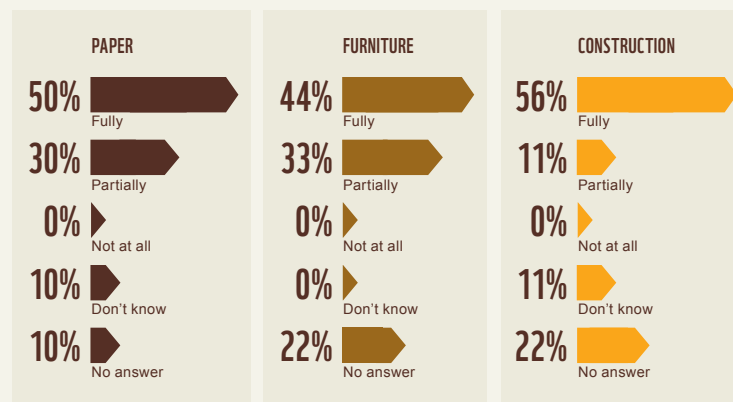


Figure 3.4 Extent of implementation (self-assessed)

3.5 ENGAGEMENT WITH CPET

Departments were asked about their contact with CPET and their use of CPET materials:

ELEVEN DEPARTMENTS HAD CONTACT WITH CPET:

BIS, DCLG, DCMS, DFID, DfT, DWP, FCO, HO, MoD, MoJ, HMT

THREE HAD NOT:

DECC, Defra, UKEF

FIVE DID NOT ANSWER :

AG, CO, DfE, DH, NIO

Departments that answered the full survey (not those that answered the FoI request by letter) were also asked to identify which of four forms of contact they had used: received communication from CPET; looked at the CPET website; emailed or phoned CPET themselves; participated in a CPET training course (see the shaded columns in Chart 3.5A; multiple answers were possible, so these do not sum to 100% – the percentages are the proportions of those reporting any contact).

Departments were also asked whether they had used CPET materials, and if so which. Eleven had, one had not and seven did not answer (the solid columns in Chart 3.5B; these sum to 100%).

Departments that answered the full survey (not those that answered the FoI request by letter) were also asked to identify which materials they used: the model specification; a model paragraph for Invitation-to-tender letters; the model contract conditions; general advice found on CPET’s website (see the shaded columns in Chart 3.5B; multiple answers were possible, so these do not sum to 100% – the percentages are the proportions of those reporting any contact).

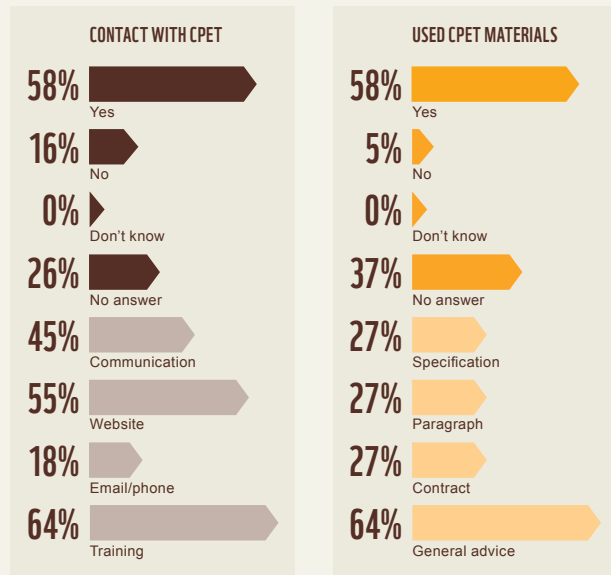


Figure 3.5A and 3.5B

3.6 AWARENESS OF EU TIMBER REGULATION

Departments were asked whether they were aware of the EU Timber Regulation (EUTR) – which, at the time of the survey (January 2013), was shortly to enter fully into force.

Of the ten who completed the survey (the question was not included in the FoI request), five were aware, two were not and three did not respond.

Departments were also asked whether, if they were aware of the EUTR, they believed it would require them to take any action. Of the five who were aware, three believed it would. The responses included more dialogue with suppliers and contractors to ensure compliance and awareness-raising amongst the procurement community.



4. THE SCORECARD

4. THE SCORECARD

The aim of the survey was to examine implementation by the public sector of the timber procurement policy and to identify examples of good - and bad - practice.

WWF surveys of local authorities' timber procurement policies have featured a scorecard of performance against an overall assessment of councils' possession of any timber procurement policy.

In the case of central government departments, an assessment is more difficult. On the basic question – whether departments implement the TPP – almost all of them do, as one would hope (see section 3.1). There are two key questions that follow: what systems do they have in place to ensure that the products they procure actually meet the TPP criteria; and what volume of products they procure meet the criteria?

On the first question, the system is now heavily reliant on Government Procurement Service framework contracts and catalogues, and the assumption that GPS-compliant suppliers are in fact supplying TPP-compliant products. This is a reasonable assumption – but it is not completely clear to what extent suppliers are themselves regularly checked for compliance. The survey questions on monitoring (section 3.3) show that departments have some way to go in setting up their own monitoring systems; other public bodies included in the survey, notably the Environment Agency, include some examples of best practice in this area.

On the second point, the survey included a number of questions on the volumes and/or value of the recycled, legal and/or sustainable timber products procured. In fact, only half the departments who responded (and a lower proportion of the other public bodies) collected any of these data, and almost none of them were able to provide the detailed data the survey asked for. What we do know,

however, from the Greening Government Commitments reports (the second of which was published after the survey was designed) is that departments are getting better at recording the proportion of contracts that are GBS-compliant. It is probable that departments will not record separately volumes of certified timber, but given that GBS-compliant timber is TPP-compliant, there is no real need for them to do so.

For the scorecard, we have accordingly used four sets of data:

- The Greening Governments Commitments reports on the percentages of GBS-compliant contracts (see section 1.4). Scores were assigned based on the percentage of departments' contracts that were GBS or TPP-compliant.
- The survey questions on approach and implementation (see section 3.1). Scores were assigned based on the departments' adherence to the TPP or some other approach, and to the extent to which they had taken any steps to implement it.
- The survey questions on monitoring – these apply only to the ten departments answering the survey (see section 3.3). Scores were assigned based on whether departments systematically monitored the implementation of their timber procurement policy for each of the three product sectors (paper, furniture, construction).
- Departments' self-assessments of implementation – these apply only to the ten departments answering the survey (see section 3.4). Scores were assigned based on whether the TPP was implemented fully, partially or not at all, for each of the three product sectors (paper, furniture, construction).

The summary results are shown here; cells are coloured green for 100% performance, yellow for 51–99%, and red for 50% or below. Cells are left blank where the question was not asked (the Greening Government Commitments, report does not include the NIO) or data not collected (for departments answering the FoI letter rather than the survey).

The departments have also been listed in order of performance and extent of response received from best to worst.

	GGC	Approach	Self-assessment	Monitoring
HM Treasury	100%	100%	100%	67%
Home Office	100%	100%	100%	50%
Department for Work and Pensions	75%	100%	100%	50%
Department for Transport	20%	100%	83%	33%
Foreign and Commonwealth Office	75%	100%	67%	100%
Department for Culture, Media and Sport	100%	100%	67%	0%
Department for Communities and Local Government	100%	100%	33%	17%
Department for International Development	100%	100%		
Department for Business, Innovation and Skills	70%	100%		
Department of Health	60%	100%		
Department for Environment, Food and Rural Affairs	50%	100%		
Ministry of Defence	30%	100%		
Cabinet Office	25%	100%		
Department of Energy and Climate Change	25%	100%		
UK Export Finance	0%	100%		
Attorney General's Office	50%	75%		
Ministry of Justice	70%	50%	0%	0%
Northern Ireland Office		0%	50%	100%
Department for Education	100%	0%	0%	0%

5. CONCLUSIONS AND RECOMMENDATIONS



5. CONCLUSIONS AND RECOMMENDATIONS

Illegal and unsustainable logging and the international trade in illegally logged timber are major problems for many timber-producing countries, particularly in the developing world.



The introduction of the Green Government Commitments is a long overdue start but still needs significant improvement

They cause environmental damage, contribute to climate change, cost governments billions of dollars in lost revenue, promote corruption, and undermine the rule of law and good governance; in some cases they have funded armed conflict. They retard sustainable development in some of the poorest countries of the world.

The Timber Procurement Policy has been an important tool in combating this problem, helping to grow the market for legal and sustainable timber and excluding illegal and unsustainable timber. Indeed, until the entry into force of the EU Timber Regulation, there was no other government mechanism available to EU member states to achieve this. The UK was one of the first countries in the world to use procurement policy in this way, and has generally – and justifiably – been applauded for possessing a well-designed and comprehensive policy. The policy’s Achilles heel, however, is the consistent failure by government to monitor its implementation. The introduction of the Greening Government Commitments reporting requirements is a long-overdue start to this, but still needs significant improvement.

5.1 TRANSPARENCY

The initial response to the survey was shockingly bad – only four out of 22 central government departments replied, with the rest having to be forced into responding through Freedom of Information requests, and even then some failed to complete the survey adequately.

It is difficult to understand how the government can make a commitment ‘to being open and transparent with more of our sustainable operations and procurement performance data, so that the public and Parliament can hold us to account’²¹ and then prove so resistant to answering questions about procurement from a well-respected organisation with a track record of carrying out this kind of survey.

One more detailed measure that would increase transparency would be for GPS to list on its website the departments and other public bodies for whom they procure directly – the number of which, as noted above, is expected to grow – and for which products and services. Assuming the GPS itself sticks to the TPP (which, obviously, it should), this would increase confidence in the application of the TPP across government.

5.2 COMPLIANCE WITH THE TPP

It is clear that all government departments are trying to comply with the TPP, but it is equally clear that, 17 years after the policy was first introduced, there is some way to go.



The Environment Agency's system is an excellent example of good practice and should be emulated

The 2012–13 Greening Government Commitments report shows only six out of 21 departments achieving full compliance, with another seven scoring 50% or below on our scorecard. It is also a matter of concern that only three out of the ten departments answering our survey think that they themselves are fully implementing the TPP.

Clearly it is not impossible to implement it; if six (Greening Government Commitments reports) or three (self-assessment in our survey) can, all can. The government urgently needs to implement its own policy for timber procurement, fully and across all government departments.

As CPET commented in 2010, monitoring systems still leave much to be desired; again, some departments have made good progress while others have made none. The Environment Agency's system (see annex) is an excellent example of good practice, which can and should be emulated. It is also not clear to what extent the GPS carries out any central checking of GBS compliance amongst its framework contracts and suppliers – which, given the growing importance of GPS activities, should be made clear.

5.3 GREENING GOVERNMENT COMMITMENTS

The Greening Government Commitments targets and reporting system is a good basis on which to build; it is a shame that government did not introduce such a system years ago.

As the main route for reporting on implementation of the TPP, the following developments would be of value:

- Greater transparency over departments' progress in monitoring their own systems and processes, including recording any internal or external audits and spot checks, steps being taken to improve GBS monitoring systems and processes, and plans for improving compliance. Departments are required to make this information available on their websites, but the annual reports currently do not cover it; they should.
- A breakdown of the data for departments' agencies and non-departmental public bodies, or at least for the larger ones, several of which are bigger than some departments.
- A rough indication of the amount of procurement spend on contracts falling below the EU threshold.
- Indication of the mechanism for following up on instances of non-compliance revealed by the reports.

5.4 EXTENSION OF THE TPP

Despite the flaws highlighted in this report, the UK's timber procurement policy is at base well designed and clearly capable of being implemented fully, even if implementation is not yet as complete as it should be.

As noted above, however, the TPP is mandatory only for central government departments, executive agencies and non-departmental public bodies. It does not apply to the 'broader public sector' – the National Health Service, universities, public corporations and local government – which is a significant limitation on the policy. Between them these bodies may account for as much as 80% of public sector procurement spend.

The government should therefore legislate to extend the policy to the 'broader public sector' apart from local government, and increase efforts to offer assistance and spread best practice within local government. (Local authorities have their own democratic mandates; but the same is not true of the NHS and other elements of the public sector to which the policy currently does not apply.)

It is also likely that public procurement policy will increasingly be used for commodities associated with deforestation other than timber, such as palm oil, soy, beef or cocoa. Indeed, In October 2012, the government announced that it was adopting the target of 100% sourcing of credibly certified sustainable palm oil by the end of 2015. The announcement was made jointly with 14 trade (mainly food and catering) associations and NGOs, and the requirement for sustainability for palm oil, palm kernel oil and derivatives was added to the Government Buying Standard for food and catering.

In September 2014, at the UN Secretary General's summit on climate change, the 'New York Declaration on Forests', signed by nearly 30 governments (including the UK) and over 30 businesses, included a specific commitment to 'promote public procurement systems that favour sustainably sourced commodities'. A further joint statement on public procurement by the UK, Germany and France (later joined by Netherlands) saw them pledge 'to work on new procurement policies to limit the consumption of commodities associated with deforestation'. Lessons from the implementation and monitoring of the TPP can and should be drawn for the application of this and similar procurement policies.

References

- 1 For a recent survey, see Duncan Brack, *Promoting Legal and Sustainable Timber: Using Timber Procurement Policy* (Chatham House, September 2014).
- 2 Products exported from countries that have signed a voluntary partnership agreement (VPA) with the EU and established a legality assurance system to ensure that all products have been legally produced may be issued a FLEGT (Forest Law Enforcement, Governance and Trade) licence. No licensing scheme is yet operating, although some VPA partners are close to establishing one.
- 3 See <http://www.cpet.org.uk>
- 4 See <http://sd.defra.gov.uk/advice/public/buying/>
- 5 *Sustainable Procurement in Government: Briefing for the House of Commons Environmental Audit Committee* (National Audit Office, February 2013), p. 22.
- 6 *Ibid.*, p. 11. Note that the figure may not be accurate; it is difficult to find detailed figures for public procurement spend.
- 7 See <http://www.scotland.gov.uk/Topics/Government/Procurement/policy/corporate-responsibility/CSR/SSPAP/TimPap>
- 8 Admission by Michael Meacher (then Environment Minister) to the Environmental Audit Committee, 2002; *Buying Time for Forests: Timber Trade and Public Procurement* (House of Commons Environmental Audit Committee, HC 792, July 2002), para 26.
- 9 *UK Government Timber Procurement Policy: Construction Sector Project: Policy Implementation and Reporting* (CPET, June 2008).
- 10 Efeca, *An Assessment of the Impacts of the UK Government's Timber Procurement Policy* (2010).
- 11 *Ibid.*, p. 8.
- 12 *Mainstreaming Sustainable Development: The Government's Vision and What this Means in Practice* (Defra, February 2011), p. 7.
- 13 See <http://sd.defra.gov.uk/gov/green-government/commitments/>
- 14 *Greening Government Commitments: Guidance on Measurement and Reporting* (Cabinet Office, undated).
- 15 *The Greening Government Commitments: Annual Report on Government Departments' Progress against 2015 Targets in 2011–12* (HM Government, December 2012), pp. 31–32 and Appendix 1.
- 16 The reports cover 18 of the 24 current ministerial departments (those not included are the Northern Ireland Office, Scotland Office, Wales Office, Office of the Advocate General for Scotland and the Offices of the Leaders of the Houses of Commons and Lords, although these last two are included in the Cabinet Office reports). They also include three of the 22 current non-ministerial departments (Food Standards Agency, HMRC and the Office of National Statistics), and some other non-ministerial departments are covered by the ministerial departments' reports.
- 17 *The Greening Government Commitments: Annual Report on Government Departments' Progress against 2015 Targets in 2012–13* (HM Government, December 2013), Tables 1 and 2, and see note on MoJ contracts on p. 48.
- 18 For the latest, see *Barking Up the Right Tree? A Scorecard of UK Local Authorities' Responsible Wood and Paper Procurement* (WWF, May 2012).
- 19 A database containing 569 organisations was obtained from a commercial source, but it was not itself comprehensive, omitting some central government bodies and containing some local authority and other bodies.
- 20 An estimated 70% of FCO procurement spend is in its facilities outside the UK; these are not subject to reporting under the Greening Government Commitments, but the department aims to apply the TPP to all.
- 21 *Mainstreaming Sustainable Development – The Government's Vision and What this Means in Practice* (Defra, February 2011), p. 7.
- 22 *Manual of Contract Documents for Highway Works, Volume 2 – Notes for Guidance on the Specification for Highway Works* (Highways Agency, 2008), p. 15.



ANNEX: OTHER PUBLIC SECTOR BODIES

As well as the responses from departments, 22 other public sector organisations answered the survey.

- Non-ministerial departments: Forestry Commission, Office for National Statistics (as part of the Statistics Authority).
- Executive agencies: Government Procurement Service, Veterinary Medicines Directorate.
- Non-Departmental Public Bodies (NDPBs): Arts Council England, British Museum, Cafcass, Competition Commission, Environment Agency, Horserace Betting Levy Board, National Portrait Gallery, Nuclear Decommissioning Authority, Tate, Trinity House (all executive NDPBs) and Valuation Tribunal Service (a tribunal NDPB – as noted above, most non-executive NDPBs do not procure anything themselves).
- Devolved administration bodies: Scottish Parliamentary Corporate Body, Northern Ireland Water, Sport Northern Ireland, Ulster Supported Employment Ltd.
- Other bodies: Covent Garden Market Authority, General Medical Council and Sussex Inshore Fisheries & Conservation Authority (a committee of local authorities).

Their responses showed a wide range of levels of performance. Some did not procure anything for themselves, but used the services of their sponsoring departments. In general they had less elaborate systems for communication and monitoring, but many of them are very small with very low volumes of procurement. (One of the smaller NDPBs observed that since there was only one relevant staff member involved in procurement decisions, communication was not a problem!)

Most of them were following the TPP, with a few variations. The Environment Agency has an additional strict approach for the use of any tropical hardwood, which requires special approval and justification as to why the performance requirements of the timber are a necessity. Where the Scottish Parliament does not use GPS framework contracts for paper, it requires 100% recycled paper (the GBS specifies minimum 75% for most paper types), or, where virgin pulp is included, it must be from ‘sustainably managed and accredited sources’ – meaning FSC or equivalent. Specific approval must be sought for purchasing paper not satisfying these criteria. Similar wording is used for construction: ‘either legal and sustainable (such as FSC-certified) or FLEGT-licensed or equivalent sources’.

For construction, the Highways Agency (an executive agency of DfT and an important source of construction and maintenance work) specifies, in its Manual of Contract Documents for Highway Work, that any timber and wood from species listed under the Convention on International Trade in Endangered Species (CITES) can only be used if the appropriate official documentation is provided. It also states that ‘The Contractor will need to have processes in place to ensure that all products, whether temporary or permanent, can be verified as having been obtained from legitimate and sustainable sources’ – the FSC ‘or other similar scheme’ or ‘alternative credible evidence’ is mentioned.²² Essentially this is the TPP criteria (plus the CITES specification, which in practice simply states the law), although slightly differently worded.

The Environment Agency possessed a comprehensive system. Its response to the question about communicating and implementing its policy included a timber 'road show', specific timber procurement training sessions, training on timber within wider sustainable procurement training, communication of examples of best practice and lessons learnt, publication of online guidance, and engagement and collaborative partners.

Its means of ensuring compliance is similarly sophisticated. When placing contracts, a risk assessment approach is used (paper, for example, tends to be low risk), including assessing the supplier on their experience of purchasing legal and sustainable timber; the timber specification is included in the contracts and contract management checks or audits are undertaken to ensure continued compliance. Contractors and suppliers are offered advice on complying with the requirements, and encouraged to apply this approach to all their activities, not just Agency contracts. Contractors for construction works must provide management information on the timber they use on Agency projects, and site audits are undertaken to ensure they meet the requirements. Checks are carried out to ensure that recycled timber has evidence of previous use and movement through the supply chain, with particular attention focused on recycled tropical hardwood. For direct purchases of timber, the requisition requesting the potential purchase is automatically routed through to a sustainability expert who checks compliance with policy requirements, and an audit is then undertaken to ensure that the timber purchased was actually from legal and sustainable sources. Quality audits of the entire procurement operation are undertaken to ensure that sustainability risks and opportunities are managed well.

Unsurprisingly, CPET's 2008 study of the construction sector recognised the Environment Agency as a leader in implementing and monitoring its timber procurement policy and a good example for other public bodies to follow. If the Environment Agency had been included in the results reported in this paper, it would have scored 100% in all categories.

Finally, the survey itself seems to have at least one positive impact. In response to the question about whether the organisation procured any products which were legal and sustainable but not certified or recycled, the Nuclear Decommissioning Authority stated that 'current A4 paper is not recycled or certified; however, we will change this immediately to either a recycled product or a certified product'!



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Timber procurement in numbers

100%
RECYCLED



2011

Greening Government Commitments Guidance published which sets out public bodies' reporting requirements against these commitments. These requirements apply to all central government departments

13 MILLION HA

13 million hectares of forest per year are being lost, equivalent to the rate of a football pitch every two seconds

15%

only 15% of the world's production forests have been credibly certified as well managed. Government procurement could help boost demand for more certified forests

6 OUT OF 21

the number of government central departments that have fully complied with the policy introduced seventeen years ago

18

out of 24 central government departments that required Freedom of Information Requests to get information on performance



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