



## **CABINET**

Date: **Monday 13 May 2019**

Time: **5.00 pm**

Venue: **Committee Room (B6) - Lambeth Town Hall, Brixton, London, SW2 1RW**

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### **Members of the Committee**

Leader of the Council, Councillor Jack Hopkins  
Deputy Leader of the Council (Children and Young People), Councillor Jennifer Brathwaite  
Deputy Leader of the Council (Environment and Clean Air), Councillor Claire Holland  
Cabinet Member for Planning, Investment and New Homes, Councillor Matthew Bennett  
Cabinet Member for Health and Adult Social Care, Councillor Ed Davie  
Cabinet Member for Voluntary Sector, Voluntary Sector and Partnerships (job share), Councillor Jim Dickson and Councillor Donatus Anwanyu\*  
Cabinet Member for Housing, Councillor Paul Gadsby  
Cabinet Member for Finance and Performance, Councillor Andy Wilson  
Cabinet Member for Equalities and Culture, Councillor Sonia Winifred  
Cabinet Member for Jobs, Skills and Community Safety (job share), Councillor Mohammed Seedat and Councillor Jacqui Dyer\*

\*non-voting

### **Further Information**

If you require any further information or have any queries please contact:  
Sam Bailey, Telephone: 020 7926 0029; Email: [sbailey3@lambeth.gov.uk](mailto:sbailey3@lambeth.gov.uk)

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Please contact report authors prior to the meeting if you have questions on the reports or wish to inspect the background documents used. The contact details of the report author are shown on the front page of each report.

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- Cabinet normally has a large amount of business to consider at each meeting;
- accordingly, the order of the agenda and time allowed for each item is decided by the Leader of the Council beforehand;
- Cabinet expects there to have been prior consultation with the public and other interested parties on proposals and a summary of the results to be included in the report. Therefore, oral contributions from members of the public at the meeting should not normally be necessary;
- the time available may allow contribution(s) to be heard on reports on the agenda but this is entirely at the discretion of the Leader of the Council. Anyone wishing to speak must advise the Secretary to Cabinet before the day of the meeting, advising what aspect not covered in the report they wish to cover;
- any such contributions are required to be brief; a maximum of three minutes is likely to be available;
- speakers should ideally be on behalf of a number of people or a specific group;
- speakers will be advised at the meeting whether and when they will be heard; and,
- Councillors may speak at the discretion of the Chair on agenda items, and are entitled to speak on matters that specifically concern their ward.

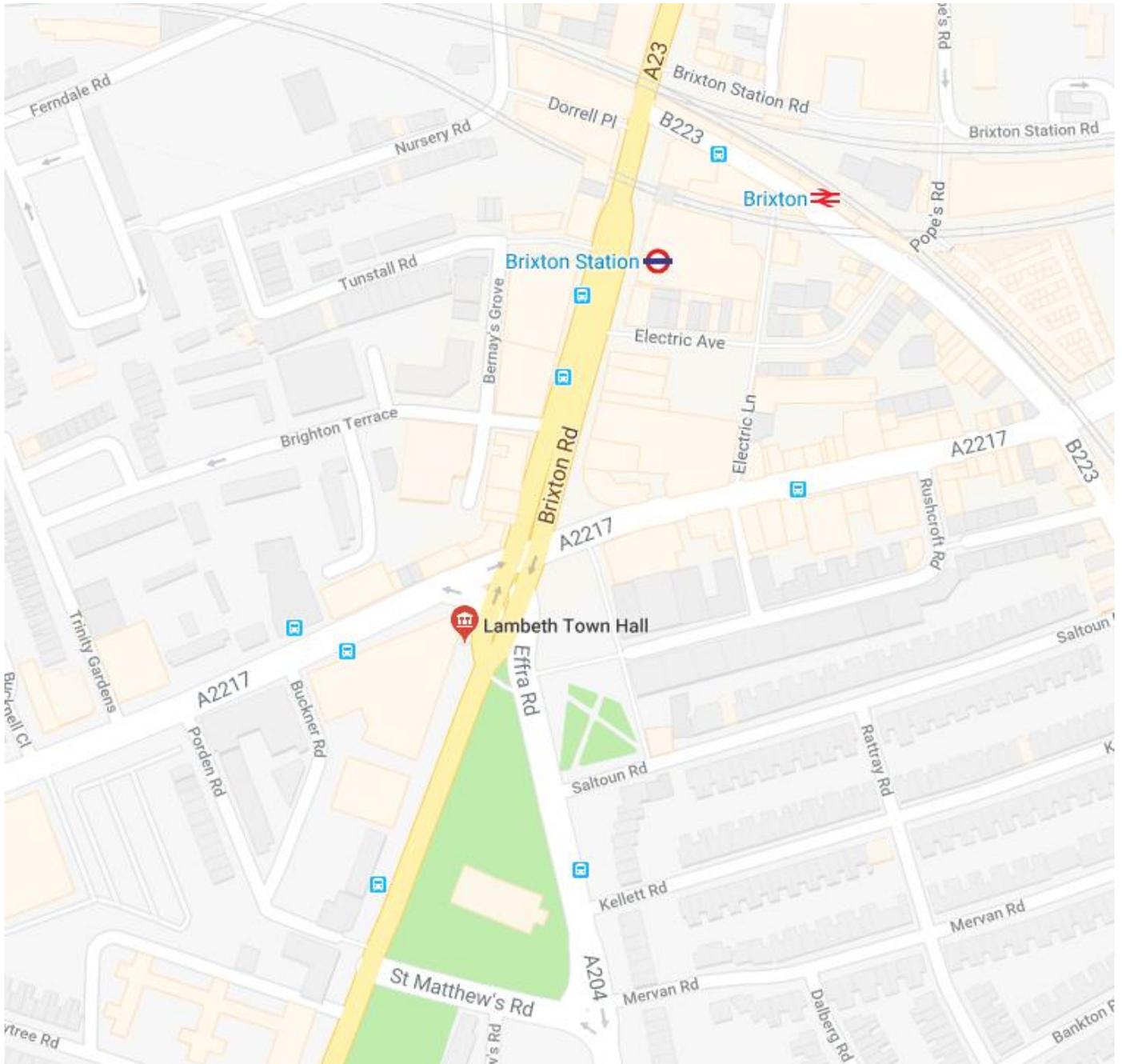
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Please contact Democratic Services for further information – 020 7926 2170 or the number on the front page.

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## AGENDA

	<b>Page Nos.</b>
<b>1. Declarations of Pecuniary Interest</b>	
<p>Under Cabinet Rule 1.5.2, where any Cabinet Member has a Disclosable Pecuniary Interest (as defined in the Members' Code of Conduct (para. 4)) in any matter to be considered at a meeting of the Council, a committee, sub-committee or joint committee, they must withdraw from the meeting room during the whole of the consideration of that matter and must not participate in any vote on that matter unless a dispensation has been obtained from the Monitoring Officer.</p>	
<b>2. Minutes of the meeting held on 15 April 2019</b>	1 - 6
<b>3. Responsible Procurement Policy</b>	7 - 22

**CABINET****Monday 15 April 2019 at 5.00 pm****MINUTES****PRESENT:****Cabinet Members:**Councillor Matthew  
BennettCouncillor Jennifer  
Brathwaite

Councillor Edward Davie

Councillor Jim Dickson

Councillor Jacqui Dyer

Councillor Paul Gadsby

Councillor Claire Holland

Councillor Mohammed  
Seedat

Councillor Sonia Winifred

**Apologies for absence****Also present:****Portfolio:**Cabinet Member for Planning, Investment & New  
HomesDeputy Leader of the Council (Children and Young  
People)Cabinet Member for Health and Adult Social Care (job  
share)Cabinet Member for the Voluntary Sector, Partnerships  
and Community Safety (job share)Cabinet Member for Health and Adult Social Care (job  
share)

Cabinet Member for Housing

Cabinet Member for Environment and Clean Air

Cabinet Member for the Voluntary Sector, Partnerships  
and Community Safety (job share)

Cabinet Member for Equalities and Culture

Councillor Jack Hopkins and Councillor Andy Wilson

Councillor Anna Birley, Councillor Tim Briggs,  
Councillor Pete Elliott, Councillor Nicole Griffiths,  
Councillor Marianna Masters and Councillor Jackie  
Meldrum

**1. DECLARATIONS OF PECUNIARY INTEREST**

There were none.

**2. PROPOSED REMODELLING OF LAMBETH CHILDREN'S CENTRES**

Councillor Brathwaite, Deputy Leader of the Council (Children and Young People), introduced the proposal and outlined the following:

- The proposed redesign of the children's centre services was a result of the way in which the Department for Education had placed restrictions on the way in which the Council could use the Dedicated Schools Grant.
- The restrictions on use of the grant resulted in a budget shortfall of £1.4 million per year for the children's centres services.
- It was not sustainable to use the Council's reserves to fund the overspend, particularly in the context of an overspend of £4 million in the children's Special Educational Needs and Disability (SEND) budget.
- Lambeth Council was not alone in facing an overspend in their SEND service – with 32 out of 33 London boroughs also overspent in this area.
- The decision to remodel the children's centres services by closing 5 out of 23 Centres was a difficult one, but with 18 remaining Centres Lambeth would have the third highest number of children's centres of any London borough.
- A thorough consultation had taken place in order to guide the proposals, and amendments to the proposals in the Streatham area were being re-consulted on as a result of the feedback gained from the consultation.

Tony Parker, Director of Children's Commissioning and Community Safety, was invited to present the outcome of the consultation and the proposed model to Cabinet. Cabinet noted that:

- The consultation had generated a high amount of interest and a high response rate from users of the children's centre services.
- It was clear that residents valued the services provided by the borough's children's centres.
- Many respondents stated that the Council should find alternative funding to maintain the service in its current format. However there were no sustainable alternative funding arrangements available to maintain the service in its current format.
- The proposed model would integrate the children's centres with other key health and early help services to provide better outcomes for children who used the centres.
- The proposed model was organised into six cluster areas of the borough, with a lead provider and a multi-agency board for each area. It was anticipated that parents and carers would play an active role in working with these boards to co-produce the services required in their areas.
- Changes were made to the proposals in the Streatham area due to

feedback received in the consultation. Woodmansterne Primary School had decided that it would no longer be viable to provide a children's centre services at their location due to the expansion of the school. Therefore the proposal had been amended to instead retain a children's centre at Sunnyhill Children's Centre. This amended element of the proposals required re-consultation before a separate Cabinet Member Decision.

- If agreed, the new service was due to go live in September.

Nick Acton, Alix Roberts and Temujin Gill made a representation to Cabinet on this item. Nick Acton acted as a spokesperson for the group and his representation focussed on the following key areas:

- A decision had been taken to close the Cherry Tree Children's Centre, despite information contained in the Lambeth Children's Centre Service consultation stating that this site would remain open as a facility that provided childcare.
- It appeared that the closure of Cherry Tree had not been consulted on properly and therefore the consultation was invalid and the decision needed to be revisited.

Councillor Brathwaite thanked Nick Acton for making his representation and confirmed that the decision to close the Cherry Tree Children's Centre had been made by the Great North Wood Educational Trust and not the Council. However she committed to raising the parents' concerns with the Trust and to review overall childcare provision in the area as a result of the closure of this facility.

Officers clarified that the Cherry Tree Children's Centre had ceased to be a registered children's centre in 2015 and therefore did not form part of the proposals that had been consulted on. The reference made to Cherry Trees Children's Centre remaining open as a childcare facility in the consultation documentation was provided as background information only and was accurate at the time of the consultation.

Alison McKane, Director of Legal and Governance, confirmed that the information in the consultation document relating to Cherry Tree Children's Centre, and the subsequent change in circumstances, did not mean the proposals needed to be re-consulted on.

Helen Hayes, MP for Dulwich and West Norwood, Councillor Jackie Meldrum and Councillor Anna Birley gave the following representations on the proposals:

- Concerns had been raised by parents about the sufficiency of childcare provision in the area served by the Cherry Tree Children's Centre, if it closed.
- It was important that the Families Information Service was improved as part of the proposals to ensure that parents could find it easy to locate convenient childcare that suited their needs.
- Concerns were raised on the ability for the Council to maintain the provision of maintained Nursery Schools as these were linked closely to children's centre provision.

Tony Parker responded to the representations to confirm that the Council would carry out a Childcare Sufficiency Assessment once Cherry Tree

Children's Centre had closed. He also confirmed that the Families Information Service was also being updated, with a new website due to go live in September at the same time as the proposed changes to children's centres. The Council had been proactive in its management of Maintained Nurseries so that resources were shared providing the service with increased resilience.

Councillor Tim Briggs, Councillor Pete Elliott, Councillor Nicole Griffiths and Councillor Marianna Masters made the following representations on this item:

- According to figures produced by London Councils, Lambeth was due to receive an increase in funding for the Early Years proportion of the Dedicated Schools Grant, therefore the cuts to the service were unnecessary.
- The closure of Cherry Tree Children's Centre changed the nature of childcare provision in the Norwood area and therefore the consultation needed to be re-run – parents of children at Cherry Tree Children's Centre may have been more engaged with the consultation had they known it was due to be closed.
- Reassurance was sought that the services in Streatham would remain open in their current form until September.
- The £1.4 million needed should be found elsewhere in budgets as closing children's centres will increase inequality in the borough.

Councillor Brathwaite responded to the points raised by clarifying that despite the Early Years element of the Dedicated Schools Grant increasing between 2017/18 and 2018/19, before 2017/18 there was more discretion for Councils to allocate the Dedicated Schools Grant as they saw fit rather than to a rigid formula. As a result, the cost of the directly provided services that were funded through the Dedicated Schools Grant exceeded the allocations allowed by the Department for Education since 2017.

Tony Parker provided assurance that all services would remain in their current form until September when the new model was due to be implemented.

Cabinet debated the proposal, and noted the following:

- The Council had done all it could to prevent the closure of children's centres, but the legacy of 9 years of austerity meant a difficult decision had to be made to close some of the children's centres.
- The overspend in the service last year was funded from reserves, however it was not sustainable to keep funding overspends from reserves, particularly as the Council had the second lowest level of reserves of all London Boroughs.
- Even though there was a marginal increase in funding for Children's Services from central government, the increase had to be viewed in the context of rising inflationary pressures and increased demand for services. Therefore the marginal increase in spending was in fact a cut in funding per child accessing the Council's services.
- The Council had worked hard to minimise the impact of cuts to children's centres, and this had been reflected in positive

responses provided by key stakeholders on the work to integrate services at children's centres. Additionally, the Council had managed to leverage funding in from other sources to provide help to the most vulnerable in the borough. An example of this was the Lambeth Early Action Partnership which had secured lottery funding.

In response to a question from Cabinet, Tony Parker confirmed that the effect of the changes to the service would continue to be monitored on service users across Lambeth. The data would be gathered through the Early Years Foundation Stage programme, as well as direct feedback sought from parents and other service users.

### **RESOLVED:**

1. Subject to further consultation at Woodmansterne and Sunnyhill and the wider Streatham area, that Cabinet approves proposals to implement new commissioning arrangements for children's centres, entering into contractual arrangements with six lead providers for a three year period September 2019-August 2022.
2. Subject to further consultation at Woodmansterne and Sunnyhill and the wider Streatham area, that Cabinet approve proposals to implement new arrangements for the delivery of children's centre services across 11 core and 7 link sites, with direct funding of children's centre delivery ceasing at 5 sites. The new arrangements will provide Lambeth with 18 children centres, the third highest in London. See appendix A.
3. That Cabinet delegates consideration of the outcome of further consultation at Woodmansterne and Sunnyhill and the wider Streatham area, to the Cabinet Member for Children and Families and the decision as to the final configuration of provision in the Streatham area.

The meeting ended at 6.46 pm

CHAIR  
CABINET  
Monday 13 May 2019

Date of Despatch: Friday 18 April 2019

Call-in Date: Tuesday 30 April 2019

Contact for Enquiries: Sam Bailey

Tel: 020 7926 0029

Fax: (020) 7926 2361

E-mail: [sbailey3@lambeth.gov.uk](mailto:sbailey3@lambeth.gov.uk)

Web: [www.lambeth.gov.uk](http://www.lambeth.gov.uk)

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## Cabinet 13 May 2019

**Report title:** Responsible Procurement Policy

**Wards:** All

**Portfolio:** Cabinet Member for Finance and Performance: Councillor Andrew Wilson

**Report Authorised by:** Christina Thompson: Interim Strategic Director for Finance and Investment

**Contact for enquiries:** Rachel Willsher, Head of Procurement, Finance and Investment, 020 7926 7360 [rwillsher@lambeth.gov.uk](mailto:rwillsher@lambeth.gov.uk)

### Report summary

Responsible procurement for Lambeth is about creating a better quality of life for all areas of the Borough – for both now and in the future. It is underpinned by the Borough Plan outcomes and the recommendations of the Lambeth Equality Commission. The new Responsible Procurement Policy has been drafted to combine the social, economic and environmental areas which procurement can realistically achieve or influence with the priorities from Future Lambeth.

### Finance summary

There are no capital or revenue implications arising from the recommendations of this report.

### Recommendations

1. To approve and adopt the Responsible Procurement Policy which covers all procurement and commercial activity including services, goods, works and concessions.
2. To delegate any minor revisions to reflect updates from the Borough Plan to the Cabinet Member for Finance.

## **1. CONTEXT**

- 1.1. The Council spent £588 million in 2017/18 through procurement activity, through 3,691 commercial suppliers. There are 253 contracts over £100,000 on the Contract Register.
- 1.2. The Lambeth Procurement Policy covers all procurement and commercial activity including services, goods, works and concessions. The Procurement Policy confirms that the Council will consider social value supporting the outcomes and measures set out in the Borough Plan, particularly where it benefits the local economy and employment and can be achieved at no extra cost in the contract.
- 1.3. The principles of Responsible Procurement require officers to consider the economic, environmental and social aspects of the purchases they make and the contracts they place. Other commonly used terms have included sustainable procurement, corporate social responsibility and the green supply chain. Under the Social Value Act 2012 there is also a duty at the pre-procurement stage to consider how proposed service procurements may improve the social, environmental and economic wellbeing of the relevant area.
- 1.4. Lambeth has a history of promoting sustainable procurement but spread across the breadth of aspirations within Future Lambeth and other corporate commitments or linked to national, London or specialist agenda rather than agreed Lambeth priorities. There has been a successful focus on London Living Wage over the last few years which has achieved compliance in 99% relevant contracts. A key factor in achieving this success has been the clarity of the requirement and strong advocacy within the council. To achieve a step change in other areas (for example supported employment) where the baseline position is much lower, a concerted effort will be required.

## **2. PROPOSAL AND REASONS**

- 2.1 Responsible Procurement for Lambeth is about creating a better quality of life for all areas of the Borough – for both now and in the future. It is underpinned by the Borough Plan outcomes and the recommendations of the Lambeth Equality Commission. The new Responsible Procurement Policy has been drafted to combine the social, economic and environmental areas which procurement can realistically achieve or influence with the priorities from Future Lambeth. A small number of priority areas have been identified and defined to provide focus and clarity for those procuring and the market around priorities and facilitate monitoring. The Policy is also cognisant of Responsible Procurement and Social Value developments elsewhere and has drawn on best practice around approach and definition of measures.
- 2.2 The Responsible Procurement Policy proposes the below priorities drawn from the Borough Plan. These are the proposed initial priorities. These may be reviewed and adjusted from time to time to reflect updates to the Borough Plan or other emerging priorities.
  - Good quality jobs with fair pay and decent working conditions.
  - Increase the number of quality apprenticeships accessed by Lambeth residents, particularly BAME, young, disabled or care leavers.
  - Increase the quality and range of targeted employment opportunities for disabled residents, residents with mental health issues, and residents who are long term unemployed
  - Increase Lambeth opportunities within of the supply chain
  - Reduce emissions: focus on cutting our carbon footprint and improving air quality
  - Reduce consumption of raw material, reuse materials and recycle – focus to reduce use of single use plastics.
  - Maximise positive health and wellbeing - focus on supporting a healthy workforce and on provision of healthier, affordable and more sustainable food and drinks offer.

- 2.3 Responsible Procurement may be delivered in various ways including:
- the London Living Wage (Living Wage outside London) will be expected in all contracts;
  - other priorities will be required for relevant contracts, for example silver Fleet Operator Recognition Scheme accreditation where there is a significant transport element;
  - others may be encouraged or required during the commissioning or planning phase. For example breaking the opportunity up to encourage smaller providers or specifying supported employment opportunities where there is a suitable local market; or
  - where some providers may be able to offer more or direct their corporate social responsibility towards Lambeth, through allocating part of the quality evaluation to differentiate bids.
- 2.4 The policy covers all areas of commissioning and procurement within the Council and will influence the way we procure goods, works and services. For procurement below £100,000, management will have regard to the resources available to smaller providers which may bid for lower value procurement. Requirements will also apply to major sub-contractors.
- 2.5 There will be both a generic approach embedded across all procurement and a targeted approach, for example identifying a few forthcoming procurements with high vehicle usage or significant potential for supported employment. Practical guidance, templates and training will be provided on how responsible procurement considerations can be incorporated throughout the Council's commissioning and procurement processes at Business Case; Procurement Strategy; specification; tender evaluation and award and contract management.
- 2.6 Officers will meet policy leads such as the Enterprise, Jobs and Skills division every quarter to identify forthcoming opportunities and facilitate early involvement in suitable projects. The Enterprise, Jobs and Skills division will also review the supported employment market within Lambeth and more widely to identify potential providers who could work with Lambeth on exemplar public service projects.
- 2.7 Progress against the priorities will be monitored and reviewed regularly to ensure progress. The Council will also continue to monitor developments around responsible procurement including alternative approaches to defining and measuring social value and will develop Lambeth's Responsible Procurement Policy and approach in line with the Council's Borough Plan and with best practice.

### **3. FINANCE**

- 3.1. The report and appendices setting out the Responsible Procurement Policy and checklist have been developed to support managers and procurement officers. There are no financial implications from the recommendations of this report.

### **4. LEGAL AND DEMOCRACY**

- 4.1. As stated elsewhere in this report, the Council has a duty under the Public Services (Social Value) Act 2012 to consider, before starting the process of procurement, how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and how, in conducting the process of procurement, it might act with a view to securing that improvement. This social value duty is balanced by obligations to ensure fair and open competition set out in the Public Contracts Regulations 2015 (PCR) which state, *inter alia*, that award criteria must be 'linked to the subject matter' of the contract in question and must be contract-specific and not aimed at assessing the business or corporate policies of the tenderer. Nevertheless, under Regulations 54 of

the PCR (*general principles in awarding contracts*) contracting authorities are entitled to decide not to award a contract to the tenderer submitting the most economically advantageous tender where they have established that the tender does not comply with applicable obligations in the fields of environmental, social and labour law, or collective agreements.

- 4.2 This proposed key decision was entered in the Forward Plan on 18 March 2019 and the necessary 28 clear days' notice has been given. The report will be published for five clear days before the decision is considered by Cabinet. Should it be approved, a further period of five clear days, the call-in period, must then elapse before the decision becomes effective. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

## **5. CONSULTATION AND CO-PRODUCTION**

- 5.1. There has been wide consultation on the Responsible Procurement Policy to ensure it accurately reflects the aspirations and priorities of Lambeth and is in line with commitments made in other policies and plans. Individual procurements include consultation and coproduction as appropriate.

## **6. RISK MANAGEMENT**

- 6.1. The key risks associated with procurement are that the Council does not get value for money from external spend or that it is challenged for non-compliance with its internal processes or with legislation. Consistent processes, effective procurement planning, and focus of governance and procurement professional time on high-value high-risk projects provides mitigation against these. This policy and the underpinning framework provide clarity around council priorities for responsible procurement, clearly linking requirements to Council outcomes, to ensure any benefits are channelled appropriately.
- 6.2. Internal Audit continue to provide assurance to senior management and Members on procurement controls and the assurances being obtained by management that the process is operating effectively the requirements are being complied with. Internal Audit continue to include procurement controls within the Continuous Auditing programme and reviews of procurement and contract management arrangements in the annual Internal Audit Plan.

## **7. EQUALITIES IMPACT ASSESSMENT**

- 7.1. In developing the proposals for responsible procurement the potential equality impacts and prompts have been considered to ensure the Council is able to fulfil its Public Sector Equalities Duty. This has included review of the Equality and Human Rights Commission guide for public authorities. A full EIA was completed for the new Responsible Procurement Policy.
- 7.2. The impacts of the Policy on those with protected characteristics are anticipated to be positive as particularly the skills and employment priorities are specifically targeted at priority groups identified by the Lambeth Equality Commission. In addition the priorities aimed at improving health may be of greatest benefit to those disadvantaged by disability or a long term health condition.
- 7.3. Equality & Diversity policies are embedded in the procurement processes and Equality Impact Assessments are required for all procurements over £100,000. Local Small and Medium Sized Enterprises and third sector organisations benefit from the higher tender threshold as they do not need to go through a pre-qualification questionnaire or tender process on low value procurements. In addition lower value opportunities are advertised on [ContractsFinder](#) the Government website with a link from the Council's website.

## 8. COMMUNITY SAFETY

8.1. No implications arising from this report.

## 9. ORGANISATIONAL IMPLICATIONS

### Environmental

9.1. Waste minimisation and reduction of carbon, nitrogen dioxide and particulate matter emissions are two of the responsible procurement priorities to be considered for each procurement and thus the environmental impact of this Policy and report is likely to be positive.

### Staffing and accommodation

9.2. Employment and skills opportunities targeted at priority groups and the wage rates and health of contractor workforces are key responsible procurement priorities to be considered for each procurement and thus the staffing impact of this Policy and report is likely to be positive.

9.3. There are no accommodation implications arising from this report.

### Procurement

9.4. This report will impact all future procurements. The new Policy will not apply in full to procurements which are already underway although efforts will be made to secure contribution towards the priorities where possible.

### Health

9.5. Health is one of the key areas for the Responsible Procurement Policy, specifically the health of contractor work forces and any food and drink elements of contracts. There may also be indirect health benefits, particularly for mental health through providing skills and employment opportunities targeted at those with disabilities or long term health conditions. In addition the priority to reduce carbon emissions would impact air quality and thus health. There is thus likely to be a positive health impact from this report.

## 10. TIMETABLE FOR IMPLEMENTATION

10.1. A range of activities including developing templates and guidance and delivering a programme of training and awareness is planned to support adoption of this Policy.

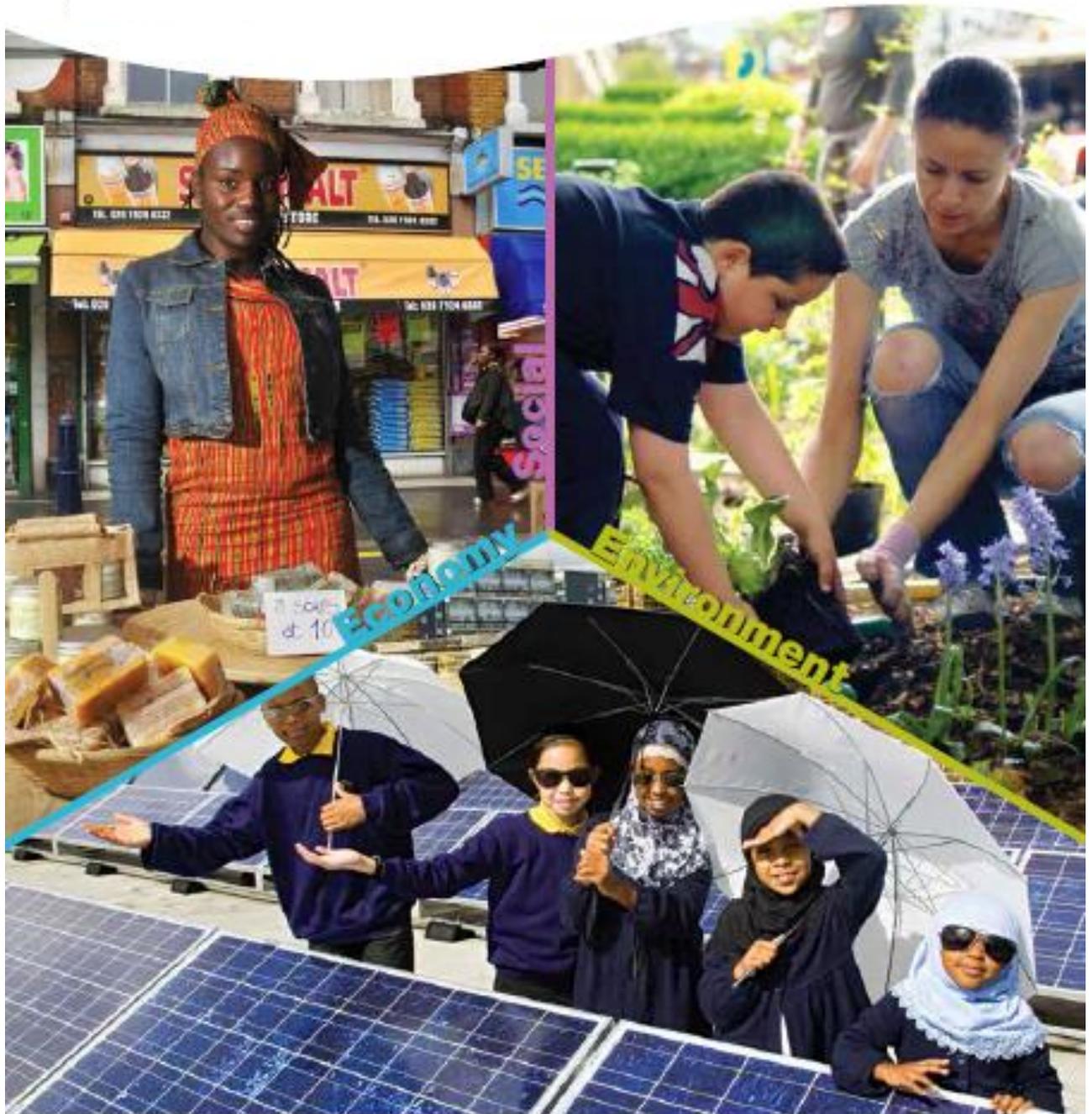
Activity	Responsibility	Approx date
Develop and test templates and guidance	Head of Procurement	By June 2019
Training & awareness raising <ul style="list-style-type: none"> <li>• Councillors</li> <li>• Directors Network</li> <li>• Procurement and commissioning staff</li> <li>• All staff</li> <li>• Suppliers – should we have a launch?</li> </ul>	Head of Procurement	June – August 2019
Consideration of the Policy required for all procurement over £100,000.	Head of Procurement	Sept 2019

<b>Audit Trail</b>				
<b>Consultation</b>				
<b>Name/Position</b>	<b>Lambeth directorate/department or partner</b>	<b>Date Sent</b>	<b>Date Received</b>	<b>Comments in para:</b>
Councillor Andrew Wilson Cabinet Member for Finance	Cabinet	05.04.19	26.04.19	
Christina Thompson Interim Strategic Director of Finance and Investment	Finance and Investment	05.04.19	26.04.19	
Annie Hudson Strategic Director for Children Services	Children's Services	05.04.19		
Hamant Bharadia Acting Director of Finance and Property	Finance and Investment /Finance and Property	29.03.19	31.03.19	all
Andrew Pavlou, Legal Services	Legal and Governance	05.04.19	10.04.19	4
Wayne Chndai, Democratic Services	Legal and Governance	05.04.19	10.04.19	
Andrew Round, Sustainability and Road Safety Manager	Resident Services	05.04.19	08.04.19	9
Moira McGrath Director of Integrated Commissioning (Adults)	Adults and Health	29.03.19		
Matthew Blades Interim Director of Enterprise, Jobs and Skills	Sustainable Growth and Opportunity	26.04.19	29.04.19	
John Bennett Head of Economic Inclusion	Sustainable Growth and Opportunity	05.04.19	24.04.19	

<b>Report History</b>	
<b>Original discussion with Cabinet Member</b>	14.01.19
<b>Report deadline</b>	01.05.19
<b>Date final report sent</b>	26.04.19
<b>Part II Exempt from Disclosure/confidential accompanying report?</b>	No
<b>Key decision report</b>	Yes
<b>Date first appeared on forward plan</b>	18.03.19
<b>Key decision reasons</b>	Meets community impact test
<b>Background information</b>	<a href="#">Lambeth Council Opportunities including Contract Register and 3 year Procurement Plan</a> <a href="#">Lambeth Procurement Policy</a> Responsible Procurement Policy Equalities Impact Assessment
<b>Appendices</b>	Responsible Procurement Policy

# Responsible Procurement

Adding sustainability and social value to the products and services we buy



# LAMBETH COUNCIL RESPONSIBLE PROCUREMENT POLICY

## 1. Introduction

- 1.1 Lambeth Council spends millions of pounds on the procurement of goods, services and works. The approach taken to this spending has a significant impact on the community and Council resources. To alleviate negative impacts and increase positive experiences, the Council aims to promote responsible procurement in the management and delivery of all its services through affordable economic, social and environmental objectives. For procurement, this generally means giving consideration to whole life costs (for example including running costs and disposal costs), improving outcomes, meeting users' needs, delivering long term value for money, minimising safeguarding risks, improving general health of residents, creating an equal and diverse supply chain, reducing our energy usage, minimising damage to our environment, and creating positive impacts where possible.
- 1.2 This policy sets out the general principles that the Council will follow across all of its procurement and commissioning activities to ensure that it is undertaken to deliver value for money, meet the needs of residents and achieve additional economic, social and environmental benefits for its residents in compliance with the Public services (Social Value) Act 2012; the Equalities Act 2010 and other relevant legislation.

## 2. Background

- 2.1 As a major purchaser of goods, works and services, it is important that Lambeth Council uses the procurement process to support key Council objectives in achieving Value for Money, economic and social efficiency targets and environmental commitments by adopting a positive and pro-active approach to procurement and commissioning. The development of a clear Responsible Procurement Policy is a key step towards achieving and delivering the Council's aims and objectives.

## 3. What is Responsible Procurement?

- 3.1 Responsible Procurement is a process whereby organisations meet their needs for goods, services and works in a way that achieves value for money on a whole life basis and generates benefits not only to the organisation, but also to society, the economy and the environment.
- 3.2 Responsible Procurement refers to the approaches Public Bodies will take to maximise the additional benefits that can be created through the delivery of goods and services and completion of works, above and beyond those directly related to those goods services and works being procured. It particularly relates to The Public Services (Social Value) Act 2012 came into force on 31st January 2013.
- 3.3 The Public Services (Social Value) Act 2012 requires commissioners and procurers at the pre-procurement stage to consider how the proposed procurement exercise may improve social, environmental and economic wellbeing of the relevant area. We need to consider how we might secure any such improvement and to consider the need to consult. The Act only applies to public services contracts and framework agreements to which the Public Contracts Regulations 2015 apply although there are plans to expand this remit.

- 3.4 The social value duty is balanced by obligations to ensure fair and open competition set out in the Public Contracts Regulations 2015 which state, among other things, that award criteria must be 'linked to the subject matter' of the contract in question.
- 3.5 The Council is entitled to decide not to award a contract to the tenderer submitting the most economically advantageous tender where they have established that the tender does not comply with applicable obligations in the fields of environmental, social and labour law established by EU law, national law, or collective agreements
- 3.6 In addition to Social Value commitments, the Council also incorporates value for money of the goods, services and works it procures, ethical sourcing and compliance with related legislation such as the Modern Slavery Act 2015 into what should be achieved under responsible procurement.

#### **4. Purpose**

- 4.1 The purpose of this policy and the associated action plan is to:
  - i. Ensure compliance with relevant legislation, policies and procedures.
  - ii. Enable procurement to contribute to the Council's overall vision and to provide efficiencies to help deliver its key priorities and provide services for its residents.
  - iii. Provide a framework for the Council to develop a plan to achieve continuous improvement in its commissioning and procurement activities.
- 4.2 The Council is clear that the policy is not solely developed and reviewed for compliance reasons. Instead, it will also be used as a mechanism for service improvement. The policy will therefore be used to deliver:
  - i. Improved contracts resulting in improved services, outcomes and facilities for the whole borough.
  - ii. Achievement of procurement efficiencies, allowing further investment in services and the borough.
  - iii. Improved standardisation of process and documentation to drive consistency and compliance.

#### **5. Scope**

- 5.1 The policy supports the commitment to realising Responsible Procurement outcomes against the themes set out in the Borough Plan 2016 – 2020. It is intended for all of those who are involved in, or affected by, the Council's commissioning and procurement activities.
- 5.2 The policy covers all areas of commissioning and procurement within the Council and will influence the way we procure goods, works and services. For procurement below £100,000, management will have regard to the resources available to smaller providers which may bid for lower value procurement. Requirements will also apply to major sub-contractors.
- 5.3 It includes local and global impacts, and applies to the procurement of goods, works and services including use, refurbishment and decommissioning of goods and materials as applicable.

## **6. Implementation**

- 6.1 For the Council, Responsible Procurement means fostering socially, environmentally and economically focused procurement to deliver improved quality of life and better value for money for the residents, businesses and visitors.
- 6.2 The initial focus will be on priorities which have been identified by the Council as being associated with the highest risks and opportunities.
- 6.3 The Procurement Team will work closely with Commissioners (Service Managers, Project and Programme managers, etc.) to incorporate Responsible Procurement and support the Council's commitments and outcomes as outlined below.
- 6.4 The Council will work with suppliers to achieve the set objectives, as much of their impact is as a result of our procurement practices. Lambeth's Senior Management Teams have an important role to play in ensuring Responsible Procurement is taken into account when procuring goods, works and services within their service areas.
- 6.5 Delivery of the commitments made in this policy will be supported through the implementation of the Council's Responsible Procurement Action Plan. Progress against the stated objectives will be monitored and reported on an annual basis.
- 6.6 Practical guidance, templates and training will be provided on how responsible procurement considerations can be incorporated throughout the Council's commissioning and procurement processes at Business Case; Procurement Strategy; specification; tender evaluation and award and contract management.
- 6.7 Responsible Procurement may be delivered in various ways including:
- the London Living Wage (Living Wage outside London) will be expected in all contracts;
  - other priorities will be required for relevant contracts, for example silver Fleet Operator Recognition Scheme accreditation where there is a significant transport element;
  - others may be encouraged or required during the commissioning or planning phase. For example breaking the opportunity up to encourage smaller providers or specifying supported employment opportunities where there is a suitable local market; or
- where some providers may be able to offer more or direct their corporate social responsibility towards Lambeth, through allocating part of the quality evaluation to differentiate bids.

## **7. Current Responsible Procurement applications**

- 7.1 The Council has adopted a category management approach to help reduce the cost of buying goods and services, reduce risk in the supply chain, increase overall value from the supply base and gain more innovation from suppliers. This seeks to reduce demand, simplify the way purchases are made and aggregate spend across the entire council.

Responsible Procurement considerations are satisfactorily applied to procurement activities and adhere to the following commitments:

- Consider where the Council might be able to deliver Social Value within procurement
- Improve value for money and create efficiencies wherever possible
- Improve the quality of services delivered on behalf of the Council
- Encourage innovation and creative service delivery when and where possible
- Ensure suppliers and contractors operate in accordance with legislation and the Council's policies
- Ensure suppliers meet Public Sector Equality Duty as detailed in the Equalities Act 2010
- Improving outcomes for young children and their families, with a particular focus on the most disadvantaged families, in order to reduce inequalities
- Enforce safeguarding standards in our supply chain to ensure the protection of vulnerable adults and children

## **8. Equalities**

8.1 The Council is committed to ensuring that equalities is considered at each stage of the procurement process our policy and practices adhere to principles of fairness and inclusion. The Equality Act 2010, places a positive duty on public bodies to prevent discrimination in all aspects of service provision, including procurement and places obligations to:

- Prevent and eliminate unlawful discrimination,
- Advance and promote equality of opportunity between people that share protected characteristics and those that do not.
- Encourage and foster good relations between people that share protected characteristics and those that do not<sup>1</sup>.

8.2 Lambeth is committed to encouraging contractors and other partners that work with us to evidence good practice in terms of equality and diversity. We recognise that our procurement and commissioning functions can be effective in achieving equality and equality of opportunity in the following areas:

- supplier recruitment and selection, for example encouraging small and medium sized enterprises; social enterprises and the voluntary and community sector from diverse or underrepresented backgrounds to participate and our weighting criteria;
- staff working conditions, ensuring staff working for suppliers are treated fairly and paid appropriately;
- service provision, ensuring contractors are able to meet the needs the of Lambeth's diverse services users, residents and citizens; and
- encouraging good practice in workforce equality and diversity – workforce composition, EDI strategies/ policies.

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<sup>1</sup> It is against the law to discriminate against someone because of a protected characteristic. The groups of individuals that share these characteristics: age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership and pregnancy and maternity are protected under the Equality Act 2010

- 8.3 When providing a public service, our suppliers are bound by the Equality Act and potential suppliers are required to declare any contravention of labour law and provide their Equality Policy as part of the Standard Supplier Questionnaire process to evidence their commitment. In addition to the overall provisions for equality within procurement, it is a prerequisite that individual procurement projects over £100,000 are supported by equalities analysis primarily in the form of an Equalities Impact Assessment.
- 8.4 Responsible Procurement and Social Value seek to provide positive impacts on the community through Procurement and Commissioning and these may be directed to address inequalities and local priorities. It will thus be used to support us to achieve our equalities priorities as outlined within the Borough Plan. In addition, the Lambeth Equality Commission made a number of recommendations in relation to procurement which have been incorporated within this policy. In particular the Commission recommended that employment and skills opportunities be targeted at those groups affected by the greatest employment related disadvantage.

At present, these priority groups include:

- Looked After Children and Care leavers,
- young people (those under 25),
- disabled people,
- black African, black Caribbean and Portuguese groups, and
- residents aged 50 and over

## **9. Outcomes and Responsible Procurement Priorities**

### **Outcomes**

- 9.1 Responsible procurement for Lambeth is about creating a better quality of life for all areas of the Borough – for both now and in the future. It is underpinned by the following outcomes from the Borough Plan; Equality Commission recommendations and Manifesto commitments.

We will ensure that the benefits of growth increase community resilience, and that we target our investment in early help and preventative services.

- Increase the number of good jobs in the borough above the trend forecast.
- More and better apprenticeships with local employers for young people.
- More employment of local young people by local employers.
- Increase the proportion of Lambeth residents paid London Living Wage or above.
- Increase the opportunities available to those people needing support to access and sustain work, particularly Looked-after Children and people with mental health issues.
- Encourage local employers to offer more volunteering, work experience, internships and shadowing opportunities for Lambeth residents from disadvantaged groups
- More young people have the skills they need to succeed in London's growing economic sectors

We will reform the way we commission and deliver services with our partners to provide and promote care and independence.

- Reduce the numbers of young people (16-19) whose status is unknown or who are not in education, employment and training, particularly looked after children, and children with SEN and/or disabilities.
- Reduce inequalities in employment rates between different population groups
- Narrow the gap between the proportion of BAME residents, residents with mental health issues or disabilities in paid work on London Living Wage or above, and the general population.
- Increase the quality and range of targeted employment opportunities for disabled residents, residents with mental health issues, and residents with complex needs
- Support more disabled, vulnerable and older adults to maintain their independence, stay healthy, active and engaged for longer, and remain in their homes. Should their health deteriorate, we will aim to treat and support them close to home. If hospital treatment is required, we will support them to go home more quickly.
- Reduce inequalities in health and well-being between people with mental health issues, disability, lone parents and general population.
- Reduce childhood obesity, with the greatest reduction for children living in poverty and from particular ethnic groups
- Reduce the rate of avoidable deaths for the borough (in particular cancer and cardiovascular disease), with rates reducing most for the worst affected groups (low income groups and residents in specific parts of the borough)
- Ensure that life expectancy is rising for all, and the gap between poorest and wealthiest is narrowing
- Reduce food and fuel poverty and their associated impacts, particularly for children and young people, and older residents

We will make sure that Lambeth is a place where people want to live, work and invest.

- Work with people in businesses to increase the percentage of waste that is sent to reuse, recycling or composting in order to reduce the amount of residual waste generated per household.
- Kept our parks and public spaces clean, well maintained and enjoyable for all.
- Made it easier and safer to walk or cycle around the borough, so that residents shift to more sustainable forms of transport and that more journeys in Lambeth are completed by bike by 2020 and car ownership is reduced.
- Reduce the amount of energy the council uses.
- Work to introduce a ban on all single use plastics used by the council and all major council suppliers

Where we can improve services for residents and deliver better value for money by bringing more services back in house, we will.

## **Responsible Procurement Priorities**

- 9.2 From the Council has identified the priorities below as the current focus for the added value that suppliers can achieve for the council.
- Good quality jobs with fair pay and decent working conditions.
  - Increase the number of quality apprenticeships accessed by Lambeth residents, particularly those from Lambeth priority groups.
  - Increase the quality and range of targeted employment opportunities for residents from Lambeth priority groups.
  - Reduce emissions: focus on cutting our carbon footprint and improving air quality
  - Reduce consumption of raw material, reuse materials and recycle – focus to reduce use of single use plastics.
  - Maximise positive health and wellbeing - focus on supporting a healthy workforce and on provision of healthier, affordable and more sustainable food and drinks offer.

At present, these priority groups include:

- Looked After Children and Care leavers,
- young people (those under 25),
- disabled people,
- black African, black Caribbean and Portuguese groups, and
- residents aged 50 and over

- 9.3 Commissioners and Procurement staff will also identify the specific requirements and how these requirements will be monitored when planning the procurement of services, creating specifications, method statements and other tender documents. Additional detail is included in Appendix B.

## **10. Communicating, Monitoring and Reporting**

- 10.1 This policy and related guidance will be available on the intranet and will be available publicly on the Council's website.
- 10.2 The Council's progress in achieving Responsible Procurement objectives will be reported as part of the Council's annual procurement report. The report will be used to demonstrate compliance with other legislation that places specific requirements on the Council with respect to all procurement activities, for example, the Equality Act 2010.

## **11. Reviewing**

This policy will be reviewed annually and updated in line with the following;

- changes in Lambeth's priorities
- any new legislation, regulations and new government guidance and standards
- departmental developments
- the Council's Procurement Strategy and
- other Lambeth Policies and Drivers

**Lambeth Policies and other Drivers****Appendix A**

The following documents have been reviewed and informed development of this guide and will assist and guide achievement of our aspirations towards responsible procurement.

- [Future Lambeth: Our Borough Plan](#)
- [Recommendations of Lambeth Equalities Commission 2017](#)
- [Lambeth Equalities Monitoring Policy 2017](#)
- [Lambeth Procurement Policy](#)
- [Lambeth Council accreditation with London Living Wage foundation and implementation of the London Living Wage in the majority of its contracts](#)
- [Anti Slavery Charter](#)
- [Lambeth Investment and Opportunity Strategy](#)
- [Central Government Sustainable Procurement Tools](#)
- [GLA Responsible Procurement Policy](#)
- [Lambeth Air Quality Action Plan](#)
- [Lambeth Waste Strategy](#)
- [Lambeth Climate Change Action Plan](#)
- [Lambeth Flooding Guide](#)
- [Lambeth Local Flood Risk Management Strategy](#)
- [Lambeth Timber Policy](#)
- [Lambeth Health and Wellbeing Strategy](#)
- [Sustainability and public health: a guide to good practice](#)
- [Government Buying Standards for food and catering services](#)
- [Government Healthier and more sustainable catering adult toolkit](#)
- [LGA Healthier Food Procurement](#)
- [London Healthy Workplace Charter](#)
- [Lambeth Local Authority Declaration on sugar reduction and healthier food](#)

## Lambeth Responsible Procurement Checklist

## Appendix B

Priority	TOMS ref	Measure	Unit
1. Good quality jobs with fair pay and decent working conditions		Accreditation to <a href="#">Living Wage Foundation</a> or commitment to pay real London Living Wage or Living Wage to contract and sub contract staff. Contracts with total value over £100,000.	Required
		Modern Slavery Statement (over £36m turnover) Whistle-blowing policy for employees to blow the whistle on suspected modern slavery.	Required
		Employees are free to join a trade union and not treated unfairly for belonging to one.	Required
2. Quality apprenticeships for Lambeth residents: focus on priority groups*	NT10	No. of apprenticeships on the contract that have either been completed during the year by Lambeth residents from priority groups, or that will be supported by the organisation to completion in the following years - Level 2,3, or 4+ Standard recognised by the <a href="#">Institute for Apprenticeships and Technical Education</a>	number of weeks
3. Targeted employment opportunities for Lambeth residents from priority groups*	NT1	No. of local people (FTE) employed on contract for one year or the whole duration of the contract, whichever is shorter.	number of people FTE
	NT3	No. of employees (FTE) taken on who are from a Lambeth priority group	number of people FTE
4. Reduce emissions: focus on cutting our carbon footprint and improving air quality		Silver <a href="#">Fleet Operator Recognition Scheme</a> (FORS) accreditation or equivalent' - required for all contracts with a significant transport element.	Accreditation number
	NT31	Savings in CO2 emissions on contract not from transport (specify how these are to be achieved).	tonnes CO2e
	NT33	Number of low or zero emission vehicles included on project (miles driven)	hundreds of miles driven
5. Reduce consumption of raw material, reuse materials, repair and recycle: focus to reduce avoidable use of single use plastics.		Detail of single use plastics eliminated. Required for contracts with a food & drink element or goods, materials or equipment deliveries.	Text
6. Maximise positive health and wellbeing: focus on supporting a healthy workforce and healthier, affordable and more sustainable food and drinks offer		Adoption of London Healthy Workplace Charter or equivalent	Certificate number
		Confirmation that Food & Drink will comply with the Government Buying Standard. Required where there is a food or drink element within the contract such as catering, a café, canteen or vending machines.	Required
7. Other offer	NT36	Other measures (£) - please describe any additional initiatives that you would like to offer.	£

\* At present, these priority groups include:

- Looked After Children and Care leavers,
- young people (under 25),
- disabled people
- black African, black Caribbean and Portuguese groups,
- residents aged 50 and over,