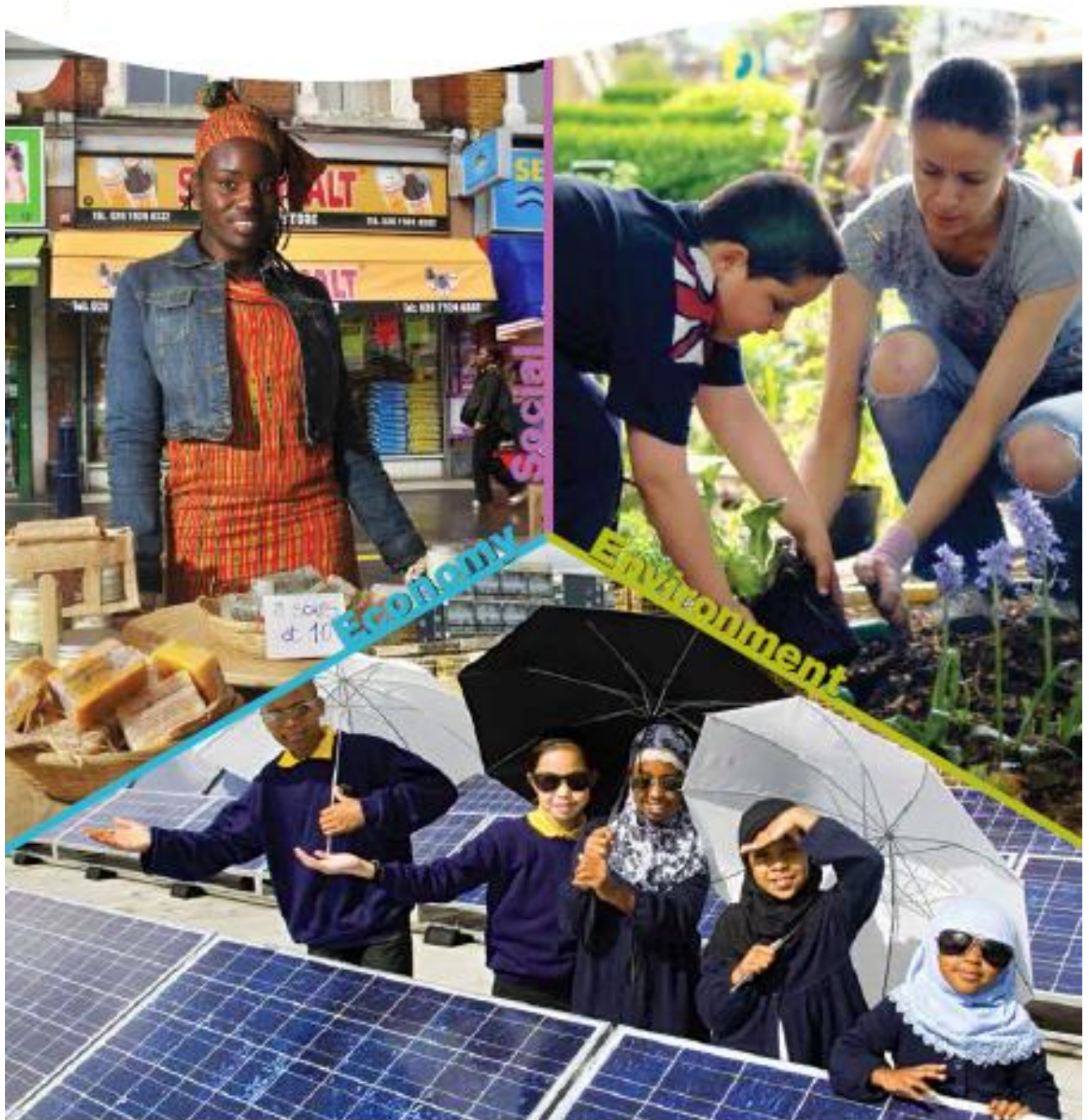


# Responsible Procurement

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



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,