

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2019

Title: GLA Group Responsible Procurement Policy

Executive Summary:

This Mayoral Decision is to present an updated Greater London Authority Group Responsible Procurement policy for Mayoral approval. The policy is a high level strategic document setting out the Group's plans, ambitions and commitments for ensuring continuous improvement in London delivered through all of its procurement activities. The policy has been drafted by the Greater London Authority Group Responsible Procurement Forum (RPF), consulted on up to Deputy Mayor level across the Greater London Authority at Director level across the GLA Group, and approved by the Greater London Authority Group Collaborative Procurement Board (CPB).

Decision:

The Mayor:

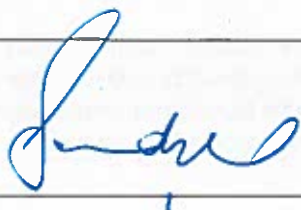
- Approves the Responsible Procurement Policy (RPP) attached at Appendix 1 to this decision, which necessitates:
 - Each Functional Body adopting the policy informing the design, implementation and monitoring of their procurement activities;
 - Each Functional Body making resources available to implement the policy and monitor performance through the refreshment or development of a Responsible Procurement action plan. This includes making resources available for exploring and adopting appropriate procurement business models to accelerate London's transition to a low carbon and circular economy; and
 - The Greater London Authority Collaborative Procurement Board (CPB) putting in the place governance arrangements to ensure that the principles of the RPP are reinforced by positive action plans consistently across all the FBs.
- Delegates authority to the Collaborative Procurement Board to establish governance arrangements and to approve action plans for implementing and monitoring performance of the Responsible Procurement Policy across the Greater London Authority's Group's procurement activities.
- Delegates to Transport for London, the London Legacy Development Corporation and the Old Oak and Park Royal Development Corporation the Mayor's powers under sections 30 and 34 of the Greater London Authority Act 1999 so that those bodies may implement the RPP in full.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

13/6/17

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1 For the GLA Group, responsible procurement means pioneering socially, environmentally and economically sustainable procurement to deliver improved quality of life and better value for money. It means opening up access to contract opportunities for London's diverse businesses, encouraging improved practices with our suppliers and promoting greater environmental sustainability to make London a better place to live and work.
- 1.2 The GLA Group spends around £11 billion on its procurement activities every year. The scale and diversity of our buying power presents considerable opportunities for effective partnership working, to achieve value for money and encourage innovative approaches. Responsible procurement led by the GLA Group and championed by the Mayor has the potential to create a massive ripple effect throughout all of London's service providers that can fundamentally change the way that products and services are designed, provided, accessed, and consumed.
- 1.3 The responsible procurement policy (RPP) version 7.11 attached at Appendix 1 has been prepared and agreed to by the RPF. It is a revision of the Group's responsible procurement policy last updated in 2008. The election of a new Mayor presents an opportune time to revise the policy, to reflect current best practice and to demonstrate that our procurement activities meet all relevant legislative requirements including the Public Services (Social Value) Act 2012.
- 1.4 The RPF comprises at least one representative from each Group organisation¹ as set out below.
- Tim Rudin, Paul Kiteley (TfL)
 - Nicole Fletcher (LFB)
 - Saritha Visvalingam, Andy Kinch, and Helen Linklater (Metropolitan Police Service or MPS)
 - Douglas Simpson (GLA)
 - Ben Coulter/Jennifer Daothong (LLDC)
- 1.5 The RPP has undergone a number of iterations, been peer reviewed and adjusted best practice, and consulted on widely across the GLA Group and with Deputy Mayors. A number of planned and existing programmes including Business Compact and Equalities Task Force were identified by the GLA Group Collaborative Procurement Board (CPB) supporting the implementation of the RPP. These programmes and relevant others will be incorporated into the RPP implementation action plan phase (see para 1.6). The RPP was approved for submission to the Mayor by the CPB at its meeting in 10 May 2017, subject to minor amends now included in the version attached at Appendix 1. The minutes from the CPB meeting are attached at Appendix 2. A key action from the 10 May CPB meeting is to agree a strengthened governance and resourcing structure is put in place to effectively implement the RPP. This will be progressed and agreed via a separate decision.
- 1.6 The RPP is deliberately high level and strategic to allow each Group member to legally and operationally sign up to it. The policy will be supported by detailed action plans to demonstrate how each FB will resource, implement and monitor the policy depending on their organisational priorities and procurement activities. If appropriate some Group members may work together to produce a joint action plan. The CPB will be responsible for approving the action plans and ensuring that the principles of the RPP are reinforced in a consistent way across all the FBs. The CPB will also be responsible for ensuring that the governance arrangements are fit for purpose.
- 1.7 The RPP was last updated in 2008 with a clear governance framework led and championed by a Mayoral Advisor. Since 2012 however responsible procurement became less of a political priority and its governance eroded. This has resulted in an inconsistent approach being undertaken across the GLA Group's procurement activities. The RPF consider that refreshing the policy and reinstating its importance through a clear governance arrangement

¹ The OPDC is not yet represented on the RPF. The Chief Executive has been consulted on the policy and is supportive. The OPDC representative has been invited to be on the RPF.

championed by the Mayor and his team will play a key role in delivering on the Mayor's equality, fairness, and diversity manifesto commitments, as well as helping to grow the economy and ensure that London becomes a cleaner, greener and more resource efficient and resilient city. Ultimately, this means the Mayor taking forward a leadership position on responsible procurement once again.

2. Objectives and expected outcomes

2.1 The policy aims to, over the next four years, deliver continuous improvement in London achieved through all its procurement activities across the themes as set out in the bullets below. The themes have mainly been retained from the current version of the policy last updated in 2008. The two key changes in the updated version is a greater focus on enhancing social value and benefits through public procurement activities, and exploring different procurement approaches supporting London's acceleration to the circular economy.

- **Enhancing social value** – creating and optimising social value benefits through procurement activities supporting the needs of the local community.
- **Encouraging equality and diversity** – removing barriers to allow more and diverse businesses entering our supply chain; supporting prompt payment, and supporting diversity and inclusion within our own workforce and that of our suppliers.
- **Embedding fair employment practices** – ensuring low skilled roles receive a fair wage and encouraging safe and healthy work places.
- **Enabling skills, training and employment opportunities** – providing training and employment opportunities, addressing skills shortages, and addressing barriers to employment and under-representation of diverse groups.
- **Promoting ethical sourcing practices** – supporting legal, fair and safe procurement activities and working conditions; action to address human rights abuses; supporting animal welfare policies.
- **Improving environmental sustainability** – supporting London to be a resource efficient and resilient city with high environmental quality. Encouraging innovative procurement approaches to cut CO2 emissions, improve the natural environment, reduce pollution and accelerate London's transition to a low carbon and circular economy².

3. Equality comments

3.1 Reducing health inequalities and improving equal access to, and benefits from GLA Group procurement services are a core theme within the Responsible Procurement policy. More detail on how equalities will be addressed will be set out in procurement action plans prepared by each Group member organisation.

3.2 The GLA Group can use the Responsible Procurement policy as one of the tools for achieving the Mayor's Economic Fairness aims, which includes creating a new compact with business based on exemplary standards in pay and employment rights for workers. The Equality Act 2010 (Gender Pay Gap Information) Regulations 2016 will require large organisations with 250 or more employees to report data about levels of pay between male and female employees. The Group's procurement action plans should give consideration to how the Group's policies can encourage suppliers to provide gender pay gap information and help to embed fairer practices around pay and progression for women working in our supply chain. The GLA Economic Fairness team will be responsible for identifying other equality considerations that are particularly relevant to employers within the GLA Group supply chain and communicating these to the Group's Responsible Procurement Forum for consideration within procurement action plans.

² A circular economy is one that produces no waste or pollution by design or intention. It keeps products, parts and materials at their highest use and value at all times. It is a more efficient and environmentally sound alternative to the traditional linear economy in which we make, use and dispose of resources. More information about the circular economy business models and work led by the Mayor can be found at www.london.gov.uk/circular.

4. Other considerations

a) Key risks and issues

- 4.1 The current RPP is out of date. A risk exists that without the a revised Responsible Procurement policy, the GLA is not able to effectively demonstrate that its procurement activities meet all relevant legislative requirements including the Modern Slavery Act 2015 and Public Services (Social Value) Act 2012. Adopting a revised policy will also help to embrace best practice to reduce commercial risk.
- 4.2 Specific procurement risks and mitigation measures will be set out in the action plans supporting this policy.

b) Links to Mayoral strategies

- 4.3 A well-integrated RPP implemented consistently across the GLA Groups' procurement activities will make a positive contribution for informing and implementing a range of Mayoral programmes and strategies including:
- Economic development
 - Health and Inequality
 - Housing
 - Environment
 - Transport

c) Impact assessments and consultations

- 4.4 The RPP has been drafted by the RPF and consulted on widely with the GLA Health and Communities, Economic Policy and Facilities Management Units, and at Director level across the other FBs. The RPP is referenced in the GLA's and TfL's Modern Slavery statements. The RPP has been consulted on and approved by the GLA's Corporate Investment Board, and by TfL's Executive Committee. The RP action plans will be designed by and consulted on across the FBs, and across the GLA group's supply chain as appropriate to help our suppliers conform to the RP policy in delivering public services.

5. Financial comments

- 5.1 There are no direct financial implications to the Greater London Authority arising from this decision. The policy commits the Greater London Authority Group organisation budget holders to make financial and staff resources available including governance, training and guidance for staff and engaging with suppliers to successfully implement the responsible procurement policy.

6. Legal comments

- 6.1 The foregoing sections of this MD and the attached revised RPP indicate that the decisions requested of the Mayor:

6.1.1 fall within the GLA's statutory powers to do such things considered to promote or which may be considered facilitative of or conducive to the promotion of the social and economic development and wealth creation in Greater London; and

6.1.2 that the:

- (a) RPP pays due regard to the principle that there should be equality of opportunity for all people;
- (b) RPF considered how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
- (c) RPF consulted with appropriate bodies.

- 6.2 The original GLA Group Sustainable Procurement Policy was approved in 2006 under MA 2631 and was updated in 2008. The Mayor is now asked to approve this updated Policy.

- 6.3 The Functional Bodies have agreed the contents of the RPP and are committed to implementing it within their organisations. Each Functional Body will be responsible for addressing any legal implications for implementation and as set out in paragraph 1.6 "The policy is deliberately high level and strategic to allow each Group member to legally and operationally sign up to it. The policy will be supported by detailed action plans to demonstrate how each FB will implement and monitor the policy depending on their organisational priorities and procurement activities. If appropriate some Group members may work together to produce a joint action plan".
- 6.4 The RPP refers to relevant legislation which the Functional Bodies and the MPS will need to take into account when making procurement decisions in line with the RPP including the Public Services (Social Value) Act 2012 (which imposes a duty on the contracting authority when procuring certain types of services contracts and framework agreements to consider at the pre-procurement stage how what is to be procured might improve the economic, social and environmental well-being of the relevant area and how it might secure such improvement), the Modern Slavery Act and EU procurement regulations. The Functional Bodies and the MPS also have duties in respect of achieving best value and/or have fiduciary duties to manage their financial resources in a prudent manner. To ensure they have the necessary powers to implement the RPP in full, it is necessary for the Mayor to delegate his powers in s 30 of the Greater London Authority Act 1999 (as described in 6.1.1) and his incidental powers in s 34 to Transport for London, the London Legacy Development Corporation and Old Oak and Park Royal Development Corporation. They are all bodies to which the Mayor is able to delegate his functions pursuant to s 38 of the GLA Act. A delegation must be in writing and is attached to this MD at Appendix 3.
- 6.5 The delegation does not extend to the London Fire and Emergency Planning Authority, the Mayor's Office of Policing and Crime or the Metropolitan Police Service as the Mayor is not able to delegate his functions to them. LFEPA has broad powers under the Fire and Rescue Services Act 2004 which enable it to implement the RPP. MOPAC's main powers are to secure the efficiency and effectiveness of the metropolitan police force and it is required to hold the Commissioner to account for compliance with the requirement to secure value for money. In exercising those functions, MOPAC will be able to take the RPP into account.

7. Planned delivery approach and next steps

- 7.1 The timetable for delivery including design and approval of the FB RP action plans will be set by the Collaborative Procurement Board and reported back to the Mayor

Appendices and supporting papers:

Appendix 1: Responsible Procurement Policy version 7.11

Appendix 2: Collaborative Procurement Board meeting minutes 10 May 2017 meeting

Appendix 3: Mayoral Delegation

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? YES

If YES, for what reason: National election. All major Mayoral policy announcements are to be held back until after the national election

Until what date: (a date is required if deferring): Immediately following national election result, 9 June 2017.

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Doug Simpson has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

Sponsoring Director:

Jeff Jacobs has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

David Bellamy has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 5 June 2017.

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

Date

[Signature]
TOM MIDDLETON ON BEHALF OF MARTIN CLARKE

08.06.17

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

Date

[Signature]

8/6/2017