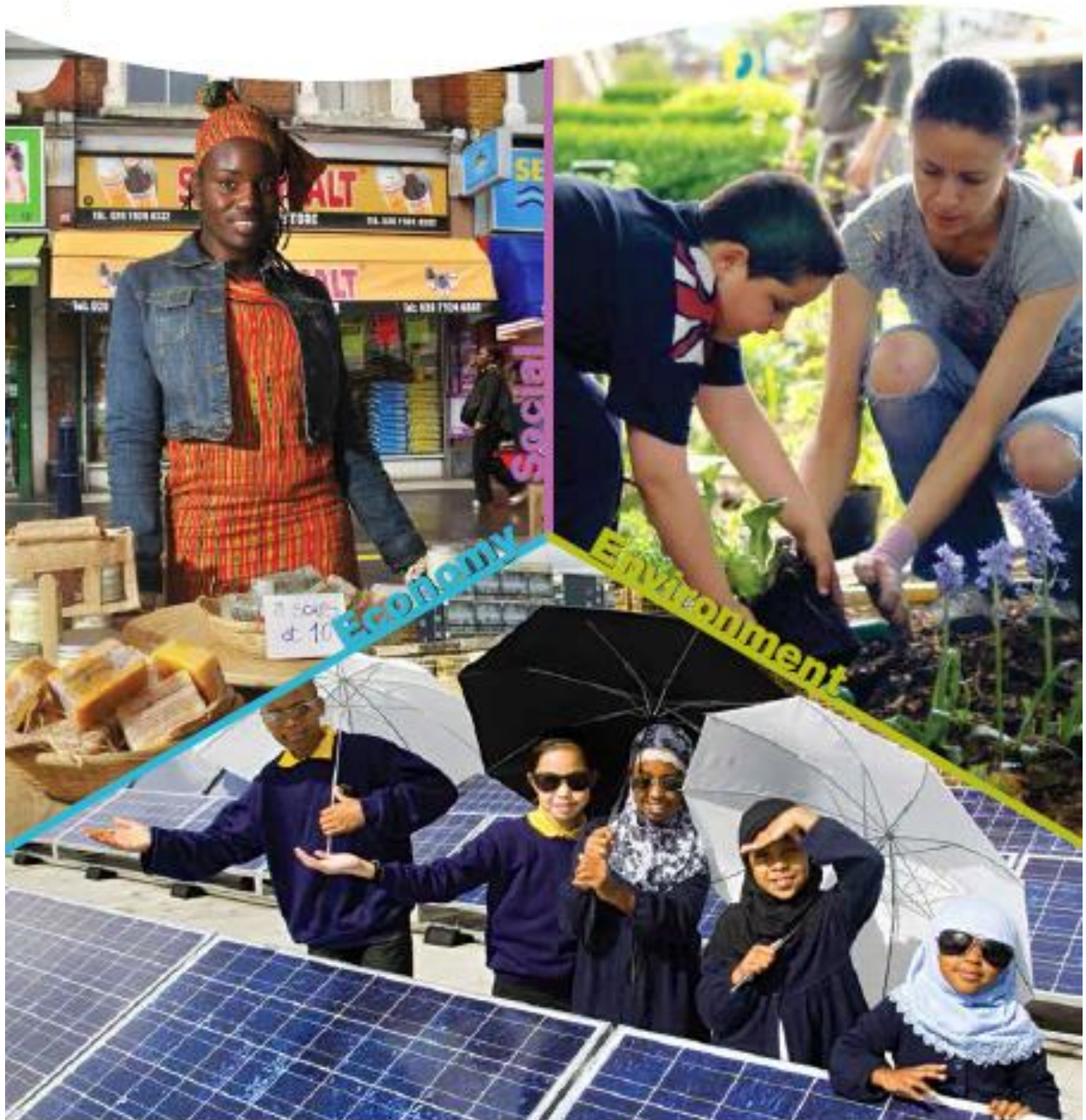


# Responsible Procurement

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



Updated Oct-21

# LAMBETH COUNCIL RESPONSIBLE PROCUREMENT POLICY

## 1. Introduction

- 1.1 Lambeth Council spends roughly £500million each year on the procurement of goods, services and works. Our approach to this spend has a significant impact on council resources and the community. This presents a vital opportunity for the council to contribute significantly to economic, environmental and social gains, through well planned and executed procurement and commissioning. The Council aims to promote responsible procurement in the management and delivery of all its services in order to alleviate negative impacts on and increase positive experiences for Lambeth's diverse communities.
- 1.2 This policy sets out a clear approach to how we will use our procurement activities to help deliver local priorities and support the well-being of communities over the next three years by embedding Responsible Procurement into our commissioning and procurement activity and realising it through effective contract management.

## 2. What is Responsible Procurement and Social Value?

- 2.1 Responsible Procurement refers to the approaches Public Bodies, such as councils, take to maximise the additional benefits that can be created through procurement activity. It particularly relates to The Public Services (Social Value) Act 2012 which came into force on 31st January 2013.
- 2.2 This Policy extends the scope of Responsible Procurement considerations to cover all the Councils' commissioning and procurement activities. In addition to social value commitments, the Council also incorporates the 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. This ensures we get the best value from the monies spent, not just in terms of pure financial benefit but through applying whole life costing models and delivering social, economic and environmental benefits for the benefit of our local communities.
- 2.3 Responsible Procurement in Lambeth sits as part of a wider Social Value framework. Social Value is defined as "an approach to leverage Lambeth council's position as a commissioning, contracting and business partner to advance equality in the borough through collaboration, innovation and targeted social, economic and environmental initiatives to benefit our residents and those that work on behalf of our residents, local enterprises and voluntary community sector."
- 2.4 Responsible Procurement as such is a core element of Social Value, alongside Partnerships and Philanthropy (referred to as the 3Ps).

## 3. Purpose

- 3.1 The purpose of this policy and the associated action plan is to:

- i. Ensure all procurement activity contributes to the Council's overall vision and helps deliver our key priorities.
  - ii. Support our suppliers and contractors to understand local priorities in order to deliver improved outcomes for our residents.
  - iii. Provide a framework to support Officers to strengthen and enhance opportunities in delivering social benefit to our communities.
  - iv. Ensure compliance with relevant legislation, policies and procedures.
- 3.2 Responsible procurement is only achievable through best-in-class commissioning, procurement and contract management practice. Therefore, this Policy will also be used as a driver for improvement of our commissioning and procurement practice. The policy will therefore also 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. Fit for purpose procurement processes that are inclusive and enable the voluntary, community and social enterprise sector and small businesses to participate.
  - iv. Improved commissioning practice placing impact-based decision making at the heart of our approach.

#### **4. Scope**

- 4.1 This policy supports the commitment to realising Responsible Procurement outcomes against the themes set out in the Borough Plan. It is intended for all of those who are involved in, or affected by, the Council's commissioning and procurement activities.
- 4.2 The policy covers all areas of commissioning and procurement within the Council and will influence the way we procure goods, works and services. All procurement activity over £100,000 must comply with the requirements set out in this policy. For procurement below £100,000, Officers must consider the how this policy may be applied whilst having regard for the resources available to smaller providers which may bid for lower value procurement.
- 4.3 The requirements of this policy will also apply to major sub-contractors.

#### **5. Understanding our societal impact**

- 5.1 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. Responsible procurement does not include the direct outcomes generated through services that the council commissions but rather the added value gained (at no cost to the council).
- 5.2 The Societal Impact Framework has been developed to support the Council to make better decisions about the impact of its spending. It brings together the Borough Plan, responsible procurement framework, UN Sustainable Development Goals and other frameworks, and was developed through a series of staff workshops.

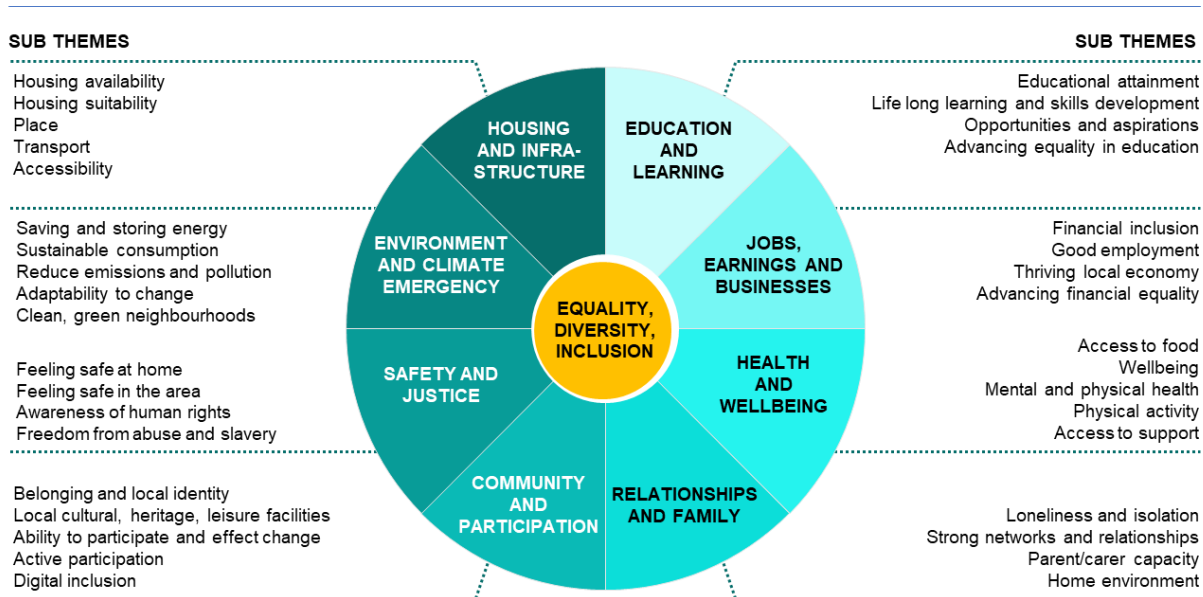


Figure 1 Lambeth's Societal Impact Framework, January 2021

5.3 The societal impact framework will also provide a systematic and comprehensive tool for Officers and potential providers to consider the responsible procurement opportunities as part of a tender exercise.

5.4 It is expected that all procurements will assess how a contract may impact and support all eight of the themes. However, it is recognised that not all areas of the framework will be relevant to all contracts or services. Officers are encouraged to work with Policy leads across the Council to think strategically and creatively about all eight areas of the framework and the opportunity to support the outcomes from the Borough Plan, Equality Commission recommendations and Manifesto commitments.

5.6 The table below sets out intended outcomes from those areas of the framework that may more readily be applied to all council contracts.

<p><b>Education and learning</b></p> <ul style="list-style-type: none"> <li>More young people have the skills they need to succeed in London's growing economic sectors</li> </ul>
<p><b>Jobs, earnings and business</b></p> <ul style="list-style-type: none"> <li>Increase the number of good jobs in the borough above the trend forecast.</li> <li>More and better apprenticeships with local employers for young people.</li> <li>More employment of local young people by local employers.</li> <li>Increase the proportion of Lambeth residents paid London Living Wage or above.</li> <li>Increase the opportunities available to those people needing support to access and sustain work, particularly Looked-after Children and people with mental health issues.</li> <li>Encourage local employers to offer more volunteering, work experience, internships and shadowing opportunities for Lambeth residents from disadvantaged groups</li> <li>Reduce inequalities in employment rates between different population groups</li> </ul>

- 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

### **Environment and climate emergency**

- Reduce energy consumption and shift to renewable and low carbon forms of energy in line with the Council's 2030 net zero target
- Ensure that development is climate resilient, and where relevant, enables adaptation to future climate change
- Work to reduce waste, and increase the percentage of waste that is sent to reuse, recycling or composting
- Keep our parks and public spaces clean, well maintained and enjoyable for all, while conserving, enhancing and expanding wildlife habitat and biodiversity
- Reduce vehicle mileage across Lambeth, and shift to zero emission vehicles
- Make it easier and safer to walk and cycle around the borough, so that residents shift to more sustainable forms of transport, more journeys in Lambeth are completed by bike and on foot, and car ownership is reduced.
- Reduce air pollution in line with the Council's air quality targets
- Work to introduce a ban on all single use plastics used by the council and all major council suppliers

### **Health and wellbeing**

- 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 food and fuel poverty and their associated impacts, particularly for children and young people, and older residents
- 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

## **Community and participation**

- Our children, young people and students have access to the devices and networks they need to thrive and achieve world.
- • Our older residents and residents with disabilities have the skills, confidence and support to live independently and well.
  - Our Black, Asian and Minority Ethnic communities have equitable access to the digital world and the skills needed for learning, play and work, helping to make Lambeth the home to the most diverse digital sector in the UK.
- Our unemployed, homeless, refugee, asylum seeking and non-English speaking residents have access to the digital world to access further training and support, and participate in our communities and economy
- Provide greater opportunities for the engagement of service users in the design, delivery and management of services

## **6. Tackling inequality and creating opportunities**

- 6.1 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. This policy therefore is focussed on achieving our equalities priorities as outlined within the Borough Plan. This is increasingly important given the experience of the COVID-19 pandemic and the disproportionate impact it had, and continues to have, on specific parts of our community. Many of the negative impacts of the virus have exacerbated challenges of poverty and inequality already keenly felt by our communities and in particular our Black and Minority Ethnic communities, older and disabled residents. And on those communities, the impact has been and remains compounded by the multiple ways in which those individuals and communities have been hit harder than others.
- 6.2 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.
- 6.3 As part of the procurement process, the council will therefore require potential providers to consider how their proposed responsible procurement approach helps to support our target groups. At present, these priority groups include:
- Looked After Children and care leavers,
  - young people (those under 25),
  - Special Education Needs and Disability SEND
  - disabled people,
  - black African, black Caribbean and Portuguese groups, and
  - residents aged 50 and over

## **7. Equality duty**

- 7.1 The Council is committed to ensuring that equality 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>.
- In addition to the protected characteristic enshrined in the equality Act 2010 Lambeth Council commits to consider local protected characteristics, socio-economic status (education, income level health and language

7.2 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.

7.3 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 of Lambeth's diverse services users, residents and citizens; and
- encouraging good practice in workforce equality and diversity – workforce composition, EDI strategies/ policies.

## **8. Implementing the Policy**

8.1 Whilst commissioning, procurement and contract management can often be seen as separate activities, they are in fact inter-related functions and are all critical to ensuring we are achieving social value through our supply base.

### **Commissioning**

8.2 Commissioning is the process of ensuring that outcomes identified in the council's needs analysis, are delivered through the right service, and the right models of delivery (whether public, private or other sectors through voluntary service sector, or through social enterprises)

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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 2010F

8.3 Effective commissioning should consider how different service delivery models may support the achievement of improved service outcomes, efficiencies and/or cost assurance, management of risks and achievement of added value through social, economic and environmental benefits.

8.4 Commitments:

- Every service redesign will consider societal impact and the opportunity to secure social value within the business case
- We will assess the benefits of alternative service models and where we can improve services for residents and deliver better value for money by bringing more services back in house, we will.
- Commissioning will focus on outcomes and effecting long-term change in the community
- Social value and responsible procurement will be bespoke for each commissioning activity

## **Procurement**

8.5 Procurement is the process of acquiring, goods, works and services. It involves buying the services and issuing a contract to the provider in order to make this process legally binding. The process spans the end-to-end cycle from identification of needs, through to the end of a services contract or the end of the useful life of an asset. Tendering is an important part of the procurement stage and responsible procurement should be embedded in all tender documents.

8.6 Commitments

- All tenders over £100,000 will be assessed for the potential societal impact and responsible procurement considerations will be included in the tender
- All tenders over £500,000 will include a mandatory minimum social value weighting of 10% (as set out in the Contract Standing Orders)
- We will promote the 'Changing Lives' social value fund (where appropriate) and encourage our providers to contribute either financial or in-kind benefits

## **Contract and supplier relationship management**

8.7 Contract Management involves the day-to-day management of the contract - understanding the requirements set out in the contract and ensuring the supplier performs in delivering them. Supplier Relationship Management (SRM) focuses on building a longer-term relationship with the supplier, forming common goals and seeking continuous improvement, innovation, and social and added value opportunities for the benefit of both parties throughout the life of the contract.

8.8 It is important once a contract has been let that it is effectively managed, especially higher value or more complex contracts to ensure the outcomes detailed in the supplier's tender submission are delivered, risks are identified and mitigated, and cost control is maintained. This will involve obtaining feedback from the client or users of the service, regular meetings with the supplier, gathering data and measuring the supplier's performance against agreed key performance indicators and implementing improvement measures where necessary. SRM looks at longer term development of the relationship with the supplier, seeking mutual opportunities for cost and service improvements and innovation.



#### 8.9 Commitments:

- Where responsible procurement is a requirement of the contract, we will require suppliers to report quantifiable social benefits against the themes of the societal impact framework
- The corporate contract management framework will include guidance and tips to support contract managers in managing responsible procurement outcomes
- The Council will publish an annual responsible procurement impact report bringing together activity from across our contract portfolio

### **Market shaping**

8.10 Local businesses, and the VCSE sector and social purpose companies in particular, can play a powerful and essential role in delivering key services. Although social value can be generated from all public spending, we recognise and value the important role of local organisations in creating and securing social benefit within our community. Through this Policy we aim to increase supplier diversity.

8.11 We acknowledge the VCSE unique selling point and ability to achieve social value goals as part of its day-to-day business. To this end, the sector can deliver wider social benefits beyond the scope of this framework, including:

- Social capital generated through the use of volunteering
- Roots in the community and ability to engage locally
- Access to wider networks and partnerships to benefit wider priorities
- Leverage funding from external sources
- Provide unique opportunities for community-led design and co-production
- Benefits the local economy by employing locally based staff

8.12 This policy aims to ensure that wherever possible local, VCSE and social purpose organisations are included as part of the supply chain. This provides the opportunity to improve value for money, enhance social value outcomes and, strengthen local market competitiveness.

#### 8.13 Commitments:

- We will proactively engage with local businesses and VCSE to ensure our commissioning and procurement approach is inclusive
- We will ensure that the council's processes provide the opportunity for VCSE and social purpose companies to articulate their inherent social value.
- We will work with providers to ensure that employment and supply chain opportunities are advertised on Opportunity Lambeth
- We will support local businesses and VCSE to develop the capacity and capability to compete

## **9. Responsibility for this Policy**

9.1 The Council will work with suppliers, partners and other stakeholders to achieve the set objectives set out in the Policy. Delivery of the commitments made in this policy and progress against the stated objectives will be monitored and reported on an annual basis as part of the responsible procurement impact report.

9.2 Lambeth's Senior Leadership team have an important role to play in ensuring Responsible Procurement is taken into account in the design and delivery of all

services. Elected members must ensure that responsible procurement is considered in all Council decision making.

- 9.3 Lambeth procurement team are responsible for this policy and 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.
- 9.4 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.

## **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 responsible procurement impact 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 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
<b>Jobs, Earnings &amp; Businesses</b> Key impact areas: supporting financial inclusion, encouraging good employment, creating a thriving local economy, advancing financial equality			
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. 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
3. Increased supply chain opportunities for Lambeth businesses and VCSE	NT14	Total amount (£) spent with VCSEs within your supply chain	Required
	NT18	Total amount (£) spent in LOCAL supply chain through the contract.	Required
<b>Education &amp; Learning</b> Key impact areas: supporting educational attainment, increasing lifelong learning and skills development, creating opportunities and aspirations and advancing equality in education.			
4. 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 completed apprenticeships (FTE apprentices)
<b>Environment &amp; Climate Emergency</b> Key impact areas: lowering carbon emissions, reducing production, consumption and waste, supporting ecosystems, biodiversity and green space, ensuring air and water quality, providing resilience and adaptive capacity			
5. 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
		Contractors required to report on CO2 emissions released in delivery of the Council's contracts	Tonnes CO2e

		Contractors required to report on steps taken to reduce CO2 emissions in delivery of the Council's contracts, and emissions reductions	Tonnes of CO2e and measures introduced to reduce CO2e
		Percentage of a contractor's fleet used for the contract that are zero emission vehicles	Percentage
<b>6. Reduce consumption of materials, reuse materials, repair and recycle: focus to eliminate single use plastics.</b>		Measures that the contractor uses to reduce waste and increase re-use, recycling and composting of materials	Tonnes of waste produced, and percentages of waste sent for reuse, recycling, composting and residual disposal
		Detail of single use plastics eliminated. Required for contracts with a food & drink element or goods, materials or equipment deliveries.	Text
<b>Health &amp; Wellbeing</b>			
Key impact areas: increasing access to nutritious food, supporting wellbeing, improving mental and physical health, encouraging physical activity, enabling access to support			
<b>7. Maximise positive health and wellbeing: focus on supporting a healthy workforce and healthier, affordable and more sustainable food and drinks offer</b>		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
<b>Community &amp; Participation</b>			
Key impact areas: tackling the digital divide, improving digital literacy, enabling service user involvement in service design and management			
<b>8. Tackle digital exclusion by enhancing the digital skills of Lambeth residents and improving connectivity across the borough</b>		Initiatives that support equitable access to the digital world and help Lambeth residents to develop the skills needed	Required
<b>9. Encourage co-production of services to achieve improved outcomes</b>		Service user engagement and feedback processes are in place and used to shape service delivery	Required
<b>10. Investing in Lambeth's local communities</b>	NT28	Donations or in-kind contributions to local community projects (Including the 'Changing Lives' social value fund)	£ or in-kind
	NT27	No hours volunteering time provided to support local community projects	Required
<b>Safety &amp; Justice</b>			
Key impact areas: helping people to feel safe at home and in their local area, awareness of their human rights and how to access justice and freedom from abuse and slavery			

<b>11. Ensure all workers are free from abuse and slavery</b>		Confirmation that provider complies with the Modern Slavery Act 2015	Required
<b>Relationships &amp; Family</b> Key impact areas: reducing loneliness and isolation and build strong networks and relationships. Improving the home environment and support early child health and development. Building parent/carer capacity.			
<b>12. Reducing social isolation</b>		Initiatives to be taken to support older, disabled and vulnerable people to build stronger community networks (e.g., befriending schemes, digital inclusion clubs)	Required
<b>Housing &amp; Infrastructure</b> Key impact areas: improving the suitability and availability of housing as well as improving accessibility and transportation			
<b>13. Developing local community infrastructure</b>		Initiatives to support the development of local infrastructure	Required
<b>Other Proposed Initiatives</b> Key impact areas: delivering improved service and reducing costs with a positive influence on Lambeth communities.			
<b>14. Innovation</b>	NT36	Other measures (£) - please describe any additional initiatives that you would like to offer.	£
<b>15. Corporate responsibility and governance</b>		Statement of pro-social objectives such as the adoption of ethical procurement principles, the promotion of volunteerism among company employees and donating to charity.	Required

\* At present, these priority groups include:

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