

Recommendation	Update
Procurement Recommendations	
<p>1 Formal Targets: The Committee notes that currently only 14.88% of Council suppliers are based in Lewisham but accepts that Lewisham is not a particularly industrial or commercial borough and the Council is limited by the number of companies based in Lewisham. However, the Committee would like officers to set a realistic target for increasing the proportion of its suppliers that are based in Lewisham and a more ambitious target for the percentage of suppliers based in the south east London sub region</p>	<p>The opportunity to increase the number of local vendors is linked to Recommendation 2 (a) below, by making it mandatory to include local suppliers in the quotation process it is foreseen that this will lead to more commissions being placed locally. However, the quotation process will still be required to achieve 'value for money' for the Council in any decision to place a contract.</p>
<p>2 Mandatory quotes from local suppliers: (a) The guidance issued on procurement and contained in the constitution should be amended (and re-issued to all staff able to let contracts) to require officers to obtain a quote from at least one local company in respect of all contracts under £40k and over £500, if a local supplier exists. This will include contracts under £10k where, currently, only one quote is required. (b) In relation to this, the procurement team needs to offer guidance to officers in terms of finding appropriate local companies. (c) Officers should also be encouraged to offer feedback to Lewisham companies in cases where they have been unsuccessful, so they can improve their chances in respect of future opportunities. The Committee recommends that the e-procurement tool being developed by the procurement team is used for all Council procurement, including procurement under £10k, and incorporates recommendations (a), (b) and (c) above.</p>	<p>Recommendation (a) Contract Procedure Rules have been revised to make quotes from local suppliers mandatory where feasible.</p> <p>Recommendation (b) database of local suppliers has been produced</p> <p>Recommendation (c) feedback is offered to all businesses that tender for work with Lewisham, this includes the strengths and weaknesses of their bids.</p> <p>The Procurement team are using ProContract e-tendering tool and are rolling out its usage.</p>
<p>3 Procure4london: The Committee notes that the Greater London Authority (GLA) and all London local authorities are being encouraged to sign up to the procure4london portal which allows suppliers access to a single avenue for public procurement opportunities in the capital with standard procedures and policies. The Committee would like to be reassured that Lewisham is fully signed up, that a link to the portal is featured on the Council website and that the portal is actively promoted to local businesses.</p>	<p>Procure4London has been combined with the CompeteFor portal and the ProContract e-tendering system links to this.</p>
<p>4 Data and events: The Council should consider whether the data available on the website regarding spend above £500 can be made more useful for local businesses, to enable them to get a better idea of the type of Council contracts that are available, who lets these contracts and when they are up for renewal. Officers should also investigate ways of bringing together local businesses with Council buyers, including holding service based events.</p>	<p>The transparency information now includes all spend above £250. The Economic Development section of Planning held a 'Lewisham Means Business' event on the 19th February 2014 to bring together local business and Council services.</p>

5	<p>More social considerations: Procurement officers should seek comprehensive legal advice on what can and cannot be incorporated into contracts in terms of social considerations. Specifically, advice should be sought on whether suppliers can be asked to (a) adhere to a pay differential below a certain ratio and regularly report their pay differential; (b) aim for a 50/50 gender ratio in apprenticeships; (c) recognise relevant staff unions; and (d) reach a particular minimum level of Continuing Professional Development (CPD) for their workforce and adhere to the Skills for Care and Development (SCD) recommended minimum percentage for investment in training. If not legally possible, the Council should strongly encourage suppliers to adopt socially responsible practices such as these. The Committee would like officers think more creatively about how social considerations can be incorporated into contracts, taking into account legal advice and also best practice from other local authorities and organisations, including TfL.</p>	<p>The Public Services (Social Value) Act 2012 was enacted last year and this required local authorities to consider how the services that is to be procured might improve the economic, social and environmental well-being of the relevant area and how, in conducting the process of procurement, the Council may act with a view to securing that improvement (“Social Value”).</p> <p>The EU has modernised its procurement directives and these new regulations are due to become part of English Law in the Autumn.</p>
6	<p>More robust contract monitoring: The Committee welcomes the fact that from September, all Council contracts will be more robust, contract monitoring will be improved and the code of practice will be updated for new suppliers. Contract monitoring needs to be rigorous across the piece, with robust enforcement and a range of formal targets - and informal targets (around best practice) where it is legally impossible to enforce formal targets. In relation to this, the Committee recommends that new contracts should require the provision of more detailed management information so officers can better monitor how social considerations are adhered to.</p>	<p>The Code of Practice was amended at the Mayor & Cabinet (Contracts) meeting held on the 7th December 2011. Included in that revision was sections in relation to Apprenticeships and Local Employment and Business, as well as the Bribery Act.</p> <p>The Director of Programme Management & Property has instigated a review of contract management practices, and it is planned to spread best practice to cover all client areas. Another specific change in monitoring is also occurring due to the introduction in many contractual arrangements of ‘Payment by Results’. It is also planned to incorporate strategic contract management and monitoring meetings with third party suppliers to address issues surrounding social considerations and equality issues.</p>
7	<p>More joint working: The Committee is pleased that procurement officers are working with other councils on standardised contract specifications and joint clienting arrangements. This makes it easier for local suppliers to bid for work with local councils, particularly in south and south east London; and also ensures that suppliers do not charge different local authorities different prices for the same services. The Committee would like to see the Council increase joint procurement with other local authorities, so collective spending power can be used as a lever to introduce more social considerations into contracts.</p>	<p>Lewisham is actively working on a number of joint projects, and is engaged in joint supplier management activities under the auspices of London Councils and The Heads of Procurement Network.</p>

8	Considering the in-house option: A re-letting model should be created for all staff letting contracts, which includes analysis of the in-house option as a required step.	The procurement team ensures that when advising clients at point of re-tendering contracts we consider the in-house bid as part of the overall options appraisal.
Pay and Employment Practices Recommendations		
1	When assessing the impact of redundancies, contracted and agency staff who are delivering council services should be included in any analysis undertaken.	The Council's budget reduction decisions now incorporate consideration of posts filled by agency staff, such posts were reported to the Mayor and Cabinet in December 2013. Of the 665 agency staff across the Council, 7 were placed in services subject to budget reductions, all these posts have now been deleted and the agency contract ceased.
2	Where possible, employee pathways through the organisation should be monitored to ensure that there is scope within the organisation for employees to progress to more senior roles.	<p>Apprentices are now progressing to Level 4 Apprenticeships; for example Finance apprentices are studying CIPFA which equates to graduate level education and Business Administration Level 3 apprentices are moving onto Project Management qualifications if deemed capable. The Council has also introduced Apprenticeships in Legal and Surveying, giving more specific qualifications leading to defined career paths.</p> <p>Traineeships are also being introduced for young people and the National Graduate Development Programme continues to enable the trainees to fast-track to senior positions within the Council. In the last year 3 former trainees were successful in obtaining senior roles at PO8/SMG level.</p> <p>In September 2012 an Assessed & Supported Year in Employment (AYSE) was introduced for all Newly Qualified Social Workers (NQSW's). Since the programme's inception, 6 NQSW's have successfully completed their AYSE with the Service and 9 are currently going through their AYSE.</p> <p>The destinations of the apprentices finishing their apprenticeship in 2014 will be determined in April 2014 and details published at London Councils in May 2014. The Council will be able to provide this information to Committee at the next meeting.</p>
3	The development of an in-house management trainee scheme for local graduates is welcomed and the Committee should be kept updated on progress in implementing this.	The Council was successful in appointing 2 National Management Trainees with local connections in October 2014. The National Graduate Development Programme was again advertised locally in December 2013 for the next intake of National Management Trainees in October 2014 with the intention again of appointing at least one NMT with a local connection.

		<p>The pilot scheme for summer interns was successfully run during summer 2013, with 4 young local under graduates taking advantage of this scheme. A further 8 places will be offered in summer 2014, again to young people with a local connection.</p>
<p>4</p>	<p>Corporate HR staff should keep the following issues under review:</p> <ul style="list-style-type: none"> (a) The disproportionate impact of council redundancies on women. (b) The age profile of staff. (c) The employment of BME staff at senior levels. (d) The length of service of agency staff. 	<p>The council monitors each of the proposed budget reductions separately and to date no particular service has been identified as disproportionately impacting on any particular group. However there have been services which have employed a higher than average number of black employees and women. Although the budget reductions did not result in a higher proportion of black employees and women being identified for redundancy, because these services employ a large proportion of black employees this has had an impact on the overall representation of black employees. This has reduced from 38.1% in March 2013 to 35.9% in January 2014.</p> <p>The Council's profile has remained stable and young people were appointed to 46% of vacancies between April 2013 and December 2013. Similarly, there has been no change in the percentage of BME staff at a senior level, BME staff were appointed to 32% of senior appointments.</p> <p>At the end of January 2014, there were 330 agency staff who had a tenure of more than one year. This equates to 53% of the total number of agency workers engaged at this time – 665. The main service areas where these agency staff are engaged are Adult day services, where agency staff continue to be engaged pending a reorganisation. Executive directors have also completed a review of senior interims and consultants in their areas.</p>
<p>5</p>	<p>The involvement of school staff in Council processes needs to be improved. This should include making sure that school staff are included in all relevant corporate engagement exercises, including surveys; and have access to the intranet and other council information services so they can access council policies and other relevant corporate information easily.</p>	<p>Pay policies are a matter for each Governing Body who will engage as appropriate locally with staff. It remains the position that School Governing Bodies will involve school staff locally in engagement exercises relevant to the school. HR policies reflecting Council policies are generally located in a staff handbook or are available on the school's IT network. It remains the case that schools cannot access the Council's IT network to view Council policies.</p> <p>A separate report regarding school employment profile data is attached to update the Committee on the schools' position in regard to fairness in employment recommendations.</p>

6	Should the Independent Executive Remuneration Panel (IERP) agree a set pay multiple, any appointment (permanent or agency staff) that exceeds the multiple should be reported to the IERP.	The Council has agreed a further pay statement which is now published. This pay statement identifies that the multiple currently stands below the set level at 12.4:1.
7	Agency staff must be required to submit themselves to the Council's pay and transparency rules. The public interest test should be deemed to always apply in this case, overruling any confidentiality requirements agreed between the staff member and their agency.	Details of the salary of senior interims earning over £75,000 continue to be published on the Council's website, this will be updated with the relevant information for 2013/14 in April this year.
8	The operation of the Works Council should be reviewed and consideration given to how more formal contact with the Mayor can be incorporated.	A review of the corporate negotiating machinery has been undertaken at officer level and as a result the structure of the Corporate Joint Council has been revised and now implemented in conjunction with the trade unions.