



Mayor and Cabinet

Lewisham's Sustainable Procurement Strategy 2021 - 2025

Date: 14 July 2021

Key decision: Yes.

Class: Part 1

Ward(s) affected: All

Contributors: Procurement and Commercial Services Team, Finance Team, Legal Team, Climate Change Team

Outline and recommendations

The purpose of this report is to seek approval from Mayor and Cabinet for the new Sustainable Procurement Strategy for the period 2021 – 2025. The Strategy includes five key features which ensures a robust and fit for purpose Procurement service and endeavours to utilise our public procurement to increase benefits to the community and enrich the lives of our residents' year on year.

Mayor and Cabinet is recommended to approve the new Sustainable Procurement Strategy for the period 2021 – 2025.

Timeline of engagement and decision-making

Sustainable Procurement Strategy 2012 – 2016;

Social Value Policy approved February 2019;

Lewisham Deal signed July 2019;

Consultation and review of the new Sustainable Procurement Strategy September 2020 – June 2021;

1. Summary

- 1.1. The Sustainable Procurement Strategy 2021 – 2025, developed through cross-Council collaboration, details the Council's approach to sustainable procurement by using commercial spend to deliver environmental, health and social benefits within our community.
- 1.2. The Sustainable Procurement Strategy is aligned to a number of the Council's corporate priorities and strategic approaches. It seeks to build upon the existing foundations, policies, and skills within the Council and the Borough in order to successfully implement the identified key deliverables, as set out in the Strategy, linked to the five key themes of: Contract Management; Growing the Lewisham Pound; Confronting Modern Day Slavery; Tackling the Climate Emergency and the Future of Procurement.

2. Recommendations

- 2.1. Mayor and Cabinet is recommended to approve the new Sustainable Procurement Strategy for the period 2021 – 2025.

3. Policy Context

- 3.1. The Council continuously seeks to improve the performance and effectiveness of its services and ways of working in order to deliver better outcomes in line with its priorities in a way that is system wide; planned and purposeful; part of a continuous improvement effort; and people focused.
- 3.2. The previous Sustainable Procurement Strategy, which covered the period 2012 – 2016, focused upon harnessing the power of purchasing in order to achieve social, economic and environmental outcomes. Its aims included:
 - Ensure that policies and procedures supported the vision, values and objectives;
 - Enable Procurement decisions to be based on the principles of economic, social and environmental sustainability;
 - For procurements to be well-planned, managed and improved;
 - Promote collaborative approaches to procurement;
 - Continue to develop a supply chain management function;
 - Engage with the business community including Small and Medium Enterprises (SME's), Black and Minority Ethnicities (BME's), social enterprises, the voluntary sector, and staff mutuals to provide Lewisham with a mixed economy of service provision;
 - Deliver efficiency savings and quality to be clearly demonstrated through contracted services;
 - Respond to new Government legislation affecting procurement.
- 3.3. This strategy served its purpose at the time and the actions set out have been delivered to date. However, as it is now expired and its aims achieved it provides an opportunity to revitalise the Strategy oncemore and ensure that its content accurately reflects the Council's current and emerging post Covid corporate and strategic priorities whilst promoting opportunities through which benefits for both the Council and our residents can be realised. The four themes for Future Lewisham are:
 - A Greener Lewisham;
 - A healthy and well future;

- An economically sound future; and
 - A future we all have a part in.
- 3.4. The Council's 2018 to 2022 Corporate Strategy identifies seven corporate priorities and four core values which are the driving force behind what we do as an organisation. It sets out a vision for Lewisham and the priority outcomes that organisations, communities and individuals can work towards to make this vision a reality.
- 3.5. In developing and adopting the Sustainable Procurement Strategy 2021 – 2025 we will seek to ensure the continued delivery of environmental, health and social benefits within our community through effective and efficient commercial spend. In developing and adopting this Strategy we will be driven by the Council's four core values:
- We put service to the public first.
 - We respect all people and all communities.
 - We invest in employees.
 - We are open, honest and fair in all we do.
- 3.6. These core values align with the Council's seven corporate priorities, namely:
1. Open Lewisham - Lewisham is a welcoming place of safety for all where we celebrate the diversity that strengthens us.
 2. Tackling the housing crisis - Everyone has a decent home that is secure and affordable.
 3. Giving children and young people the best start in life - Every child has access to an outstanding and inspiring education and is given the support they need to keep them safe, well and able to achieve their full potential.
 4. Building an inclusive local economy - Everyone can access high quality job opportunities, with decent pay and security in our thriving and inclusive local economy.
 5. Delivering & defending Health, Social Care and Support - Ensuring everyone receives the health, mental health, social care and support services they need.
 6. Making Lewisham greener - Everyone enjoys our green spaces and benefits from a healthy environment as we work to protect and improve our local environment.
 7. Building safer communities - Every resident feels safe and secure living here as we work together towards a borough free from the fear of crime.

4. Background

- 4.1. The Procurement and Commercial Services Team is a corporate service which has grown in size and capability over the last two years. The Team strives to embed good practices across the Council and continuously develops and enhances systems and processes in order to maintain due diligence in all stages of the Procurement Cycle. The Team also works to provide support to our stakeholders across the directorates to deliver effective and efficient sustainable procurements and contracts. The service is expanding its scope and responsibilities to include contract management, which is reflected in the new strategy.
- 4.2. Whilst there has been a delay in bringing forward the new Sustainable Procurement Strategy, in the intervening period the service has invested significant time and resource in developing and embedding its Social Value Policy which was approved in February 2019, as well as collaborating with its partners in the Lewisham Deal which

was signed in July 2019. Furthermore it has worked with the Centre for Economic Excellence (CLES) to ensure that this policy was drafted with a full and robust understanding of how this policy could ensure that wherever possible the Council's procurements could increase or retain local wealth within the Borough.

- 4.3. We continue to develop and grow our ambition, building upon the successes of the previous strategy, to deliver the Sustainable Procurement Strategy 2021 – 2025 which increases our ambition to utilise public procurement spend to maximise social benefit whilst delivering value for money. A strong focus on responding to the needs of the boroughs' residents, businesses and communities, coupled with navigating a route to recovery from the Covid-19 pandemic offers an ambitious yet achievable vision for the next four years.
- 4.4. We want to ensure Lewisham is at the forefront of local government best practice. During the development of the new Sustainable Procurement Strategy we have considered how we work, what best practice looks like, and how we can be more versatile and innovative in our approach to deliver sustainable procurements. We believe we can deliver this ambition through focusing upon the following five key themes:
 1. Contract Management
 2. Growing the Lewisham Pound
 3. Confronting Modern Day Slavery
 4. Tackling the Climate Emergency
 5. The Future of Procurement

5. Overview of the Five Key Themes

5.1. Contract Management

- 5.1.1. Contract Management forms an integral part of the Council's Procurement and Contract Management function as it acts to ensure that Council contracts for works, services or supplies are running as designed (i.e. safely, sustainably and providing value for money) and deliver the outputs and outcomes that they were intended for our residents.
- 5.1.2. The Procurement team are rolling out a Contract Management Framework which will build on existing knowledge and skills that Council staff hold whilst encouraging and developing consistent approaches to contract management, monitoring and reporting.
- 5.1.3. Four key behaviours will be essential in the roll-out and sustainability of the Contract Management Framework and practices within the Council. The behaviours are as followed: communication; prioritisation; measuring; reporting.

5.2. Growing the Lewisham Pound

- 5.2.1. The Council's Procurement Team will continue to work together with our partners in the Lewisham Deal to promote sustainable economic growth within the Borough by boosting investment in Lewisham SMEs and providing high-quality employment opportunities and targeted apprenticeship programmes for local residents.
- 5.2.2. The Procurement Team aim to play a more integral role in ensuring residents, SMEs and Voluntary and Community Services are empowered through focusing on *RUN*:
 - Retaining wealth in our Borough for residents using our Social Value Policy
 - Using Procurement Policy Note 11/20 to create new opportunities for our SMEs
 - Navigating a route to recovery from the Covid-19 Pandemic in our Borough

5.3. Confronting Modern Day Slavery

- 5.3.1. Lewisham Council has a zero tolerance approach to modern day slavery and human trafficking in all its forms, and is committed to its eradication from our supply chains and our contracts for services, works and supplies.
- 5.3.2. In terms of Lewisham's procurement, our contractors and suppliers are predominantly UK-based and we are committed to effective systems and controls to safeguard against any form of modern day slavery taking place within our supply chain.
- 5.3.3. Our continued affiliation with Electronics Watch works towards a world where public procurement drives better conditions for workers in global supply chains and workers themselves engage in meaningful dialogue with employers and buyers to create work with dignity opening us the electronics industry to independent inspection and improvement.
- 5.3.4. The Council's Modern Day Slavery Statement 2021 – 2022 provides additional information about Modern Day Slavery and outlines the six areas of focus for the year ahead (Appendix 2).

5.4. Tackling the Climate Emergency

- 5.4.1. The concept of sustainability involves operating in a way that fully accounts for an organisation's impact on the planet, its people and the future.
- 5.4.2. The Strategy sets out our commitments to tackling the climate emergency by ensuring we continue to remain diligent in gathering accurate climate and emissions information from tenderers and providers, and extending the ways in which our procurement can drive reductions in carbon emissions by embedding the requirement for suppliers to submit a Carbon Reduction Plan (CRP) as part of specific tenders.

5.5. The Future of Procurement

- 5.5.1. Following the turbulence of leaving the European Union and the outbreak of the Covid-19 Pandemic it is imperative that the Procurement Team remains responsive and has an innovative approach to future procurements. This agility is vital as over the period of this strategy we will need to be able to adapt our processes and approach to any likely changes in legislation arising from the recently published Government Green Paper.

6. Deliverables for 2021 – 2025

- 6.1. In order to ensure the Sustainable Procurement Strategy 2021 – 2025 is achievable, it includes measurable deliverables, which are summarised below:
- 6.2. A new Contract Management Framework will be delivered by the end of the first year.
- 6.3. We financially vet our potential suppliers and financially monitor our current suppliers working in collaboration with Finance and stakeholders.
- 6.4. We are committed to tendering below threshold procurements to Lewisham-based organisations, as a first point of market engagement, where possible.
- 6.5. We will deliver, by the end of the third year of this strategy, increased supportive challenge to services to produce first-class Equality Analysis Assessments (EAAs) that tailor social value Key Performance Indicators (KPIs) to specific, geographical socio-economic improvements.
- 6.6. We will deliver, by the end of the second year of this strategy, a risk map of our supply chain that is bolstered by spot checks, audits and our continued affiliation with Electronics Watch.
- 6.7. In every year of this strategy, the Procurement Team will support the development of Lewisham's annual modern day slavery statement and inputs into all relevant sections.

- 6.8. We will, by the end of this strategy, have embedded the requirement for suppliers to submit a Carbon Reduction Plan as part of relevant tenders with an annual value of £5m or more.
- 6.9. In every year of this strategy the Procurement Team will deliver an annual review of our template tendering documents, the Procurement Handbook and the procurement regulations and all supporting guidance.
- 6.10. By the end of the third year of this strategy, the Procurement Team will prepare - in line with new legislation - Lewisham's crisis purchasing risk register and action plan in order to ensure that our Borough is best placed to respond to any future crises.
- 6.11. We will deliver support to Lewisham's digital transformation as an organisation and support for increasing digital engagement with residents.

7. Financial implications

- 7.1. There are no specific financial implications arising from this report though the overall Council approach to its procurement strategy should deliver the wider macro level social and economic benefits as set out in this report that will be reflected within individual contract award reports as they arise.

8. Legal implications

- 8.1. The Council has a power to enter into contracts and undertake procurements. When doing so the Council is – when appropriate - required to comply with the Public Contracts Regulations 2015 as amended by Brexit provisions including the Public Procurement (Amendment etc.) (EU Exit) Regulations 2020 SI 2020 No.1319. There is also a need to ensure compliance with the Council's Contract Procedure Rules (forming part of the Constitution) which take into account the requirements of the Public Contracts Regulations. The Council also has a wide general power of competence under Section 1 of the Localism Act 2011 to do anything that individuals generally may do. The existence of the general power is not limited by the existence of any other power of the Council which (to any extent) overlaps the general power.
- 8.2. The adoption of the proposed Sustainable Procurement Strategy will assist the Council to appropriately use its powers. In coming to decisions in the future on individual procurements and other matters addressed by the Strategy, there will be a continuing need to ensure compliance with legal obligations as set out in the Public Contracts Regulations and elsewhere, and with the Contract Procedure Rules. .
- 8.3. The Council has a public sector equality duty (the equality duty or the duty - The Equality Act 2010, or the Act). It covers the following protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. In summary, the Council must, in the exercise of its functions, have due regard to the need to eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act; advance equality of opportunity between people who share a protected characteristic and those who do not; and foster good relations between people who share a protected characteristic and those who do not.
- 8.4. It is not an absolute requirement to eliminate unlawful discrimination, harassment, victimisation or other prohibited conduct, or to promote equality of opportunity or foster good relations between persons who share a protected characteristic and those who do not. It is a duty to have due regard to the need to achieve the goals listed above. The weight to be attached to the duty will be dependent on the nature of the decision and the circumstances in which it is made. This is a matter for the decision maker, bearing in mind the issues of relevance and proportionality. The decision maker must understand the impact or likely impact of the decision on those with protected characteristics who are potentially affected by the decision. The extent of the duty will

necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.

- 8.5. The Equality and Human Rights Commission (EHRC) has issued Technical Guidance on the Public Sector Equality Duty and statutory guidance. The Council must have regard to the statutory code in so far as it relates to the duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found on the EHRC website, as can five guides for public authorities in England giving advice on the equality duty.

9. Equalities implications

- 9.1. The Procurement Team is undertaking training on the Single Equalities Framework (SEF) to ensure that for all relevant procurements, that stakeholders are preparing Equality Analysis Assessments that tailor social value KPIs to specific, geographical socio-economic improvements.

10. Climate change and environmental implications

- 10.1. Council officers and stakeholders will collaborate in order to achieve the climate change deliverables as set out in the Sustainable Procurement Strategy 2021 – 2025.

11. Crime and disorder implications

- 11.1. There are no specific crime and disorder implications arising from this report, however the Strategy actively targets modern day slavery and human trafficking within its supply chain.

12. Health and wellbeing implications

- 12.1. There are no specific health and wellbeing implications arising from this report.

13. Glossary

Term	Definition
SME	Small-medium sized enterprise
BME	Black and Minority Ethnicities
CLES	Centre for Economic Excellence
KPI	Key Performance Indicator
EAA	Equalities Analysis Assessment
SEF	Single Equalities Framework

14. Report author(s) and contact

- 14.1. Katharine Nidd, Strategic Procurement and Commercial Services Manager
0208 314 6651 Katharine.Nidd@lewisham.gov.uk
- 14.2. Peter Allery, Group Finance Manager Peter.Allery@Lewisham.gov.uk
- 14.3. Stephanie Fleck, Principal Lawyer 0208 314 9968 stephanie.fleck@lewisham.gov.uk

15. Appendices

- 15.1. Sustainable Procurement Strategy 2021 – 2025

- 15.2. Modern Day Slavery Statement 2021- 2022



Lewisham Modern
Day Slavery Statemen