

Appendix 1

Responsible Procurement and Commissioning Strategy

Westminster City Council

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Foreword

We are living through a time of pressing political and social issues: human impact on the climate and on natural ecosystems can no longer

be ignored; the extent of workers' rights violations is increasingly becoming exposed; and the fallout from the COVID-19 pandemic has shone a light on pervading inequality in the UK and abroad. Over many decades, unchecked business activities, the use of nebulous global supply chains and the pursuit of profit at the expense of human and environmental health have brought us here. These issues are ours to

help resolve as a council with local authority powers and responsibilities, and as individuals who wish to pursue intergenerational equity; passing on a planet and society within which generations to follow can thrive.

Westminster City Council's vision is to create a world class City for All; supporting communities to help them to recover from the pandemic and become stronger, healthier and greener. The aim is to help build a dynamic new economy that can respond flexibly to change, whilst continuing to tackle the climate emergency, support our vibrant communities, and harness technology to improve people's lives. This Responsible Procurement and Commissioning Strategy is Westminster City Council's approach to delivering our City for All vision, whilst at the same time contributing towards wider societal, national and global goals.

Our organisation spends over £500million each year on third party services and contracts. As such, we have significant potential to drive

positive change. Procurement, commissioning and contract management activities are enablers to ensure these services support our policy objectives and deliver maximum value for Westminster's community and wider stakeholders.

We will use our significant spend to influence and create positive action on tackling the climate emergency, improving our local environment, contributing to local and national recovery, leveraging community benefit and driving forward greater diversity and inclusion. We will play our part in driving innovation, progressing the circular economy and ensuring the right due diligence procedures are in place to help bring to an end the exploitation of workers in domestic and global supply chains.

We have set our ambitions high, but we intend to take a considered and tailored approach to delivering the Responsible Procurement and Commissioning Strategy, so that we channel the efforts made by our supply chain partners and achieve the greatest impact possible. The requirements will be determined according to the nature and value of each contract and will be focused on areas of greatest risk and opportunity. We will set high standards but will provide flexible options and work in partnership with suppliers to establish and achieve ambitious continuous improvement targets. Using this proportionate approach will ensure that we maintain good levels of competition, avoid creating barriers to smaller organisations and achieve best value for money, whilst at the same time ensuring that we deliver meaningful outcomes that help deliver a world class City for All.

Cllr Paul Swaddle

Cabinet Member for Finance and Smart City

Executive Summary

This Responsible Procurement and Commissioning (RPC) Strategy is designed to translate our City for All vision into a clear framework for Westminster City Council's procurement and commissioning activities. It also seeks to contribute towards wider national and global goals.

The RPC Strategy is based on four themes, each with four objectives we aim to achieve during phase one of delivery during 2022:

- **Environmental Sustainability**
 - Increase environmental performance
 - Reduce the carbon intensity of electricity

- Reduce carbon associated with our supply chains
- Increase interventions to aid climate resilience
- **Community & Business Partnerships**
 - Increase trials and pilots of new tech and solutions
 - Increase no. projects delivering community benefit
 - Increase the impact of legacy projects
 - Increase skills support for smaller organisations
- **Build Back Better**
 - Increase careers inspiration and preparation
 - Increase no. skills and work-related opportunities
 - Increase no. roles for Westminster residents
 - Increase implementation of the waste hierarchy
- **Inclusive, High-Quality Work**
 - Increase professional development opportunities
 - Increase workforce diversity, inclusion & representation
 - Increase monitoring of fair employment & treatment
 - Increase due diligence to combat modern slavery

Each objective is accompanied by clear commitments on how it will be achieved in practice, alongside cost benefits, how any cost implications will be managed or mitigated and how competition will be maintained.

This work will be underpinned by an initial focus on prioritising spend categories in terms of risk and potential, training and guidance for staff,

What do we mean by responsible procurement and commissioning?

awareness raising and engagement with our supply chain and collaboration internally and externally to achieve optimal results.

Four areas have been identified as priorities to deliver at pace. They have separate action plans that will be reported on at relevant Council delivery boards/ working groups already established:

- Climate Emergency – Delivery Board
- Modern Slavery and Exploitation – Tri-Borough Working Group
- Diversity, Inclusion and Representation – Strategic Board
- Social Value Delivery – GPH and F&R collaboration

As a local authority and the administrator of tax-payers' money, we recognise our responsibility to procure and commission in a sustainable, ethical and progressive way that delivers the best possible outcomes and value for money. We seek to adhere to the spirit as well as the letter of national legislation and frameworks and international targets. Our organisation can influence our suppliers and harness their potential to benefit our local and wider community.

This strategy is a result of a comprehensive engagement programme, involving staff across the council and suppliers. It is a Council-wide commitment and its delivery will rely on collaboration between the Procurement and Commercial Service, commissioners, service leads and contract managers, our leadership and our supply chain, supported by peers who are on the same journey.

The key terms

- **Procurement** - Westminster spends over £500 million annually acquiring goods, works and services from third parties. This strategy aims to integrate RPC principles at each stage of the

procurement cycle. The level of impact made and how seriously contractors take our ambitions will also depend on the weighting attributed as part of supplier evaluation in tenders. As such, Westminster will increase its current 5% weighting to between 10-20% depending on the nature of the contract.

- **Commissioning** – This covers the whole lifecycle from planning to monitoring services. For this strategy to be successful, it is vital that its principles are considered when services are planned and in contract management. Promises made by suppliers in tenders must be followed through and supported by contract managers.
- **Social Value** – Commissioners of public services are required to consider how social, economic and environmental benefits can be secured for local communities through procurement. This includes helping local communities recover from the impact of COVID-19, creating new jobs and skills, fighting climate change, reducing waste, driving equal opportunity, tackling workforce inequality and improving health and wellbeing and community integration. The Council's existing Social Value Programme engages with suppliers to match the socio-economic needs of residents with council suppliers. They are provided with support for the duration of the contract to monitor and evaluate the social impact delivered.
- **Responsible Business** – A 'Responsible Business' is one which uses its decision-making processes across all business activities to minimise negative impacts and deliver positive environmental, social, ethical and economic benefits, to internal and external stakeholders, in a transparent way. To ensure alignment with public and private sector responsible business practices in the UK and globally, the responsible business focus of this strategy is based on the United Nations Sustainable Development Goals (UN SDGs).

Developed in 2015 by the UN General Assembly and intended to be achieved by 2030, the SDGs are a collection of global goals designed to be a blueprint to achieve a better and more sustainable future for all. Westminster will contribute towards the SDG sub goals through responsible procurement and commissioning.

Responsible Procurement and Commissioning

Our is to build on existing work being carried out to deliver social value across the Council and broaden our focus to achieve more holistic responsible business objectives. This RPC strategy aims to minimise risks of harm to workers, public health and the environment and maximise opportunities for our residents, local organisations and wider community. It seeks to contribute towards sustainable development by embracing circular economy principles, helping to build a resilient and green economy and ensuring a fair and equitable society. By working in partnership with our suppliers, we will deliver more innovative, better value goods, services and works.

What is the Strategy hoping to achieve?

Westminster's Responsible Procurement and Commissioning Objectives

The RPC Strategy is based on four themes:

- **Environmental Sustainability**
- **Community & Business Partnerships**
- **Build Back Better**
- **Inclusive, High-Quality Work**

Each theme aligns with the soon to be published City for All Strategic Objectives and the established [City for All](#) pillars; 'Greener & Cleaner', 'Vibrant Communities', 'Smart City' and 'Thriving Economy', but do not

directly correspond due to the incorporation of the UN Sustainable Development Goals and the nature of our global supply chains.

The RPC Strategy is designed to achieve 32 objectives, eight within each theme, set out in the graphic overleaf. The objectives depicted in the inner rectangle are local outcomes for our residents, commuters, students, visitors and direct supply chain workers. Those in the outer rectangle are wider societal, national or global goals. The objectives represent a high-level direction of travel that we want to achieve.

Our first focus

Our objectives will be replaced by more specific and quantified targets when baseline performance data is sufficiently gathered i.e. carbon footprints associated with our contracts, spend with minority-led firms etc. In the meantime, our first areas of focus will be to ensure that:

- **Prioritisation** - The most relevant contracts are identified so as to prioritise those posing the highest risk or best opportunities.

- Relevant contracts to reduce the no. of people killed or injured on our roads will be those involving vehicle use
- Increasing skills and work opportunities requires a focus on contracts best placed to create new roles, such as facilities management and construction
- Combatting modern slavery will require a focus on higher risk sectors, such as harvesting or manufacturing etc.

- **Internal capability** - All relevant staff are trained and provided with guidance to help identify these risks and opportunities so they can be factored into planning stages and incorporated into the procurement or commissioning exercise accordingly.

- In-depth training tailored to departments/ spend categories
- A Directory of evaluation questions for 50+ spend categories, based on sector and our priorities, risks and opportunities
- Sample reporting requirements and KPIs
- A 3-tier supplier code of conduct used in supplier selection
- Website information and case studies

- **Market awareness raising & capacity building** – We make our current and future suppliers aware of our priorities, ambitions and new ways of working and we facilitate their progress

- Events to facilitate collaboration between large and small firms
- Responsible procurement incorporated into soft market testing
- Industry and sector engagement on key topics

- **Collaboration** – We work with external experts, peers and dedicated boards across the Council to co-develop and deliver action plans on the following priority areas:

- Climate Emergency
- Modern Slavery and Exploitation
- Diversity, Inclusion and Representation
- Social Value

Responsible Procurement & Commissioning Strategy: Our Objectives



16 objectives have been selected for **Phase One of Strategy delivery**, which will take place during 2022. These 16 objectives set out in more detail over the following four pages were chosen based on City for All priorities, national political priorities and emerging societal issues and the objectives we can most influence through our supply chains. and engagement with staff and suppliers.

Environmental Sustainability

Local impact – Local Environment: Our local environment is where we live, work, learn and recreate so the quality of our natural surroundings, the air we breathe, our acoustic environment and the safety of our roads matters. By requiring suppliers to minimise air and noise pollution, mitigate road danger and enhance urban greening and biodiversity, we can help improve public health and wellbeing for Westminster residents. Procurement activities and projects that impact on our public realm must also be designed in a way that offers resilience to the impacts of climate change.

Responsible Business – Global Sustainability: Many of our activities involve the transport of goods across global supply chains and the use of fuel and energy within vehicles and buildings, all of which cause

carbon emissions that drive climate change. It is our responsibility to minimise these emissions to help meet our climate emergency targets of ‘net zero’ direct carbon emissions by 2030 and indirect carbon emissions by 2040 by improving the way that we require our contracts to be delivered. Other impacts such as waste generation, pollution and loss of biodiversity can also be minimised by enhancing supplier environmental performance.

City for All Strategic Outcomes the RPC Strategy will help deliver:

- Westminster is Net Zero by 2030 and a net zero carbon city by 2040
- Cleaner air supports our community’s health & wellbeing
- Our streets, parks and open spaces are cleaner, more sociable places that improve mental and physical health

RPC Objective	RPC Commitments	Competition and Cost Implications/ Benefits
Increase environmental performance	Set environmental management requirements and evaluate suppliers on commitments and procedures related to air and noise quality, energy, water & waste minimisation and sustainable procurement	By establishing relative levels of maturity in environmental performance in sectors, we will determine industry acceptable specifications. Clean technology pilots will determine carbon savings so informed decisions on achieving net zero targets
Reduce the carbon intensity of electricity	Purchase 100% renewable electricity and seek to increase proportion of ‘additional’ renewable energy by investing in offsite renewable supply	Decoupling the procurement of electricity from the volatile energy market is designed to reduce cost and increase budget certainty as well as providing environmental benefits
Reduce indirect carbon: supply chains	Set reporting requirements to help baseline our scope 3 emissions and agree on meaningful reduction targets and related actions for our own organisation and our suppliers	Most firms have aligned carbon commitments to external targets; we will seek to request data already reported on. Additional workload will be shared between ourselves and the supplier. Advances made will help them demonstrate their commitment to new potential customers
Increase measures to aid climate resilience	Stipulate up-to-date experience of using resilient materials & implementing adaptation techniques and assess commitments to applying these to our projects	Initial premiums on future proofing for increasingly frequent and severe weather events helps to save costs and avoid risk and disruption in the longer term.

Community and Business Partnerships

Social Value - Enterprise and Community: Activities that derive community benefit, such as digital inclusion and outreach work can be delivered by contractors as part of their social value offer. Strategic suppliers can be part of delivering projects that will create a community regeneration legacy, such as communal gardens or play areas. Partnerships with our suppliers can be leveraged to create skills support and commercial opportunities for Westminster-based SMEs, minority-led organisations, social enterprises and community groups.

Sustainable Development - Smart Business: Understanding our supply markets and increasing the targeted pilots we undertake through our contracts improves our ability to be an intelligent and agile client

able to exploit new, clean and smart technology and solutions. Partnership working with strategic contractors to understand and respond to industry contexts facilitates a cascading of requirements and increased awareness of our RPC objectives across supply chain tiers.

City for All Strategic Outcomes the RPC Strategy will help deliver:

- Our communities are actively involved in service design and decision making
- Digital inclusion and improved access for residents
- Technology enables people to live healthier and more independent lives
- Westminster supports jobs & businesses
- Residents share in the benefit of regeneration and can access opportunities that arise from it

RPC Objective	RPC Commitments	Competition and Cost Implications/ Benefits
Increase trials and pilots of new tech and solutions	Use facilitated networking between tier one contractors & innovative firms, contractual requirements and supplier evaluation criteria to encourage trials and pilots of clean, efficient technology and solutions	Pilots will be undertaken with high performing strategic suppliers that have appropriate skills sets, capacity and networks. Outcomes will be used by each department to determine if rolling out the new approach represents best value for money
Increase projects for community benefit	Differentiate bidders on their offers of skills, time, resources and/or sponsorship of community projects by using a series of relevant social value options within evaluation criteria	Bidders will only be evaluated on RPC aspects relevant to each sector. The approach will be flexible providing a range of social value options so a broad range of types and size of organisation can fulfil them. Financial donations will never be mandated.
Increase impact of legacy projects	Use supplier evaluation and partnership work with contractors and communities to deliver legacy projects as part of community regeneration and larger contracts	Market research will be used to gauge the preferred types of offers from each sector, which can then be tailored to our community needs and a range of options offered to bidders
Increase skills support for smaller organisations	Encourage larger contractors to offer skills, time and commercial opportunities to smaller organisations by including this option within supplier evaluation criteria	Some suppliers may prefer to offer social value in the form of pro-bono skills support and they may benefit from smaller, agile sub-contractors.

Build Back Better

Social Value – Focused Recovery: Recovery from the impact of COVID-19 on our local economy can be contributed to by channelling the employment, skills and training offered by contractors towards Westminster residents and by requiring suppliers to focus these opportunities to roles where skills gaps currently exist and/or which will form part of the green economy in the longer term.

Sustainable Development – Circular Economy: As a society through the pandemic, we have learned about the potential to think and work in radically new ways when it is required of us. We can harness this

momentum to do things differently as we emerge from the crisis and use circular economy principles to drive resource and financial efficiencies through demand management, standardisation, flexible design and future proofing.

City for All Strategic Outcomes the RPC Strategy will help deliver:

- Residents are accessing the range of education, training and employment opportunities offered by the council
- Children and young people have the best start in life, are well cared for and attend excellent schools that promote achievement

RPC Objective	RPC Commitments	Competition and Cost Implications/ Benefits
Increase careers inspiration and preparation	Encourage contractors to participate in careers events by including this option within supplier evaluation criteria and facilitating delivery through our internal connections with schools and employment centres.	Careers events are a good means of attracting new talent to help evolve the business and industry and to learn about the viewpoints and expectations of the next generation. Costs to contractor can be mitigated by inviting them to attend events already organised by the Council, education or employment institutions.
Increase no. of skills and work-related opportunities	Set thresholds of required employment and skills offers according to the nature and value of the contract and assess proposed delivery as part of supplier evaluation criteria.	Taking on new recruits is part of any firm's operational agenda. Incentivising the creation of new work related opportunities builds on government instruments such as the Apprenticeship Levy and tailors it to Westminster communities' needs.
Increase no. roles for Westminster residents	Require all contractors to advertise roles through Westminster Employment Service (WES), preferably before they are released more widely.	It is standard practice by local authorities to require advertising of new opportunities through borough channels first. Westminster Employment Service helps to identify and prepare candidates, supporting contractors by reducing HR administrative burdens.
Increase implementation of the waste hierarchy	Set industry specific targets related to recycling and waste to landfill/incineration rates and use supplier evaluation criteria to assess supplier approaches to waste management and resource efficiency	Most businesses have waste reduction commitments and receive granular data on waste generation as standard. It is accepted that reducing waste saves money in the form of avoided costs of new materials, transportation costs, landfill and other disposal costs.

Inclusive, High-Quality Work

Local Impact - Job Motivation: Aspects of real importance to the working community include the pay, culture and conditions associated with their employment alongside professional development opportunities, and a diverse and inclusive workplace that is representative of its community. A living wage and the opportunity to learn and progress within the workplace is also key to social mobility.

Responsible Business – Human and Labour Rights: Responsible procurement and supply chain due diligence can be used to ensure legal and fair employment and to combat modern slavery and other

labour rights abuses that occur not only within global supply chains but also in the UK. We can use our purchasing power to ensure that everyone has the right to proper pay and conditions and a safe working environment, free from bullying and harassment, with appropriate complaints procedures in place.

City for All Strategic Outcomes the RPC Strategy will help deliver:

- Levels of deprivation and inequality have fallen
- Vulnerable children and adults receive care designed for their specific needs
- (Bi-Borough) Modern Slavery & Exploitation Strategy

RPC Objective	RPC Commitments	Competition and Cost Implications/Benefits
Increase professional development opportunities	Assess professional development opportunities related to staffing and resources or related to addressing imbalances in representation at different organisational tiers.	Professional development opportunities serve as a mechanism for social mobility and help to upskill, motivate and retain staff, which is essential for quality and continuity of service, especially within health and social care. Staff retention saves on onboarding/ training costs.
Increase workforce diversity, inclusion and representation	Evaluate bidder approaches to ensuring diversity, inclusion and representation within selection criteria	We will collaborate with experts, industry, public authority peers and supplier focus groups to identify and address priority areas and use lessons learned to invest in what yields the most impactful results
Increase monitoring of legal and fair employment & treatment	Audit high-risk aspects such as agency workers, stipulate clear requirements for staffing of 'gig' economy contracts and use evaluation criteria to assess treatment of staff.	We would only wish to do business with suppliers who treat their workers fairly and legally within the letter and spirit of UK employment law. Flexible working opportunities and staff benefits over and above this would not be set requirements.
Increase due diligence to combat modern slavery	Help deliver the Bi-Borough Modern Slavery Strategy, integrate modern slavery due diligence requirements into contracts including supply chain mapping and the hot-spotting of risks relevant to our contract	Market testing will be used to establish relative levels of maturity in each sector and to tailor requirements. We will help set continuous improvement targets and support supplier progress. Undertaking supply chain mapping leads to greater transparency of supply chains and an overall understanding of risk and supply continuity.

What will this strategy mean for me?

<p>Westminster residents, workers, students and visitors</p> <ul style="list-style-type: none"> • Improved air and noise quality, and safer roads • Increased urban greening and biodiversity • A public realm better prepared for the impacts of climate change • Increased support for social value initiatives and legacy projects that communities help to shape 	<p>Westminster's children</p> <ul style="list-style-type: none"> • Safer roads and pavements • Cleaner air around schools and the wider borough • Future opportunities to enter careers within the green economy • Reassurance that they are living in a borough playing its part to reduce the likelihood and impacts of future climate change
<p>Westminster's young people, job seekers and those in re-training</p> <ul style="list-style-type: none"> • Exposure to a wider range of career options and opportunities • An increased number of job opportunities for Westminster residents • More sustainable job opportunities in sectors with skill shortages • An increasing number of green jobs and skills on offer 	<p>Westminster SMEs, VCSEs, social enterprises and minority-led firms</p> <ul style="list-style-type: none"> • Skills support, mentoring and business shadowing opportunities offered by larger tier one contractors • Programmes to facilitate, support and target business opportunities within tier one supply chains • Ring-fenced opportunities to contract with the Council
<p>SME bidders</p> <ul style="list-style-type: none"> • More contracts divided into smaller lots to increase SME opportunities • Requirements for larger contractors to integrate SMEs into supply chains • Avoidance of costly and resource intensive tender requirements • Simplified evaluation criteria, tailored specifically to the nature of the contract and proportionate to the value of the contract 	<p>Workers in our supply chains</p> <ul style="list-style-type: none"> • Transparent procedures in place to address workplace bullying • An improved culture of diversity and inclusion within supplier workforces and a closing of any existing pay gaps • Targeted mentoring, job shadowing and fast track schemes to address imbalances in representation within all workforce tiers • Modern slavery and exploitation due diligence requirements designed to protect workers up the supply chain
<p>All future contractors</p> <ul style="list-style-type: none"> • Alignment of supplier evaluation criteria with industry priorities • Increased likelihood of winning contracts for those organisations committed to sustainable development and responsible business • Facilitation of trials and pilots of new technology and solutions • Procurement team support and continuous improvement targets rather than pass/fail criteria for complex and emerging issues 	<p>Westminster City Council staff</p> <ul style="list-style-type: none"> • Tailored RPC training delivered to Procurement & Commercial staff, service leads, commissioners, contracts managers and others involved in sourcing goods, services and works • Spend category specific written guidance on implementation of the RPC Strategy • A directory of supplier evaluation templates for 50+ categories

Measuring our success

1. **Procurement and Commercial Service** – This strategy is written and driven by the Procurement and Commercial Service. We will measure the number and proportion of relevant contracts that have responsible procurement and commissioning interventions. We will also collate the number of internal staff trained to support this strategy and number of case studies published on our website. The initial phase of the RPC Strategy implementation will involve supporting contract managers to monitor and evaluate suppliers on interventions that support each objective. At the same time, we will be building up performance data in each area to determine a baseline from which we can measure improvement and set more specific targets going forward.
2. **Contract management** - Performance of suppliers will be monitored at a contractual level in terms of responsible procurement and commissioning targets, adherence to the relevant tier of the Supplier Code of Conduct and the delivery of their tendered offers. They will be assessed through relevant Key Performance Indicators, Annual Improvement Plans or other contract management method used on each contract.
3. **Wider measures** - Outcomes of the delivery of the RPC Strategy will contribute towards a wide range of City for All

commitments and pledges, as well as GLA and national targets. These will be fed into the Council's City for All performance framework, which is currently being developed. RPC reporting will also allow the demonstration of how we are contributing to the UN SDGs if the City Council wishes to affiliate with these Goals in the future.

4. **Annual reporting** – A report measuring the impact of our actions plans against the strategy and the delivery of our 32 objectives will be published annually as part of the Procurement and Commercial Service report to Audit and Performance Committee.
5. **Other reporting** - We will publish case studies and interviews with suppliers that successfully deliver RPC on our website in order to give existing and prospective contractors ideas of how they can progress and contribute to achieving our objectives. Westminster City Council is part of the London Responsible Procurement Network (LRPN) of public authority counterparts based in the capital. The Network meets regularly to share best practice and lessons learned, with focus areas across a broad range of responsible procurement topics including air quality, social value, carbon reduction, modern slavery etc. We intend to share useful RPC implementation materials with our counterparts in these boroughs, academic institutions and GLA family, and to collaborate with wider local authority and government counterparts to progress RPC in the UK.