



2022-2026

Responsible Procurement and Commissioning Strategy



City of Westminster

Foreword

Westminster City Council's vision is for a Fairer Westminster; one in which our residents are at the heart of our decision-making. The aim is to reduce poverty and inequality, promote community wealth building and make Westminster a healthier and more equitable place, whilst we tackle homelessness, promote ambitious action on environmental sustainability, and ensure the information and services are transparent and easily accessible. This Responsible Procurement and Commissioning Strategy is part of the City Council's approach to delivering our Fairer Westminster vision while contributing towards wider societal, national, and global goals.

We are living through challenging times of pressing political, economic, and social issues: grappling with high energy prices and the rising cost of living has become a matter of urgency as it has shone a light on pervading inequality in the UK, exposed workers' employment rights have been undermined, and tackling the climate crisis needs major changes.

Over many decades, unchecked business activities, the use of nebulous global supply chains and placing profit over considerations 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.

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 strive to deliver this Strategy at pace, as we recognise its pivotal role in meeting our net zero carbon city target by 2040. We will work with our communities to build a more inclusive city that celebrates our diverse communities, and where residents, workers and visitors from all backgrounds will feel welcome and safe, nurturing a diverse, sustainable, and resilient economy, one where residents share in the city's economic success. We will play our part in driving innovation, progressing the circular economy, and ensuring the right due diligence procedures are in place to help end exploitation of workers in domestic and global supply chains.

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, help good businesses win new contracts, avoid creating barriers to smaller suppliers and achieve best value for money, whilst at the same time ensuring that we deliver meaningful outcomes that help deliver a Fairer Westminster.

Cllr David Boothroyd

Cabinet Member for Finance and Council Reform

Executive Summary

This Responsible Procurement and Commissioning (RPC) Strategy is designed to translate our Fairer Westminster 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 pillars of our Fairer Westminster Strategy, with themes related to 'Fairer Housing' running throughout:

Fairer Communities

- Increase collaboration with contractors to tackle poverty and inequality in Westminster.
- Increase supply chain equality, diversity, and inclusion.
- Increase partnership with contractors to strengthen local communities.

Fairer Environment

- Increase climate action.
- Reduce air pollution from contractor activity.
- Reduce waste and integrate circular economy principles within supply chains.
- Increase contractor contribution to urban greening and biodiversity.

Fairer Economy

- Increase spend with and support for target organisations to drive community wealth building.
- Increase decent work and training for Westminster residents and professional development of existing supplier staff.

Fairer Council

- Increase due diligence to combat modern slavery & exploitation.
- Increase responsible business performance of contractors
- Increase sustainable procurement and supply chains

Each pillar references the United Nations Sustainable Development Goals (UN SDGs) that our activities will contribute towards. Each objective is accompanied by clear commitments on how they will be achieved.

A summary page is provided, setting out the 12 objectives of the RPC Strategy alongside the Fairer Westminster Outcomes they will help achieve. Also included is a section setting out what this RPC Strategy will mean to our communities, local businesses suppliers and council staff.

We set out our approach to operational implementation, at each stage of the procurement cycle. This includes a review of the performance of RPC in current contracts, use of robust terms and conditions, tailored selection criteria, significant weightings for RPC in evaluation criteria and contract management approaches to ensure compliance and facilitate delivery.

The council recognises the importance of measuring the impact of implementing this RPC Strategy and we will do this in three ways:



Inputs

We will ensure that our procurement staff are embedding the necessary RPC measures within tendering activities.



Outputs

Our contract managers will monitor and report on contractor RPC performance and where there are barriers, the contractors will be supported by relevant officers within the council that have the knowledge and networks to facilitate delivery.



Impact

We will use the data we collect to inform future service design and procurement activity so that we can drive real change. This will involve engagement and consultation with our communities and wider subject-matter experts.

Introduction to Responsible Procurement and Commissioning (RPC)

Our Responsible Procurement and Commissioning Strategy aims to leverage the potential of the council's spend and supplier relationships to minimise the risk of harm to workers, public health and the environment and to 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.

The key terms

Procurement

Westminster spends over £500 million annually acquiring goods, works and services from third parties. In the public sector, procurement activity is subject to a legal framework which encourages free and open competition and value for money, in line with internationally and nationally agreed obligations and regulations.

However, procurement can also be used as a policy driver by selecting and scoring suppliers based on their current performance and future commitments to protecting the environment, providing social value and operating ethically. We intend to maximise the impact of our significant spend by integrating relevant responsible business requirements and incentives in every tender we develop and each framework we use.



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 delivering their Social Value objectives. They are provided with support for the duration of the contract to monitor and evaluate the social impact delivered across the borough.

Responsible Business

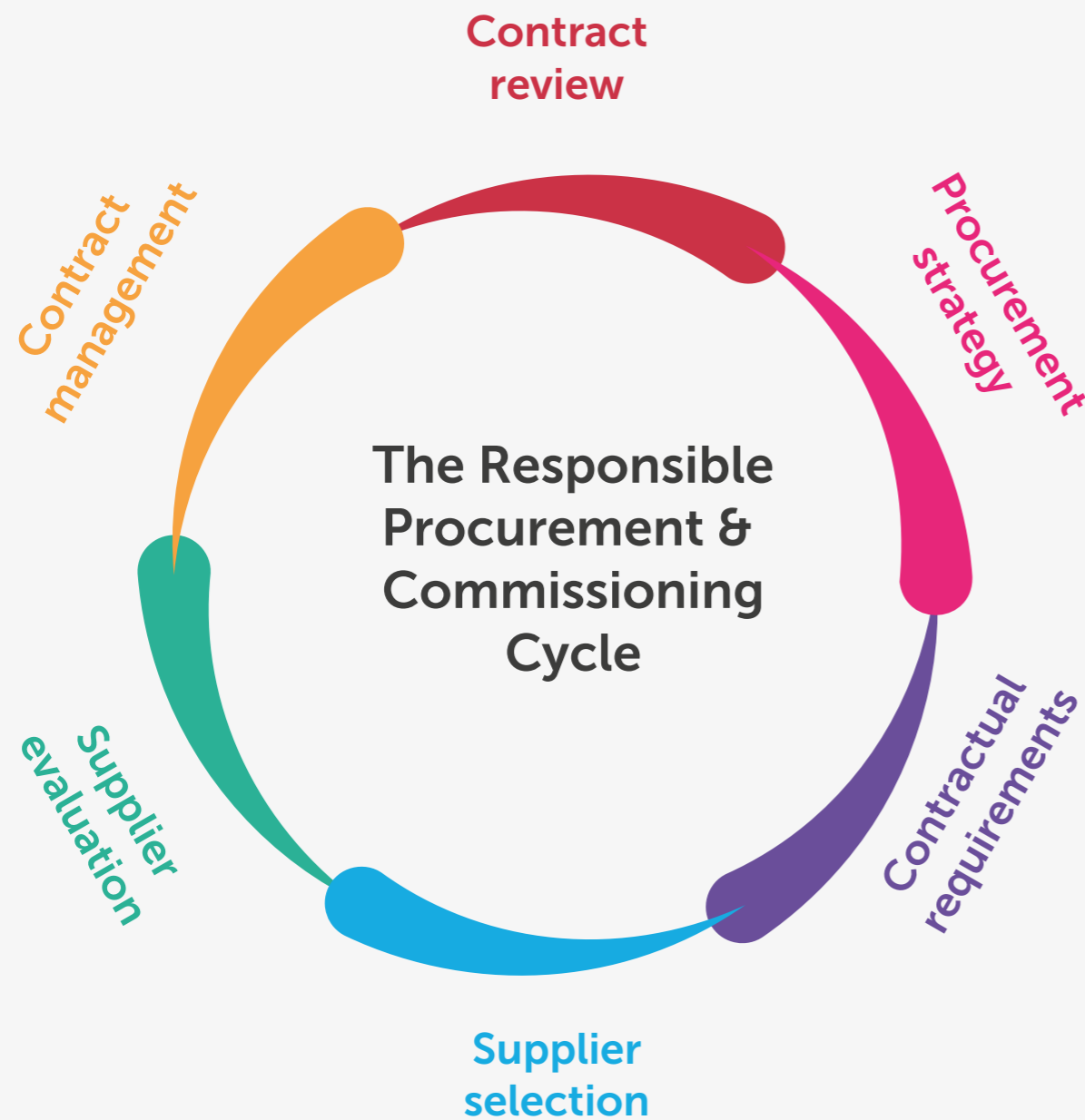
A 'Responsible Business' is one which uses its decision-making processes across all business activities to minimise negative impacts and deliver positive environmental, social, ethical and economic benefits to all stakeholders, in a transparent way. To ensure alignment with public and private sector 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.

Commissioning

This covers the whole lifecycle from planning procurement activity through to monitoring services. For responsible procurement and commissioning (RPC) to be effective, it is vital that RPC principles are considered when services are planned and as part of contract management. Promises made by suppliers in tenders must be monitored by contract managers and delivery facilitated by council staff wherever possible.

Operational Implementation

Our goal is to embed responsible business principles throughout the procurement and commissioning cycle to have the greatest impact possible, whilst ensuring that our suppliers are clear about their role and prepared to make the necessary improvements.



Contract review

- Baselining - Establishing incumbent supplier baselines to provide the basis for continuous improvement in future contracts.
- Lessons learned - Evaluation of strengths and limitations of previous contract delivery, using findings to guide our future approach.

Procurement strategy

- Market testing - Engagement with bidders and sector representatives to establish market maturity and how ambitious our RPC aims can be.
- Category analysis - Looking at optimal procurement strategies to achieve RPC goals e.g. disaggregation, lotting etc.

Contractual requirements

- Inclusion of relevant RPC commitments within specifications so they form an inherent part of the contract. Our Ethical Procurement Policy is included in our standard terms and conditions and sets out clear supplier requirements on workers' rights.
- Tailoring - Consultation with front line colleagues to ensure an effective and informed approach to delivering community benefit.

Supplier selection

- Our Supplier Charter is comprised pass/fail requirements that are included within the supplier selection process. Bidders must commit to evidencing technical and professional ability and willingness to align contract delivery with the RPC Strategy in order to tender for our contracts. Each requirement is tailored according to the value, nature and duration of the contract.

Supplier evaluation

- This year, we increased our minimum RPC weighting from 5% to between 10-20%, depending on the nature of the contract. We will review progress and assess a potential increase for contracts that present significant risks and/or opportunities.
- Our Supplier Evaluation Directory is a bank of questions tailored to 80+ categories of spend, refined by the P&CS team within each tender according to nature and value of the contract.

Contract management

- Ensuring and facilitating RPC compliance within new contracts and voluntary commitments amongst existing suppliers.
- Translation of all commitments made as part of specifications, selection criteria and tender offers into contract performance indicators.

Delivering Fairer Westminster Outcomes

Pillars

RPC Strategy Objective

Fairer Westminster Outcomes

Fairer Communities

1. Increase contractor collaboration on tackling poverty and inequality in Westminster.
2. Increase supply chain equality, diversity and inclusion.
3. Increase partnership with contractors to strengthen local communities.

Poverty and inequality are reduced, making Westminster a healthier and more equitable place.

The city is a safe place where all discrimination is tackled and everyone feels welcome.

Community and voluntary sector organisations are empowered to prosper in Westminster.

Fairer Economy

4. Increase spend with and support for target organisations.
5. Increase decent work and training for Westminster residents and professional development of existing supplier staff.

Small businesses are supported to grow and remain, whilst our local high streets prepare to face the future, becoming more vibrant and accessible, at the heart of communities.

Residents have the right skills to take advantage of the city's employment opportunities and develop fulfilling careers.

Fairer Environment

6. Increase climate action to meet our 2040 net zero city target.
7. Reduce air pollution from contractor activity.
8. Reduce waste and integrate circular economy principles within supply chains.
9. Increase contractor contribution to urban greening and biodiversity.

The Council takes ambitious action on climate change with the aim of becoming a net zero council by 2030 and a net zero city by 2040.

The city matches World Health Organisation guidelines to limit residents' and visitors' exposure to air pollution.

Westminster's streets are cleaner and safer, our services use clean technology, and recycling is increased.

People have access to high-quality green spaces, shops, voluntary, community, health, and leisure services within a 15-minute distance from their home.

Fairer Council

10. Increase due diligence to combat modern slavery and exploitation.
11. Increase responsible business performance of contractors.
12. Increase sustainable procurement and supply chains.

Our procurement is responsible and ensures ethical treatment of people and our investment activity takes account of environmental aspects.

Pillar 1

The 'Fairer Communities' pillar of the RPC Strategy focuses on social value by addressing both short and long-term community need and ensuring fairness, inclusion and representation of people with protected characteristics under the Equality Act 2010.



Objective:

1. Increase contractor collaboration on tackling poverty and inequality in Westminster.

We will keep regularly abreast of the needs of different community stakeholders, across all Westminster wards.

We will leverage, tailor and facilitate social value contributions made by contractors to help alleviate the impacts of the 'cost of living' crisis for Westminster residents.

We will monitor social value delivery and work with suppliers to adjust approaches according to changes in community need.

Objective:

2. Increase supply chain equality, diversity and inclusion.

We will share learning on closing gender and ethnicity pay gaps with our strategic suppliers.

We will select and evaluate suppliers on their action on and commitment to creating an inclusive culture, closing pay gaps and ensuring a diverse and representative workforce.

We will engage with different sectors, incentivise and work with suppliers to provide work placements for people with learning disabilities.

Objective:

3. Increase partnership with contractors to strengthen local communities.

We will work with community and voluntary sector organisations and front line colleagues to understand where and how to target community cohesion programmes, to be supported by suppliers.

We will leverage, tailor and facilitate social value contributions made by contractors to engage young people, improve safety, increase digital inclusion and provide community spaces.

We will monitor and facilitate social value delivery in partnership with suppliers.

This pillar supports the following:



Pillar 2

The 'Fairer Economy' pillar of the RPC Strategy covers local economic growth; targeting opportunities to local people and enterprises, driving supplier diversity and facilitating social mobility. This pillar will be tailored over time to ensure alignment with the council's evolving approach to community wealth building.

Fairer Economy

Objective:

4. Increase spend with and support for target organisations.*

We will keep regularly abreast of the needs of different community stakeholders, across all Westminster wards.

We will leverage, tailor and facilitate social value contributions made by contractors to help alleviate the impacts of the 'cost of living' crisis for Westminster residents.

We will monitor social value delivery and work with suppliers to adjust approaches according to changes in community need.

*local and small businesses, minority-led businesses and Voluntary, Community and Social Enterprise organisations including co-operatives

Objective:

5. Increase decent work and training for Westminster residents* and professional development of existing supplier staff.

We will share learning on closing gender and ethnicity pay gaps with our strategic suppliers.

We will select and evaluate suppliers on their action on and commitment to creating an inclusive culture, closing pay gaps and ensuring a diverse and representative workforce.

We will engage with different sectors, incentivise and work with suppliers to provide work placements for people with learning disabilities.

*especially targeting 16-24s, over 50s, residents with a disability, residents with a minority ethnic background, care leavers, the armed forces community, homeless people and ex-offenders

This pillar supports the following:



Pillar 3

The 'Fairer Environment' pillar of the RPC Strategy includes four objectives that seek to ensure rigorous environmental management, the mitigation of supply chain environmental impacts, an improvement of our local environment and increased access to green community spaces.

Fairer Environment

Objective:

6. Increase climate action to meet our 2040 net zero city target.

We will set carbon reduction targets; driving and facilitating improved energy efficiency, clean tech and low embodied carbon.

We will establish a baseline for supply chain emissions and set a Scope 3 net zero carbon target.

We will source and promote affordable, renewable electricity that helps to decarbonise the national grid.

We will factor climate resilience into all relevant contracts.

Objective:

7. Reduce air pollution from contractor activity.

- We will transition to a zero-emission fleet.
- We will set continuous emissions reduction targets within contracts and facilitate the use of clean vehicles by contractors.
- We will increase logistics efficiency through consolidation.

Objective:

8. Reduce waste and integrate circular economy principles within supply chains

- We will baseline and set continuous waste reduction targets within contracts.
- We will eliminate single use plastics.
- We will embed circular economy principles in contracts and category strategies
- We will investigate the viability of circular, green products and pilot their use within our contracts.
- We will monitor and facilitate social value delivery in partnership with suppliers.

Objective:

9. Increase contractor contribution to urban greening and biodiversity.

- We will create opportunities for suppliers to contribute to new urban greening projects and maintenance of community green spaces and biodiverse habitats.
- We will work with contractors with biodiversity expertise in built environment and horticulture contracts to achieve biodiversity net gain across our city and replenish our natural environment.

This pillar supports the following:



Pillar 4

The 'Fairer Council' pillar of the RPC Strategy aims to ensure responsible business practices within our local and global supply chains. It seeks to improve the way that our contractors operate including their treatment of workers and subcontractors and their approach to responsible operations including fair tax conduct and sustainable procurement.



Objective:

10. Increase due diligence to combat modern slavery and exploitation.

We will risk-assess sectors and contracts on the basis of modern slavery risk and prioritise accordingly.

We will include clear and robust due diligence requirements in contracts.

We will assess supplier performance and work in partnership to make continuous improvements.

We will, with peers and external experts, work towards a just transition by scrutinising human rights issues in clean technology industries.

Objective:

11. Increase responsible business performance of contractors.

We will improve workers' rights in our supply chain.

We will ensure that working conditions align with the spirit and letter of the law.

We will raise awareness and work with partners to enable procurement to influence business ethics including fair tax conduct.

Objective:

12. Increase sustainable procurement and supply chains.

We will use sustainable procurement criteria and ensure that contractors are doing so on our behalf.

We will incentivise upskilling by our contractors of their supply chains in responsible business including sustainability, social value and ethical sourcing.

We will support smaller enterprises to improve their approach to responsible business.

This pillar supports the following:



What will this strategy mean for me?

Westminster residents, workers, students and visitors

- Improved air quality and 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

Westminster residents, workers, students and visitors

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SME bidders

- 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

All future contractors

- 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

Westminster's children

- Cleaner air around schools and the wider borough
- Safe, green spaces to learn and play
- Future opportunities to train and progress in sustainable careers
- Reassurance that they are living in a borough playing its part to reduce the likelihood and impacts of future climate change



Westminster SMEs, VCSEs, social enterprises and minority-led firms

- 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

Workers in our supply chains

- 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

Westminster City Council staff

- 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 80+ categories

Measuring our success

Procurement and Commercial Service

- This strategy is written and driven by the Procurement and Commercial Service (P&CS). We need to ensure that all P&CS staff, Commissioners, Contract Managers and Services leads across the council receive the right training and guidance to be able to effectively implement the objectives of the RPC Strategy.
- We already report RPC implementation through our standard governance processes, but we will now start to measure this on a more granular level including the proportion of relevant contracts that have RPC interventions relating to each objective.

Contract management

- The initial phase of the RPC Strategy implementation will involve supporting contract managers to monitor and evaluate suppliers on interventions that support each objective.
- We must ensure that our contractors are adhering to contractual requirements and to fulfilling the commitments they made in their tender offers; this contributed to them being awarded the contract. Measuring contract-specific RPC performance can help identify the areas contractor need support with delivery, which the council can often provide. They will be assessed through relevant Key Performance Indicators, Annual Improvement Plans or other contract management methods used on each contract.



Wider measures

- Outcomes of the delivery of the RPC Strategy will contribute towards a wide range of Fairer Westminster commitments and outcomes, as well as GLA and national targets. RPC reporting will also allow the demonstration of how we are contributing to the UN SDGs.
- Our most important consideration is what we do with the data we collect. The council recognises that inputs don't indicate what is being delivered and that outputs tell us the actual impact made on our communities, environment or supply chain. We want to start building a better set of data that will inform future design of service design and procurement activity so that we can drive real change.

Annual reporting

- A report on the delivery of our 12 objectives will be published annually as part of the Procurement and Commercial Service report to Audit and Performance Committee and publicly on the Responsible Procurement and Commissioning pages.

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 contractor 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 the Greater London Authority, and to collaborate with wider local authority and government counterparts to progress RPC in the UK.



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