

The GLA group Responsible Procurement Report

March 2021

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**Greater London Authority
March 2021**

Published by
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1. Foreword from the Mayor

When I stood to be the Mayor of London, I said I wanted all Londoners to have the same opportunities that this city gave to me and my family. And I'm as passionate as ever about building an economy that works for everyone and leaves none of London's communities behind.

The GLA group's responsible procurement programme contributes to that goal by using our vast buying power to help create a fairer, greener and more equal city. We have the potential to achieve real and lasting change by demanding our partners become more environmentally friendly, while meeting the highest employment standards, whether it's by paying the London Living Wage or promoting greater diversity within their workforce.

This is the first progress report since I published my updated Responsible Procurement Policy in June 2017. It details the breadth of our commitment and shows just how far we've come in achieving our objectives.

Every year, hundreds more apprentices are joining our supply chain as a result of innovative work with partners and suppliers. Not only is this helping to address the chronic skills gap in our city's transport and infrastructure sectors, but it's also helping to create positive opportunities and bright new futures for young Londoners.

Due to the steps we've taken, more workers are now receiving fair pay and we're improving representation within our supply chains. We're also tackling the climate emergency by cutting our carbon emissions, transitioning our vehicle fleets to low-emission models, supporting cleaner air for all Londoners and pioneering new 'circular economy' approaches that ensure resources are used more efficiently and waste is cut, particularly single-use plastics.

But there's still much to do. I want us to be a leader in responsible procurement so we can deliver the best possible value for money for London's taxpayers and use our spending power to pursue the goals of London's Recovery from the economic and social impacts of COVID-19.

The health, social and economic impacts of COVID-19 have been devastating for Londoners and for our city as a whole, impacting lives and livelihoods. They have shown, more than ever, the urgent need for us to do business in a way that supports high-quality and well-paid jobs, helps small and diverse suppliers, encourages fair employment practices and skills development, and protects and enhances our environment.

London's Recovery is overseen by a Board jointly led by City Hall and London Councils that includes many institutional partners representing London's private, public and voluntary sectors, along with Trade Unions. The Board has identified a particularly important role for our city's anchor institutions such as the Greater London Authority, Transport for London, London Fire Brigade and the Metropolitan Police Service, to work together to meet our city's grand challenge: to restore confidence in the city, minimise the impacts on communities and build back better

the city's economy and society. Through the new London Anchor Institutions' Charter, we join other partners from the NHS, education, faith groups and business sectors in committing to using our procurement to bring a particular focus on maximising employment opportunities and helping young people to flourish.

As we emerge from this crisis and look beyond it, public expenditure that gives back to communities will have a key role to play in ensuring London's recovery is strong, sustainable and just.

At the same time as recognising the specific challenges facing small and medium sized-enterprises, I know that by working in partnership with our supply chain and with industry, together we can lead a swift and sustainable recovery from this crisis, building a better city for today's Londoners and for future generations.

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small number '2' written below the name.

Sadiq Khan
Mayor of London

2. Introduction

The GLA group annually procures around £9.5 billion worth of products and services. The Mayor is committed to 'Leading by Example', using the scale and diversity of this public spending to improve the lives of Londoners, by creating a fairer and more environmentally sustainable economy.

Responsible procurement means pioneering socially, environmentally and economically sustainable procurement to achieve a better quality of life and greater value for money.

It involves developing partnerships to help more people into work and improve employment conditions. It also means opening up access to contract opportunities for diverse businesses and voluntary and community sector organisations, encouraging best practice among our suppliers and promoting greater environmental awareness.

Responsible procurement can deliver a range of benefits, including boosting local skills, driving innovation, improving the environment, delivering social value, getting good value for money, and managing risks.

These ambitions are delivered through the GLA group Responsible Procurement Policy and Implementation Plan. This report presents performance against that policy and implementation plan. It also reveals an increasing appetite to fully embed the values within our business, ensuring the systems, processes, measures and management are in place to achieve even greater success in the future.

In line with our aspiration to 'Lead by Example', we hope that as well as influencing our own supply chain, the results of our programmes will in future resonate beyond the GLA group to other public and private organisations, benefiting businesses and communities not just in London, but across the UK and beyond.

3. Summary of performance

Performance against the 12 KPIs of the GLA group Responsible Procurement Implementation Plan is presented below, along with targets where these are in place. This covers the period from April 2019 – March 2020 unless stated otherwise. Note that these are performance indicators rather than targets. Since this is the first Responsible Procurement Report, all statistics represent baseline data unless stated otherwise.

1. 189 staff attended responsible procurement classroom training; 641 completed our responsible procurement e-learning module
2. 3,402 suppliers are small or medium enterprises (SMEs); 29.8 per cent of all GLA Group suppliers
3. More than £340m spent with SMEs; 2.5 per cent of total direct spend
4. 85 per cent¹ of SME invoices paid within 10 days (target: 90 per cent)
5. 21 GLA group suppliers are working through accreditation to the Good Work Standard, launched in July 2019
6. The mean hourly gender pay gap for GLA Group key suppliers ranged from -23 to +45 per cent; the median hourly gender pay gap ranged from -32 to +52 per cent.
7. 4,694 supply chain workers received a pay uplift from the annual review of the real London Living Wage rate
8. 783 supply chain apprenticeship starts (target: 500). 1,027 jobs created through TfL's Supplier Skills programme (48% BAME; 33% Women and 45% previously workless)
9. 50 per cent of apprenticeship starts are from Black, Asian or minority ethnic (BAME) backgrounds, with 15 per cent women.

¹ MPS data was not available for 2019/20 due to the transition to a new financial system. This issue has been resolved for 2020/21 performance reporting

10. 60 per cent of relevant suppliers have been assessed to have published a compliant Modern Slavery statement
11. 71 key suppliers (63 per cent) have an ISO 14001 Environmental Management System or equivalent
12. 11 per cent of GLA group fleet vehicles are zero emissions capable (ZEC) (target: 100 per cent by 2050). 53% of general-purpose cars are ZEC (target: 100% by 2025).

4. Overview of the Responsible Procurement programme

The GLA group Responsible Procurement Policy ensures that purchases of goods and services deliver the following objectives, in line with best practice and legal requirements:

- enhancing social value
- encouraging equality and diversity
- embedding fair employment practices
- enabling skills, training and employment opportunities
- promoting ethical sourcing practices
- improving environmental sustainability.

The Policy is delivered via the GLA group Responsible Procurement Implementation Plan (RPIP), which sets out measurable actions and targets to deliver the policy's objectives. It covers a two-year period from 2018-19 to 2019-20, as well as featuring indicative ambitions beyond 2020.

The GLA group Central Responsible Procurement Team (CRPT), hosted within TfL's Commercial function, supports the functional bodies in implementing the policy. The CRPT works across the whole group, offering strategic oversight, leading on cross-cutting programmes and training, and providing subject matter expertise. It also manages communications and engagement with industry.

The CRPT has led the adoption of the ISO 20400 Standard for Sustainable Procurement - an internationally recognised standard to manage and improve responsible procurement, which includes internal and independent audits of our processes. We achieved an overall assessment score of 3.74 out of 5, equating to 74.8%. This is one of the highest scores following 40 external assessments of other organisations (as at August 2019).

The Policy and Implementation Plan cover the entire GLA group, which comprises the following 'functional bodies':

- City Hall
- Transport for London (TfL)
- The Mayor's Office for Policing and Crime (MOPAC)
- The Metropolitan Police Service (MPS)
- London Fire Commissioner (LFC)
- The London Legacy Development Corporation (LLDC)
- The Old Oak and Park Royal Development Corporation (OPDC).

The functional bodies each have their own plans in place to deliver the RP Policy. Their commitments to fully resource these to ensure effective delivery are set out the annual GLA Group Budget, in line with the Mayor's Budget Guidance.

This report presents delivery against each of the ambitions of the RPIP from April 2019 to March 2020. Its six chapters reflect the RP Policy objectives.

5. Enhancing social value

‘Social value’ is about bringing benefits to the community through the way public money is spent. The GLA group aims to be a leader in this area and has a particular focus on ensuring workers are paid the London Living Wage, enhancing skills, and enhancing the environment.

Ambitions

- All key commercial staff within the functional bodies will receive training in the application of responsible procurement and social value practice and principles.
- By the end of 2019-20, we will identify an appropriate methodology to measure social value outcomes.

Progress

Training

GLA group staff received Responsible Procurement training: 641 completed a bespoke e-module, 142 attended a one-day workshop and 47 attended a 90-minute bite-size session workshop. 74 per cent of those who attended the one-day workshop would recommend the course to colleagues.

As a result, contract managers procuring goods and services are better equipped to specify requirements that deliver the RP Policy, whilst central commercial staff are better able to give support that delivers the same.

London Themes, Outcomes and Measures (TOMs)

The GLA is a member of Local Government Association’s National Social Value Taskforce, which has developed a national framework– Themes, Outcomes and Measures (‘TOMs’) – which measures the financial benefits to the community of achieving ‘social value’ through procurement, as well as a toolkit to guide delivery.

We have developed a London-specific equivalent, in order to measure the social value outcomes of our delivery of the RP Policy.

We are now trialing the London TOMs framework with a number of contracts selected from each functional body. This will provide an evidence base from which to assess how we deliver social value through our procurement processes in 2021-22 and beyond.

6. Encouraging equality, diversity and inclusion

The Mayor is committed to creating a fairer city where all people feel welcome and able to fulfil their potential. This is delivered through 'Inclusive London', the Mayor's equality, diversity and inclusion (EDI) strategy – which states “The GLA group can spread these values through responsible procurement, working with the supply chain to ensure a commitment to equality, diversity and inclusion”.

The strategy also seeks to remove the barriers that inhibit SMEs and community sector organisations – particularly those led by women, Black, Asian, minority ethnic (BAME) people and other under-represented groups – from easily entering our supply chain. Our procurement processes must be transparent, straightforward and open to all.

Ambitions

- Pay 90 per cent of SME invoices within ten working days and improve this over time.
- From 2018, engage with key stakeholders, including the Federation of Small Businesses, to identify and address barriers to small and diverse businesses participating in our supply chains.

Progress

Paying SMEs promptly

85 per cent of SME invoices were paid within the target timeframe. Work will continue to achieve the 90 per cent target.

Unblocking barriers to business

SMEs are an important driving force in the London economy. Currently, the GLA group spends £340m with SMEs, which represents 2.75 per cent of annual spend. In the past year, working with the GLA's London Business Hub, we have engaged with stakeholders including the Federation of Small Businesses, networks that support diverse organisations, and the London Economic Action Partnership, to identify and unblock barriers to small and diverse businesses participating in our supply chains.

Two focus groups brought together representatives from a cross-section of SMEs and supporting networks who bid for GLA group contracts; 43 per cent were minority-owned and 48 per cent were women-owned SMEs. The recommendations from the focus groups will be signed off by the GLA group and form the basis of the Small and Diverse Business action plan, and will include; networking events, procurement process improvements and key supplier engagement to support SMEs lower down the supply chain. Opportunities are also being explored with Newable, with their fully funded Inclusive Supply Chain programme, to support SMEs to navigate the procurement process and access contracts

MPS opportunities for SMEs

CompeteFor, a free web-based brokerage portal, was created by the London Development Agency to increase awareness and access to opportunities for the London 2012 Olympics. Available to all UK businesses in both the public and private sectors, it is used today to buy everything from televisions to veterinary equipment.

The Metropolitan Police Service (MPS) has been using CompeteFor for 12 years. As a competitive service, not only do small or medium-sized enterprises (SMEs) have equal access to opportunities between £5,000 and £50,000, but procurers receive quotes quickly and efficiently.

In 2019/20, of the 139 contracts awarded by the MPS via CompeteFor, 64 of those businesses that chose to declare their status were SMEs. Of these, nine were owned by a person from a BAME background, and 11 were owned by a woman.

Moving forward, the MPS and its service provider will continue to use CompeteFor for procurement activities under £50,000. This work will contribute to ongoing efforts to encourage and support small and diverse businesses within the supply chain.

Opening doors at TfL for under-represented communities

TfL has been working closely with suppliers as part of its talent strategy to encourage diversity in leadership positions. It has, for example, increased access to its mentors and coaches by setting up a successful cross-company mentoring programme for BAME employees at IT company Fujitsu.

There is also a clear business benefit – diverse executive teams are 33 per cent more likely to have industry-led profitability². They are less likely to make decisions based on unconscious bias, are more innovative and more adaptable to change.

TfL works with charities, employability groups and the supply chain, to run programmes that address skills shortages in the transport and engineering sectors. It has focused on supporting women and BAME candidates, via the 'Women in Transportation and Engineering' (WiTE) and BAME into Transport and Engineering' (BiTE) programmes. During 2019-20, these programmes contributed to the creation of 638 apprenticeship starts, with 62 per cent of new recruits coming from a BAME background. A third of BiTE participants went on to gain permanent jobs.

2

https://www.mckinsey.com/~media/McKinsey/Business%20Functions/Organization/Our%20Insights/Delivering%20through%20diversity/Delivering-through-diversity_full-report.ashx

“Through BiTE, I was introduced to endless career prospects which provided me with the opportunity to learn more about the railway and construction industry. I met many helpful and knowledgeable tutors who guided me and helped me develop all the necessary skills that are required for me to succeed in my career”

Sheryl Opoku-Ware, BiTE participant and HR apprentice at Cleshar

Designing for diversity

One initiative has seen the LLDC team up with design and architecture contractors on the Park to develop work placements and internships that pay the London Living Wage.

Companies bidding for design contracts are asked to commit to the programme early in the procurement process. Work opportunities are targeted at students living in the local area and those from under-represented communities. They are an opportunity to gain valuable professional experience with industry-leading practices, increasing the chances of participants building rewarding careers.

So far, 44 young people studying for degrees in built environment professions, such as architecture, engineering and construction management, have secured placements. More than 80 per cent are from black, Asian or minority ethnic (BAME) communities and 43 per cent are women.

Supply chain partners that have offered opportunities include Allies & Morrison, PRP, Buro Happold and Lifschutz Davidson Sandiland.

7. Embedding fair employment practices

The Mayor's Good Work Standard is the London benchmark for good employment practice. With the London Living Wage at its heart, the Good Work Standard encourages employers to adopt best practice in areas such as fair pay and conditions, diversity and inclusion, skills and progression and workplace wellbeing. It also sets the bar for workforce dialogue and engagement and we expect our suppliers to recognise and respect the right to associate freely and to organise and bargain collectively. The Mayor is clear that workplaces are safer, more productive and better places because of our trade unions.

The GLA group Responsible Procurement policy reflects this determination to establish fair employment practice with the GLA's suppliers.

Ambitions

- Ensure 100 per cent of relevant contracts require payment of the London Living Wage (LLW) to workers and ensure suitable mechanisms for ongoing pay uplift in line with the annual LLW review.
- Promote the Mayor's Good Work Standard and encourage suppliers to sign up.
- Encourage relevant suppliers to address their organisational gender pay gaps.

Progress

Paying the London Living Wage

The London Living Wage (LLW) is a voluntary scheme which sets an hourly rate of pay based on the actual costs of living in London. It gives workers and their families enough to afford the essentials. The LLW is one route to a fairer and more inclusive economy.

The GLA group has supported the LLW since its inception and the functional bodies are among the 2000 London employers accredited to the Living Wage Foundation.

All functional bodies have applied the LLW to relevant contracts, primarily in facilities management where there is a prevalence of low-paid workers. As of March 2020, 4,694 employees in the GLA's supply chain were paid the London Living Wage and benefitted from the annual uplift to their salary to reflect increasing costs of living.

The Good Work Standard

The Mayor has written to all key suppliers to encourage them to sign up to his Good Work Standard since launching it in July 2019, and the first are working through the accreditation process. Across London, over 80 organisations are now accredited.

Tackling the gender pay gap

We have recorded the gender pay gap in our key suppliers and are working with them to improve this. We are tackling gender under-representation in key sectors such as construction and transport, by including clauses in key contracts.

Ensuring fair employment

Annual audits of all Park-based companies and contractors are helping the LLDC to check compliance with its fair employment standards.

The audits are designed to ensure quality job opportunities are provided, guarantee the Park is a place where the London Living Wage is paid, and get assurance that workers are not subject to exploitative practices, such as the inappropriate use of zero hours contracts.

In the latest audit, carried out in September 2019, more than 900 people working either directly or indirectly for 20 lead contractors were reviewed. Half of the employers were in operational venue management, including at the London Stadium and the London Aquatics Centre, and wider park management. The rest were working on major construction sites at the Park, Stratford Waterfront East Bank, Chobham Manor and East Wick and Sweetwater residential developments.

The LLDC's standard contracts require employers to abide by the Modern Slavery Act and, during the procurement process, bidders' Modern Slavery Statements are assessed. Its project management partner, Mace, is responsible for making sure contractors comply, and meet the requirements of a Certified Ethical Labour Scheme³.

Contractors are also encouraged to recruit directly where possible and carry out regular audits of third-party agencies to check for signs of human rights abuses.

³ A Certified Ethical Labour Scheme enables labour providers to demonstrate to existing and potential clients that they operate responsibly, professionally, legally and ethically in their sourcing and supply of workers

8. Enabling skills, training and employment opportunities

In 2019/20 the GLA became responsible for the Adult Education Budget for Greater London allowing the GLA to focus on meeting local area need and deliver local economic objectives. London government is calling for a new era of devolution and funding from government to establish a holistic skills and employment system with the aim of tackling poverty, exclusion and inequality, building a genuine lifelong learning culture, and delivering inclusive growth in the capital, for the benefit of the UK as a whole.

Skills, training and employment targets are built into relevant contracts, and we work with suppliers to create apprenticeships, placements and opportunities for training and study.

We support Londoners from all backgrounds, but particularly under-represented groups including women, BAME and LGBTQ+ communities, ex-offenders, former service personnel and people experiencing barriers to employment such as long-term worklessness, disability or mental health issues. We also ask our suppliers to engage with schools and colleges.

In this way, we are inspiring the next generation, whilst creating a pipeline of talent to safeguard our future infrastructure and services.

Ambitions

- Create 500+ supply chain apprenticeship starts a year across the GLA group
- Work towards the aim of all new supply chain apprenticeship starts reflecting London's diversity.
- The MPS will incorporate requirements for skills, training and employment within the procurement of its major refurbishment programme.
- The LLDC will lead a construction and end-user employment group that brings together boroughs and park-based employers to match demand for skills with supply locally.

Progress

Apprenticeships

There were 783 supply chain apprenticeship starts across the GLA group in 2019-20 50 per cent were from BAME communities and 15 per cent were women. During 2019-20, TfL ran two pre-employment programmes, with 38 people completing the programmes which led to 10 successfully gaining employment. LFC has also included apprenticeship requirements in all key contracts.

MPS skills for refurbishment

The MPS is committed to delivering social, economic and environmental outcomes through an extensive construction programme. Suppliers are required to meet

sustainable design and construction requirements, as well as report on social value outcomes where relevant.

The MPS minimum requirement is that one skills and employment output is created for every £2m of construction spend. Also, at least half of these outputs must be linked to apprenticeships.

A number of projects have been completed over the last three years. Training and employment opportunities were created through the contract for the refurbishment of Marlowe House in Sidcup, a site on the MPS estate. The project was completed in September 2019 and has delivered new roles, including four job starts, two apprenticeship starts and four placement positions in a variety of functions. The project has also created social value across London, including:

- An enterprise day for girls at St Marylebone School in London. This aimed to increase gender diversity in construction as women currently make up just 13 per cent of the sector workforce in the UK
- A careers event at HMP Pentonville that engaged 20 ex-offenders
- The project team worked with a local housing association where more than 40 people took part in mock interviews to boost their skills and prepare them for the future. The team also worked with children's charity Barnardo's on a Routes into Construction scheme event

LLDC employer collaboration in construction

The Queen Elizabeth Olympic Park Training Association is an initiative to promote apprenticeships in the construction sector, particularly among under-represented groups. It was set up by the LLDC in partnership with several leading construction contractors and will run from 2019-22. This has encouraged suppliers to invest in training, helping young people gain skills fit for the future economy aligned with London 'Skills for Growth'⁴, whilst providing suppliers with the workforce they need. Thousands of people have been trained and recruited, and schools and colleges have been matched with employers to help shape students' career choices.

Future-proofing the construction industry

TfL has set up three training hubs to help employers tackle skills shortages and develop a pipeline of diverse talent, supported by the UK government's £22m Construction Skills Fund. During 2019-20, they created at least 510 jobs and trained more than 550 people. Programmes have been delivered for young people and under-represented groups including ex-offenders and former military personnel who have been out of work for at least two years. 50 per cent of learners were BAME and 20 per cent are women.

TfL's annual Supplier Awards were held in November 2019, recognising their 4,200+ suppliers' contribution to London's environment, innovation, and other areas.

⁴ <https://www.skillsforgrowth.org.uk/>

Winners included Dragados (Award for Skills and Employment) and Cooneen Group (Special Recognition for Social Impact).

“Every time I go home, and I’ve done a shift, I feel like I’ve achieved something. TfL is a big thing in London – every Londoner, at least, has used the train once. It feels like I’m having an impact.”

Nura Akubar, Route into Work apprentice

TfL's Supplier Skills Team (SST)

Since 2009, TfL's SST has created more than 6,100 apprenticeships and 5,700 jobs for unemployed Londoners, including more than 100 ex-offenders.

The SST was set up to tackle industry skills shortages in partnership with contractors. It helps them to employ the right people to deliver TfL's projects and services, open up opportunities that address under-representation, identify training opportunities, and ultimately contribute to economic regeneration. It equips candidates with qualifications, experience and behaviours required for the workplace, whilst building links between suppliers, charities and employability partners.

The SST runs a series of pre-employment and work experience programmes to connect people with significant barriers to work with employment opportunities in TfL's supply chain.

It also holds an annual recruitment fair during National Apprenticeship Week. In February 2020, TfL hosted the largest event to date. Forty employers showcased opportunities to more than 700 people looking to take their first steps on the career ladder. In all, there were in excess of 500 jobs and apprenticeships on offer, as well as more than 1,500 training opportunities. Candidates registered more than 1,900 expressions of interest with TfL suppliers.

The SST has won awards including the Europe-wide Procura+ Awards, the UK Social Mobility Awards and the Lord Mayor's Dragon Awards and has been shortlisted for The Queen's Awards for Enterprise: Promoting Opportunity 2021. The programme is used as an exemplar for transport infrastructure skills development by the UK government.

9. Promoting ethical sourcing practices

Unlawful, unethical and exploitative working practices have no place within our society. The GLA group adopts a risk and opportunity-based approach to identify contracts where there may be a greater likelihood of poor working conditions or human rights abuses, such as the construction, cleaning and garment manufacturing sectors. We are committed to improving transparency in our supply chain, and work with suppliers to actively proactively address this issue.

Ambitions

- All functional bodies to produce a register of key suppliers' compliance with the transparency provisions of the Modern Slavery Act 2015.
- Encourage relevant key suppliers to publish a Modern Slavery Statement
- The CRPT will investigate group-wide affiliation to Electronics Watch – a charity that audits labour rights among electronics manufacturers.
- The LLDC will develop and implement a procedure for use in construction contracts to aid due diligence and help suppliers identify and mitigate risks of human rights abuses, particularly modern slavery, human trafficking, and forced and bonded labour.

Progress

Guarding against modern slavery

Modern slavery is the illegal exploitation of individuals for personal or commercial gain. To prevent illegal labour practices, organisations operating in the UK with an annual turnover of £36m are required to publish a Modern Slavery Statement in accordance with Section 54 of the Modern Slavery Act 2015.

All functional bodies have engaged with their relevant suppliers to encourage them to do so and have compiled a register of suppliers' compliance. As of March 2020, 60 per cent of suppliers that are required to do so have published a fully compliant statement setting out their policies and procedures, areas of risk and mitigation plans (though more had produced statements that did not comply with all requirements of the Act). Functional bodies are using contract management and supplier relationship management approaches to raise the issue of compliance.

TfL was one of the first public bodies in the UK to produce a Modern Slavery Statement and its fifth annual statement was published in September 2020. It was represented on the panel at the 2019 International Conference on Tackling Modern Slavery, Forced Labour and Human Trafficking in Public Sector Supply Chains, run by the Home Office, the Ethical Trading Initiative (ETI) and the Organisation for Security and Co-operation.

The GLA, MOPAC and LLDC have also issued Modern Slavery Statements while the LFC and MPS are planning to publish soon. In addition, the LLDC has set up an internal Modern Slavery Group to oversee the delivery of its action plan and

strengthen its procurement requirements. The MPS is also working with its construction contractors to tackle this issue.

Manufacturing electronic equipment

Electronics Watch (EW) is an independent monitoring organisation that helps public sector buyers protect the human rights of electronics workers. The functional bodies are all affiliate members of Electronics Watch, and TfL is a founder member.

TfL has built EW clauses into significant Information Communication Technology procurements. This includes the contracts for replacing the narrow band radio system on the bus network (circa £20m p/a) and the frameworks for desktop hardware (circa £25m p/a) and the supply of Oyster cards (circa £7.5m p/a).

EW clauses will be closely monitored as part of our contract management process. Factory locations are to be identified and suppliers will provide audit data to monitor any high-risk areas within the supply chain that require further interventions.

The MPS intends to include EW clauses in a significant ICT services contract in 2020-21.

A recent report by the United Nations, 'Commodities at a Glance, Special issue on strategic battery raw materials'⁵, outlined the shocking social, environmental and ethical impact of making lithium-ion batteries for electric vehicles, including the use of child and forced labour. The battery industry has made progress in recent years to reduce the amount of cobalt used in some lithium-ion batteries, and new batteries are in development. TfL prohibits the use of child and forced labour by its suppliers through its Ethical Sourcing Policy. The Mayor is engaging with the Society of Motor Manufacturers and the UK Government to collaborate with the UK automotive industry ensuring that vehicle and battery manufacturers produce their batteries in a sustainable way.

Fair employment in LLDC construction

The LLDC ensures park employees and contractors have fair working conditions by carrying out annual supplier audits and using the Certified Ethical Labour Scheme and Modern Slavery regulations when procuring their East Bank development.

⁵ https://unctad.org/system/files/official-document/ditcom2019d5_en.pdf

TfL case study: Responsibly procuring TfL uniforms

TfL is committed to ensuring the people who make its uniforms are treated fairly and has received external recognition for these efforts. 80,000 items of ethically sourced TfL uniform are supplied annually

Factories undergo annual third-party audits against the Ethical Trading Initiative Base Code and produce improvement plans. Audit results can be viewed online, and plans tracked, through the Sedex system for supply chain transparency. Through this scheme, Bangladeshi garment workers have been given training and support on their labour rights, and one factory has partnered with a university to boost local skills.

TfL has liaised with the Fairtrade Foundation to make sure the cotton used in its uniforms is sourced from certified producers, meaning both farmers and workers get a fair deal. This was a first for the UK public sector.

10. Improving environmental sustainability

Improving London's environment is crucial to making the capital a greener, healthier, more pleasant place to live and work, as well as ensuring its resilience. The Mayor has committed to London becoming zero carbon by 2030, and the 2018 London Environment Strategy aim for London to have the best air quality of any major world city by 2050, whilst transitioning to a zero-waste 'circular economy'. Collaboration with our supply chain will play a key role in achieving this vision.

Ambitions

Waste and circular economy

- Engage suppliers to identify how they can contribute to London's environmental targets. This includes a range of initiatives aiming to contribute to a 95 per cent recycling rate in London's construction sector by the end of 2020, a 65 per cent municipal recycling rate by the end of 2030, and a minimum of 75 per cent of business waste recycled by the end of 2030.
- Identify contracts that utilise unnecessary single-use plastics, and work to eliminate this through contract management and procurement processes;
- The MPS and LFC will collaborate to establish circular economy pilots within the National Uniforms Managed Service (NUMS) contract.
- Identify a preferred whole life costing methodology for the GLA group to ensure we are considering disposal at contract award stage and achieving best value for money.

Carbon emissions and air quality

- From 2018, LFC will work with its current fleet contractor to explore innovative procurement approaches that aim to develop and introduce a prototype low emission HGV operational vehicle.
- Implement Work Related Road Risk (WRRR) requirements and the forthcoming Direct Vision Standard (DVS) in all relevant contracts.

Built environment

- Ensure that all GLA built environment projects funded by the Mayor undertake a design review with the London Review Panel, or equivalent design review process accredited by the London Quality Review Charter, at least once in their life cycle.

Events

- Update the GLA Events Sustainability Policy to ensure public events backed by the Mayor continue to enhance the environment and support the community.

Progress

Environmental management

71 key suppliers (63 per cent) are managing their significant environmental impacts through ISO 14001 Environmental Management Systems or equivalent.

Waste and circular economy

A circular economy means decoupling economic activity from the consumption of finite resources and designing waste out of products and business models⁶. In order to achieve this, we have built waste management objectives into key GLA group contracts and are exploring innovative business models in partnership with suppliers.

The 2017 London Circular Economy Routemap, published by the London Waste and Recycling Board (LWARB) in partnership with the Mayor, sets out the priority sectors to tackle. These include construction, textiles and plastics – which have all been addressed through the RP programme.

Using circular procurement strategies and new business models, the MPS is creating innovative solutions for reducing waste. To explore and apply these solutions within relevant contracts, there has been strong engagement and collaboration between the MPS contract management team, MPS Environment and Sustainability team and key stakeholders within the supply chain.

One supply chain initiative reduces waste by ensuring unwanted police uniforms are sorted for reuse. Since 2019, three tonnes of boots and legacy stock have been donated to charity, with items unsuitable for reuse sent for recycling. Those that cannot be recycled, such as end-of-life uniforms are diverted away from landfill. In addition, Kevlar, a heat-resistant, lightweight fibre found in protective vests worn by the police, can be repurposed for use in the car industry, for example in brake pads. Since the initiative began, 22 tonnes of Kevlar from protective vests have been repurposed.

The MPS aims to provide the thousands of end of life devices it replaces each year for reuse, recycle or trade in (where its security requirements allow) through the GLA endorsed schemes or its own suppliers.

Single-use clothes provided for detainees are now laundered and reused, as part of a collaboration with a local London charity. To date, more than 1,000 items of clothing have been reused, including jumpers, t-shirts and tracksuit bottoms, and further ways of widening the scope of the project continue to be explored.

The CRPT led a project to identify opportunities to apply circular procurement to relevant contracts and develop guidance for GLA Group commercial teams across construction, electrical and electronic equipment, infrastructure and operational equipment.

Built environment

⁶ <https://www.ellenmacarthurfoundation.org/circular-economy/concept>

TfL has been awarded a Global Real Estate Sustainability Benchmark (GRESB) 5 Star rating, recognising that it is a leader– with an overall score of 93 out a maximum of 100. GRESB is one of the leading environmental, social and governance benchmarks for real estate and infrastructure investments across the world, examining their environmental, social and governance performance.

Core to TfL's rating is the Sustainable Development Framework, a bespoke approach to delivering best-in-class outcomes across three core sustainability objectives of supporting local prosperity, promoting vibrant and diverse communities, and creating healthy places for people and planet.

This ranking, outstanding for a first-time entrant, was the highest score of any developer in the UK in 2020 reflects TfL's commitment to sustainable development as its property development programme continues to build momentum, with both residential and commercial office proposals being taken forward.

Circular Economy for Uniforms.

The MPS are adopting circular economy approaches in the National Uniforms Managed Service (NUMS) contract. A key initiative within the contract includes items such as boots that are sorted for reuse. Not only does this process reduce waste and costs but has wider societal benefits through supporting charitable donations and ensuring resources are kept in use for longer. Kevlar from MPS protective vests is being recycled and used in automotive friction products.

Through this supply chain initiative, since 2019:

- All end-of-life uniforms are diverted from landfill and are sent to an energy-from-waste plant, with suitable items sent for recycling;
- 3 tonnes of boots and legacy stock have been donated to charity; and
- In excess of 22 tonnes of Kevlar from protective vests have been recycled and used in the automotive industry.

Firefighters' protective clothing is kept in top condition, and in use for as long as possible, as part of a managed service arrangement between the LFB and its SME supplier. In addition to requirements around social value, diversity, fair employment, skills and training, the contract features a range of environmental specifications.

The service arrangement means all PPE remains the property of Bristol Uniforms, instead of being purchased by the LFB. This encourages repair and reuse as part of a circular economy approach, and helps to extend the garments' lifespan, while still complying with stringent product standards. There are also stipulations around the laundry process, care and maintenance, kit repair history and the management of legacy stock to reduce environmental impacts.

A previous two-year contract extension with the same suppliers resulted in a saving of at least £700,000 for the LFB. This was made possible not just by increasing the life of the kit, but by revisiting requirements based on updated firefighter numbers, ultimately reducing resource use and waste.

The LFB has also supported Bristol Uniforms to achieve ISO 14001 accreditation, helping to build skills and awareness in the supply chain and assure good environmental management.

Carbon emissions and air quality

Green energy

From 1 April 2019, City Hall switched to 100 per cent green energy. A competitive tender exercise was run by LASER Energy, an independent energy procurement service provider, which selected renewable electricity supplied by Ecotricity and green gas by Corona.

TfL, London's single largest consumer of electricity, has set out plans to change the way its Tube network is supplied with electricity, making it more cost effective and tackling the climate emergency. Making a significant step closer to achieving the Mayor's ambition for TfL to be a zero-carbon railway by 2030, TfL plans to purchase power from renewable generators through Power Purchase Agreements (PPAs), enabling the rail network to be supplied by renewable energy sources including wind and solar power.

Cutting emissions from our fleet

The Mayor has taken tough action to transform the quality of London's toxic air, in order to create a healthier, more socially just city. In addition to initiatives such as the Ultra-Low Emission Zone, and boosting infrastructure for electric vehicles, we have used GLA group procurement to cut carbon emissions, as well as toxic particulate and NOx emissions, from our vehicles.

53 per cent of the GLA group's fleet of 1,034 general purpose cars are already zero emissions (or where necessary, zero emissions capable⁷), 11 per cent of the GLA Group's fleet of 5,585 cars and vans are already zero emission or zero emission capable, and work is underway to ensure all new cars and vans are zero emission capable by 2025. The remaining 819 vehicles comprise of heavy goods vehicles and specialist vehicles that are more challenging to upgrade. The GLA Group have started to explore solutions for transitioning these vehicles to zero emission ones, and the Mayor aims to upgrade the total GLA Group fleet to zero emissions by 2050.

LFC is also working with its supply chain to develop an innovative prototype for a zero-emission capable fire engine. This forms part of the LFC Ultra Low Emission Fleet plan, whereby early testing of vehicles to understand how they will perform in a live operational environment for an emergency service is essential. Specifically, for the replacement of heavy operational vehicles this has involved comprehensive market scanning and engagement to identify relevant suppliers and technical developments in progress. This informed the procurement process, that is currently underway. The zero-emission capable fire engine prototype is expected to be the first of its type to be procured by a UK fire service.

The core TfL fleet of around 9,000 buses operating across London now meet or exceed Euro VI emission standards, the latest emission standard for vehicles reducing emissions of NOx by up to 95%. More than 400 all-electric buses have been introduced - including the UK's first full routes of electric double decker buses - and around 300 additional zero-emission buses are expected to join the fleet by the end of 2021, with plans for 2,000 all-electric buses to be in operation by 2025.

Decarbonising the transport network and cleaning up London's air will also support green jobs in the bus industry across the United Kingdom.

Improving the safety of London's roads

⁷ A zero-emission capable car has a minimum 20-mile zero emission range and must produce less than 75g/km CO₂ (e.g. a range extended plug-in hybrid car). Zero emission capable vehicles are inclusive of zero emission vehicles.

Every year, more than 2,000 people are killed or seriously injured on London's streets⁸. Our commitment to improving the environment includes making it safer, in order to remove the barriers to walking and cycling. The Mayor has adopted the Vision Zero Action Plan, aiming for all deaths and serious injuries from road collisions to be eliminated by 2041. It means ensuring safe speeds, behaviours, street design and vehicles to target road danger at its source.

Contractors using trucks and vans must comply with TfL's enhanced road safety standards, and since 1 January 2017 TfL has been turning vehicles away from its sites if they do not meet these requirements.

The standards call for all operators in GLA group supply chains to be accredited to our Fleet Operator Recognition Scheme (FORS) at silver level as a minimum, within three months of a contract starting. From April 2024, we will request gold level. Through FORS, more than 340,000 drivers have taken training on issues including road safety, environmental impact, and awareness of vulnerable road users.

In partnership with vehicle manufacturers, TfL has developed the world's first Direct Vision Standard (DVS) to tackle blind spots and protect the safety of vulnerable road users. The DVS assesses vehicles on how much a driver can see directly from their HGV cab window. Only suitable vehicles are accepted for GLA group contracts, and a licence has been a requirement for certain lorries from October 2020. We are now working with vehicle contractors to ensure compliance across our supply chain and encouraging others in the public and private sectors to mirror our approach.

Events for Londoners

The Mayor is committed to all GLA events supporting his vision for a fairer, more sustainable London. In 2019, Prudential RideLondon, the world's largest cycling festival, banned all single-use plastics, and Diwali celebrations in Trafalgar Square, cut out single-use plastics and replaced all food containers with compostable alternatives. Despite a challenging period for events following the pandemic, new guidance has been developed in line with the Event Sustainability Policy to ensure that when GLA public events do return, they have a strong sustainability impact and contribute to a recovery that is green and fair.

⁸ <https://www.london.gov.uk/city-hall-blog/lets-cut-road-deaths-london-zero>

11. Next Steps

We are developing the next iteration of the Responsible Procurement Implementation Plan, which will establish a programme of work to take place over the mayoral term from 2021 – 2024. This will seek to use procurement as a lever to support London's green and fair recovery from COVID-19. We aim to publish this in summer 2021.
