

MAYOR OF LONDON

GLA Group Responsible Procurement Progress Report

2023-24



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City Hall
Kamal Chunchie Way
London E16 1ZE

enquiries 020 7983 4000
minicom 020 7983 4458

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Introduction

The Greater London Authority (GLA) Group¹ procures around £9.5bn of products and services each year. The Mayor of London uses this public spending to improve the lives of Londoners and beyond by supporting a fairer and more environmentally sustainable city and supply chain. The GLA Group delivers this vision through its Responsible Procurement Policy² and Implementation Plan.³

Since 2016, the Mayor has supported the GLA Group to achieve a step-change in how it supports these benefits for Londoners, known as ‘social value’. A Central Responsible Procurement Team has been set up, which provides leadership and advice to GLA Group bodies, ensuring that this issue remains a top priority and coordinating delivery.

Over this period, the GLA Group has also developed a leadership role in sharing best practice across London and beyond. This includes chairing the London Responsible Procurement Network of public bodies; supporting the London Anchor Institutions’ Network and UK National Social Value Taskforce; and collaborating globally through the Procura+ Network and the C40 Cities climate leaders’ network.

This report presents progress on the five objectives of the Responsible Procurement Policy and Implementation Plan:

1. Improving supply chain diversity
2. Embedding fair and inclusive employment practices
3. Enabling skills, training, and employment opportunities
4. Promoting ethical sourcing practices
5. Improving environmental sustainability

¹ The GLA Group comprises the Greater London Authority, Transport for London, London Fire Brigade, London Legacy Development Corporation, the Metropolitan Police Service, the Mayor’s Office of Policing and Crime, and the Old Oak and Park Royal Development Corporation.

² <https://www.london.gov.uk/rp-policy>

³ https://www.london.gov.uk/sites/default/files/gla_group_rpip_2022-24.pdf

Key achievements

Over £3.5bn has been spent with Micro, Small and Medium sized enterprises (MSMEs) since April 2018, by the GLA Group.

In 2022-23:

- The GLA Group spent £910m directly with MSMEs – nearly 16% of total spend. This is a 6.3% spend increase on the previous year’s spending, a significant uplift of £424m.
- The Metropolitan Police Service (MPS) spent £148m with London-based MSMEs in 2022-23 exceeding its target of £84m.
- The Greater London Authority spent 58% of its total addressable spend with MSMEs. Old Oak and Park Royal Development Corporation (OPDC) and London Legacy Development Corporation (LLDC) spent 63% and 43% respectively, highlighting their commitment to supplier diversity.
- The London Fire Brigade (LFB) has spent 31% both directly and indirectly with SMEs including via their Plumstead Fire station redevelopment.



Over 4,000 people in the GLA Group supply chain received a pay uplift to the London Living Wage in 2022-23, as a result of our fair pay commitments and contract requirements.

In 2022-23, Transport for London (TfL) supported over 100,000 jobs across the UK throughout its vast supply chain (direct, indirect, and induced effect).⁴

⁴ <https://tfl.gov.uk/info-for/media/press-releases/2023/october/new-analysis-shows-how-tfl-s-spending-with-uk-wide-supply-chain-supports-billions-of-pounds-of-economic-growth-across-the-country>

Since 2016, we created over 4,200 new Apprenticeship starts in the supply chain, with half of these being from Black, Asian, or minority ethnic backgrounds through TfL's Supplier Skills programme.

We are driving good employment practice through our supply chain, with 45 GLA Group suppliers accredited with the Good Work Standard, promoting best employment practices.

TfL has trialled innovative zero-emission construction plant, improving air quality and sending a signal to the market of future requirements across London.

In 2023-24, TfL's Surrey Quays Station upgrade cut its carbon emissions by nearly 40%, supported by supplier engagement.

The MPS, via their social value initiative, has channelled funds from contracts awarded to suppliers into community-based organisations whose goals align with their social objectives. Since 2020, over £850,000 has been committed to two organisations that support victims of violence and enable community engagement in outdoor spaces. The MPS has been recognised with an award from the World Contracting and Commerce Association for delivering Social and Economic Benefit.

1. Improving supply chain diversity

Micro, small, and medium enterprises (MSMEs) are the backbone of any healthy economy, they drive growth, provide employment opportunities and open new markets. The London Partnership Board and the London Anchor Institutions' Network have prioritised supporting London's smallest businesses to integrate into the public sector supply chain.

The Responsible Procurement Policy commits the GLA Group to ensuring our procurement processes are accessible, inclusive and support supplier diversity. This includes but is not limited to, businesses majority owned or led by women, Black, Asian and minority ethnic people and disabled people – or diverse-owned businesses.

Supply Diversity Across the GLA Group

One of the Responsible Procurement Implementation Plan five key commitments is to 'work towards purchasing 20% of goods and services from MSMEs, directly or indirectly within the supply chain'. Since April 2018, the GLA Group have spent over £3.56bn directly with SMEs, which is 16.7% of the total addressable spend on goods and services.

Since 2021, we have implemented initiatives designed to remove barriers for MSMEs, community sector organisations, and diverse-owned enterprises including:

- MSME 'Meet the Buyer' events, through which GLA Group members have engaged with hundreds of small businesses including via the London Anchors Institutions' Networks and Department for Transport events.
 - Reserving under-threshold contracts for local and small business spend across TfL and the GLA.
 - MPS and LFB have simplified contract requirements for lower value tenders.
 - MPS, LFB and TfL have improved supplier communications via their external web pages.
 - Ensuring 10-day payment terms for SMEs and requiring prompt payment requirements for subcontractors.
 - Rolling out training on supplier diversity for procurement staff – completed by 89% of MPS procurement staff.
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- Producing guidance and toolkits for MSMEs on social value and public sector procurement – these have been downloaded over 10,000 times by businesses.
- Early market engagement and support for consortiums or joint venture bids on frameworks.

These efforts have led to some significant results:

- The OPDC, GLA and LLDC exceeded their pledges to spend a greater proportion of their budgets with MSMEs, spending 63%, 58% and 43% respectively.
- The MPS exceeded its target for 2022-23 by spending £148m with London-based MSMEs and aims for a £124m spend in 2023-24.
- The LFB are tracking MSME spend via their key contractors which increases their spend in 2022-23, to nearly 31% of their total addressable spend when including subcontracted spend.

OPDC district heating network - using small businesses to meet surveying needs

The Old Oak and Park Royal Development Corporation (OPDC) received a £36m grant to develop a district heating network in the 'OPDC Opportunity Area'.⁵ This project aims to utilise the waste heat from the area's numerous data centres to provide zero-carbon heating to homes in the local area.

OPDC identified RenKap, an online platform that connects organisations with vetted smaller suppliers that provide surveying services. RenKap acts as a broker service, streamlining the procurement process with a single point of access and a list of suppliers compliant with RICS⁶/British Standards.⁷ This benefits smaller suppliers who may face challenges competing with bigger firms and for the buying organisation, offers competitive pricing and ensures pre-qualification requirements are met.

Since its launch in year 2023-24, OPDC has spent over £40,000 with MSMEs via this route.

⁵ <https://www.london.gov.uk/old-oakpark-royal-opportunity-area>

⁶ <https://www.rics.org/>

⁷ <https://www.bsigroup.com/en-GB/>

GLA's Architecture and Urbanism Framework

The Mayor of London's Architecture + Urbanism Framework, launched in 2023, offers a diverse panel of pre-approved built environment consultants for public sector organisations. It was developed to remove traditional procurement barriers, and encourage participation from smaller, diverse suppliers.

Subsequently, 58% of framework places are held by diverse-led businesses, 31% of places are occupied by female-led businesses and 31% by businesses led by Black, Asian and minority ethnic people. The procurement process reached new suppliers and 47% are new on a GLA/TfL framework for the first time.

So far, the framework has resulted in £1.5m of business for suppliers and 27% of spend has gone to diverse-led businesses. The Architecture + Urbanism Framework's impact has been recognised as one of three finalists for the 2024 European Procura+ Award for Sustainable Procurement of the Year and was shortlisted for the 2023 National Social Value Awards.



2. Embedding Fair and Inclusive Employment Practices

In response to the cost-of-living crisis and tough economic climate, the Mayor and the GLA Group are reinforcing their commitment to fair and inclusive work practices through the Responsible Procurement Policy. This theme aims to drive good working standards through the supply chain.

The Mayor's Good Work Standard - setting the expectation for high employment standards in the supply chain

The Mayor's Good Work Standard⁸ sets the benchmark for good employment practice in London and represents the standard the Mayor would like all employers to aim for and achieve. It covers fair pay, requiring payment of the London Living Wage, health and wellbeing, skills and progression, diversity, and recruitment.

In 2023, a standard contractual clause was introduced across the GLA Group, mandating new suppliers on specific contracts to start the Good Work Standard accreditation process within an agreed period of contract initiation.

So far 45 suppliers from the GLA Group are accredited as Good Work Standard employers.



⁸ <https://www.london.gov.uk/programmes-strategies/business-and-economy/supporting-business/good-work-standard-gws>

The Fairness, Inclusion and Respect programme – supporting gender diversity in the built environment sector

The Fairness, Inclusion, and Respect programme, a joint initiative by TfL, HS2, National Highways, and Network Rail, continues to drive diversity improvements across the supply chain and provide comprehensive resources and support.

The programme's annual workforce diversity survey became the UK's largest of its kind:

- Captured data from over 525,000 employees.
 - Data reflects more than 332,220 employees from 89 TfL supply chain organisations, increasing from 160,000 individuals across 68 suppliers in the previous years.
 - Demonstrated an increased female representation in the built environment sector from 23% in 2022 to 29% in 2023.
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3. Enabling skills, training, and employment opportunities

The GLA Group creates training, skills and jobs within its supply chain and works to improve access to employment opportunities for underrepresented groups. The Responsible Procurement Policy includes training and employment opportunities in relevant contracts.

The GLA Group have been actively engaging with their supply chains to advance 'green' skills and job opportunities in London. For example, London careers hubs are promoting green careers, and 7% (51) of TfL's 743 supply chain apprenticeships were green roles in 2022-23.

Additionally, guided by the MPS, one of their suppliers has established a partnership with HMP Sudbury Prison to equip prisoners with employable skills to open potential pathways to employment upon their release, including opportunities with the supplier themselves. The same supplier is also engaging with charity Coram's Fields to offer employment opportunities to young individuals to assist with MPS events.

The TfL Supplier Skills Programme

TfL launched the Supplier Skills Programme to enhance diversity and address skill gaps in London's transport and infrastructure sectors. It includes skills and employment requirements in supplier contracts based on value and has led good practice across the GLA Group.

- Since 2016, there have been 4,232 new supply chain apprenticeship starts, with half of these from ethnic minority backgrounds.
 - The 2023 Apprenticeship Fair was attended by 1,000 people and showcased over 700 jobs and apprenticeships, with more than 500 training opportunities. It featured 35 organisations, including TfL's supply chain partners, the LFB, and the MPS.
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TfL Pre-Employment Programme Highlights:

- **Catalyst Programme Success:** Since 2016, over 200 candidates from underrepresented groups have been supported to pursue careers in transport and built environment, with more than a third securing full-time employment.
- **Women into Transport and Engineering** This programme encourages women to pursue careers in transport and construction, offering tailored training and work placements. In round six, there was participation from three TfL suppliers, and one GLA Group supplier, for the first time, from LFB's managed fleet service supplier, offering HGV Engineering and Technical roles.
- **Refugees into Transport and Engineering Programme:** A programme was piloted in May 2023, offering employment opportunities to refugees, in collaboration with the NHS, Shaw Trust, and the Department for Work and Pensions. The initiative aims to integrate refugees into the workforce with support for barriers such as travel and childcare. It connects candidates to various roles within TfL's supply chain partners, providing hands-on experience and potential pathways to permanent employment.



London Legacy Development Corporation New Talent – Future Leaders Programme

The New Talent-Future Leaders programme developed with East Bank partners⁹ on the Queen Elizabeth Olympic Park, will train 350 individuals and secure 230 jobs for young people in the Olympic host boroughs¹⁰ over a five-year period. The programme offers apprenticeships, internships paid at the London Living Wage, technical skills training, freelancer support, education bursaries, and teacher development.

Since 2021, the programme has trained 83 individuals, with the aim to connect young people in the Olympic host boroughs to diverse career opportunities. The five-year initiative emphasises equitable and inclusive opportunities for all Londoners, focusing on underrepresented groups.

Achievements delivered by the end of year two, include:

- Created 44 London Living Wage paid internships through the Shared Training and Employment Programme.
- The Freelance Academy has supported 30 individuals, 26 of whom have progressed to work at London Living Wage or higher rates.
- The launch of a Shared Apprenticeship Programme in September 2023, committing to deliver 220 apprenticeships.
- Future Gardeners programme: Seven local participants completed a horticultural training programme, six of which secured sector employment through guaranteed job interviews with Queen Elizabeth Olympic Park horticultural employers and partners and the seventh continuing their training.



⁹ <https://future.london/partner/east-bank-partnership/>

¹⁰ Newham, Hackney, Tower Hamlets, and Waltham Forest

4. Promoting ethical sourcing practices

Under the Mayor's leadership, the GLA Group's Responsible Procurement Policy sets a high standard for fair working conditions and labour. It expects suppliers to adhere to the Ethical Trading Initiative's (ETI) Base Codes¹¹ nine provisions, ensuring legal, fair, and safe working conditions. This commitment to supply chain transparency also extends to addressing specific global issues, such as forced labour risks in certain regions.

The GLA Group works to understand and mitigate human rights risks in the supply chains that manufacture zero-carbon technologies such as solar panels and electric vehicle parts.

Our work with Electronics Watch

The GLA Group has continually evolved its approach to addressing human and labour rights issues. We not only align with the ETI Base Code but also utilise external tools such as the Supplier Ethical Data Exchange,¹² Electronics Watch, and the Supply Chain Sustainability School.¹³ This approach ensures that our commitments are integrated into higher-risk contracts and enhances our understanding and action in subsequent supply chains.

In 2016, Transport for London (TfL) became a founding affiliate of Electronics Watch, later extending membership to the entire GLA Group. This partnership enhances supply chain transparency, going beyond traditional audits with a focus on quarterly reports and worker-centric monitoring data.

- Since 2016, over £1bn of GLA Group ICT contracts have included industry-leading labour rights clauses with independent on-the-ground monitoring.
- Workers in monitored factories are educated on their rights, and any violations are confidentially remediated through stakeholder management involving the supply chain, buyers, Electronics Watch, and monitoring partners.

¹¹ <https://www.ethicaltrade.org/eti-base-code>

¹² <https://www.sedex.com/>

¹³ <https://www.supplychainschool.co.uk/>

Enhancing Supply Chain Transparency at London Stadium

The London Stadium, managed by LLDC, integrated supply chain transparency criteria into its solar panel tender process through focusing on supply chain disclosures and commitments to enhance transparency. The approach sets an industry example for incorporating due diligence into the procurement process to improve worker rights and will be shared across the GLA Group for relevant decarbonisation projects.

This initiative is supported by GLA Group's engagement with industry developments and research, including insights from Sheffield Hallam University and Action Sustainability.

Promoting Responsible Procurement in Electric Vehicle Supply Chain

TfL, the MPS, and LFB are committed to enhancing supply chain transparency for London's low-emission fleets, including buses and operational vehicles, by monitoring battery production and mining operations, as demonstrated via:

- The Low-Emissions Vehicle Programme where collaboration with Electronics Watch and European cities aimed at improving traceability, fair labour practices, and working conditions.
- The charging infrastructure framework¹⁴ where TfL has introduced transparency requirements allowing Electronics Watch to monitor and address labour rights within the supply chain.



¹⁴ <https://ruc.content.tfl.gov.uk/london-2030-electric-vehicle-infrastructure-strategy-executive-summary-december-2021.pdf>

Modern Slavery Assessment Tool

Via supplier engagement, 110 GLA Group suppliers (over 70% of those invited) completed the UK Government's Modern Slavery Assessment Tool.¹⁵ The self-assessment tool helps organisations better understand how their supply chain is managing the risk of modern slavery, and works in partnership to reduce the risk, based on the results of the assessment.

Insights from the reported outcomes led to the delivery of modern slavery due diligence workshops to the GLA Group and their suppliers. These efforts include educating on-site staff, such as construction workers and property surveyors, on identifying signs of modern slavery, with annual refreshers to maintain vigilance.

¹⁵ <https://supplierregistration.cabinetoffice.gov.uk/msat>

5. Improving environmental sustainability

The Mayor has set a target for London to achieve net-zero carbon by 2030 and to become a greener, climate-resilient city with a thriving green economy. Since 2016, the GLA Group has accelerated its work to support this vision through its Responsible Procurement programme.

Reducing Supply Chain Carbon Emissions

Since 2021, the Responsible Procurement programme has helped to cut carbon emissions in our supply chain:

- We analysed the make-up of the GLA Group's supply chain emissions, enabling targeted action on the highest-emitting category areas, such as construction. This has provided the GLA Group with the opportunity to understand the wider impact of their supply chains and in the cases of TfL and LFB to review the data further to embed within setting targets and strategy development.
- All suppliers of new contracts over £5m are required to produce a Carbon Reduction Plan, which has provided a platform to work with our biggest suppliers to reduce emissions including signposting to guidance and external support. This was estimated to be included in over 100 contracts to be tendered across the GLA Group in 2023-24.

In 2023-24:

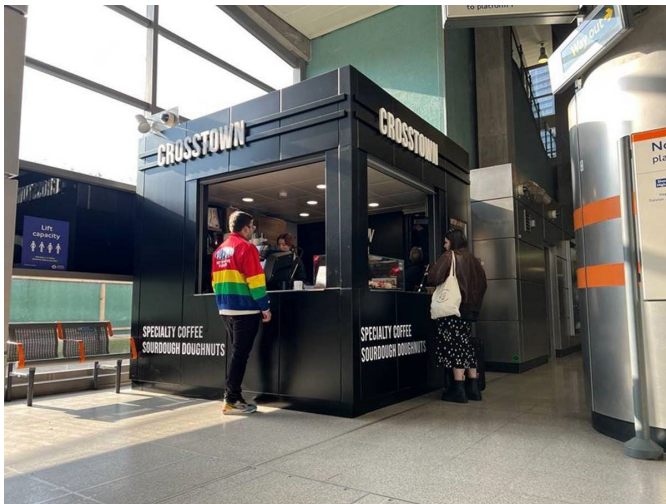
- Building on the initial GLA Group supply chain baseline analysis, TfL has committed to setting a 'Science-Based Target' to proactively work towards a reduction in supply chain carbon emissions, in line with the Paris Agreement's goal to limit global warming to 1.5°C.
 - TfL has trained 263 procurement staff in 'carbon literacy', which has better equipped them to embed and evaluate low-carbon requirements in contracts. Requirements are highlighted through early market engagement and bidder support and guidance is signposted to, where available, that is, for carbon reduction plans and for MSMEs. LLDC and LFB have also delivered carbon literacy training for key programme and senior leads, based on TfL's programme.
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Reducing Embodied Carbon Emissions in Construction Contracts

Plumstead Fire Station is being retrofitted to reduce its carbon footprint through installing an air-source heat pump, LED lighting, photovoltaic solar panels, and secondary glazing. This allows the building to be more energy efficient while honouring its heritage status. The project also supported a number of apprentices and spent 99% of subcontracted spend with MSMEs.



TfL's Surrey Quays Station upgrade cut its carbon emissions by nearly 40% compared with its initial design target. It achieved this by implementing the 'PAS 2080' standard, which sets guidance to reduce supply chain emissions in the design of new infrastructure.



TfL's new station kiosks cut their emissions by 25% by replacing steel with lower-carbon aluminium and using resources more efficiently. Following a successful trial at Shoreditch, the new kiosks are being rolled out across the transport network.

The MPS avoided 312 tonnes of CO₂e in refurbishment projects by re-using 7,700m² of floor tiles, 1,400m² of carpet tiles, and other items such as heaters.

Cutting Air Pollution through Plant Equipment Standards

To cut air pollution, the GLA Group is working with suppliers to lead the switch from diesel to electric plant equipment¹⁶ to improve London's air quality. For example, TfL used battery-powered plant at the Old Street Roundabout refurbishment and suppliers are trialling new electric lifting machinery, demonstrating market leading initiatives.

Contractors are required to log their most polluting machinery on a register to monitor and increase compliance with air quality standards.¹⁷ This represents an opportunity to improve a significant amount of plant equipment, as TfL is responsible for maintaining 5% of London's busiest roads.

Circular Economy in Procurement

The GLA Group has reduced waste from our supply chain via procurement processes:

- The MPS donated 17,000 used ICT devices to the Good Things Foundation to be re-homed. This avoided 16 tonnes of waste and helped families experiencing digital poverty. The MPS has procured new sustainable uniform trousers, made from 79% recycled polyester and sustainable cotton from the Better Cotton Initiative.



¹⁶ Plant equipment, also known as 'Non-Road Mobile Machinery', refers to power generators and construction machinery with an engine such as diggers.

¹⁷ <https://www.london.gov.uk/programmes-and-strategies/environment-and-climate-change/pollution-and-air-quality/hrmm>

Next steps

The Responsible Procurement Implementation Plan will be reviewed during 2024 to develop updated targets and activities to deliver them.

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Greater London Authority
City Hall
Kamal Chunchie Way
London E16 1ZE

Telephone **020 7983 4000**
www.london.gov.uk

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