

Skills, Economy and Growth Scrutiny Commission
20 Nov 2023

 **Hackney**

Sustainable Procurement and Insourcing Strategy (SPIS) -Refresh

 **Hackney**

2018-2022

The current Sustainable Procurement Strategy (SPS) was adopted by Cabinet in November 2018 - set of guiding principles for Hackney's contracting activities to deliver the intended outcome, good **value for money** and to secure additional **environmental, economic and social benefits** whilst minimising any negative impacts.

Sustainable Procurement Achievements - Since 2018

Hackney's Procurement Service continue to work to deliver sustainable outcomes across the key theme, with current and future initiatives including:

Think Local -

- ❑ Local training, apprenticeships and employment for residents in LBH contracts
- ❑ Increased engagement with local businesses
- ❑ More tendering opportunities for local suppliers

Modern Day Slavery -

- ❑ Compliance of MDS through tendering
- ❑ Spot checks on Hackney suppliers MDS Statements
- ❑ Training for staff and suppliers

CO2 Reductions -

- ❑ Compliance of reduction plans through tendering
- ❑ Continued contract management to assess reduction targets
- ❑ Continued collaborative work with LBH Energy Team

All Services and Works contracts pay at least the London Living Wage

Over 50 apprenticeship places created on contracted services

Fleet Purchasing:

- Over 100 electric fleet vehicles
- 47 electric charging points - across 13 sites

Approximately 67% of annual road fuel consumed is renewable biofuel - saving 835 of CO2

100% renewable electricity procured from energy suppliers

Tower Court, Clapton Common, Hackney: 60% of suppliers have set science based targets by 2025
75% less CO2 emissions through improved fabric efficiency, renewable heat and energy by 2025
250,000 trees planted by 2025

Telecare Service and Integrated Community Equipment Service: Recycling of all equipment

local subcontractors deliver services for: Adults, Children & Integrated Health Regeneration Estate Services Electrical Services Leisure, Parks & Green Spaces

200+ local people received employment skills training.

Inourced Services - Since 2018

Service	Value (£'m)	Number of Staff TUPE	Date
BSF Schools Cleaning Service	£2.50	80	January 2020
Office Cleaning Service	£1.80	110	January 2021
Gully Cleansing & Wintery Service	£0.30	0	September 2020
Fleet Maintenance Service	£1.40	10	April 2021
Parking Enforcement Service	£5.60	132	March 2022

2024

2024



The Revised Strategy

Combines our Insourcing Policy and the
Sustainable Procurement Strategy into what
will now be called

**Sustainable Procurement and Insourcing
Strategy.**

KEY PRINCIPLES OF THE NEW STRATEGY



ACKNOWLEDGES THE COUNCIL PREFERENCE TO DELIVER SERVICES IN-HOUSE



BUILDS ON THE EXISTING STRATEGY - ALL RELEVANT GUIDANCE TO REMAIN/ EXPANDED



THE MAYOR'S MANIFESTO (2022-2026) INCLUDES REVISIONS TO THE SPS: *ENSURING THE LONDON LIVING WAGE (LLW), HIGH QUALITY OPPORTUNITIES FROM OUR SUPPLY CHAINS, PRIORITISING NET ZERO JOBS AND TACKLING CLIMATE CHANGE.*



DESCRIBES HOW WE WILL WORK WITH OUR PARTNERS, INTERNAL DEPARTMENTS AND SUPPLIERS TO SUPPORT THE DELIVERY OF THE BOROUGH'S CARBON ACTION PRIORITIES AND OTHER CORPORATE COMMITMENTS



MORE EMPHASIS ON MANAGING AND WORKING WITH OUR SUPPLY CHAINS TO ENSURE LLW, JOBS AND SKILLS OPPORTUNITIES, INCLUDING NET ZERO JOBS, AS WELL AS IMPROVING TRANSPARENCY, BUILDING RESILIENCE, MAXIMISING SOCIAL VALUE FROM OUR CONTRACTS.



WE WILL PROMOTE POSITIVE HEALTH AND MENTAL WELLBEING FOR OUR CONTRACTED STAFF AND ENCOURAGE OUR SUPPLIERS TO BE GOOD EMPLOYERS

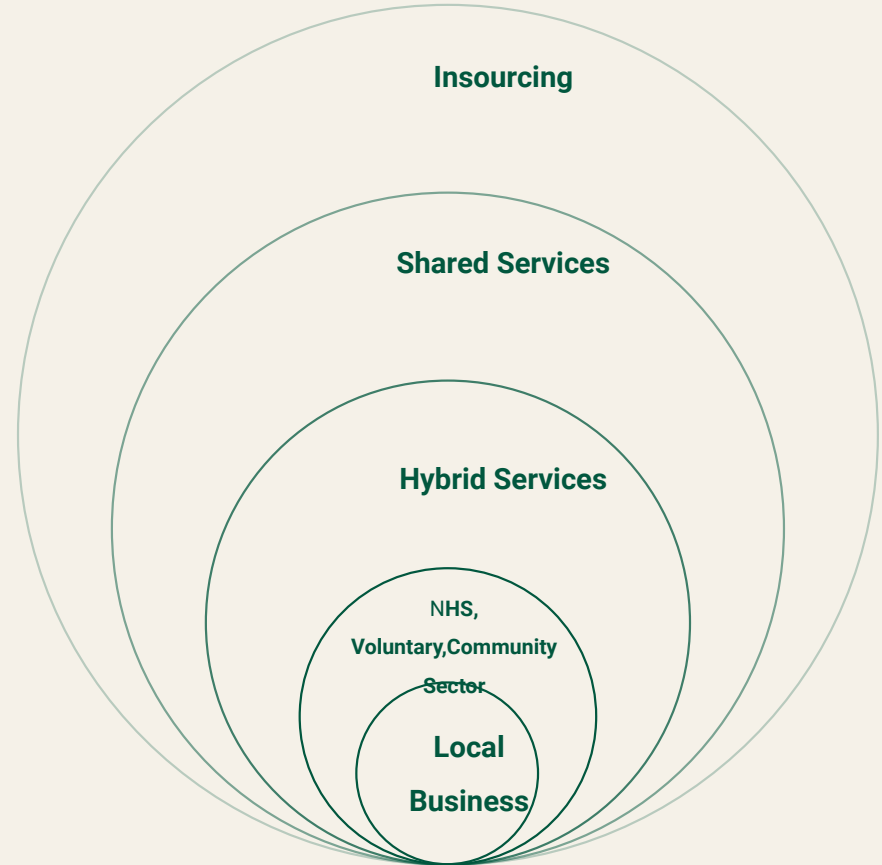
OUR COMMITMENT TO BRINGING SERVICES IN-HOUSE REMAINS A TOP PRIORITY

Insourcing

The SPIS brings Insourcing to the fore, making it clear that this is our top priority for the delivery of our services

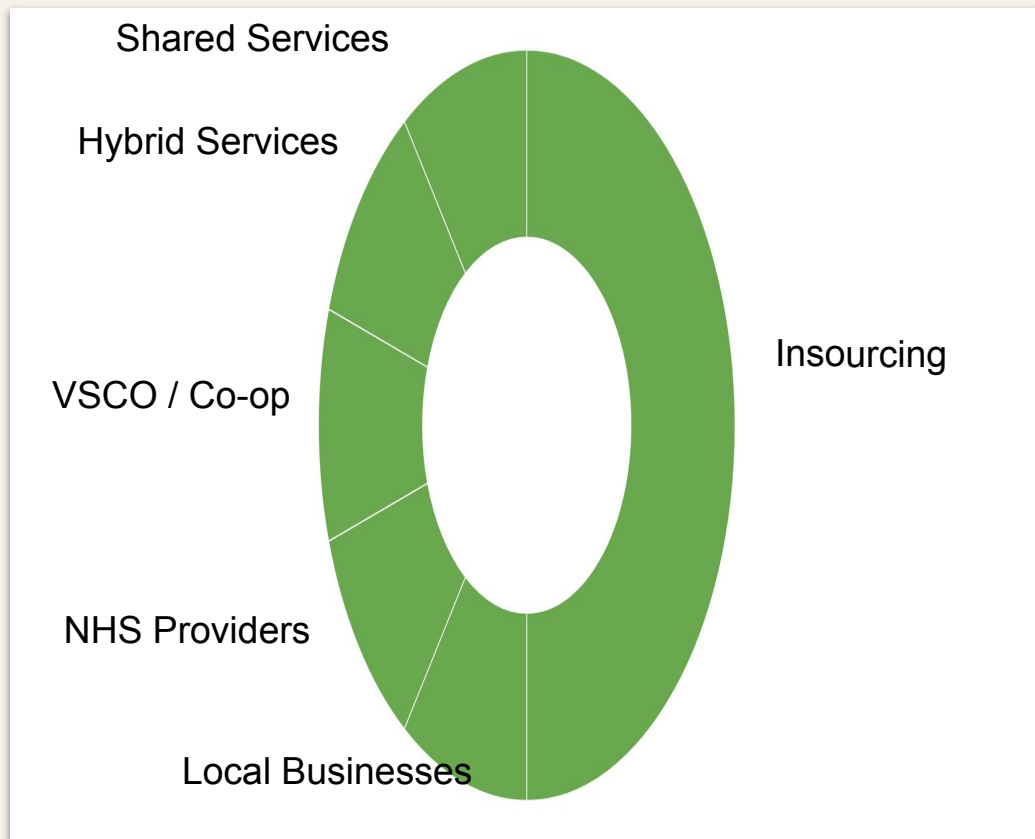
Insourcing Hierarchy

The insourcing agenda will be delivered with due regard to ongoing pressures on public finances



Delivering Services for Local People

Mixed and Balanced Economy of Services



INCLUSIVE ECONOMY

Whilst our commitment to bringing services in-house remains a top priority for the Council, we need to balance this objective with other policies and strategic objectives that are integral to delivering wider community benefits

Sustainable Procurement and Insourcing Strategy



PROCURING FOR A BETTER SOCIETY

- Promoting social innovation
- Improving cash flow for our supply chain
- Supporting local employment
- Encouraging local suppliers into the supply chain
- Looking to improve regeneration and integration of our local community
- Employment and skills initiatives including apprenticeships



PROCURING FAIRER SOCIETY

- Fulfilling our public sector equality duty
- Ethical practices such as Fair Trade
- Diversity (community, supplier and workforce)
- Paying the London Living Wage
- Tackling Modern Slavery and Human Trafficking



PROCURING FOR GREENER SOCIETY

- Improving air quality within the borough
- Promote Circular procurement
- Diverting from landfill and incineration as far as practically possible
- Proactively sourcing low carbon and green energy
- Using “whole life” costing where practicable, taking account of the cost of disposal and decommissioning

Proposed Local Initiatives

- Creating a local economy that is low carbon, resource efficient and socially inclusive.
- Supporting the delivery of the Carbon Action Priorities
- Implementation of a Think Local (first) Policy - for sub-threshold requirements - supporting Local - SMEs/VCSO
- Maximise Social Value Outcomes - such as improving health and well being, sustainability and carbon reduction
- Specifying green opportunities for jobs, training, apprenticeships and supported internships. Green jobs as those jobs that facilitate meeting net zero and broader environmental goals.
- Mandated at least 15% quality weighting to be allocated across the three themes (procuring for a greener, fairer better society)
- Review capability and capacity of procurement teams and contract managers

SPIS - Legal and Regulatory Framework

1988

Local Government Act

2010

Equality Act

2012

Public Services (Social Value) Act

2015

Modern Slavery Act

2021

National Procurement Policy Statement

2024

UK's exit for EU - New Procurement Regime (Oct 2024)
NHS Provider Selection Regime (Jan 2024)*

NPPS

National Procurement Policy Statement (NPPS)

fundamentally provides grounds for all contracting authorities to consider the following national priority outcomes alongside any additional local priorities in their procurement activities:

- *Creating new businesses, new jobs and new skills;*
- *Tackling climate change and reducing waste, and*
- *Improving supplier diversity, innovation and resilience*

SPIS - Key Changes

- **Seek to re-design services to decarbonise and unlock green jobs and skills development for people in the borough**
- **Encourage suppliers to use public transport in the delivery of our contracts**
- **Seek to roll out a corporate Social Value schemes across our contracts**
- **Publish a revised Procurement Pipeline detailing our contracting activities for the next 18-24 months to enable SMEs/Local Businesses to plan ahead to participate in the Council's contracting activities**
- **Introduce a Procure Local (first) policy - with a requirement to seek minimum quotations from local suppliers, dependent on contract sizes**
- **Seek to deliver year on year increase in spend with local suppliers**
- **Make a clear statement that we will continue to campaign for better standards in tax conducts for organisations bidding for public sector contracts**
- **Denounce all employers that use 'Fire and Rehire'**
- **Ensure closer integration between our commissioning and procurement functions to enable greater innovation in the design of services**
- **Ensure the Procurement function is structurally aligned to support Hackney's Green Economy, just transition and climate action priorities.**

Procuring for a Greener Society - Updated & New Commitments

UPDATED COMMITMENTS:

We will continue to:-

- Actively consider the energy consumption, emissions and other vital energy related sourcing requirements
- define clear environmental outcomes that are proportionate and practical
- Continue to use whole life costing approach to our procurements
- Fleet - Our vehicles are procured with consideration meeting national and international emission standards / Increasing electric vehicles in our fleet
- Continue to aspire to BREEAM standards on our construction projects

NEW COMMITMENTS:

- Renewed focus on circular economy - widely adopting the principles in the purchase of products, equipment and devices
- Increase leasing where possible and practical
- Placing a greater responsibility on suppliers to ensure that electronic waste is minimised
- Seek to re-design services to decarbonise and unlock green jobs and skills development
- Encourage suppliers to use public transport in the delivery of the contract

Procuring for a Better Society - Updated & New Commitments



UPDATED COMMITMENTS:

We will continue to:

- To secure employment skills development and apprenticeship opportunities through our supply chain
- We will encourage the use of local subcontractors and supplies
- to promote the use of small lots to make contracts more accessible to local, SMEs and VCSEs
- we will continue to advertise contract opportunities above £25k on our web-site
- support our business community by organising and participating in workshops and other supply engagement activities,

NEW COMMITMENTS:

- Seek to roll out a corporate Social Value scheme across our contracts
- Use the procurement function to unlock 'green jobs' and skills development for residents
- Publish a revised Procurement Pipeline detailing our contracting activities for the next 18-24 months
- Introduce a Think Local (first) policy - with a requirement to seek minimum quotations from local suppliers, dependant on the contract size
- We aim for a year on year increase in spend with local suppliers

Procuring for a Fairer Society - Updated & New Commitments



UPDATED COMMITMENTS:

We will continue to:-

Ensure procurement activities support the Council's ethos of valuing diversity - contracted services are accessible to everyone whatever their circumstances.

- Support local priorities, creating greater opportunity and prosperity for narrowing economic, environmental and health inequalities
- Consider pay and workforce conditions in our service and works contracts
- Promote trade union recognition
- Specify for Fair Trade (or equivalent).
- Ensure our suppliers remain compliant with the requirements of the Modern Slavery Act.

NEW COMMITMENTS:

- Fair Tax - clear statement that we will continue to campaign for better standards in tax conducts for organisations bidding for public sector contracts
- Denounce all employers that use 'Fire and Rehire'
- Ensure closer integration between our commissioning and procurement functions to enable greater innovation in the design of services
- Ensure the Procurement function is structurally aligned to support Hackney's Green Economy, just transition and Carbon Action Priorities (CAP) plan.

SPIS - Implementation

We recognise that we cannot do it alone...



COLLEAGUES

CONSULTANTS

VOLUNTARY & COMMUNITY SECTOR

SUPPLIERS

CONTRACT MANAGERS

ANCHOR ORGANISATIONS

PARTNERS

SERVICE MANAGERS

INTERNAL DEPARTMENTS



PRINCIPAL PLACE

IMPLEMENTATION

MEASUREMENT

MONITORING & REPORTING

Sustainability will only become fully embedded in the organisation if those within it understand and are committed to:

- Providing a clear vision and key sustainable procurement commitments
- Ensuring capacity and a capable workforce
- A delivery plan
- A consistent approach to measurement
- Having the relevant tools in place for capturing and monitoring progress

Delivery Plan – Summary of short and medium term actions

The Procurement Team will:

- Update the Procurement Pipeline to highlight opportunities for local SME, green jobs/skills and carbon action priorities.
- Work with internal departments to identify local and ‘green’ suppliers and encourage them to register on Hackney’s e-tendering system.
- Refresh/simplify tender documents to encourage SME bids.
- Revision of Contract Standing Orders (CSOs) - to incorporate new requirements
- Guidance on the preference for >£5k contracts to VCSE and >£25k contracts to local SME..
- Review to SPS Heat - to ensure Social Value opportunities are maximised
- Encourage wider use of the SPS Heat Map
- Continued improvement of tools, guidance and support for contract managers and procurement teams and
- Implementation of a new contract management system
- Use of the Contract Management System to support managers in the delivery of SPIS themes and commitments.

Next Steps...



MEMBERS



DIRECTORS/SERVICE
HEADS



ANCHOR ORGANISATIONS



LEGAL

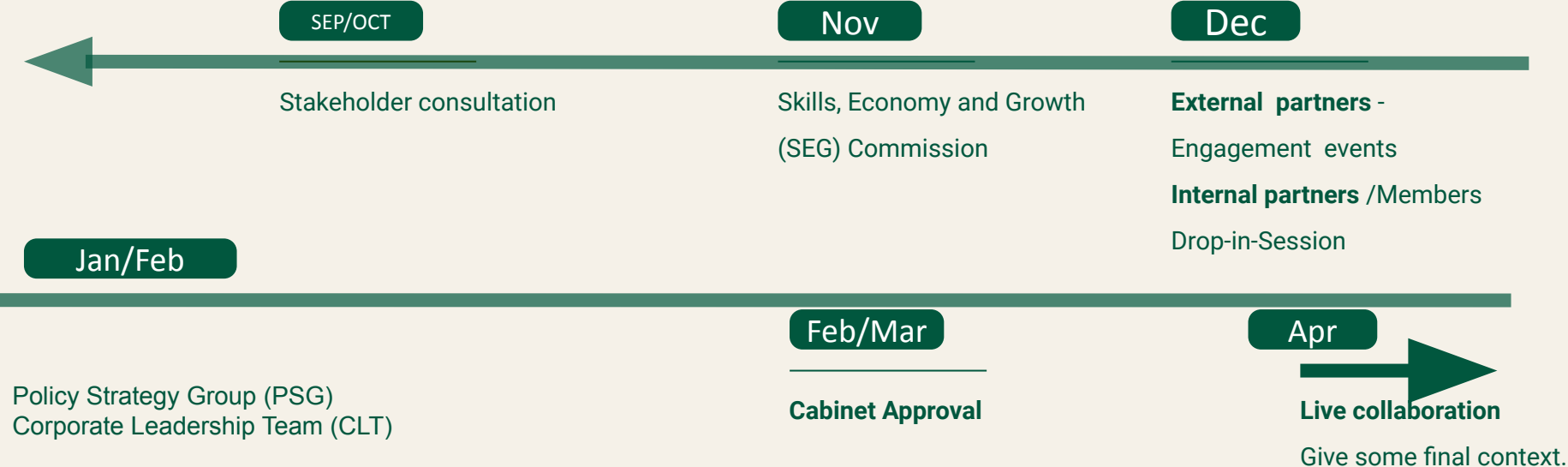


TRADE UNIONS



EXTERNAL PARTNERS

Sustainable Procurement & Insourcing Strategy Timelines



The Hackney logo, featuring a white circle with a stylized 'H' inside, followed by the word 'Hackney' in a white, sans-serif font.

Questions

A London Underground bus stop sign. At the top is the London Underground roundel logo. Below it, the text reads 'BUS STOP Commercial Street Warlike Street'. Further down, it says 'towards Aldgate, Bank or Monument'. The sign lists bus routes in a grid format:

8	35	47
26		
48	78	135
149	205	242
388	N8	N205
	N26	