

London Anchor Institutions' Network (LAIN) Responsible Procurement Working Group

15:00 – 17:00 GMT, 16 May 2023

Meeting convened via Teams

Attendees:

Alexia Nazarian (Bloomberg Associates), Lucy Crick (GLA), Michelle McCann (NHS London), Saritha Visvalingam (Transport for London), Gordon Innes (Bloomberg), Olivia Tusinski (GLA, LAIN Core Team), Stephen Howells (University of London), Katherine Adams (representative for GLA), Natalie Evans (Westminster City Council)

Apologies:

Jennifer Porter (London Fire Brigade), Tim Rudin (Transport for London), Simon Carlaw (Transport for London), Souraya Ali (GLA, LAIN Core Team), Helen Linklater (Chair, Metropolitan Police Service)

All actions:

June Market Engagement Event

- **Lucy** to share invite copy, event page, and details on professional services categories with Natalie and wider group with minutes

Database

- **Saritha** to review and feedback on updated DPIA (specific to advertising and marketing) **by next meeting (6th July)**
- **Saritha** to follow up on London Enterprise database to see if it speaks to procurement categories and provide update at next meeting **(6th July)**
- **Katherine/TfL colleagues** to canvass commercial officers to understand if they would support what is being proposed how they could/would use it, including whether list of 10 business networks to email out to is doable **(to update at 6th July meeting)**
- **Natalie and Saritha** to meet separately to discuss considerations for the WCC directory
- **Saritha** to continue exploration of database ownership with LCCI and update **by 6th July**
- **Olivia** to explore London Business Hub publishing opportunities within the L&P transfer once clearer brief in place

E-learning

- **Lucy** to share copy/blog with group from GLA for dissemination approach with minutes
- **Anchors** to let Olivia know if any support is needed getting on expediting the roll out by **31st May**

Reserved Contracts

- **GLA core team** to schedule an in-person mapping exercise/deeper dive on this activity to define problems within the **3-month window**. Anchors to indicate interest in attending.
- **Natalie** to start developing a tick list of 10 actions that should be in place in order to reserve contracts that could be shared amongst Anchors and provide **update at 6th July meeting**

Removing barriers

- **Natalie** to send WCC short form to Saritha by **31st May**
- **Michelle** to explore an analysis of what the average payment date for each Trust is and undertake internal engagement to discuss possible changes to payment terms and provide **update by 6th July**
- **Natalie** to start banding together of appropriate levels of insurance with City of London and boroughs and **provide update by 6th July meeting**
- **Katherine** to speak to Saritha to discuss incorporating reducing insurance levels into PO short form activity **by 31st May**

Minutes

1. Welcome and apologies (OT)

- Olivia welcomed the group and noted apologies from Helen Linklater who was unable to attend the meeting due to an emergency, Olivia chaired on her behalf.
- Samiya Hirji, Responsible Procurement Manager TfL, was welcomed to the group. Samiya will be taking on Simon's role.
- Introduced meeting as opportunity to reflect more widely on progress, relevance of action plan items, identify and discuss obstacles, opportunities to adapt, and renewed timeframes for doing so.

2. June Market Engagement Event Update (LC)

- Lucy thanked the group for their input and attendance at the two-weekly planning meetings, the group are making great progress.
- Lucy gave an update on the event including confirmed date (**29th June**), confirmed venue (**RSA House** with use of 3 rooms) and 5 support organisations are confirmed to attend.
- The event is now positioned as a mix of live opportunities and 'how to' with training and meet the buyer networking.
- The running order was circulated yesterday (15/05/23) for comment and being revised.
- The event page with finalised agenda and registration form will go **live tomorrow (17/05/23)**. All Anchors are encouraged to share widely.
- The London Business Hub page has been updated and will promote the event alongside being sent to a wide range of networks of diverse businesses.
- Lucy noted outstanding actions from the last planning meeting for Anchors:
 - Anchors continue outreach to **Tier 1 suppliers and secure 1 each to attend** the event, ideally in one of selected purchase categories, and confirm to Lucy by **29th May**. Stall numbers are needed for the venue.
 - Anchors to provide names of **Procurement Officers attending** on the day for each Anchor's stall by 29th May and **secure their diary**
 - Anchors to continue engaging with procurement officers/contract managers and others to **identify live opportunities** and provide a list of these for the event
- Lucy noted identifying opportunities and reserved contract processes has proved a challenge

Discussion:

- Natalie asked if MSDUK can share with their networks. Lucy and Olivia welcomed as wide distribution as possible.

Activity 1: SME Database

- Saritha gave an update on the latest developments. Glass AI was used as a pilot to capture SMEs on a database for the advertising category with a focus on women owned and ethnic minority owned businesses.
- Saritha noted the key challenges for this activity were how businesses were categorised and ensuring we align with GDPR and data privacy policies.
- TfL ran a Data Protection Impact Assessment and deemed the activity in its current form too high risk to continue. However, in parallel there is a wider piece of work that Glass AI already have produced for the enterprise team which looks at published, available information which could be checked. DPIA officers noted that if we are just looking at the SME category this can be used without women/ethnic minority owned categories.
- Saritha noted adapting for this activity include reaching out to other networks such as LCCI as much of the risk involved who would own and manage the data. LCCI offered to build a database using the networks they have by being open and honest in asking for this information.

Discussion:

- Natalie noted WCC are putting together a new directory including women led and global majority led. Natalie asked following the results of the DPIA is it likely that WCC will not be able to share this data with Tier 1 contractors.
 - Saritha responded it depends if data is being self-reported through supplier registration or other means. Speak to data protection leads as soon as possible.
- Saritha noted another company has approached regarding a database with 200,000 SMEs with a data sharing agreement in place with other organisations. Cost involved. A two-week trial could be set up.
- Olivia asked what is the final form we are trying to reach with this activity? How close are we to the final form? Could it be that we use the London Business Hub to channel this information?
 - Gordon responded that the goal was something very simple for procurement officers to be able to use as capacity was limiting ability to search for SMEs to invite to tender. Having categories was key. Gordon highlighted the need to have a conversation with Procurement Teams/Officers themselves to discuss what do they need, what would it need to look like to be used effectively.
 - Michelle noted originally, they also wanted to be able to identify SMEs by accounts payable information to feed into reporting on spend by being able to cross reference against a database would identify spend with SMEs for quarterly reporting.
 - Saritha noted based on current process it would be very difficult to confidently cross-check
 - Katherine offered TfL's procurement officers as a test for this and to start this conversation. TfL have the new SAP Ariba which is picking up new suppliers' information but not existing. Survey of suppliers within the system to declare this information is a next step.
 - Stephen agreed legacy information [existing suppliers] into the finance system would be a challenge.
 - There was discussion on the value of continuing to communicate effectively through existing channels (London Business Hub, now being managed by L&P) and to potentially share list of contacts (LCCI, FSB) with procurement officers directly when they publish
- Olivia noted this raises a challenge point around when data is collected from suppliers
- Olivia noted there are different approaches, pushing it out to as many SMEs as possible versus only communicating to a ring-fenced contact list for opportunities. The group should decide if creating a specific shortlist is still the right approach.
 - Gordon noted there are different communications – general awareness of public sector procurement opportunities but there is a risk if we start providing small businesses with contracts after contracts and after 12 months, they have not won anything they can be turned off. We need to be as granular as possible to find suitable genuine opportunities for SMEs, the database is key for this.
 - Michelle agreed, they have niche contracts and trying to find and access the right people with current advertising routes is not working. Knowing who those people were in London for specific opportunities would save time on both sides.
 - Katherine noted this is still an aspiration we should be aiming for, but which categories we focus on should be the approach
 - Natalie noted WCC are trying to push to work with community facing colleagues. Another challenge is how much screening we do for businesses getting onto the directory for example around insurance.
 - The group noted they would need to fulfil these requirements at procurement stage
- Olivia summarised the group **agreed the goal of sharing a database** (excel spreadsheet or comparable) that is searchable by purchase categories, diversity characteristics, size) **remains relevant** and useful in terms of promoting /reserving contract opportunities having identified some of the barriers.
- **The group agreed to continue this activity with a timeframe of 6 months for refinement and adoption**

Activity 2: E- learning

- Most members of the group have now had the e-learning modules adopted onto organisation's management platforms
- Michelle noted there is an issue with coding in scorm file before it can be rolled out for Trusts
 - Alexia has forwarded issue to developers
- Stephen noted uploading and rolling out is the next steps for UoL. HR team timeframes are a blocker.
- Katherine noted discussed at this at TfL SLT, it is on the system and an article in newsletter distributed. GLA has uploaded to system, circulated in core brief and in Economic Development Unit.
- Olivia celebrated this activity has essentially been **completed**.

Activity 3: Reserved Contracts

- Olivia highlighted this is the group's main challenge activity with a clear approach missing from the action plan.
- Michelle noted this is the activity she has least control over this. What can be done is to provide education pieces on the advantages of reserving or case studies.
 - Gordon asked would it be helpful if the Head of Trusts said a 5% of contracts need to be reserved? Michelle noted this would be helpful, but she does not have the mandate to do this.
 - Olivia noted it is key to identify who does have the mandate and can do this. Steering Committee representation could support this.
 - Michelle responded newsletters are key communication channels, we could consider a piece written by Lizzy to further encourage as part of LAIN mission.
 - Saritha noted some case studies and supportive information that can be shared.
 - Saritha noted it is important to think what realistically can be reserved in the procurement pipeline first to begin this activity.
 - Katherine noted we could be slightly firmer around guiding those who are making requests of procurement teams to meet this commitment.
- Olivia noted in certain purchasing categories it seems possible: FM, catering, cleaning, where there's cyclical contracts or under threshold. Other categories, officers don't reserve 6-9 months in advance. Barriers are not enough contracts coming forward and not enough or far enough advance.
- Gordon asked what is the barrier that's stopping procurement officers?
 - Natalie outlined stakeholder departments are used to using the same organisations over and over. WCC are pushing the 1 in 3 policy to ensure every tender has an SME as 1 of 3 bidders.
 - Natalie highlighted an effective measure can be to set up frameworks with 'lots', a lot for SME's could work well. Mostly had experience reserving contracts in sheltered workshops, organisations can bid if they have 30% disabled staff but need to be sure of competition.
 - Katherine highlighted the issue is pipeline visibility with last minute requests.
 - Natalie discussed to make more this activity more measurable, start with having a list of must haves before you can start reserving contracts. Whether you set a threshold or not, it needs to be top-down policy from the organisation. The directory is key as you need to be able to call on this. A tick list might make it more quantifiable.
 - Katherine suggested not a target more about intervention in our assurance process.
- **Olivia summarised this activity would benefit from clearer definition of desired 'end point' which requires further problem definition.**
- **The group agreed to a 3-month exercise to define the problem and come up with clear interventions for a working timeframe**

Activity 4: Market engagement events

- Olivia asked does the group agree to 1 or 2 events per year?
- The group agreed 2 per year depending on live opportunities and capacity with the caveat of deciding to commit to 2 per year and to define resourcing nearer the time and the need to get into a better rhythm of identifying live opportunities to ensure events provide value
- Michelle suggested piggy backing off our stakeholder events such as BITC / LCCI etc.
- **Timeline likely next year. (Add to action plan for 2024)**

Activity 5: Removing barriers / T&Cs

Guides

- Olivia highlighted we are in train with producing some guides on public procurement and social value as part of the legacy of the market engagement event.

Terms and Conditions

- Katherine noted the short form contracts were also in train but have had to take one step back to ensure the leadership team are aligned with what we are trying to do.
- Saritha highlighted they have shared TfL's purchase order T&C's with LCCI and BEO to get initial feedback. Considerations around using the cabinet short form T&C's.
- MPS have been leading the way on this and their 6-page short form contract has also been shared with LCCI/BEO for feedback.
- Olivia asked if other Anchors thinking of doing this activity too?
 - Stephen noted standard Purchase Order terms are used
 - Michelle noted they are bound by Department of Health T&C's – have put in a request to do a lite version
 - Gordon noted if we all have short forms but they are different do they need to be standardised?
 - **The group agreed a comparison exercise would be helpful**

Indemnity Insurance and Payment Terms

- Discussion circled back to barriers regarding insurances within the contracts where short or long.
- Natalie noted a consensus across Anchors for insurance thresholds could be leveraged to reduce the insurance thresholds used. That could make a big difference to SMEs.
- Olivia noted Gordon held a recent session on supply chain finance discussing cashflow issues and short payment terms. It would be good as a unified body of institutions to have a consistent approach. The current approach for GLA Group is 10-day payment terms.
 - Michelle noted theirs is 30 days for all suppliers. Michelle will do analysis of what the average payment date for each Trust is initially.
 - Michelle noted this goes back to how we identify SMEs in the first place and ability to change their profile on the finance system to change their payment terms. Olivia highlighted purchasers at GLA can flag to finance when they are using an SME.
 - Olivia flagged UoL's barriers are the size of the team and distanced teams buying goods and services, there is a link being made to influence the policy elements with Ben Rogers.
 - Stephen noticed payment terms are 30 days and to reduce this would involve significant process changes. Indemnity insurance needs to be looked at on project by project bases due to risk levels.
- Olivia suggested a next step for insurance could be to review what generally acceptable thresholds for certain purchase categories should be set at.
- Following discussions with insurance colleagues first to set the context, the group should engage with LCCI and FSB as key stakeholders to shortcut answers on this.
- Katherine discussed in conjunction with the short form contract piece of work, TfL and GLA could use Purchase Order standard terms as a way to lower insurance terms.
- The group agreed to use purchase categories for the event as a test run to develop insurance bands.
- The group agreed that items contained within T&Cs are equally/more important than simplifying language (indemnity insurance, payment terms)

- **The group agreed a timeframe of 6 months for this activity**

Activity 6: Reporting

- Olivia highlighted a Microsoft form was issued for 6 monthly reporting. The LAIN core team would like feedback and the group to trial this in **the next month** for the Steering Committee.

3. AOB

Supply chain finance

- Olivia thanked Bloomberg colleagues for setting up the supply chain finance call. Noted the ball is now in the court with individuals on the call to follow up on anything they would like to pursue.

Next meeting:

- 6th July 2023 15:00 – 17:00 GMT+1