**London Anchor Institutions’ Network (LAIN) Responsible Procurement Working Group**

**Minutes**

**14:00 – 15:00 GMT, 30 March 2022**

Meeting convened via Teams

**Attendees:**

Alexia Nazarian (Bloomberg Associates), Christopher Barry, Katherine Adams (new representative for GLA), Shaun Lowthian (Greater London Authority), John Tuncliffe (London Fire Brigade), Mark Roberts, Katherine King, Helen Linklater (Metropolitan Police Service), Michelle McCann (NHS London), Tim Rudin, Simon Carlaw, Saritha Visvalingam (Transport for London), Gillian Askew, (Go4Growth), Cathy Watts (consultant), Neil Darwin (Deyton Bell)

**Apologies:**

Gordon Innes (Bloomberg), Mark Roberts (Metropolitan Police Service), Philip Hewson (Transport for London)

**Introduction:**

Christopher Barry chaired the session in Gordon Innes’ absence. The objective of the session was to cover the main projects and discuss next steps for the Working Group. The chair introduced Go4Growth and Cathy Watts, who has worked on two of the four projects.

Colleagues were asked to read the key recommendations in advance.

1. **Audit of TfL and LFB processes and Forward Buying Plan presentation**
* Gillian Askew (Go4Growth) explained that the focus for anchor institutions shouldn’t just be about publishing a pipeline, but also making sure small, local, and diverse businesses can access these opportunities, and that they’re able to have as much information early on in the process to determine if they should bid. NHS, TfL and LFB were all consulted with as part of this work.
* The forward pipeline guidance has been developed in conjunction with guidance about how to remove barriers to entry for small and diverse businesses. Gillian set out that both guidance relate to one another and while forward pipeline guidance is based on operational guidance, both sets are concerned with ensuring anchor institutions can attract and engage a broad and diverse supplier market.
* It was accepted by all members that each of the 16 institutions in LAIN are at different stages, which will mean publishing at different frequencies. Goal is to build consistency so that over time a consolidated pipeline could be published.
* Through interviews with UK and US stakeholders, Cathy Watts explained that diverse businesses see public sector procurement as a closed shop. At the same time anchors don't know where to find small or diverse suppliers.
* Cathy said that although forward plan may seem like small piece, if we're able to consistently publish quality information, it can play a crucial role, with colleagues speculating that over time, pipeline could become automated.
* All template and associated guidance are being translated into online training course.
* Confirmed by Cathy Watts that MVP guidance published with GCS question from Katherine King.
* Chair asked how this will likely be implemented with anchors unable to commit to specific timelines but that public pledges help (Michelle McCann).
* Katherine Adams said that bringing in finance colleagues may support the implementation of forwarding buying plans, thus allowing contract managers to be more strategic regarding the type of contracts that could be put forward.
* TfL and the central RP team will pick this up as they progress the Responsible Procurement Implementation Plan and the Small and Diverse Business Action Plan

* Simon Carlaw explained that from TfL’s perspective, they are still obtaining data to establish baseline because ambition is associated with direct and indirect spend, and until they have better understanding of indirect spend with smaller businesses it will be hard to take further action.

**Actions:**

* Members should read and begin process of implementing said plans
* Templates to be shared via email and on [www.anchors.london](http://www.anchors.london) member zone
1. **Reserved contracts pilot**

Saritha Visvalingam gave an update on the 8 reserved contracts completed/in process worth £680,000, and 5 further contracts under consideration worth £458,000 which would potentially total up to £1,138,000.

Saritha set out some of lessons learned including:

* Need for greater steer from senior management
* Need to reduce barriers and consider SMEs earlier in the process
* Understand how this can be scaled and embedded in procurement process
* Discussing potential opt-out process where below threshold contract values default should be considered reserved
* As part of pipeline review – how to better promote contracts. What’s the best way to promote contracts when using different portals?

How to:

* Correct skewing towards contracts that are already due to go to SMEs
* Focus on specific business areas or spend categories
* Consideration of supplier engagement events around GLA group procurement process

Neil Darwin has supported this work and said that suppliers are ready, but contract managers are not. He gave a recent example of a contract where he supported 7 companies out of 8 submissions and the 8th company won it. They have over 250 employees and clearly not underrepresented.

He said that rejection letters form part of a culture that reinforces you weren't good enough rather than 'we can help you be better' – this is a journey that can only accelerate over time.

Katherine King reminded the group it’s not just SMEs, it’s diverse-owned businesses as well.

Katherine Adams said that this reinforces the need to have a pipeline conversation ASAP otherwise there will be tidal wave of reacting to things rather than planning

**Actions:**

* Saritha to share next steps and learnings
* Katherine King to share database of MSDUK’s suppliers
* All to send any potential reserved contracts

1. **Indemnity insurance**
* Saritha explained that this was a research and feasibility study that GLA commissioned Go4Growth for relating to insurance levels and innovative financial mechanisms that could be applied to procurement practices to reduce barriers for smaller and diverse businesses
* The key finding is that there are no glaring issues – they’re fairly comparable to other sectors and whilst there aren’t necessarily any quick fixes, there is desire to improve. There was some inconsistency within/across the group for insurance, liability and financial assessments
* Saritha explained that stakeholder presentation was positive but there’s a need to include key legal and finance groups moving forward
* The group was asked to read through the 16 recommendations to ensure a more strategic approach moving forward
* Mark Pearson made the point that insurance is changing and that it can be difficult to influence it. Suggestion from Saritha that it is a perception issue that suppliers have that can be addressed through improves communication e.g. that there isn’t an expectation until you’ve won the contract
1. **Next steps**

The Chair asked each member to give an overview of where they currently are and to ask if a political/Mayoral push is required.

Helen said that MPS are making reasonable progress given they are working on publishing pipeline. They have targets up until 2024/25 and have a piece of work to do around cultural mindset. Katherine said that their biggest challenge is to get others on the ground to think about this early on. If they can come up with easy methods of engagement that would be great. They've tried all sorts of training but question how much is sinking in. MPS have executive sponsorship and have a commercial awareness week in May.

Simon highlighted four key groups of stakeholders for TfL. Primary stakeholders are senior leadership in procurement/commercial, followed by legal, risk, and procurement managers. He asked for products that have been produced to be used as part of an engagement pack.

Alexia said that Bloomberg Associates could do individual days or half days and facilitate an engagement piece particularly with senior leadership.

Cathy also noted that supplier fairs, engagement events, and having anchors collaborate on them can work.

The chair suggested anchors consider pooling resources.

This is the last session Christopher Barry will attend as he’s leaving the GLA. Following this meeting, Helen Linklater of the Metropolitan Police Service agreed to act as chair.

**Actions:**

* Members were asked to consider next steps and implementation plans
* GLA and BA to meet on next steps and share with the wider group

**Next meeting:**

16:00 GMT Tuesday 24 May 2022