

Sustained commitment to responsible procurement at TfL

This case study has been produced by the [Buying Social Justice](#) research project as part of its exploration of how public procurement is being adopted by public sector organisations to advance equality in employment. It is one of a series of case studies that feature good practice in the use of public procurement by infrastructure and transport bodies, local authorities, housing associations and universities in England, Scotland and Wales. The purpose is to present examples of good practice in how public procurement can incorporate objectives to promote equality, diversity and inclusion in the workforce. By presenting a selection of examples from public bodies of different sizes and sectors, it is intended that other organisations may consider adopting similar measures in their procurement practices.

All the case studies, together with other publications and outputs from the project, are available on the [Buying Social Justice](#) website.

Background to the organisation

Transport for London (TfL) is the integrated public transport authority for the Greater London area, with responsibility for London's buses, Underground and Overground rail systems, the Docklands Light Railway, the Croydon tram, Victoria Coach Station and London River Services. It also has responsibility for London's strategic road network, its traffic light system and its road user charging schemes (the congestion charge and the charging associated with its Ultra Low Emission zone).

As one of a group of public bodies overseen by the Greater London Authority (GLA) that also includes the London Fire Brigade and London Development Corporation, TfL's strategic direction is set by the elected Mayor through the Mayor's Transport Strategy. All Mayoral statutory strategies are required, under the GLA Act 1999¹ to have due regard to the three cross-cutting themes of sustainable development, health and equality of opportunity. The inclusion of the latter has ensured that all three Mayor's Transport Strategies published to date have included clear objectives aimed at supporting the social and economic aspirations of London's diverse population as well as improving and integrating their transport options. All three strategies have also recognised that equality of opportunity-related outcomes can be pursued through the strategic use of procurement.

As the GLA's Head of Responsible Procurement explained:

“Responsible procurement is an area where the Mayor has a direct lever over the actions of the businesses fulfilling contracts for the GLA Group, compared to other policy areas which may be focused more on influencing the activity and behaviour of businesses, groups or individuals in London. We are able to ensure that suppliers consider and contribute to the social economic and environmental sustainability of the city as a condition of doing business with us.”

The influence that the Mayor is able to exert through strategic procurement extends beyond the GLA 'family' through the London Partnership Board (formerly the London Recovery Board), which is co-chaired by the Mayor and the Chair of London Councils, who represent the 33 London local authorities. Procurement is seen as an important avenue through which social aspects of the nine 'missions' the Board has set itself can be delivered.

The Board convenes the London Anchor Institutions Network, which also includes representatives

from the London Chambers of Commerce and Industry, NHS London, a number of London-based universities and the TUC (London and the Southeast). All members of the Network have signed up to the London Anchor Institutions' Charterⁱⁱ which pledges all signatories to work with one another in support of maximising employment opportunities for marginalised groups and narrowing social, economic and health inequalities. The GLA and TfL are also co-signatories to this charter and are members of the Network. A key workstream of the Network is its procurement working group, leveraging collective spend to improve the diversity of members' supply chains.

Procurement specialists across the London boroughs and other public bodies also come together three or four times a year through the informal London Responsible Procurement Network. This network creates opportunities to discuss common challenges as well as suggested good practice. It also enables ad hoc communication outside of meetings for the exchange of advice.

EDI policy and practice

TfL has always had a strong focus on integrating EDI objectives into its plans for improving transport provision in London, reflecting that original specific duty contained within the GLA Act. The most recent iteration of its EDI objectives, published in 2021ⁱⁱⁱ sets a total of 13 objectives for the organisation. Of these two are directly relevant to its use of procurement to progress EDI-related employment initiatives through procurement. These, and its other 11 objectives, are all set out in the context of the organisation's Public Sector Equality Duty to not only eliminate discrimination, harassment and victimisation, but to 'advance equality of opportunity between those who share a protected characteristic and those who do not'.

Objective 7, 'Inclusive partners, suppliers and industry', commits TfL to encouraging its suppliers to recruit workforces that 'truly reflect London's diversity through industry collaboration and make sure that inclusion is part of the contractual requirements for all ... suppliers'. It also refers to removing the barriers to SMEs and diverse businesses participating in procurement, with TfL committing to 'take action to ensure our procurement processes are accessible and inclusive to London's diverse businesses'.

Although Objective 13, 'Future Skills Agenda', is mainly focused on TfL's own 'talent pipeline', it commits the organisation to extending the reach of the employability and outreach programmes detailed to support their supply chain in the delivery of aspects of Objective 7 as well. Those programmes include: a Routes into Work programme, specific 12-week employability interventions, Steps into Work (helping neurodiverse people into work) and work with schools in the most deprived areas of London.

TfL's approach to procurement

Alongside the day-to-day operation of the complex transport systems described above, TfL is tasked with overseeing the development and delivery of a range of construction-related projects in London, for example, the current £1.3 billion programme of renewals of London Overground equipment^{iv}. TfL also delivers one off, multi-billion major infrastructure projects such as Crossrail, now operating as the Elizabeth Line. TfL's procurement activities thus represent a considerable proportion of overall procurement activity by value within the GLA family. So, whilst Responsible Procurement (RP) is a GLA-wide policy, TfL is the functional body that has been most involved in delivering GLA-wide procurement objectives.

The most recent iteration of the RP policy, updated in 2021^v, sets out five key themes of which the first three are of direct relevance to equality, diversity and inclusion objectives: improving supply chain diversity; embedding fair and inclusive employment practices; and enabling skills, training and employment opportunities. The policy is supported by an implementation plan^{vi}, within which a key EDI-related employment target is to deliver, across the GLA family, 500 supply-chain apprenticeship starts per annum, with the additional proviso that these should reflect London's diversity.

The implementation of the RP policy as a whole is overseen across the GLA ‘family’ by a small core team of specialists, the Central RP Team. Amongst this team are a number of Responsible Procurement (RP) Managers who support and encourage the local procurement teams to reflect the RP policy in their work. TfL have established a Supplier Skills Team (SST) who organisationally sit within TfL structures, formally report to the Head of the GLA Group Central RP Team. The SST play a key role in working with suppliers to support the delivery of employment outcomes they have committed to within the contracts they have been awarded.

Procurement stages

Specifying requirements and pre-tendering

The RP approach adopted by TfL seeks to integrate equality and social considerations into procurement processes right from the start of the approvals process and justifies this approach by emphasising the link between RP and the responsible use of public money. As the RP Manager assigned to TfL explained:

“At the individual project level, the RP team have developed a checklist that the TfL procurement specialists have to complete as part of the initial approvals process for any procurement over a particular threshold value. This helps to encourage commercial managers, who lead the progress of an individual procurement project to consider RP issues early on in their timetables.”

The checklist asks a series of questions based on the themes set out in the RP policy, including EDI and skills, based around two principles: relevance and proportionality. The questions determine what RP elements to include, based on the nature of the procurement including contract length and the type of employment it might generate. The commercial manager is directed to contact the appropriate RP specialist depending on their answers.

As well as seeking to influence commercial managers at the very earliest stages of the procurement process, clear messages are sent to potential suppliers about TfL’s expectations in respect of RP objectives. A suppliers’ guide^{vii} outlines the tendering process and its activities in engaging with potential suppliers through events and newsletters, which represents an attempt to encourage a greater diversity of bidders. The guide also makes clear that EDI is an important priority for TfL and that the organisation is looking both for a diverse supplier base and for EDI commitments from its suppliers that mirror TfL EDI values and goals.

At the pre-tendering Supplier’s Questionnaire (SQ) stage, TfL mandates questions for potential bidders about some basic requirements such as paying the London Living Wage, but it is at the tender stage that the Strategic Labour Needs and Training (SLNT) requirements are discussed in detail.

Tendering, evaluation and contract award

TfL’s SLNT requirements consist of a sliding scale of requirements depending on the value of a contract. These requirements have been developed over a number of years by TfL, informed in part by their earlier involvement in a Department of Transport initiative, the Transport Infrastructure Skills Strategy (TISS) and the associated Strategic Transport Apprenticeship Taskforce (STAT), convened to deliver its ambitious targets. These included creating 30,000 apprenticeships by 2020, over half of them expected to be at the ‘operative’ level, which includes construction workers. Alongside the overall targets were specific ambitions to increase the proportions of women and racialised minorities gaining access to apprenticeships in the relevant skills shortage areas. The lessons learned from participating in STAT continue to contribute to TfL’s bespoke approach to specifying SLNT outcomes from its suppliers in their Invitations to Tender.

Suppliers are asked to submit, as part of their tender, an initial plan to deliver SLNT 'outputs' at a scale relevant to the value of the contract. For example, for a construction-related contract worth £30 million, the supplier would be required to submit a delivery plan for 10 SLNT outputs, of which 75% should be targeted at TfL-defined priority groups, all underpinned by baseline objectives to increase the proportion of women and racialised minorities.

The definition of units of output are tapered, so for example a level 2 or 3 apprenticeship is valued at 1 output, as is the creation of one job start, or 10 days of a work placement, targeted at underrepresented groups (women or racialised minorities), and where the placement is contributing to a social mobility objective.

At present individuals are considered to benefit from a social mobility improvement if they are in one of the following categories (although this list is always under review):

- Qualified for free school meals
- Offender or ex-offender
- Homeless
- Care leavers
- Single parent
- Care responsibilities
- Refugee status

As these requirements are complex and specialist, a Supplier Skills Manager evaluates this part of the eventual bids. TfL has been evaluating the SLNT elements of tenders on pass/fail basis as the aim was to encourage potential suppliers to develop plans of sufficient quality, rather than rank the different submissions, but they will be moving to a scoring approach in the future.

It is after contract award, through the processes of contract management and monitoring that the SST does the most important part of their role; supporting the delivery of the plans that have been included in successful bids.

Contract management and monitoring

A requirement of suppliers' SLNT delivery plans is that they identify a specific person in their organisation who will be dealing with the Supplier Skills Manager (SSM) allocated to that contract. SSMs deal with that individual to agree a final implementation plan (taking into account any adjustments to the contract that may have taken place post award). Part of the support with implementation involves helping to connect them with TfL's own initiatives such as recruitment fairs and other pre-employment interventions and those offered by other organisations, such as schools, charities representing ex-offenders, or running niche employability initiatives.

As one of the Supplier Skills Managers described this aspect of their role:

"We go and look and work with other organisations, like charitable organisations, prisons, youth centres, that sort of employability organisations, ...to encourage them to interact with our suppliers, so it helps our suppliers to fulfil the criteria. So, we're sort of like matchmakers."

This outreach work helps to bridge the gap between what TfL is asking suppliers to deliver in terms of bringing under-represented groups into the construction industry and individuals within those groups who might not be ready and/or or yet persuaded to consider working in construction, engineering or transport.

The commitments from a supplier in the final SLNT plan form part of their contract and as such are

regularly monitored and reported on as part of the contract management process. This involves both formal quarterly reporting through a bespoke spreadsheet provided to the Tier 1 contractor and less formal 'open channels of communication' in the form of regular catch ups with a member of the SST team.

Outcomes achieved

TfL's RP policy and its accompanying supplier skills development work have produced measurable outcomes, both in terms of numbers of individuals given some form of employment-related support and in more qualitative terms in helping to encourage a degree of culture change amongst suppliers.

The GLA Head of RP noted:

"When the [SST] team was first established, a long time ago, a lot of the work was after the contracts were let, actually working with suppliers to establish these programmes. A lot of them, let's say for apprenticeships specifically, they either weren't doing apprenticeships or there was a dormant programme, so a lot of the work for with the team... was doing that. Now that's not the case... they not all equal and some of them work harder at this than others, but I think it's understood and think generally they're embracing it for the most part."

Amongst the 'keen' suppliers, there is evidence of some internalisation of TfL's EDI values and desired outcomes, but also a clear business motivation to their activities as well. As one of the supplier's Social Value managers explained:

"There's a culture within the [principal supplier's] business which stems from [our chief executive] all the way down that basically says we need to work with and respect the communities that we're impacting and that includes creating opportunities and raising aspirations for those communities that we're working in. But there's also an economic kind of understanding that the more we do this stuff, well, the more we can create case studies that highlight that we really are very thoughtful about this stuff then the better placed we are to win work."

There is also some evidence to suggest that the RP approach is influencing Tier 1 suppliers to effectively cascade the requirements that have been given to them down their own supply chains. As a TfL Supplier's Social Value Manager told the project:

"At pre-tender stage, with our supply chain, we sit down and we talk through the kind of commitments, obligations, ambitions that we have around social value and then looking at the value of their contract, work out what we would expect from them. And then that's embedded into their contracts... So, part of my job is then going and managing supply chain partners too."

The outcomes of the RP policy across the GLA are reported to the GLA-wide Collaborative Procurement Board. Occasional public reports and case study collections are also made available on an ad hoc basis. A section of such outcomes, taken from the most recent Responsible Procurement Report^{viii} is included below:

- 783 supply chain apprenticeship starts (target 500),
- 1027 jobs created through TfL's Supplier Skills programme (48% BAME 33% Women and 45% previously workless)
- 21 GLA group suppliers working through accreditation to the Good Work Standard

- 4, 694 supply chain workers received a pay uplift from the annual review of the real London Living Wage rate.

These figures are brought to life in the more recent Case Study^{ix} report covering 2022 to 2023. Amongst case studies situated in the different parts of the GLA is included TfL's work in funding the Supply Chain Sustainability School's Fairness, Inclusion and Respect programme. This offers training resource and notice of events aimed at helping suppliers improve their EDI practices. During 2022 TfL suppliers accessed 582 of the programme's online resources and 138 individuals attended training sessions. TfL suppliers were also given the opportunity to attend a free 'inclusive recruitment' session during which actors demonstrated the biases and barriers that those with protected characteristics often experience during the recruitment process.

Encouraging the construction industry to expand their diversity and inclusion horizons

TfL's partnership approach with its construction contractors creates some opportunities to positively encourage progressive culture change outside of the procurement process itself. A good example of this is the informal influence that TfL's Steps into Work^{xi} programme has had on the construction managers who have come into contact with its participants. The programme is a partnership with the Shaw Trust^{xii}, an organisation supporting people into the workplace, especially those with complex needs. Individuals on the year-long programme undertake three different work placements with designated TfL placement managers and buddies. One of those placements is regularly provided by TfL's Construction Advisory and Innovation Manager (CAIM) who liaises with construction project managers over 'considerate constructor' issues, including those around accessibility. By engaging with local communities, including representatives of the disabled community, the CAIM is able to highlight the kinds of barriers that construction works can create for disabled people if their needs are not considered as part of the design process.

Alongside carrying out these duties as a Steps into Work placement manager, the CAIM often has a Steps into Work participant accompany him on visits to construction sites. The participant is encouraged to interact with site teams and get involved with the work. This gives the contractor staff they meet practical affirmation of the possibilities of opening up more job opportunities within the construction sector to disabled people. TfL's CAIM said:

"From my perspective, it's important we engage more with communities and value people. My role is to raise awareness of the barriers to access people experience whether at temporary traffic management, development-related works or access to employment, for example the Steps into Work programme. I have written numerous articles on platforms such as LinkedIn highlighting that making reasonable adjustments isn't difficult. We are all different and all have different approaches to work that help us to deliver the quality outcome as required. It's making people try and stand back and say, I didn't think of employing somebody like that. Could I? What do I need to do? It's not that hard a reasonable adjustment."

The TfL supplier interviewed for the research confirmed that TfL's support for the programme, and staff advocacy for the benefits of such initiatives (in this case through another member of staff, not the CAIM), had managed to persuade his company to follow suit. He explained: "One of the projects [TfL] asked us to be involved in was a programme called 'Steps into Work'. ... we created some work placements for students who were on that programme. And they were fabulous, to be honest. We were blown away by their commitment and dedication."

The influence of the practical role-modelling activities engaged in by the CAIM and others within TfL extend to LGBT+ equality issues as well. TfL encourages its contractors to follow the Considerate

Constructors Scheme (CCS) code of practice,^{xiii} giving them the opportunity to draw attention, under the code's Value the Workforce section, to a requirement to "actively encourage supporting an inclusive and diverse workplace" and to "proactively supporting safe working, mental and physical wellbeing at work". The CCS collates [a Best Practice resource hub](#) and many of TfL's 52 entries are linked to these aspects of the code, amongst them an initiative to promote LGBT+ allyship on construction sites. This initiative was run with the help of the TfL LGBT+ staff network group. The entry explains the important role that allies can play in creating an inclusive environment on site by "actively supporting colleagues, taking appropriate action against inappropriate behaviour and using inclusive ways to challenge behaviour."^{xiv}

As the CAIM reflected:

"People [...] within the industry [...] will often say 'I didn't realise that! You're highlighting so many impacts and potential issues I never thought about. Once this new way of approaching work is embedded, the aspiration is that constructors will all be more considerate."

Good practice highlights

TfL's implementation of the broader GLA Responsible Procurement policy has yielded measurable outcomes in terms of numbers of individuals who have benefited as well as an increasing awareness of EDI issues amongst suppliers.

Key highlights of good practice that support these outcomes include:

- The opportunities taken to collaborate across both public and private at senior leadership level as well as amongst the procurement teams of public sector organisations to share advice and experience;
- The explicit recognition in its EDI policy documents of the potential for procurement to help deliver EDI objectives;
- The facilitation of internal 'cross-border knowledge' through encouraging staff to be mobile across organisational boundaries, with some members of the Central RP team having previously worked both in the specialist procurement roles and in the SST. This has enabled the internal sharing of good practice in relation to internal skills development initiatives so lessons can be used to advise and support suppliers endeavouring to fulfil their SLNT related contractual commitments;
- A focus on partnership working with suppliers on the one hand and enabling organisations, often in the public or third sector, on the other. This facilitated by regular meetings and reporting of progress in respect of the former and in outreach work and a culture of collaboration and networking in respect of the latter;
- Sector level strategic view of skills shortages and how they might be tackled.

TfL's embedded organisational values on EDI encourage staff across the organisation to promote awareness of a range of equality issues through the operational work they do day-to day. This awareness of equality amongst TfL staff is itself a factor that sits alongside its responsible procurement commitments and reinforces the encouragement for contractors to demonstrate more progressive EDI employment practices.

Some key highlights of the ways in which this reinforcement takes place include:

- TfL's role modelling of the provision of inclusive employment opportunities through its Steps into Work programme;
- The use of the Considerate Contractors Scheme code of practice to seek to encourage more inclusive workplace cultures on contractors' sites;
- The promotion of examples of good practice amongst TfL contractors through LinkedIn to further encourage culture change within the construction industry.

ⁱ Greater London Authority Act 1999. Section 33.

ⁱⁱ London Anchor Institutions Charter, 2021

ⁱⁱⁱ Our Equality Objectives. TfL 2021

^{iv} TfL investment programme report Q3. 2022-23 p. 60

^v The GLA Group Responsible Procurement Policy, March 2021

^{vi} Responsible Procurement: GLA Group Implementation Plan 2022-2024

^{vii} Supplier guide: Everything you need to know about being a TfL supplier

^{viii} The GLA Group Responsible Procurement Report, March 2021

^{ix} GLA Responsible Procurement Case Studies 22-23.