

MAYOR OF LONDON

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Greater London Authority (GLA) Group use of private sector contractors

You will be aware from recent media stories, particular those surrounding Carillion and Capita, that there is now a significant focus on the public sector's outsourcing of services and the increasing use of – and reliance on – private sector contractors. It is vitally important that the GLA Group is pro-active in addressing the issues arising, assessing where our vulnerabilities might lie and taking whatever corrective action might be required.

I would like to discuss this issue with you at the GLA Group lead officers' meeting on 28 February and I would be grateful if you could, in advance of that meeting, consider the following questions:

- What are the main risk areas in our use of private sector contractors and how should we address the risks arising?
- Do you have a consistent approach for deciding which functions should be outsourced? If so, what is that?
- Are there instances in which functions should be brought in-house? If so, how do you propose that this should be done?
- How do you ensure that outsourcing deals are and remain in the public interest?
- Which organisations have been identified as our critical suppliers and what additional contingency arrangements might be needed?

In addition to our meeting on 28 February, the Collaborative Procurement Board is meeting on 14 March. That Board meeting provides an opportunity to consider the issue of supply chain vulnerability in more detail, and each organisation is asked to provide [REDACTED] Lead Commercial Manager at Transport for London ([REDACTED]@tfl.gov.uk), data comprising:

- Which suppliers do you consider to be vulnerable or to present a risk in the short (<1 year) and medium term (next 3-5 years)?
- What goods or services do these suppliers provide and what are the long-term commitments with these critical/vulnerable suppliers?

MAYOR OF LONDON

- How much money is spent with the suppliers identified as vulnerable. It would be useful to understand the past 12 months' spend and a spend projection over the next 2 years. This would inform pan-GLA decisions on aggregation and on the appropriateness of bringing provision in-house.

I look forward to a productive discussion later this month and for a fuller action focussed discussion at the Collaborative Procurement Board on 14 March.

Yours sincerely,



Sadiq Khan
Mayor of London