



Subject:	Maximising social value from Council activities
Date:	7 December 2016
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Is this report restricted?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

1.0	Purpose of Report
1.1	The purpose of this report is to update Committee on work under way to maximise the social value return from Council activities, principally procurement and to set out some emerging areas of work and timeframes.
2.0	Recommendations
2.1	The Committee is asked to: <ul style="list-style-type: none">– Note the ongoing work to integrating social clauses, where appropriate, within capital and revenue contracts– Note the proposals to expand this activity to take a broader definition of “social value” which will maximise the return on Council investment, based on the model adopted within the Innovation Factory operator contract– Note the proposals to work with other funding partners to develop a collaborative approach to social clauses and social value return across a number of projects.

3.0	Main report
3.1	<p>At the 22 January 2016 meeting of the Strategic Policy and Resources Committee, Members adopted the Council’s social clause policy. This committed the Council to scope out all upcoming tender opportunities (focusing on those with a value of at least £250,000) to explore opportunities for securing social value returns by introducing social clauses. These social clauses were focused primarily on employability related issues (e.g. apprenticeships, ring-fenced employment opportunities, work placements for long-term unemployed) but also included clauses relating to environmental sustainability.</p>
3.2	<p>Members will be aware that social clauses, as currently applied, are a relatively “blunt” instrument in supporting employability and engagement by those furthest from the labour market. To date, social clauses have been largely focused on construction contracts. This means that the social clause obligations can only apply for the construction period of the project. As a result, the employability opportunities on these contracts tend to be limited in both duration and scope.</p>
3.3	<p>Recognising the limitations of the current arrangements, Members agreed that it would be prudent to review the Council’s Social Policy to consider moving towards greater alignment with the “Buy Social” approach recently adopted by central government departments by June 2017.</p>
3.4	<p>“Buy Social” takes a broader approach to government purchasing, with a commitment to maximising the social and economic benefits from public procurement. This approach is now being rolled out across all government contracts and there is interest from the Finance Minister to extend this as far as is possible within the legislation. Following the commitment to working towards the Buy Social model, Officers introduced a number of developments in the Council’s approach to social clauses. This included:</p> <ul style="list-style-type: none"> – Collaboration with training providers already in receipt of financial support from the Council to act as a point of contact/ “broker” for the contractor in providing training and work placement opportunities. This has improved the opportunities for coordination and has improved working relationships between key training organisations and the contractors – Consideration of opportunities for social clauses within service contracts as well as construction contracts. One recent example of this has been the operator contract for

the Innovation Factory.

3.5

A report to the 18 November 2016 meeting of the Strategic Policy and Resources Committee noted that Council contracts since 2014 have supported the following training and employment opportunities over the respective contract periods:

- 47 long-term unemployed
- 47 student placements
- 105 apprenticeships
- 26 trainees supported through work placements.

3.6

In addition to employability benefits as social clauses, Officers have also taken a wider approach to maximising social and economic return on Council procurement spend. Some key examples of this include:

- Organising Meet the Buyer events: Contractors securing business with the Council are required to participate in at least one supplier information day, facilitated by Belfast City Council. Events provide an opportunity for local businesses to get direct engagement with the contractor. Events are specifically targeted towards small businesses and social enterprises and can also focus primarily (although not exclusively) on businesses located in the area adjacent to where the investment is taking place. For example, the operator of the Innovation Factory has recently entered into a contract with a local company to supply office furniture to the building
- Delivering programmes to help local businesses access public procurement opportunities: although not exclusively focused on Council contracts, these programmes support up to 30 micro businesses and social enterprises each year to build their skills base on public sector procurement processes. They also receive support from mentors to advise them on how to take a targeted approach to opportunities from the public sector and to give them support on compiling bids, including looking at opportunities for building consortia to access larger contract opportunities. These programmes have been running over a number of years and local companies have secured millions of pounds of new business with public sector buyers.

3.7

One of the key lessons learned to date has been the value of including social requirements as an element of the evaluation criteria in relevant contracts: The first example of this has been the operator contract on the Innovation Factory. Bidders were asked about how they would support investment in social regeneration alongside the work that they would

undertake to operate the centre efficiently and ensure occupancy levels in line with business plan projections. The contractor on this project has now developed a social integration and community engagement plan and has put in place an extensive programme of outreach, engagement and skills development, focusing on the adjacent community. Some of the highlights include:

- Delivery of an Innovation Boot Camp in Summer for 10 local young people
- Commitment to buying 25% of supplies from local businesses
- Delivery of work placement opportunities, with commitments from at least 25% of all tenants to take part
- Development of a mentorship programme between tenant businesses and local young people, giving an insight into innovation, self-employment and new career options.

3.8

Lessons learned from this approach are currently used in the ongoing procurement for the next phase of the Leisure Transformation Programme (LTP). This tender has included social value considerations as part of the evaluation criteria for the main works element of the proposed three new leisure centres.

3.9

The introduction of “social value” assessment as part of the evaluation criteria in tenders is the start of a process of taking a more holistic approach to the commissioning process. This will lead to the development of a “Social Value Procurement Framework” for the Council. This essentially means that, in addition to securing the specific supplies or services that they need, buyers can ask potential suppliers to set out how they will help them deliver on wider organisational priorities. For the Council and its key city partners, the Belfast Agenda provides the backdrop for the Social Value Procurement Framework. Depending on the contract, bidders may be asked about what actions they can deliver to support some of the themes including “Growing the Economy” and “Working and Learning”. Their contributions will be assessed as part of the evaluation of the bids and any commitments made will then become contractual obligations which must be delivered. The approach is likely to actually go beyond the “Buy Social” obligations, taking account of the Council commitment to support inclusive growth and improve the quality of life for all residents.

3.10

In order to ensure that the Council approach to this new way of working is compliant with all relevant legal requirements and that we maximise opportunities to engage with our anchor institutions and Belfast Agenda partners in the development and delivery of this work, we will be supported by the Centre for Local Economic Strategies (CLES). CLES are leading on this work with a number of UK local authorities. They have agreed to work with Belfast as a

<p>3.11</p> <p>3.12</p> <p>3.13</p> <p>3.14</p>	<p>case study city. The first stage of this process took place at the end of November when CLES facilitated a workshop with the Council, Central Procurement Directorate (CPD), other government departments, business representative organisations, Strategic Investment Board and third sector representatives. It is planned that a draft action plan will developed by February 2017. It will be brought back to Committee for approval at that point.</p> <p>Part of this action plan will look at how we can work with other partners to ensure that they adopt similar principles and ways of working. In advance with this, we have been engaging with public investment partners who are bringing forward major schemes in the city, particularly where these are adjacent to work being undertaken by the Council. This will include Urban Villages areas and other major developments such as Belfast Rapid Transit. Through early engagement in the planning and development phases, it is likely that we will be able to secure greater impact from our collective investments. This will be particularly important in terms of supporting apprenticeships etc. where it is important to have a critical mass of activity in order to provide long-term opportunities for apprentices to complete their full programme of work-based training.</p> <p>'The planning service is currently undertaking work on the publication of a Developer Contributions Framework, which will formalise the negotiations that have been taking place between the City Council (as local planning authority) and developers. Developer contributions may be sought where they are necessary to mitigate the impacts of a specific development. Officers are preparing the Framework in order to provide clarity and certainty for potential developers in the planning process. The Framework will be brought to a future meeting of the Planning Committee for endorsement before going out to public consultation.'</p> <p><u>Financial and resource implications</u></p> <p>No specific financial or resource implications at this point. Officers are currently working to re-align resources to ensure the effective development and management of these opportunities.</p> <p><u>Equality or good relations implications</u></p> <p>The social value framework will take account of all relevant equality and good relations and will seek to have a positive impact on both.</p>
<p>4.0</p>	<p>Appendices – Documents Attached</p>

	None