



Subject:	Social Value Procurement and Inclusive Growth
Date:	7th November 2018
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Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in	
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report/Summary of Main Issues
1.1	The purpose of this report is to update the Committee on current engagement on social clauses and the emerging outcomes from a new approach aligned to the Leisure Transformation Programme.
2.0	Recommendations
	The Committee is requested to: <ul style="list-style-type: none">- note the report, including the social clause deliverables under the Leisure Transformation Programme (LTP) investment; and- consider how the Council's social clause policy might be reviewed, in order to support delivery of Belfast Agenda commitments, including the focus on inclusive growth.

3.0	Main Report
3.1	<p><u>Key Issues</u></p> <p>Members will be aware that, for some time, the Council has been engaged in a range of activities to support “social value”. Social Value means measuring investment by using more than just commercial metrics and considering other impacts that have a more “social” focus. The Social Value approach aligns with the commitments set out in the Belfast Agenda to support inclusive growth.</p>
3.2	<p>A range of work is currently being undertaken across the Council to support the delivery of social value through employability activities, support for the development of the social enterprise sector and the integration of social clauses within relevant procurement processes.</p>
3.3	<p>Belfast City Council has been integrating social clauses as part of its procurement processes for a number of years. The current policy commits the Council to scope out all upcoming tender opportunities (with a value of at least £250,000) to explore opportunities for securing social value by introducing social clauses.</p>
3.4	<p>Social clauses have been used in a number projects, mainly construction-focused, however it is recognised that the current approach is a relatively ‘blunt’ instrument to support Inclusive Growth. As a result, social value opportunities are often restricted to a ‘shopping list’ of social clauses (e.g. work placement opportunities, work trials) which are not designed specifically for the nature and circumstances of the contract to be procured. This means that opportunities are often missed to derive longer-term benefits for our communities and neighbourhoods.</p>
3.5	<p>Recognising the limitations of the current approach, the City Growth and Regeneration Committee agreed in November 2016 to trial the integration of social value as an evaluation criterion in the Council’s procurement activity. The key difference was that there was a series of questions asked at the application stage about how the contract would support the Council’s social value agenda, as well as delivering on the supplies and services at the core of the contract. Responses to these questions were then given relevant weighting as part of the tender evaluation process. This approach was undertaken for the Leisure Transformation Programme (LTP), recognising the significant opportunity presented from this procurement due to its scale and contract duration.</p>

3.6 This approach allowed contractors to present a plan of activities aligned to the specific nature of the contract (i.e. leisure facilities in local areas) and the broader priorities contained within the Belfast Agenda. The contract has a maximum value of £60 million and has been awarded to Heron Brothers Ltd. It involves the redevelopment of three leisure centres, namely Andersonstown Leisure Centre, The Robinson Centre and Brook Activity Centre.

3.7 The adoption of the social value approach for this contract has delivered a larger-scale and more comprehensive range of economic and social benefits for the Council and local communities than would ever have been achieved through the previous process (i.e. using social clauses as award criteria). Whilst the construction contract is still ongoing, a summary of the social value impacts achieved by the contractor to date includes:

- Employment Opportunities included ring-fenced opportunities for the unemployed/economically inactive, creation of new apprenticeships and paid work experience opportunities. These translate to 2,340 employment weeks across the duration of this contract. To date the contractor has delivered 61% of this target and is on track to achieve 100% performance. A summary of the outcomes achieved to date are included in the table below:

	Actual Weeks	Individuals
Employment for economically inactive and long-term unemployed	302	11
Apprenticeships supported	607	15
Paid Placement/Work Experience	509	14
Total	1418	40

- Supply Chain Opportunities: the contractor has committed to develop supply chain links with the local supply chain, specifically micro, small businesses and social enterprises. To date, meet the buyer events have been held with local businesses and over 130 local suppliers have applied for supply chain opportunities, resulting in a 50% increase in the number of local suppliers entering the supply chain for the development
- Social enterprise development: to support the social economy sector, Heron Bros are enhancing the Council's Go Social programme by providing grant funding of £10,000 to help new social enterprises;

- Community Engagement: to connect to local communities in the vicinity of the leisure centre developments Heron Bros have sponsored a number of events and festivals, provided plant, labour and materials to support community activities and are undertaking volunteering projects e.g. they are supporting Reconnect NI, a charity located in West Belfast to lay a new patio and undertake ground works;
- Sports Development: Heron Bros have entered into a number of sponsorship arrangements e.g. sponsoring Clonduff under 14's FC and the "Run Belfast Hills" in partnership with North Belfast Harriers and National Trust
- Education and Health Initiatives: Heron Bros are working in partnership with Groundwork NI to deliver the "Grow Bus" to four schools in the vicinity of the sites to educate children on the benefits of eating fruit and vegetables.

3.8 Taking account of the learning and linking in with good practice examples from other locations, there is an opportunity to consider how the Council could develop a more comprehensive approach to social value than is currently the case. This would focus on both the Council's direct investment and activities, as well as its leadership role in encouraging other public sector partners (particularly the Department for Infrastructure (DfI) and Central Procurement Directorate (CPD) to assume this approach. This is particularly important given the recent announcements around the City Deal and the significant investment that this will bring.

3.9 It is recognised there is a range work already being undertaken including:

- Incorporation of social and economic benefits as part of the draft Developer Framework;
- Development of an Inclusive Growth Framework, recognising the potential of procurement and developer contributions to support the achievement of the Council's ambitions around inclusive growth;
- Ongoing work to develop a poverty action plan for the city;
- Work on the development of the "resourceful Belfast" strategy, focusing on environmental management issues;
- Integration of social value approaches in the development of North Foreshore
- Ongoing engagement on the Innovation Factory contract, ensuring delivery of the "social regeneration" commitments alongside the economic development targets.

3.10	<p>Given all of this activity, and the ongoing push to consider how the Council can deliver on its commitment to “inclusive growth”, there is an opportunity to review the current social clause policy. The intention would be to standardise the integration of social value as part of the commissioning process and create a delivery mechanism to achieve social value and inclusive growth through the Council’s procurement processes.</p> <p><u>Equality and Good Relations Implications/Rural Needs Assessment</u></p>
3.11	<p>The Social Clause Policy has undergone equality screening. All supply chain and employability activities will take account of access issues for residents and businesses located in rural areas.</p> <p><u>Financial and Resource Implications</u></p>
3.12	<p>Any future resource implications associated will be highlighted in subsequent reports.</p>
4.0	Documents Attached
	None