



Subject:	Inclusive Growth - Social Value Policy
Date:	19th March 2021
Reporting Officer:	John Walsh, City Solicitor/Director of Legal and Civic Services
Contact Officer:	Christine Robinson, Head of Strategy, Policy and Partnerships Jamie Uprichard, Community Planning Officer

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"/>
Sometime 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 or Summary of Main Issues
1.1	The purpose of this report is update the Committee on the work of the Social Policy Working Group and in particular steps to progress social value procurement within the Council.
2.0	Recommendations
	The Committee is asked to: <ul style="list-style-type: none">agree to write to the Department for Communities Minister and the Chair of the NI Assembly Committee for Communities asking for legislation to be brought forward to enable increased powers for local government to introduce social value in

	<p>procurement and requesting changes to be made to the existing 1992 Order as detailed in sections 3.5-3.7;</p> <ul style="list-style-type: none"> • agree the amended terms of reference (Appendix 2) and the re-naming of the group to the Social Policy Member Working Group; • Approve the minutes of the Social Policy Members Working Group of 23rd February (attached at Appendix 1).
3.0	Main report
3.1	<p>In November 2020, members agreed to hold an initial workshop of the Social Value Members Working Group to lead the council's work in relation to social value. Following the initial meeting on 29th January, members agreed to amend the group's Terms of Reference to reflect the need demonstrate further ambition in relation to the council's inclusive growth aspirations (attached at appendix 2).</p>
3.2	<p>As part of the policy development journey to introduce social value procurement within the council officers developed a draft Social Value toolkit. The proposed toolkit provides a consistent approach to enable the measurement, monitoring and reporting of social value commitments within Council contracts and to, in as far as possible, deliver social value at scale. In developing the Toolkit, officers have built on the good practices already established in our procurement processes to support and develop our local supply base by ensuring improved awareness of opportunities, advice and guidance and removal of any barriers to tender.</p>
3.3	<p>Our message to our supply chain is clear – we want to do business with suppliers who have a strong people, environmental and ethical focus within their business. To that end the Toolkit includes:</p> <ul style="list-style-type: none"> • <u>Selection Criteria</u> - This includes grounds for exclusions such as offences in relation to conspiracy, corruption, bribery, fraud etc. and compliance with Modern Slavery Act. These criteria are typically pass/fail minimum mandatory standards assessed at the tender evaluation stage and include: Ethical procurement policies and procedures; Environmental policies and procedures; and HR policies and procedures. • <u>Award Criteria</u> – These are additional interventions or actions that a supplier will deliver over and above the supply of the goods/services/works and have been linked to the outcomes set out in the Belfast Agenda.

3.4	<p>What is permissible under procurement law, as selection and award criteria is not clear and impacted by the legislative picture in Northern Ireland. A Social Value Act was introduced in England and Wales in 2013 and in Scotland in 2014. It is essentially a requirement for the procurement of public services to <u>consider</u> wider social, economic, and environmental benefits. An equivalent Act, shaped to reflect the priorities of Northern Ireland has not yet been introduced.</p>
3.5	<p>Article 19 of the Local Government (Northern Ireland) Order 1992 sets out restrictions on Council's freedom to consider various matters when procuring works or goods by declaring certain items 'non-commercial considerations' which can't be considered as part of a procurement process. A full briefing note regarding the legislative picture is at appendix 3.</p>
3.6	<p>The Article includes a provision for the Department to make an order to the effect that any matter shall cease to be a non-commercial consideration. The Department has already done this through the Local Government (Exclusion of Non-commercial Considerations) Order (Northern Ireland) 2015. This 2015 Order has therefore removed one of the constraints that the 1992 Order placed on Councils and means that it is permissible now for the Council to ask Contractors to, for example, employ apprentices.</p>
3.7	<p>This does, however, still leave exclusions in force. This could prove a considerable bar to the Council, as it will prevent the Council, as an example, specifying it wants goods or services supplied by a local supplier. There is a relatively straightforward procedure available to the Department to make an Order similar to the 2015 Order removing this exclusion. If this could be done, it would greatly widen the available options for the Council in seeking to ensure social value for Belfast through its procurements.</p>
3.8	<p><u>Resource Implications</u></p> <p>There are no direct financial implication arising from this report.</p>
3.9	<p><u>Equality Implications</u></p> <p>There are no direct equality implications contained in this report.</p>
4.0	<p>Documents Attached</p>
	<p>Appendix 1 – Minutes of the Social Policy Working Group of 23rd February Appendix 2 – Social Policy Working Group Terms of Reference Appendix 3 – Briefing on legislative position affecting council's social value procurement ambitions</p>