

# **Social Value Working Group**

Tuesday 23rd February, 2021

## **MEETING OF THE SOCIAL VALUE WORKING GROUP**

HELD REMOTELY VIA MICROSOFT TEAMS

Members present: Councillor O'Hara (Chairperson);  
Aldermen Copeland and Kingston; and  
Councillors Beattie, Heading and Kyle.

In attendance: Mr. J. Walsh, City Solicitor;  
Mr. J. Greer, Director of Development;  
Ms. N. Bohill, Head of Commercial and Procurement  
Services;  
Mrs. L. Toland, Senior Manager, Economy;  
Mr. C. Campbell, Divisional Solicitor;  
Ms. C. Robinson, Strategy Policy and Partnership  
Manager;  
Ms. C. Hutchinson, Policy and Performance Analyst;  
Mr. L. Murray, Strategic Category Manager;  
Mr. M. Denny, Commercial Manager  
Mr. R. Connelly, Policy, Research and Compliance Officer  
Mr. J. Uprichard, Community Planning Officer;  
Mr. H. Downey, Democratic Services Officer; and  
Ms. K. McCrum, Democratic Services Officer.

### **Apologies**

An apology for inability to attend was reported on behalf of the High Sherriff (Councillor Long).

### **Welcome**

The Chairperson welcomed Alderman Kingston, who had replaced Alderman Dorrian, to his first meeting.

### **Minutes**

The minutes of the meeting of 29th January were taken as read and signed as correct.

### **Declarations of Interest**

No declarations of interest were reported.

### **Procurement 1992 Order Note**

The City Solicitor drew the Members' attention to constraints within the Procurement 1992 Order which would impact upon the ambitions of the Council in terms of the development and implementation of progressive procurement, community wealth building and inclusive growth policies and practices. He also stressed the importance of implementing a Social Value Act.

The Members were advised that this legislative provision was unique to Local Government, meaning that councils were not subject to the same rules as other areas of government, therefore, making it difficult to compare what it was doing to government departments.

He also pointed out that these stipulations related to below threshold procurement and for anything over threshold, other rules applied, which were subject to change, given the Brexit situation. The Members were advised that the current thresholds provided significant scope in terms of procurement.

The Working Group endorsed the recommendation that a report be brought to the Strategic Policy and Resources Committee seeking approval for an approach to be made to the Department of Finance requesting the removal of Article 19(4)(e) from the 1992 Order and reflecting the Council's ongoing support for the establishment of a Social Value Act.

The Working Group also agreed to request a briefing from the Department, alongside the Strategic Investment Board.

It was noted that the Strategy Policy and Partnership Manager had developed an Action Tracker to monitor decisions/actions taken by the Working Group and that it would be circulated following each meeting.

### **Revised Terms of Reference**

The City Solicitor informed the Members that the Terms of Reference for the Working Group had been revised following suggestions made at the inaugural meeting on 29th January and recommended that they be approved as follows:

- To identify the communities / priority groups across the city that the Council and its partners will focus on. Setting an agreed framework for action that will flow through council investment and priorities;
- To develop the City Charter overseeing its design and delivery across the City;
- To oversee the creation of a robust and ambitious approach for the integration of social value through the Council's procurement processes, with consideration given to financial affordability, legal implications and the maximisation of impact;
- To develop a Social Value Procurement Framework aligned to the ambitions of the Council through the Belfast Agenda and Inclusive Growth Strategy;

- To move the Community Wealth Building agenda forwards, working with City Partners (anchor institutions) with an initial focus on procurement and commissioning;
- To build capacity and understanding across the Council and City partners on the benefits that a community wealth building approach can bring to a city and its region’
- To collate and consider good practice from other cities and local authorities from the UK, Ireland and internationally;
- To consider other actions, interventions which the Council may wish to take to build the city’s economic and social resilience;
- To influence and contribute to regional considerations required to support the council’s ambitions, including exploring opportunities for funding from external sources;
- To support the approval of policies and practices through council channels, engagement with external stakeholders and public consultation;
- To approve and monitor delivery of an implementation plan for the adopted approaches with consideration given to staffing and delivery resources, and effective mechanisms are in place to integrate, manage and measure impact;
- To consider public awareness campaigns which the Council may wish to deliver to achieve its ambitions; and
- To report on progress to the Strategic Policy and Resources Committee on a regular basis through reports and minutes of meetings.

The Working Group approved the revised Terms of Reference and agreed that its name be changed to the Social Policy Working Group in order to reflect its broader remit.

### **Social Value In Procurement**

The Head of Commercial and Procurement Services provided the Working Group with a presentation on the following key points of the proposed Social Value Policy and associated toolkit:

### **Organisation Behaviours**

Defined as behaviours that would be requested of suppliers who tender for Council work, the Head of Commercial and Procurement Services stated that the message would be clear, the Council wanted to do business with suppliers who have a strong people, environmental and ethical focus and, as such, behaviours would be categorised into 3 areas: Ethical Procurement, Environmental and HR policies and procedures.

The Strategic Category Manager provided information on a number of criteria under this heading, detailing a risk rating for each, based on value for money concerns, the likely burden on businesses and the possibility of legal challenge if they were widely implemented, taking procurement law and public sector best practice into consideration. The need to remain flexible in order to apply criteria appropriately was referenced.

With regards to asking suppliers to be Real Living Wage (RLW) accredited, or pay RLW as a minimum, it was recommended that this be built into the City Charter, rather than at the procurement stage, for a number of reasons, including the low number of accredited suppliers in Northern Ireland, the significant cost implications, and the potential for it to be viewed as anti-competitive under Public Contract regulation.

After discussion, primarily around how social value clauses could be enforced and cascaded to sub-contractors, the Working Group suggested that officers should seek information from Preston City Council, to ascertain how they managed the implementation of their social value procurement policies.

### **Social Value Weighting**

The Head of Commercial and Procurement Services outlined the legislative context with regards to weighting of social value within procurement and provided a number of examples from the UK, noting that social value was not yet routinely used in Northern Ireland.

The Working Group was advised that, following an analysis of anticipated contracts in 2021/2022 with a value of over £250,000, approximately 45-50 (just under half) had been identified as being appropriate for social value weighting to be applied.

Following discussion, the Working Group accepted the recommendation that a social value weighting of between 5-10% be applied as a starting point.

### **Social Value Award Criteria**

The Working Group was presented with a range of award criteria which had been developed using outcome statements from the Belfast Agenda, with initiatives being grouped into three themes, namely, employment opportunities/supporting employability, social opportunities and environmental initiatives, with points assigned to a range of measures within each theme.

The Head of Commercial and Procurement Services explained that the proposed toolkit would provide officers with a breakdown of the points required under each of these themes, depending upon the type of contract, the value, its duration and percentage of cost criteria.

She advised that, if the type of contract was "Goods" or the contract was less than twelve months then "Employment Opportunities" would require 0 points. If the contract was not Goods and the contract was longer than 12 months then "Other Social and Environmental" gets 50% of the Social Value (SV) Points allocation. If cost criteria was greater than 50% then SV% would be 5%. If the Cost Criteria was 50% or less then the SV% would be 10%.

The Working Group discussed the proposal and a Member questioned whether, with the SV% set at 5-10%, a contractor could be awarded work based on high

scores elsewhere in the criteria without the need to take on social value initiatives. A further Member questioned whether it was appropriate that environmental opportunities should score more than some employability and social opportunities, as was currently being proposed.

The Head of Commercial and Procurement clarified that the SV points for a number of the employability and social measures were per eight hour block so it was possible to multiply the points where initiatives exceeded this.

Following discussion, the Working Group approved the direction, as detailed within the presentation, and agreed that a Centre for Local Economic Strategies (CLES) sense check to be carried out on the proposals.

### **City Charter**

The Strategy Policy and Partnership Manager provided the Working Group with an update on the development of the Inclusive Growth City Charter for Belfast, which was designed to help ensure that business practices of organisations across the City supported inclusive growth. Engagement with stakeholders had, she pointed out, confirmed that the period of recovery as a result of Covid-19 presented a good opportunity to progress with the embedding of social clauses.

She explained that the Charter would involve three focus areas, namely, Inclusive Employment, Progressive Commissioning and Procurement and Supporting Your Community.

The Policy and Performance Analyst provided details around the engagement that had taken place to date, future engagement plans, the key takeaways from these discussions and the draft pledges within the Charter.

In discussing the matter, a Member suggested that the Charter should be marketed in the same way as the 'Scores on the Doors' food hygiene ratings in order to clearly present how socially invested businesses were.

The Strategy Policy and Partnership Manager agreed that it was important that the Charter was attractive and competitive and so branding and communications would be key, as would the 'hooks' that would be built in as incentives to sign up. She also confirmed that the Universities were involved via Community Planning.

The Working Group noted the progress in relation to the development of the Charter and agreed to hold a workshop in late March to discuss the proposed content, membership model and resources required for its implementation.

### **Procurement and Community Wealth Building**

The Strategy, Policy and Partnerships Manager provided an update on the Council's work alongside the Centre for Local Economic Strategies (CLES) and anchor institutions to progress work in relation to how procurement and commissioning could support local/community wealth building.

She explained that the work would be practical in nature and had been designed to instigate change in anchor institution behaviour around procurement, one of which

aimed to redirect wealth back into the local economy whilst ensuring value for money and compliance with all relevant legislative requirements.

The Working Group was advised that the Council would be engaged with the Universities, the Police Service of Northern Ireland, the Commissioning Board and Health and Social Care Trusts to encourage their buy-in.

The Working Group noted the report and agreed to hold a joint briefing session with CLES to consider in detail the Community Wealth Building approach and where this fitted into the existing policy and strategy framework of the Council.

### **Forward Work Plan**

The Strategy Policy and Partnership Manager drew the Members' attention to the proposed work plan for the months ahead.

The Working Group agreed to meet again in March to review the social value framework and toolkit, and to discuss the City Charter content and implementation.

It was also agreed that climate ambitions and the role of procurement, living wage accreditation and identification of priority groups would be discussed in April.

### **Date of Next Meeting**

The Working Group noted that its next meeting would be held remotely at 2.00p.m. on Tuesday, 30th March.

Chairperson