

## Overview and Scrutiny Committee Information briefing

**Briefing From:** Rokneddin Shariat

**Briefing For:** Coordinating Overview & Scrutiny Committee

**Date:** 9 July 2021

**Title:** Review of the Birmingham Business Charter for Social Responsibility (BBC4SR) and associated policies.

### Purpose:

- To brief the members of the Coordinating Overview and Scrutiny Committee (Resources) on the proposals being considered for inclusion in the update the Birmingham Business Charter for Social Responsibility and associated policies (Social Value Policy and Living Wage Policy)
- To engage Scrutiny Members' comments and suggestions on the proposals

### Background:

The BBC4SR and its associated policies were introduced in September 2013 and have been updated twice since then. The application and delivery of Social Value is being developed continually both in national and regional settings and whilst knowledge and learning is shared, we now need to reflect the current thinking and development into our policies, procedures and practices.

The revised policies are due to be presented to Cabinet for approval in September 2021 with a number of proposed changes described further in this document and given the number and extent of changes proposed it is important that the relevant stake holders are consulted.

Living Wage: The policy and practice is well understood and communicated to bidders and contractors. The next area of development is the work being undertaken to make Birmingham a Living Wage City. There is a group progressing this work which is led by Councillor John Cotton. Charter signatories will be encouraged to become accredited Living Wage employers and contribute to

this initiative. Therefore, it is not intended for the Living Wage policy to be updated at this stage.

The BBC4SR and Social Value Policy are interlinked and any changes in one will need to be reflected in the other. Officers will consult relevant stakeholders and consider those views before making recommendations to Cabinet.

### **Considerations:**

The following are being considered for inclusion in the update and depending on the result of the consultation will be recommended or not for inclusion in the policy update.

**Group 1:** This group are general updates reflecting the progress made in social value both externally and within the Council and should be included to ensure consistency and therefore consultation is not proposed. Collectively, they will improve our approach to social value by making it more up to date.

- Review and update the Themes, Outcomes, Measures according to the latest release of TOMs from the National social value taskforce. The National Social Value Taskforce updates the TOMs regularly according to the latest economic and fiscal data.
- Update the ward ranking according to the Index of Multiple Deprivation 2019 (Currently 2015).
- Re- insert list of commitments in one sheet to assist in completing the action plan.
- Update the guidance documents on the Council's web site to reflect the updated policies.
- Incorporate the SV rationale into the process and the priority matrix in the guidance for commissioners and procurers to complete.
- Make reference to ward plans so that prospective bidders are better able to understand context and local priorities.
- Inclusion of the Fair Tax Mark and the Council's adoption of the 'Councils for Fair Tax Declaration'.
- Inclusion of the Steel Charter, as promoted by Trade Unions and the Industry, which aims to maximise opportunities for UK steel produces.
- Frameworks are by nature complex as the value of the contract is not clear at the outset. Further guidance to be developed for commissioners and procurers.
- Provide further guidance and information to businesses on how they can contribute to outcomes by focusing on specific activities and target groups such as:
  - Providing support to ex-offenders
  - Providing support to refugees and migrants
  - Contributing to address period poverty

**Group 2:** This group of considerations require consultation and review of the options:

- Replace 10 miles and 30 miles with Birmingham and WMCA borders. This change will align the approach from the Social Value Policy and the Employment Access Team (EAT).
- The definition of employment differs between the BBC4SR and EAT commitments. The Charter defines employment as anyone employed on the project (or contract). However, EAT only recognises new entrants (i.e. not employed before the project). It is proposed to include a new measure that recognises new entrants. This can be in the form of FTE, apprentice or work placement.
- PPN 06/20. The Cabinet Office issued this Policy Notice and associated guidance for central government departments together with a minimum requirement of 10% weighting for bid evaluation. The Council needs to consider to what extent it may wish to align its social value approach to this national framework.
- It is proposed to include a new measure(s) to make commitments on carbon neutral position to align to the Council's Route to Zero (R20) strategy. Consultation will need to take place on whether to adopt the National TOMs NT44 (Programme to achieve net zero by 2030) or any other similar measure. The difficulty being whether this is an organisational commitment or a contract commitment.
- Consider removing the innovation theme from the Charter. This change will ensure that commitments are more tangible. However innovative approaches to social value will be recognised in the method statement which is also evaluated and scored.
- The nationally recognised Prompt Payment Code is referenced in the Charter as a commitment. However, this commitment is to pay suppliers within 60 days. Since the Council pays suppliers within 30 days, it is proposed to make this a minimum requirement for our contracts. If agreed, it can be incorporated in the Terms and Conditions.
- Consult with stakeholders about their views on paying apprentices the Real Living Wage. This is not required under the Real Living Wage rules.

**Group 3:** These considerations are long term views and aspirational and need discussion with stakeholders both internally within the Council and externally.

- Consult on whether main contractors are prepared to consider changes to the deprivation matrices as a social value commitment.
- Consider including COVID-19 related measures that focus on target groups and issues to address.

- Map which charter measures contribute to the outcomes sought by the Anchor Institutions.
- Consider Including Social Value in Property sale agreements
- Consider including Social Value in the Planning process – This is an opportunity to achieve Social Value outcomes from an area of activity not previously considered. Other Councils such as Coventry and Islington are leading in this area.
- Develop guidance on the interplay between spend value, Social Value maturity of the market, risk, competitiveness and profitability for commissioners and procurers to help define more achievable Social Value.

The resulting recommendations from the consultation will strengthen the Council's approach and help to achieve more, both in the quantity and quality of social value outcomes delivered.

R Shariat  
25/06/2021