

Public Report

# Birmingham City Council

## Report to Cabinet

Date 11 December 2018



**Subject:** REVISION OF THE COUNCIL'S SOCIAL VALUE POLICY AND BIRMINGHAM BUSINESS CHARTER FOR SOCIAL RESPONSIBILITY (BBC4SR)

**Report of:** Director of Commissioning and Procurement

**Relevant Cabinet Member:** Councillor Brett O'Reilly, Finance and Resources

**Relevant O &S Chair(s):** Councillor Sir Albert Bore, Resources

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|  |   |   |
|--|---|---|
| Are specific wards affected?   | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No – All wards affected |
| If yes, name(s) of ward(s):  |   |   |
| Is this a key decision?  | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No                                 |
| If relevant, add Forward Plan Reference: <b>005467/2018</b>                          |   |   |
| Is the decision eligible for call-in?  | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No                                 |
| Does the report contain confidential or exempt information?                          | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No                      |
| If relevant, provide exempt information paragraph number or reason if confidential : |   |   |

### 1 Executive Summary

1.1 It is proposed to update the Social Value Policy and Birmingham Business Charter for Social Responsibility (BBC4SR) in order to:

- Align measures with the updated Council Plan priorities; the national SV measures and introduce financial proxies into the tender evaluation process.
  - Reflect the manifesto commitment of “Getting organisations signed up to Birmingham’s Business Charter for Social Responsibility to include homelessness within their social responsibility objectives”.
- 1.2 The changes will also enable the Council to sign up to Unite’s Construction Charter with implementation being managed through the BBC4SR.

## **2 Recommendations**

That Cabinet:

- 2.1 Approves the revised Social Value policy (Appendix 1).
- 2.2 Approves the revised Birmingham Business Charter for Social Responsibility (Appendix 2).
- 2.3 Approves incorporation of the Construction Charter (Appendix 3).

## **3 Background**

- 3.1 The Council has a statutory duty in accordance with the Public Services (Social Value) Act 2012 in regard to economic, social and environmental well-being in connection with public services contracts; and for connected purposes.
- 3.2 The Council launched the Social Value Policy (SVP) and BBC4SR in 2013 along with the Birmingham Living Wage Policy (LWP). These extended our consideration of Social Value to goods, works and grants. The SVP and BBC4SR were last reviewed in December 2016. The LWP was revised in March 2017. No further revisions are proposed to the LWP at this stage.
- 3.3 As part of the on-going development of this agenda, the Council is represented at a West Midlands Social Value forum and on the National Social Value Taskforce, which comprises representatives from all sectors to jointly develop and share best practice. The updated BBC4SR therefore seeks to align our Social Value measures with the Council Plan 2018-22 priorities and with the measures and financial proxies from the Social Value Taskforce. The slight change in terminology from “Principles” to “Themes” within BBC4SR also reflects this alignment.
- 3.4 Changes to the Social Value Policy comprise:
- Update of Council key priorities.
  - Removal of the reference to “approved projects” that aimed to target the supply of social value to unmet needs of, for example community projects etc. However the process of scaling this up from the initial success of the

pilot projects was too resource intensive and needed investment to achieve the outcomes through a more dynamic approach such as a portal.

- Update of reporting targets to better reflect Council priorities.

3.5 Changes to the BBC4SR comprise:

- Inclusion of National Themes Outcomes Measures (TOMs) and Financial Proxies.
- Reference to Birmingham City Council Plan 2018-22.
- Including a focus on homelessness and single use plastics.
- Removal of reference to the “approved projects”.

3.6 Unite approached the Council to sign up to the Construction Charter. Many other authorities have done so already; each tailoring it as appropriate. We compared the Construction Charter to our BBC4SR and incorporated additional points into the BBC4SR so that we could compile the document shown in Appendix 3.

3.7 Unite has agreed to Birmingham’s version of the Construction Charter. We will be able to promote it on construction contracts but implement it through the BBC4SR to retain a consistency of approach. This will ensure that we accord with legal obligations to only evaluate what's relevant and proportionate to each contract.

3.8 In 2017, the Centre for Local Economic Strategies (CLES) analysed Council spend for the 2016/17 financial year and explored the top 300 suppliers. The findings below showed the amount of Council spend that is retained in Birmingham and the West Midlands:

|   |                |       |
|---|----------------|-------|
| Total amount of spend analysed:   | £1,109,947,510 |       |
| Proportion of goods and services expenditure sourced through Birmingham based or branched suppliers:    | £762,252,621   | 68.7% |
| Proportion of goods and services expenditure sourced through West Midlands based or branched suppliers: | £862,004,856   | 77.7% |
| Proportion of goods and services expenditure sourced through SMEs:                                      | £501,047,064   | 45.1% |

3.9 The recommendations in the CLES report also included: “Promote greater engagement in deprived areas”. Updating the BBC4SR will achieve more social value commitments in wards with higher deprivation due to the proposed changes to the evaluation model.

### 3.10 Social Value Outcomes for Major Schemes

The Council has implemented an approach to the realisation of significant social value benefits from the procurement process for major developments in the city. The Peddimore Development contract is an example of how, by working in a more targeted way with the tender evaluation criteria and the subsequent commitments incorporated into the Action Plan, a developer has committed to outstanding social value. The social value commitments over the period of the contract include:

- A significant increase in the number of employment person weeks per £1m of spend against the norm.
- A substantial spend with local suppliers and SMEs.
- Over £1m in actions to support partners in communities including schools, colleges and social enterprises.
- The engagement of a Social Value expert by the contractor to monitor the delivery of the commitments.

3.11 We are continuing to push the social value agenda and, as a consequence of the success resulting from the Peddimore procurement exercise, a similar approach is being taken for other major developments including Smithfield, the residential element of the athletes' village for the Birmingham 2022 Commonwealth Games and the development of the Alexander Stadium site.

## 4 Options considered and Recommended Proposal

- 4.1 A study into Social Value measurement was carried out to assess various methodologies for their relative strengths. Adoption of the National Social Value Proxies was deemed to be most appropriate as the 37 financial proxies are based on the unit cost database which comprises over 600 cost estimates, derived from government reports and academic studies that have been quality assured by New Economy in co-operation with HM Government. Application of the proxies will provide greater consistency of approach for the supply market and will help tenderers improve their Social Value offer.
- 4.2 Not revising the policies would not take account of nationally recognised best practice, nor would the Council Plan priorities be reflected. The recommendation is therefore to adopt the revised policies.
- 4.3 Ensuring that the updates are suitably embedded in practice is vital to achieving the outcomes. Therefore a new iLearn training module is being developed in-house to implement the updated approach. This will be targeted at commissioners, procurers and contract managers.
- 4.4 Key measures are captured, for example confirmation that contracted employees are being paid the Birmingham Living Wage where appropriate,

numbers of apprenticeships and numbers of organisations being charter accredited. These will be published on the Council Website when the BBC4SR is relocated from FindItInBirmingham.

## **5 Consultation**

- 5.1 Consultation has been undertaken with Commissioning and Contract Management Board, Corporate Management Team. A meeting was also held with Unite to discuss the Construction Charter and the overlaps with the BBC4SR.
- 5.2 Officers from Legal Services and Finance have been involved in the preparation of this report.

## **6 Risk Management**

- 6.1 As required by the Public Contract Regulations 2015 and the Public Services (Social Value Act) 2012, social value criteria within the tender process need to be relevant and proportionate to the contract. Relevance is due to the BBC4SR being the means by which the Council's Social Value and Living Wage policies are implemented. Proportionality is relative to the nature and size of the contract.
- 6.2 This is achieved by Commissioners/Procurement Managers working with Directorate lead officers and appropriate 3<sup>rd</sup> parties to identify which of the themes/outcomes of the BBC4SR are appropriate to be delivered through the contract in order to achieve council priorities. Tenderers then detail their delivery proposals in the form of method statements and specific/measurable commitments in an action plan.
- 6.3 Updating the BBC4SR has not changed this approach. Inclusion of financial proxies and allocating weightings to wards will provide greater clarity to Tenderers of where the social value is best targeted to provide the greatest impact for vulnerable people.

## **7 Compliance Issues:**

### **7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**

These revised policies support the City Council's strategic outcomes detailed in the Birmingham City Council Plan 2018-2022. They include social value outcomes such as "More opportunities for disadvantaged people", "Improved employability of young people" and "Creating healthier communities". New measures are also included such as "Initiatives to be taken to tackle homelessness".

## **8 Legal Implications**

### **8.1 Section 3 Local Government Act 1999**

The Council has a best value duty under Section 3 Local Government Act 1999 to make continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness.

### **8.2 Section 1 Localism Act 2011**

Development of the Birmingham Business Charter for Social Responsibility to support and improve the economic, social and environmental wellbeing of the citizens of Birmingham is made pursuant to Section 1 of the Localism Act 2011.

### **8.3 Public Services (Social Value) Act 2012 (“the Act”)**

The Act applies to all services contracts and services framework agreements to which the Public Contracts Regulations 2015 (“PCR 2015”) apply.

The Act imposes a duty on the Council as a contracting authority under PCR 2015 to consider before commencing procurement of any service contract:-

How what is proposed to be procured might improve the economic, social and environmental well-being of its area; and

How in conducting the process of procurement, it might act with a view to securing that improvement. It must only consider matters that are relevant to what is proposed to be procured and in doing so it must consider the extent to which it is proportionate in all the circumstances to take those matters into account.

The Act also requires contracting authorities to consider whether to undertake any community consultation on their proposals.

### **8.4 EU Law Constraints**

The Public Contracts Directive 2014/24/EU (“Directive”) and the Public Contract Regulations 2015 apply to the procurement of contracts above a certain financial threshold. The current thresholds based on contract value are:

- Works contracts - £ 4,551,413 or more;
- Materials or supplies contracts - £181,302 or more;
- Contracts for social and other specific services - £615,278 or more

Article 18 (2) of the Directive requires Member States to take appropriate measures to ensure that in the performance of public contracts, economic

operators comply with various obligations in (national and international) environmental, social and labour laws.

Regulation 70 (1) PCR 2015 permits local authorities to lay down special conditions relating to the performance of a contract provided they are:

(A) Linked to the subject-matter of the contract within the meaning of regulation 67 (5); and

(B) indicated in the call for competition in the procurement documents.

Regulation 67 (5) PCR 2015 defines linkage to the performance of the contract as:

“ Award Criteria shall be considered to be linked to the subject-matter of the public contract where they relate to the works, supplies or services to be provided under that contract in any respect and at any stage of their life cycle, including factors involved in:

- The specific process of production, provision or trading those works, supplies or services, or
- A specific process for another stage of their life cycle, even where those factors do not form part of their material substance.

In addition special conditions must comply with EU law (including the fundamental principles of the Treaty for the European Union).

In Nord-Pas-de-Calais case (C-225/98, European Communities v French Republic) the ECJ held that a special condition, namely using the fight against unemployment as an award criterion when choosing the most economically advantageous tender (MEAT) was acceptable as long as the criterion was consistent with the principles of Community law and was set out in the contract notice or contract documents.

The Italian legislation in the Unità Sanitaria Locale cases (C-21/88 Du Pont de Nemours Italiana SpA v Unità Sanitaria Locale No. 2 Di Carrara and Laboratori Bruneau Srl v Unità Sanitaria Locale RM/24 De Monterotondo) which required public bodies to obtain 30% of their supplies from undertakings established in their region was held to be incompatible with EC law.

To support compliance with PCR 2015, Commissioners/Procurement Managers will work with Directorate lead officers and appropriate 3rd parties to identify which of the themes/outcomes of the BBC4SR are appropriate to be delivered through the contract to be procured in accordance with the requirements of Regulation 70 PCR 2015. The Council may seek to contend that it's the updated Charter amendments and its approach to implementation, are consistent with Article 18 of Directive and Regulation 70 of PCR 2015.

## **9 Financial Implications**

The revised policies do not have a direct financial implication as the focus will be on continuing to maximise value for money and social value from within existing and new goods and services contracts. However, both policies will deliver indirect financial and added value benefits through delivery of action plan targets linked to key themes, for example, Local Employment and Partners in Communities within the BBC4SR, where contractors may deliver outcomes, which otherwise may have fallen to the Council to deliver.

## **10 Procurement Implications (if required)**

There are minor changes to the procurement process to incorporate financial proxies into the evaluation. Appropriate training will be carried out and procedures and templates updated.

## **11 Human Resources Implications (if required)**

There are no human resources implications

## **12 Public Sector Equality Duty**

There is no adverse impact. See Appendix 4 for Initial Assessment Ref EQA136

## **13 Background Documents**

13.1 Current version of SV Policy and BBC4SR.

13.2 List of Appendices accompanying this Report:

1. Social Value Policy
2. BBC4SR
3. Birmingham Construction Charter
4. Public Sector Equality Duty - Initial Assessment



## Appendix 1

# Social Value Policy

## 1.0 BACKGROUND

- 1.1 In April 2013 Cabinet approved a Social Value Policy through which it would conduct its commissioning activities.

The revised **Social Value Policy** described here sets out the key principles and actions whereby the Council embeds practical and effective **commissioning for social value** in every aspect of its procurement and grants, commencing (as the Public Services (Social Value) Act 2012 requires) at the pre-procurement stage.

## 2.0 WHAT WE MEAN BY SOCIAL VALUE

- 2.1 The Public Services (Social Value) Act 2012 states:

“If a relevant authority proposes to procure or make arrangements for procuring the provision of services, or the provision of services together with the purchase or hire of goods or the carrying out of works...the authority must consider how what is proposed to be procured might improve the **economic, social and environmental well-being** of the relevant area and, in conducting the process of procurement, how it might act with a view to securing that improvement.” It must also “consider whether to undertake any consultations as to matters to be considered” under that process.

For the purposes of this policy we refer to this **improvement of wellbeing as social value**. In order to implement this we seek measurable, verifiable **social value outcomes** that:

- (i) are relevant to what is proposed to be procured and proportionate to the contract / grant value,
- (ii) can legitimately be included in contract / grant specifications and
- (iii) contribute to achieving the Council’s priorities.

## 3.0 THE POLICY CONTEXT

The Social Value outcomes sought reflect the policy priorities of the Council. Improved partnerships with the private, third and other public sector organisations are key outcomes.

The strategic context for the Social Value outcomes identified below is derived from the key Council policy drivers. These are:

| <b>Outcome</b>   | <b>Why is this important?</b>   |
|--|---|
| Birmingham is an entrepreneurial city to learn, work and invest in | We want a city that invests in its people so that everyone can have opportunities to realise their potential through lifelong learning, skills and good jobs. We want to invest |

|   |   |
|---|---|
|   | in the buildings and transport connections of our city to provide better places to live and work and enable businesses to prosper. HS2 will be a key milestone in the city's development and we must make the most of this opportunity to boost our economy and key growth sectors, and enable citizens to access employment.   |
| Birmingham is an aspirational city to grow up in                                  | We want to respond to our unique profile as one of the youngest cities in Europe to give all children from every background and community the best start in life with a clear pathway to achieve success and realise their full potential.  |
| Birmingham is a fulfilling city to age well in                                    | We want citizens to live more active, longer, healthier and independent lives. We want to reduce social isolation so that people can make positive choices and take control of their wellbeing.   |
| Birmingham is a great city to live in   | <p>We want Birmingham to be a sustainable city of vibrant culture, flourishing neighbourhoods with good quality housing. A city with clean air, safe and clean streets and green spaces. We want to be a city where our citizens have pride in where they live, have a strong sense of belonging and a voice in how Birmingham is run.</p> <p>We want to eradicate homelessness in the city by preventing people from becoming homeless in the first place and supporting those who are homeless.</p> |
| Birmingham residents gain the maximum benefit from hosting the Commonwealth Games | Hosting the Commonwealth Games gives us a global stage to use the transformational power of sport and culture to project a positive image of our city, promote growth and provide a long-lasting legacy to the citizens of our city.  |

#### 4.0 IMPLEMENTATION

- 4.1 While the Public Services (Social Value) Act 2012 only requires relevant authorities to consider social value in service contracts (and goods or works contracts where there is a services element) above the appropriate threshold in the Public Contracts Regulations for the 2012 Act to apply, the Council also applies the approach to Goods, Works and Grants.

The Birmingham Business Charter for Social Responsibility (BBC4SR) and the Birmingham Living Wage policies are the mechanisms for implementing the social value described in this policy. The BBC4SR includes the social value Themes, Outcomes and Measures.

In order to prioritise effort and achieve greater social value, a tiered approach is used to apply the Charter. The tiers have been determined following an assessment of our implementation to date:

|                                  | <b>Tier 1</b>         | <b>Tier 2</b>   | <b>Tier 3</b>   |
|----------------------------------|-----------------------|---|---|
|                                  | BBC4SR does not apply | Light touch application tailored by contract or grant type (see guidance for details) | Fully consider Social Value and all action plan measures (see guidance for details) |
| Contracts for Services           | <£200k                | £200k to £750K  | Over £750K  |
| Contracts for supply of Goods    | < £1m                 | £1m to £5m  | Over £5m  |
| Contracts for execution of Works | < £1m                 | £1m to threshold in Article 4(a) Directive 2014/24/EU*                                | Over threshold in Article 4(a) Directive 2014/24/EU*                                |
| Grants                           | < £200k               | £200k to £750K  | Over £750K  |

\*for details of the current OJEU threshold please see [www.ojeu.eu/thresholds.aspx](http://www.ojeu.eu/thresholds.aspx)  
Where the Charter does not apply, tenderers and grant applicants must still assess their tender against the Council's Living Wage Policy and comply where appropriate

- 4.2 The Council will embed a clear and unambiguous message about its intention to secure social value through commissioning and procurement every time the Social Value policy applies
- 4.3 On commencement of every commissioning activity the Council will determine the social value outcomes to be achieved. These social value outcomes are defined in the BBC4SR and support delivery of the Council's priorities. Commissioners will determine which of these apply on the basis of a full understanding of the local need and consult where appropriate.
- 4.4 The Council will consider social value when assessing alternative commissioning options including social enterprise, mutual models and co-operatives that promote local wealth-building. This supports work with the Centre for Local Economic Strategies (CLES) to increase local wealth-building with Anchor Institutions in Birmingham. <https://cles.org.uk/publications/local-wealth-building-in-birmingham-and-beyond/>
- 4.5 A Council-wide approach will ensure a consistent and efficient mechanism for the capture and reporting of social value data.

## **5.0 REPORTING ON SOCIAL VALUE**

- 5.1 The Council will report on the social value outcomes achieved through its commissioning and procurement activities annually, ensuring that this report includes:
- a) That contracted employees are being paid the Birmingham Living Wage where appropriate
  - b) The number of organisations that have been accredited to the BBC4SR
  - c) The number of apprenticeships newly created by BBC4SR accredited organisations

## Appendix 2



### **Birmingham Business Charter for Social Responsibility**

The Birmingham Business Charter for Social Responsibility (BBC4SR) contains appropriate Themes, Outcomes and Measures to enable the Council to achieve social value in Birmingham that contributes to the delivery of the Birmingham City Council Plan 2018-22 outcomes.

[https://www.birmingham.gov.uk/info/20011/your\\_council/237/council\\_financial\\_plan](https://www.birmingham.gov.uk/info/20011/your_council/237/council_financial_plan)

Commissioning and contracting decisions will take account of the themes of this BBC4SR which forms part of the terms of Birmingham City Council (BCC) contracts and Conditions of Grant Aid (COGA).

#### **1. BBC4SR Objectives**

The BBC4SR has 2 main objectives which are delivered through 6 themes:

- (i) **Promote good practice.** The BBC4SR is a set of guiding themes which the Council adheres to and invites all organisations to adopt as a mechanism for managing how they deliver social value. These may not be measured but will reflect the ethos and standard of best practice of an organisation which we would expect from a BBC4SR signatory.

This is particularly the case of the Good Employer and Ethical Procurement themes, where further information and links to good practice can be found below and in the accompanying guidance notes.

- (ii) **Seek relevant and proportionate commitments related to the subject matter of the contract.** In accordance with PCR15 Regulation 70 which allows for inclusion of special conditions, which may include environmental, social or employment related considerations. These commitments form the basis of a Social Value Action Plan that covers the life of the contract and is managed throughout the contract period.

### **Theme: Local Employment**

BBC4SR signatories will create employment and training opportunities for local people especially in target areas.

- Commit to create employment and training opportunities for local residents, targeting areas of high unemployment and groups facing disadvantage, including people with disabilities through activities such as work experience placements, apprenticeships, internship and mentoring.
- Advertise employment opportunities through the Employment & Skills Services at the Council to ensure that those opportunities are targeted at those furthest from the jobs market.
- Seek opportunities to work with schools and colleges to help to ensure that the local young people are equipped with the right skills to match the requirements of the labour market. For opportunities relating to the Built Environment work with the Building Birmingham Academy at the Council.

### **Theme: Buy Local**

BBC4SR signatories will take account of the social, environmental and economic impacts of buying locally when commissioning and contracting, thereby reducing unemployment and raising the skill level of the local workforce.

- Support the local economy by choosing suppliers close to the point of service delivery where possible
- Use Find it in Birmingham as the primary method of sourcing suppliers for contracts in Birmingham, increasing the accessibility of opportunities to local businesses throughout the supply chain
- Encourage their suppliers to endorse the principle of Buy Local throughout their supply chains
- Where possible, commit to purchasing from businesses on the Find it in Birmingham website and from social enterprises and small businesses

### **Theme - Good Employer**

BBC4SR signatories will support staff development and welfare within their own organisation and within their supply chain.

- Ensure that employees are given a fair reward for their labours and help foster a loyal and motivated workforce by adhering to the Council's Living Wage Policy
- Recognise employees' rights of freedom of association and collective bargaining, including not using blacklists in recruitment processes.
- Contractors and their supply chains should provide a safe and hygienic working environment and where appropriate work collaboratively with the appropriate trade unions to identify and implement reasonable real-world initiatives related to safety in the workplace.
- Shows a clear intent and positive commitment to the health and wellbeing of employees, which encourages healthy lifestyle choices that assist with addressing

health issues through the adoption of policies such as the Workplace Wellbeing Charter.

- Promote diversity and inclusiveness, not discriminate in respect of recruitment, compensation, access to training, promotion, termination of employment or retirement based upon race, caste, national origin, religion, age, disability (including learning disability), mental health issues, gender, marital status, sexual orientation, union membership or political affiliation.
- Not operate exploitative zero hour contracts that require exclusivity
- Have and comply with a whistle blowing policy, safeguard against harassment or intimidation

### **Theme: Ethical Procurement**

BBC4SR signatories will commit to the highest ethical standards in their own operations and those within their supply chain.

- Work to the highest standards of business integrity and ethical conduct.
- Pay their fair share of taxes.
- Ensure the well-being and protection of work forces in the supply chain, which must be supported by robust systems and procedures.
- Uphold the principles of the Universal Declaration of Human Rights and the Fundamental International Labour Organisation Conventions; including the use of child and forced labour.
- Adopt best practice when procuring goods and services, e.g. procure low energy products, buy Fairtrade and avoid the use of rainforest timber from unmanaged sources.
- Pay suppliers no later than the terms stated in the primary contract if contracted to the Council, otherwise adopt a similar policy such as the Prompt Payment Code.
- Contractors and their supply chains within the construction industry should work collaboratively to provide responsible industry-wide solutions aimed at supporting and sustaining the construction industry for the benefit of the local economy and communities.
- Contractors and their supply chains should promote and encourage the recognition of the right of all construction workers to be employed under and to be protected by the appropriate national industry collective agreement applicable to the construction industry.
- Contractors and their supply chains should support the banning of single-use plastics in their place of work and in the goods and services they provide.

**The themes from which we seek relevant and proportionate commitments related to the subject matter of the contract are:**

### **Theme: Partners in Communities**

BBC4SR signatories will play an active role in the local community and support organisations, especially in those areas and communities with the greatest need.

- Build capacity by supporting community organisations with resources and expertise in areas with the greatest need, for example mentoring and working with youth organisations and services.
- Make a local impact by improving local facilities and areas, for example staff volunteering schemes.
- Provide support to third sector organisations and work with third sector organisations to deliver services and contracts, particularly those organisations working for the prevention of homelessness.
- Have a shared sense of responsibility; consider good citizenship and safeguarding issues relating to children and vulnerable adults.
- Work with schools and colleges, offering work experience and business awareness to students, especially those from disadvantaged areas or communities.
- Make accessible all sub-contracting opportunities to a diverse supply base including the third sector and local suppliers and provide mentoring and support to assist these organisations to tender for and deliver these supply opportunities where necessary.
- Help to support the health and wellbeing of communities in which the business operates by for example linking with local schools and colleges, other local businesses and residents' groups to help run or sponsor activities / events, which will directly benefit those living there.

### **Theme: Green and Sustainable**

BBC4SR signatories will commit to protecting the environment, minimising waste and energy consumption, using resources efficiently and contributing towards Birmingham's Clean Air Zone. These commitments will also apply to their supply chain.

- Reduce Carbon footprint – be aware of main impacts on carbon emissions including the indirect carbon used in manufacturing processes and the direct impact of operations and logistics.
- Measure carbon emissions and ensure a plan to reduce emissions, where possible, is being implemented using carbon measurement tools. Specific targets to be included in major contracts
- Eliminate unnecessary waste by adopting the “reduce, reuse, recycle” philosophy.
- Be a good neighbour, minimise negative local impacts (noise, air quality), and improve green areas (e.g. biodiversity, visual attractiveness).
- Protect the environment and minimise adverse impacts and instil this approach throughout the supply chain.

## 2. Themes, Outcomes and Measures

The following table sets out the Themes, Social Value Outcomes and Measures that (i) align with the Council's priorities (ii) align with national SV measures (iii) demonstrate the fiscal benefit to the public sector by including a financial proxy for most interventions.

These outcomes will form the basis the Social Value requirements in all tenders where the BBC4SR applies.

| Themes                     | SV Outcomes  | Ref National TOMS | Measures   | Units (How measured)    | Financial Proxies |
|----------------------------|--|-------------------|--|-------------------------|-------------------|
| <b>Good Employer</b>       | <b>A fair level of pay</b>                         | <b>BCC1</b>       | Pay the Birmingham Living Wage to employees servicing Birmingham contracts in accordance with the BCC LW Policy  | No. uplifted to the BLW | Record only       |
| <b>Ethical Procurement</b> | <b>Sustainable procurement is promoted</b>         | <b>NT23</b>       | Percentage of procurement contracts that includes commitments to verify anti-slavery and other relevant requirements.  | % of contracts          | Record only       |
|                            |  | <b>NT35</b>       | Percentage of procurement contracts that includes commitments to use local produce, reduce food waste, or other relevant requirements and certifications.                  | % of contracts          | Record only       |
| <b>Local Employment</b>    | <b>More local Employment</b>                       | <b>NT1</b>        | No. of local people (FTE) employed on contract for one year or the whole duration of the contract, whichever is shorter.   | No. people FTE          | £28,213           |
|                            |  | <b>NT2</b>        | % of local people employed on contract (FTE) that live within 30 miles of where the service is being delivered   | %                       | Record only       |
|                            |  | <b>BCC2</b>       | How many opportunities will you advertise with Birmingham City Council Jobs and Skills team (eateam@birmingham.gov.uk)   |                         | Record only       |
|                            | <b>More opportunities for disadvantaged people</b> | <b>NT3</b>        | No. of employees (FTE) taken on who are long term unemployed (unemployed for a year or longer)   | No. people FTE          | £14,701.56        |
|                            |  | <b>NT4</b>        | No. of employees (FTE) taken on who are not in employment, education, or training (NEETs)  | No. people FTE          | £12,442.91        |
|                            |  | <b>NT5</b>        | No. of employees (FTE) taken on who are rehabilitating young offenders (18-24 y.o.)  | No. people FTE          | £14,618.77        |
|                            |  | <b>NT6</b>        | No. of jobs (FTE) created for people with disabilities   | No. people FTE          | £12,769.68        |
|                            |  | <b>NT7</b>        | No. of hours dedicated to supporting unemployed people into work by providing career mentoring, including mock interviews, CV advice, and careers guidance -(over 24 y.o.) | no hours *no. attendees | £94.28            |
|                            | <b>Improved skills for local people</b>            | <b>NT8</b>        | Local school and college visits e.g. delivering careers talks, curriculum support, literacy support, safety talks (No. hours, includes preparation time)                   | no.staff hours          | £14.43            |



|  |   |  |  |                                 |             |
|--|---|--|--|---------------------------------|-------------|
|  |   | <b>NT9</b>   | No. of training opportunities on contract (BTEC, City & Guilds, NVQ, HNC) that have either been completed during the year, or that will be supported by the organisation to completion in the following years - Level 2,3, or 4+ | No. weeks                       | £235.75     |
|  |   | <b>NT10</b>  | No. of apprenticeships on the contract that have either been completed during the year, or that will be supported by the organisation to completion in the following years - Level 2,3, or 4+                                    | No. weeks                       | £168.04     |
|  | <b>Improved employability of young people</b>             | <b>NT11</b>  | No. of hours dedicated to support young people into work (e.g. CV advice, mock interviews, careers guidance) - (under 24 y.o.)   | No. hours *no. attendees        | £94.28      |
|  |   | <b>NT12</b>  | No. of weeks spent on meaningful work placements or pre-employment course; 1-6 weeks student placements (unpaid)   | No. weeks                       | £143.94     |
|  |   | <b>NT13</b>  | Meaningful work placements that pay Minimum or National Living wage according to eligibility - 6 weeks or more (internships)   | No. weeks                       | £143.94     |
| <b>Buy Local</b>                       | <b>More opportunities for local SMEs and VCSEs</b>        | <b>NT14</b>  | Total amount (£) spent with VCSEs within your supply chain   | £                               | £0.12       |
|  |   | <b>BCC3</b>  | How many procurement opportunities will you post on Finditinbirmingham?  |                                 | Record only |
|  |   | <b>NT18</b>  | Total amount (£) spent in LOCAL supply chain through the contract. (within 30 miles of the point of service delivery)  | £                               | 0.601       |
|  |   | <b>NT19</b>  | Total amount (£) spent through contract with LOCAL SMEs (within 30 miles of the point of service delivery)   | £                               | 0.601       |
| <b>Partners in Communities</b>         | <b>Crime is Reduced</b>                                   | <b>NT24</b>  | Initiatives aimed at reducing crime (e.g. support for local youth groups, lighting for public spaces, private security, etc.)  | £ invested including staff time | £1.00       |
|  | <b>Creating a healthier community</b>                     | <b>BCC4</b>  | Number of individuals in fuel poverty assisted with energy efficiency measures   | No.                             | Record only |
|  |   | <b>NT25</b>  | Initiatives to be taken to tackle homelessness (supporting temporary housing schemes, etc.)  | £ invested including staff time | £1.00       |
|  |   | <b>NT26</b>  | Initiatives taken or supported to engage people in health interventions (e.g. stop smoking, obesity, alcoholism, drugs, etc) or wellbeing initiatives in the community, including physical activities for adults and children.   | £ invested including staff time | £1.00       |
|  | <b>Vulnerable people are helped to live independently</b> | <b>NT27</b>  | Initiatives to be taken to support older, disabled and vulnerable people to build stronger community networks (e.g. befriending schemes, digital inclusion clubs)  | £ invested including staff time | £1.00       |
| <b>More working with the Community</b> | <b>NT28</b>   | Donations or in-kind contributions to local community projects (£ & materials) | £ value  | £1.00                           |             |

|  |                                    |             |  |                              |        |
|--|------------------------------------|-------------|--|------------------------------|--------|
|  |                                    | <b>NT29</b> | No hours volunteering time provided to support local community projects  | No. staff volunteering hours | £14.43 |
|  |                                    | <b>NT15</b> | Provision of expert business advice to VCSEs and SMEs (e.g. financial advice / legal advice / HR advice/HSE)                                       | No. staff expert hours       | £84.00 |
|  |                                    | <b>NT16</b> | Equipment or resources donated to VCSEs (£ equivalent value)   | £                            | £1.00  |
|  |                                    | <b>NT17</b> | Number of voluntary hours donated to support VCSEs (excludes expert business advice)   | No. staff volunteering hours | £14.43 |
| <b>Green and Sustainable</b>                   | <b>Climate impacts are reduced</b> | <b>NT31</b> | Savings in CO2 emissions on contract not from transport (specify how these are to be achieved).  | tonnes CO2                   | £64.66 |
|  | <b>Air pollution is reduced</b>    | <b>NT33</b> | Number of low or no emission staff vehicles included on project (miles driven)   | hundreds of miles driven     | £0.67  |
|  | <b>Better places to live</b>       | <b>NT34</b> | Voluntary time dedicated to the creation or management of green infrastructure, to increase biodiversity or keep green spaces clean                | No. staff volunteering hours | £14.43 |
| <b>Innovation: Promoting Social Innovation</b> | <b>Other measures (TBD)</b>        | <b>NT36</b> | Other relevant measures (£) - please describe any additional initiatives that you would like to make and £ to be invested                          | £                            | £1.00  |
|  |                                    | <b>NT37</b> | Other relevant measures (hrs) - please describe any additional initiatives that you would like to make and hrs to be committed (No. expert hrs)    | Hrs                          | £84.00 |
|  |                                    | <b>NT38</b> | Other relevant measures (hrs) - please describe any additional initiatives that you would like to make and hrs to be committed (No. voluntary hrs) | Hrs                          | £14.43 |

## Implementation:

The Charter will be applied proportionately according to the table below:

|                                  | <b>Tier 1</b><br>Charter does not apply | <b>Tier 2</b><br>Light touch application tailored by contract or grant type | <b>Tier 3</b><br>Fully consider Social Value and all action plan measures |
|----------------------------------|---|---|---|
| Contracts for Services           | <£200k                                  | £200k to £750K  | Over £750K  |
| Contracts for supply of Goods    | < £1m                                   | £1m to £5m  | Over £5m  |
| Contracts for execution of Works | < £1m                                   | £1m to threshold in Article 4(a) Directive 2014/24/EU*                      | Over threshold in Article 4(a) Directive 2014/24/EU*                      |
| Grants                           | < £200k                                 | £200k to £750K  | Over £750K  |

\*For current EU thresholds refer to [www.ojeu.eu/thresholds.aspx](http://www.ojeu.eu/thresholds.aspx)

Where the contract is a mixed contract e.g. a contract for the supply of goods and services, then the contract type that characterises the main subject matter of the contract in question will apply.

Where the Charter does not apply, tenderers and grant applicants must still assess their tender against the Council's Living Wage Policy and comply where appropriate.

Where a framework agreement is established by the Council that covers an area wider than Birmingham, participating Contracting Authorities are able to achieve social value outcomes for their relevant areas when calling off.

What is meant by "Local" under the Local Employment and Buy Local principles is context dependent, however, as guidance, 30 miles from the point of service delivery is reasonable.

Tenderers will respond to the Social Value outcomes in the Council's commissioning and procurement activities and describe how they can improve the economic, social and environmental well-being in Birmingham.

## Monitoring

The action plan commitments to be delivered by the successful tenderers will be relevant, proportionate, specific and measurable and cover the contracted period. These achievements will be recognised through Charter accreditation and by transparent publication by uploading onto the Social Value Portal.

The contractor will then maintain the action plan on the Social Value Portal and liaise with the Contract Manager throughout the contract period.

Visit [www.finditinbirmingham.com/charter](http://www.finditinbirmingham.com/charter) for further guidance and the action plan template.

## Appendix 3

### Construction Charter

Birmingham City Council is committed to achieving social value for the citizens of Birmingham and this Charter reflects appropriate Themes, Outcomes and Measures to enable construction contracts to deliver these benefits.

It is our intention to promote positive workforce practices and where appropriate seek relevant and proportionate commitments related to the subject matter of the contract, with implementation through the Birmingham Business Charter for Social Responsibility.

#### Health and Safety

1. Health and Safety of workers on all construction projects is paramount. It is therefore a requirement that all contractors awarded contracts by Birmingham City Council rigorously implement and adhere to our minimum standards for health and safety, as set out in our procurement documents. In addition we require all contractors to provide quality welfare facilities fit for purpose in accordance with the Construction Design and Management Regulation of 2015.
  - a. Contractors are encouraged to show a clear intent and positive commitment to the health and wellbeing of employees, which encourages healthy lifestyle choices that assist with addressing health issues through the adoption of policies such as the Workplace Wellbeing Charter.
2. Contractors and their supply chains should provide a safe and hygienic working environment and where appropriate work collaboratively with the appropriate trade unions to identify and implement reasonable real-world initiatives related to safety in the workplace.

#### Employment and Skills

3. We require the highest standards of project delivery in order to ensure that the aspirations of the residents of this Authority are met and the projects serve our communities well in the years to come. We are also mindful of the projected skills shortage across the sector and wish to work with the industry to train the next generation of skilled workers for the future. We therefore encourage and will require where appropriate, all contractors to support the Building Birmingham Academy and:
  - a. Commit to create employment and training opportunities for local residents, targeting areas of high unemployment and groups facing disadvantage, including people with disabilities through activities such as work experience placements, apprenticeships, internship and mentoring.

- b. Advertise employment opportunities through the Employment & Skills Services at the Council to ensure that those opportunities are targeted at those furthest from the job market.
- c. Build capacity by supporting community organisations with resources and expertise in areas with the greatest need, for example mentoring and working with youth organisations and services.
- d. Make a local impact by improving local facilities and areas, for example staff volunteering schemes.
- e. Provide support to third sector organisations and work with third sector organisations to deliver services and contracts, particularly those organisations working for the prevention of homelessness.
- f. Work with schools and colleges, offering work experience and business awareness to students, especially those from disadvantaged areas or communities.
- g. Make accessible all sub-contracting opportunities to a diverse supply base including the third sector and local suppliers and provide mentoring and support to assist these organisations to tender for and deliver these supply opportunities where necessary.
- h. Help to support the health and wellbeing of communities in which the business operates by for example linking with local schools and colleges, other local businesses and residents' groups to help run or sponsor activities / events, which will directly benefit those living there.

### **Ethical Practices**

- 4. All parties recognise that the highest level of compliance with current HMRC regulations must be achieved where public funds are utilised.
  - a. Contractors should reflect their high ethical standards by paying their 'fair share of taxes'.
- 5. The Authority promotes and encourages its contractors and their supply chains to:
  - a. Recognise employees 'rights of freedom of association to participate in trade union membership or political affiliation and this would include collective bargaining and not using blacklists in recruitment processes.
  - b. Promote diversity and inclusiveness, not discriminate in respect of recruitment, compensation, access to training, promotion, termination of employment or

retirement based upon race, caste, national origin, religion, age, disability (including learning disability), mental health issues, gender, marital status, sexual orientation.

- c. Ensure the well-being and protection of workforces in the supply chain, which must be supported by robust systems and procedures.
  - d. Uphold the principles of the Universal Declaration of Human Rights and the Fundamental International Labour Organisation Conventions; including the use of child and forced labour.
  - e. Recognise the right of all construction workers to be employed under and to be protected by the appropriate national industry collective agreement applicable to the construction industry.
6. Contractors and their supply chains within the construction industry should work collaboratively to provide responsible industry-wide solutions aimed at supporting and sustaining the construction industry for the benefit of the local economy and communities.

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Birmingham City Council looks forward to working with contractors, through the Birmingham Business Charter for Social Responsibility, to help them support the aims set out in this Charter.

.....  
Anmarie Kilcline  
**Regional Secretary**



.....  
Councillor Ian Ward  
**Leader**



## Appendix 4

### Public Sector Equality Duty - Initial Assessment

|   |   |
|---|---|
| Title of proposed EIA                               | Revision of the Social Value Policy (SV) and Birmingham Business Charter for Social Responsibility (BBC4SR) |
| Reference No  | EQUA136   |
| EA is in support of                                 | Amended Policy  |
| Review Frequency                                    | Two Years   |
| Date of first review                                | 30/10/2020  |
| Directorate   | Strategic & Support Services  |
| Division  | Commissioning and Procurement Services  |
| Service Area  | Strategy and Development  |
| Responsible Officer(s)                              | Maureen Griffiths   |
| Quality Control Officer(s)                          | Haydn Brown   |
| <u>Accountable Officer(s)</u>                       | Haydn Brown   |
| Initial equality impact assessment of your proposal | This Equalities Assessment results from the review of BCC's <u>SV Policy and BBC4SR</u> .                   |

The Public Services (Social Value) Act 2012 requires the Council to consider how economic, social and environmental well-being may be improved as a result of its services procurements and this promotes greater equality and inclusivity.

The Council's SV policy extends the requirements of the Act to Goods and Works and Grants and the BBC4SR sets out the key principles and outcomes that the Council seeks to embed into commissioning activities. These principles are: Local Employment, Buy local, Partners in Communities, Good Employer, Green & Sustainable and Ethical Procurement.

The proposed revisions to the SV Policy and BBC4SR include means by which support and interventions can be targeted to those who are most vulnerable and deprived, including those who are homeless, disabled, care leavers, those leaving the criminal justice system, NEETs, etc. This aligns the BBC4SR with the Council's strategic priorities and with national social value measures. The amendments also improve the ability to evaluate and report SV outcomes.

Implementation of the revised SV policy and BBC4SR will benefit Birmingham businesses, employees and local citizens. The proposals made within the SV Policy and BBC4SR are fair and reasonable and enhance the objectives established in the original SV policy and BBC4SR that were developed (along with the Living Wage Policy) with wide consultation of internal and external stakeholders.

Protected characteristic: Age Not Applicable

Age details:

Protected characteristic: Disability Not Applicable

Disability details:

Protected characteristic: Gender Not Applicable

Gender details:

Protected characteristics: Gender Reassignment Not Applicable

Gender reassignment details:

Protected characteristics: Marriage and Civil Partnership Not Applicable

Marriage and civil partnership details:

Protected characteristics: Pregnancy and Maternity Not Applicable

Pregnancy and maternity details:

Protected characteristics: Race Not Applicable

Race details:

Protected characteristics: Religion or Beliefs Not Applicable



|  |   |
|--|---|
| Protected characteristics: Sexual Orientation        | <u>Not Applicable</u>   |
| Sexual orientation details:                          |   |
| Consulted People or Groups                           |   |
| Informed People or Groups                            |   |
| Summary and evidence of findings from your EIA       | <u>These policies promote social wellbeing and through application of the BBC4SR in commissioning provides opportunities to promote equality and inclusivity, particularly for those in vulnerable groups.</u>  |
| Submit to the Quality Control Officer for reviewing? | No  |
| Quality Control Officer comments                     | <u>Minor edits made to the above text, but support the overall assessment.</u>  |
| Decision by Quality Control Officer                  | Proceed for final approval  |
| Submit draft to Accountable Officer?                 | No  |
| Decision by Accountable Officer                      | Approve   |
| Date approved / rejected by the Accountable Officer  | 12/10/2018  |
| Reasons for approval or rejection                    | <u>These updates support the achievement of the Council Plan Priorities and promotes social value locally. It will enable improved tender evaluation and comparison of different social value interventions, as well as being able to drive policy through procurement by demonstrating the value of each intervention.</u> |
| Please print and save a PDF copy for your records    | <u>Yes</u>  |