

Birmingham City Council

Report to Cabinet

Date 20 April 2021



Subject: Update on delivery and development of the Council's Social Value Policy

Report of: Interim Director of Finance and Governance

Relevant Cabinet Member: Councillor Tristan Chatfield – 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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	<input type="checkbox"/> Yes	<input checked="" 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 Significant progress has been made in implementing the Council's Social Value Policy since its launch in September 2013. This report details these improvements and achievements which include the introduction of:
- Specific and measurable commitments for each contract or grant
 - Alignment with a national proxy-based methodology (TOMs – Themes, Outcomes, Measures)
 - Ward multipliers, where the activity is in the most deprived wards, rewards bidders with a higher score when bidding during a competitive tender. The specific ward multipliers are contained in the Charter action plan which is downloadable from www.birmingham.gov.uk/bbc4sr
- 1.2 Despite these incremental improvements, there remains opportunities to enhance our approach both in design and implementation of social value. The proposed improvements are listed in this report and will be brought to Cabinet in a separate report in September 2021.

2 Recommendations

That Cabinet:

- 2.1 Notes the progress made on implementing the Council's Social Value Policy and
- 2.2 Notes the plans for the development of social value in the Council (subject to further consultation and a report for approval in September 2021.)

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.
- 3.2 The Council launched its 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 2018. The LWP was revised in March 2017. No further revisions are proposed to the LWP at this stage. This mechanism is how the Council secures social value as required by the Act. Details of policies and related guidance can be found on www.birmingham.gov.uk/bbc4sr

4 Progress to date

- 4.1 Networking and collaboration
- As part of the on-going development of this agenda, the Council is

represented on the West Midlands Social Value Taskforce and on the National Social Value Taskforce, which comprises representatives from all sectors to jointly develop and share best practice. These forums are used for sharing best practice with other public sector bodies.

- The Council is represented on the Anchor Institutions Network facilitated by the Centre for Local Economic Strategies (CLES). This group which includes Aston University, University of Birmingham, University Hospital Birmingham, WM Police, Pioneer Group and Bourneville Village Trust works collaboratively and coordinates activities in order to bring about more local spending by the partners particularly with Social Enterprises and 3rd Sector.
- The Council is coordinating social value activity with WMCA and the organising committee to ensure that the Commonwealth Games social value outcomes can be consolidated.
- The Council supported Birmingham and Solihull NHS Sustainable Transformation Partnership to develop their social value policy.
- The Council is working with partners across the city to promote the Real Living Wage and encouraging employers to become accredited Living Wage employers.
- 'Meet the Buyer' events have been run through the Finditinbirmingham platform. The last event was with McLoughlin and Harvey relating to the redevelopment of Alexander Stadium.
- We continue to use Finditinbirmingham to post our procurement opportunities and encourage tier 1 contractors to do the same. The list of current opportunities is emailed to all Councillors every Tuesday for them to share with local businesses in their wards.
- The Council's Corporate Procurement Service together with other West Midlands local authorities hosted an event for 3rd sector organisations on how to utilise social value to win business from the public sector. Detailed guidance is available on the Council's website on how to bid for Council tenders.
- We promote the use of Finditinbirmingham for local businesses to respond to our tenders and that of businesses. Since its launch:
 - 47,496 unique registered companies
 - 29,238 members in West Midlands and 22,206 in Birmingham
 - 6,558 opportunities posted since launch (with weekly updates on live opportunities circulated to Members)
 - £36.383Bn of opportunities posted
- We are currently supporting the Diverse Supply Chain programme, managed by Aston University, by providing workshops on bidding and social value as well as 1 to 1 consultation sessions. The programme supports 75 local, small and diverse (VCSE, BAME, LGBTQ+, Disabled and Women owned) businesses to help them access public sector contracts.

4.2 Internal networking

- There have been 123 commissioning, procurement and contract management officers trained on our social value approach, with 45 more awaiting training and more to be identified.
- A MS Teams group has been set up where all staff with a responsibility or an interest in social value can network.
- Social Value lead officers have been identified across the Council to spread the ownership and responsibility for delivery.

4.3 Process to achieve Social Value

- The social value rationale is currently set out in a short form that identifies the reasoning behind the social value outcomes that are relevant to the contract that is being established. It is completed at the earliest stage of commissioning as it's a pre-procurement duty that helps the process flow smoothly. Where appropriate, citizen engagement can help to determine social value outcomes and this is the reason for developing the "match my project" web portal.
- Social Value must be relevant to the core contract requirements and guidance has been issued to commissioners and procurers to enable the achievement of Council policies that are supported through the BBC4SR. This guidance, together with the social value rationale, ensure that the outcomes sought are related to the Council priorities.
- At the procurement strategy stage, the weighting for social value is set, whilst the default minimum is currently 10% it is proposed to be increased to 20% in the September Cabinet report.
- At the contract management stage, the delivery of the agreed social value commitments of the winning tenderer(s) are monitored and progress is reported. Delivery of the action plan is enforceable through the contract conditions.
- There are currently 496 businesses/organisations that have been accredited to the BBC4SR (seen [here](#)).

4.4 Achievements

- Reporting of amalgamated figures for the achievement of the Council's social value outcomes has thus far been a challenge due to the fragmented nature of the data across hundreds of contracts. This issue is being addressed in the continuing development of social value including building social value into the Oracle 1B system. In the meanwhile, we will carry out biannual data collection of our top contractors.
- A data collection exercise carried out in March 2021 surveyed 20 of the largest contractors and asked for achievements by financial year. Below is the tabulated return:

	2019/2020	2020/2021
Weeks of local* employment	53,612	68,141
Weeks of local* apprenticeship	4,395	4,607
Weeks of local* work placements	686	430
£ Amount of local* spend	£166,444,290	£194,619,328
£ Amount of Social Enterprise spend	£3,557,520	£3,172,513
Hours of voluntary time	9,883	10,825
£ Amount of money raised and / or donated	£210,779	£218,881

** Local is defined as within 30 miles of the point of service delivery*

- A recent analysis of the Council's 2019/2020 spend by CLES who facilitate the Anchor Institutions Network in Birmingham shows that 56% (£661,074,655) of the Council's procurement spend is with businesses located in Birmingham and 79% (£926,869,841) with businesses in the West Midlands.
- We can see from the table above that, other than work placements, COVID has not had a negative impact on delivery of social value.
- We also asked the respondents for social value highlights, 13 responded and these can be found in Appendix 1.

4.5 The Council's Social Value Development Programme

- A programme has been implemented to further develop our social value approach over the coming years. The development programme is divided in 4 group of activities (details are included in Appendix 2):
 - Improving Capability:
 - Encouraging Creativity
 - Ensuring Delivery
 - Promoting Achievements

4.6 Birmingham Business Charter for Social Responsibility update

The Charter was last updated in 2018. A report is scheduled to go to Cabinet in September 2021 to propose revisions that reflect further changes and updates in practice.

5. Consultation

There has been ongoing dialogue with regional and national networks and providers such as the National Social Value Taskforce and West Midlands Social Value Taskforce as the social value policy and practice has developed.

6. Risk Management

6.1. Risk relating to Covid and related economic downturn need to be considered and mitigated.

Title	Description	Likelihood	Impact	Score	Mitigating Actions	Owner
Covid	Covid restrictions hampering the practical delivery of social value	10	5	50	Use of technology to replace face to face interactions with virtual interactions	Directorate Leads
Economic Downturn	Businesses are unable to deliver the same level of social value due to reduced business activity	8	6	48	Contract managers can agree replacing difficult measures (e.g. creating new employment) with other deliverable activities (e.g. voluntary time)	Directorate Leads

7. Compliance Issues:

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

7.1. The Social Value Policy and its development programme is designed to enable the delivery of Council priorities through commissioning, procurement and contract management. See appended examples.

8. Legal implications

8.1. There are no legal implications to consider.

9. Financial Implications

9.1. There are no financial implications.

10. Procurement Implications (if required)

10.1. There are no procurement implications.

11. Human Resources Implications (if required)

11.1. There are no human resources implications

12. Public Sector Equality Duty

12.1. There is no adverse impact

13. Background Documents

The Council's Social Value and Living Wage policies and the Birmingham Business

Charter for Social Responsibility and related guidance documents can be found on www.birmingham.gov.uk/bbc4sr

Appendix 2: Social Value Development Programme

Contractors	Birmingham is an entrepreneurial city to learn, work and invest in	Birmingham is an aspirational city to grow up in
1	4 placements within the depot	
2		<p>Took part in the Millennium point career fair 2019 exhibiting digital virtual reality headsets and being a panellist with over 250+ students.</p> <p>Sponsored event at Great Barr Academy themed around the Perry Barr Regeneration Scheme in June 2019. Facilitated by SME partner 'Ahead Partnership', the event covered Year 9 and 10s and gave students an insight into the construction sector with students presenting projects that were judged.</p> <p>Took part in the annual Career Ready Mentoring programme connecting young people to the world of work.</p>
3	<p>90% of all spend through contract is with suppliers based within 30 miles of Birmingham.</p> <p>92% of delivery team are Birmingham residents</p> <p>92% of services supplied to Birmingham office is via local business e.g. cleaning, catering, office maintenance.</p>	<p>69 schools supported during 2020</p> <p>350+ virtual career sessions hosted for BCU in 2020.</p>
4		<p>We have supported Birmingham Children's Trust, Sifa Fireside & Acorns Children's Hospice since the beginning of our contract. Currently we are piloting the mentoring scheme with the BCT.</p>
5	<p>Large project within the local community - Milebrook Community Centre, Bartley Green worth nearly £250,000.00 that enabled us to meet a lot of social value targets in 2020.</p>	
6		<p>Appointed four STEM ambassadors who have developed relationships with four</p>

Appendix 2: Social Value Development Programme

		local schools in Birmingham and are arranging virtual career events and Women in Engineering sessions
7		<p>Birmingham Children's Trust – We discussed artwork for signboards on the vehicles to advertise key messages around foster carers, local recruitment, mental health and youth support.</p> <p>Secondary school careers support across the curriculum including virtual careers tools to support a larger audience and digital video which can be presented remotely to the students.</p>
8		Sent over 7 role vacancies to Kam Hung (BCC Employment Manager) to support local recruitment.
9	<p>Provided IT equipment to partners so they were able to continue providing support to service users.</p> <p>Provided mobile phones with ongoing credit to service users (particularly the homeless)</p>	
10	<p>July 2020 - launched the "You Matter Communities" scheme offering project resources in the form of volunteer time (TimeBank), small grants (Community Fund) and free access to unused materials from the construction period (ResourceBank).</p> <p>31 applications received to the Community Fund and 5 for the TimeBank. We have provided 6 community organisations with free materials. 17 local projects from across Birmingham to receive a Community Fund Grant of up to £1000.00, donating a total of £14,886. 17 successful applicants demonstrated how they could use the grant to deliver against our Community Fund objectives – Promoting Equality and Diversity, Enhanced Environment, Community Cohesion, Tackling Poverty and Isolation and Supporting Children and Young People.</p> <p>The second round of You Matter Communities is focused on supporting local communities by providing resources, such as volunteer time, small grants and materials, to support community-led solutions to local challenges.</p>	

Appendix 2: Social Value Development Programme

	As communities across Birmingham continue to deal with the impacts of the COVID-19 pandemic, You Matter Communities is focused on supporting community organisations to recover and to help people and communities experiencing disproportionate challenges to build back better, fairer and greener.	
11	200 jobs created on site, have case studies working with schools and a range of Social Value initiatives	
12	Despite the challenges of Covid 19 we have continued to deliver our projects to meet the needs of BCC projects on time and on budget. This has kept hundreds of local people employed, Apprentices and Graduates have had continuity and consistency during this period.	Partnership with South & City College Birmingham.
13	Accredited as a Living Wage employer. This means that everyone who works for us will receive the real living wage. First construction company to become a Social Value UK Partner.	Local Children Train With Footballing Legends at MS Charity Event - More than 150 local children and a number of local businesses graced the hallowed turf at St Andrew's Stadium, the home of Birmingham City Football Club, for a charity football event.

Appendix 2: Social Value Development Programme

Improving Capability:

- We will continue and expand the ongoing training programme for council staff to both raise awareness and understanding of why and how we implement social value.
- An online iLearn module will be developed as an introduction to social value so that all council staff can access it easily.
- We will maintain our networking activity with the West Midlands and National Social Value Taskforces as well as the Anchor Institutions Network in order to learn and influence the development of social value both regionally and nationally.
- Theme champions will be identified and be the focus of sharing knowledge and best practice for each theme. The themes are: Local Employment, Buy Local, Partners in Communities, Good Employer, Green & Sustainable and Ethical Procurement.

Encouraging Creativity:

- We need to match the high leverage of some directorates with the high need of other directorates. We will achieve this through improved cross directorate communication and through the directorate leads.
- Facilitate a brokerage system where community organisations can post their needs, in the form of a project, and businesses can offer support to complete the project.
- Organise an advisory panel made up of some of our largest contractors so that they can advise us on how to get the most of our social value and, with the help of local charities, communicate the needs in the city.

Ensuring Delivery:

- Ensure accountability and responsibility of social value delivery within directorates through directorate leads and contract managers.
- Through robust contract management process in accounting for social value; holding contractors to account and reporting evidenced activity.
- Deliver Council priorities through the commissioning, procurement and contract management

Promoting Achievements:

- Establish social value targets and report against them on a regular basis.
- Provide an annual social value statement which captures our progress, achievements and plan for the following year. This report sets the baseline for an annual report to Cabinet.