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**Manchester City Council  
Report for Resolution**

**Report to:** Resources and Governance Scrutiny Committee – 13 October 2016

**Subject:** Final Report and Recommendations

**Report of:** Ethical Procurement Task and Finish Group

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**Summary**

This report presents the findings, conclusions and recommendations of the Ethical Procurement Task and Finish Group. The Task and Finish Group carried out an investigation into how the Council can introduce an Ethical Procurement Policy in the Council.

**Recommendations**

1. To recommend that the Council consolidates its current policy/ practice into an Ethical Procurement Policy and processes; and to include any requirements recommended by the Ethical Procurement Task and Finish Group. To request that the draft policy is also submitted to the Resources and Governance Scrutiny Committee for consideration.
2. To recommend that the Council's Ethical Procurement Policy includes reference to citizen engagement and 'grave misconduct' (within the document 'Extract from the Public Contract Regulations 2015'), consistent reference to trade unions, and specific references to whistleblowers and Fair Payment for Subcontractors.
3. To recommend that the Council's Ethical Procurement Policy is reviewed on an annual basis and a report provided to Resources and Governance Scrutiny Committee to that effect. To recommend that the next time the policy is reviewed consideration is given to the implications of the Modern Slavery Act 2015; and any subsequent amendments.
4. To support proposals to increase the social value element of contracts from 10% to 20%.
5. To welcome the proposal of a 'Social Fund', set as a percentage of the value of the contract, and used for social value purposes.
6. To note that the Executive Member for Finance and Human Resources in consultation with the City Treasurer will have appropriate oversight of the Social Fund. To request that a report is submitted to Resources and Governance Scrutiny Committee at an appropriate time outlining the proposed governance arrangements and framework for the fund. To request that once the fund is operational future reports are provided on an annual basis which include a percentage breakdown of monetary and in kind benefits.

7. To request that Economy Scrutiny Committee receive future reports on an annual basis regarding the outcomes and impact of the Social Fund including a breakdown of measurable outcomes (e.g. how much was used for skills development).
8. To note that further work is required around citizen engagement and request that the Strategic Head of Commissioning work with the Head of Procurement to provide input into this.
9. To recommend that the relevant scrutiny committee's are informed and invited to comment on the differing contract management processes for their respective remits and invited to accompany officers on monitoring visits where appropriate/as required.
10. To recommend the use of Project Bank Accounts where appropriate to ensure that sub-contractors get paid on time.
11. To request that officers ask contractors to confirm in writing whether sub-contractors are paid on time on a regular basis. To recommend that a report be provided to Audit Committee on the work being undertaken by the Council's Internal Audit Team around payments in the supply chain. To include information on which companies were the most and least successful and why. To recommend that Resources and Governance Scrutiny Committee members be invited to attend the meeting where this report is considered.
12. To recommend that Resources and Governance Scrutiny Committee receive regular reports on payments to contractors. The report should be a concise overview of how many companies have been paid on time and how many late payments. This should include whether particular companies were paid late on multiple occasions, and detail of potential penalties for late payment.
13. To note that Health Scrutiny Committee will consider the progress of NHS Procurement in the context of devolution at an appropriate time.
14. To welcome the steps taken with CLES to date to develop a survey of suppliers
15. To welcome proposals that the Council organise a launch event to promote the Council's new Ethical Procurement Policy amongst AGMA and potential contractors with the Council. To recommend that officers also invite representatives from the Voluntary and Community Sector, the NHS, and other public sector organisations invited to the Group's meetings.
16. To recommend that these recommendations be submitted to the Resources and Governance Scrutiny Committee for consideration, and that this Committee monitors the progress of all elements of this policy and the implementation of these recommendations

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**Wards Affected:** All

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**Contact Officers:**

Kate Andrews  
Team Leader- Scrutiny Support  
0161 234 3071  
kate.andrews@manchester.gov.uk

**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact the officer above.

See: Section 10. Resources

**Appendices:**

**Appendix 1** – Terms of Reference of the Subgroup

**Appendix 2** – Work Programme of the Subgroup

**Appendix 3** – Updated Terms of Reference of the Subgroup

**Appendix 4** – Draft Agenda for the Ethical Procurement Policy Launch Event

## 1.0 Introduction

1.1 At its meeting on 3 September 2015 the Finance Scrutiny Committee agreed to launch a member led Task and Finish Group to consider how ethical the Council's current procurement policy was to identify any gaps or areas which required review. It was decided that the scrutiny process was the most appropriate means by which to carry out this investigation.

1.2 At its meeting on 3 September 2015 a petition was considered by the Committee which had been submitted via the Council's Petition Scheme<sup>1</sup> which called upon the Council to introduce an ethical commissioning and procurement policy in respect of a specific contractor. The Committee noted the petition and recommended that no action be taken. However, they advised the petition organisers that a Task and Finish Group on this matter was in the process of being established and invited the petition organisers to contribute.

1.3 At its meeting on 1 October 2015, the terms of reference and proposed work programme<sup>2</sup> for the Ethical Procurement Task and Finish Group were formally approved by the Resources and Governance Scrutiny Committee. The themes of the Task and Finish Group relate predominantly to the Resources and Governance Scrutiny Committee, in terms of procurement, and all other Scrutiny Committees, in terms of the differing sectors which the Council procures across. It was therefore agreed that the Task and Finish Group would be established by the Resources and Governance Scrutiny Committee but that membership would also be drawn from the Chairs of all Scrutiny Committee's. It was proposed that membership invitations also be extended to members of Audit Committee due to their expertise in this area. Members also agreed on the importance of involving outside parties in the Group.

1.4 Consideration was given by the Chair to any overlap with the Tax Avoidance Task and Finish Group established by members of the Economy Scrutiny Committee at its meeting on 2 September 2015. However, it was felt that both groups were sufficiently different to warrant independent investigations. The Chair of the Ethical Procurement Task and Finish Group asked to consider the minutes of the Tax Avoidance Task and Finish Group at its meetings in order that any implications for the Group could be picked up. Councillor Davies, a member of the Ethical Procurement Task and Finish Group was invited to a meeting of the Tax Avoidance Task and Finish Group to act as a link between the two investigations. The Head of Procurement also supported both groups and reported relevant issues back to members.

1.5 The work of the Task and Finish Group followed an organic process; many of its recommendations were completed within the life cycle of the Task and Finish Group.

## 2.0 Membership

2.1 The membership of the Task and Finish Group was:  
Councillor Carl Ollerhead (Chair)

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<sup>1</sup> For information on the Council's petition scheme see: [www.manchester.gov.uk/petitions](http://www.manchester.gov.uk/petitions).

<sup>2</sup> The Terms of Reference and actual Work Programme are attached as Appendix 1 and 2.

Councillor Shelley Lanchbury  
Councillor Mary Rose Watson  
Councillor Julie Connolly  
Councillor Joan Davies  
Councillor Bev Craig  
Councillor Daniel Gillard / Councillor Kevin Peel<sup>3</sup>  
Councillor Tracey Rawlins  
Councillor Julie Reid  
Councillor Suzanne Richards

2.2 Matthew Jackson, Deputy Chief Executive, Centre for Local Economic Strategies (CLES) was also invited to each meeting of the Group in an advisory capacity.

### **3.0 Objectives**

3.1 The objectives and key lines of enquiry were agreed by the Finance and Resources and Governance Scrutiny Committee Scrutiny Committees at their meetings on 1 October 2015 and 26 May 2016 respectively<sup>4</sup>. The full terms of reference are attached at Appendix 1 to this report.

3.2 The objectives of the Task and Finish Group were:

3.2.1 To review how ethical the Council's current procurement policy is and to identify any gaps or areas which require review.

3.2.2 To review what others are currently doing in respect of ethical procurement including other local authorities and the Greater Manchester Combined Authority (GMCA).

3.2.3 To consider the legal position in respect of ethical procurement and explore the scope for developing the Council's current policy and/or encouraging ethical companies to apply for procurement opportunities with the Council.

### **4.0 Key Lines of Enquiry**

4.1 The key lines of enquiry identified were:

4.1.1 To consider the Council's current position including the Constitution, Sustainable Procurement Policy Statement and the Social Value Policy adopted by the Association of Greater Manchester Authorities (AGMA).

4.1.2 To consider the weighting system used by the Social Value Policy to consider tenders, and how this works in practice, including case studies.

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<sup>3</sup> Councillor Kevin Peel replaced Councillor Daniel Gillard as Chair of Neighbourhoods and Environment Scrutiny Committee from May 2016; and was invited to contribute to the Group.

<sup>4</sup> The Finance Scrutiny Committee changed its name in May 2016 to the Resources and Governance Scrutiny Committee. The Task and Finish Group was also re-established as it was a new municipal year. The updated terms of reference are attached as appendix 3.

4.1.3 To invite the Centre for Local Economic Strategies (CLES) to attend all meetings in an advisory capacity.

4.1.4 To invite a broad spectrum of witnesses to give evidence and contribute to discussions.

4.1.5 To consider the legal context of procurement including the mandatory and discretionary grounds for excluding tenders.

## 5.0 Meetings

5.1 The Task and Finish Group held four substantive meetings. The full detail of what it considered at each meeting can be found in the work programme, attached at Appendix 2. An additional meeting was added to original proposals to facilitate attendance by a wider number of invited guests.

Meeting Date	Focus
13 November 2015	Background – to consider the Council's current procurement policies
2 December 2015	To review what others are doing in respect of ethical procurement
14 January 2016	To consider the Council's Draft Ethical Procurement Policy and Best Practice
17 June 2016	To review further what others are doing in respect of ethical procurement

## 6.0 What is Ethical Procurement?

Ethics in purchasing and supply management can relate to a wide range of issues from supplier business procedures and practices to corruption. The common themes relate to ethics and ethical behaviour in companies include trading in a fair and ethical manner, ethical sourcing, social accountability, social auditing, corporate social responsibility, corporate citizenship, codes of conduct and reputation assurance.

## 7.0 Background- to consider the Council's current procurement policies

Relevant key lines of enquiry:

*To consider the Councils current position including the Constitution, Sustainable Procurement Policy Statement and the Social Value Policy adopted by the Association of Greater Manchester Authorities (AGMA).*

*To consider the weighting system used by the Social Value Policy to consider tenders, and how this works in practice including case studies.*

*To consider the legal context of procurement including the mandatory and discretionary grounds for excluding tenders.*

## 7.1 An Ethical Procurement Policy

7.1.1 At its first meeting on 13 November 2015 members received a report which explained the Council's current procurement policies and the legal context of procurement including the mandatory and discretionary grounds for excluding tenders. The report also gave consideration to how Council contractors deal with various issues (including the living wage and zero hours contracts) and how the weighting of social value worked in practice.

7.1.2 In addition to the Head of Procurement a number of officers attended to inform the discussions including the Procurement Manager (Operations), the Strategic Lead Commercial Legal, the Lead Auditor, the Employee Relations Manager, the Strategic Lead Commissioning, and the Framework Manager North-west Construction Hub.

7.1.3 Members welcomed the work that had been completed to date by the Executive Member for Finance and Human Resources and Council officers and recommended that this be consolidated into one policy.

**Recommendation 1:** To recommend that the Council consolidates its current policy/ practice into an Ethical Procurement Policy and processes; and to include any requirements recommended by the Ethical Procurement Task and Finish Group. To request that the draft policy is also submitted to the Resources and Governance Scrutiny Committee for consideration.

7.1.4 At its second meeting on 4 December 2016 the group received a first draft of the proposed Ethical Procurement Policy which took into account members suggestions for comment. Members made a number of additional requests including that citizen engagement is considered and included and that the reference to 'grave misconduct' within the document 'Extract from the Public Contract Regulations 2015' be included. At its third meeting on 14 January 2016 the group received a second draft of the proposed policy for comment. The updated draft took into account members comments from the previous meeting. Members made a number of further requests including requesting that references to trade unions and workers associations be made consistent throughout the policy, and that specific reference to whistleblowers and Fair Payment for Subcontractors be incorporated.

**Recommendation 2:** To recommend that the Council's Ethical Procurement Policy includes reference to citizen engagement and 'grave misconduct' (within the document 'Extract from the Public Contract Regulations 2015'), consistent reference to trade unions, and specific references to whistleblowers and Fair Payment for Subcontractors.

7.1.5 A third draft of the proposed Ethical Procurement Policy was then submitted to Finance Scrutiny Committee at its meeting on 15 February 2016 who endorsed the recommendation that Executive approve the policy. The policy was approved by Executive at their meeting on 2 March 2016.

7.1.6 Once the policy was approved the group felt it was important that it continue to be reviewed; and requested that future reports be submitted to Resources and Governance Scrutiny Committee on an annual basis. At the group's third meeting on 17 June 2016 members heard that there may be implications arising from the Modern Slavery Act 2015 being brought into force. The current policy refers to slavery but not to the Act. Furthermore the Council is not required at present to prepare a slavery and human trafficking statement, but the government has proposed amendments to the Act which may change this.

**Recommendation 3:** To recommend that the Council's Ethical Procurement Policy is reviewed on an annual basis and a report provided to Resources and Governance Scrutiny Committee to that effect. To recommend that the next time the policy is reviewed consideration is given to the implications of the Modern Slavery Act 2015; and any subsequent amendments.

## 7.2 Social Value Weightings

7.2.1 At its first meeting on 13 November 2015 the group requested that officers review the Council's current Social Value weightings; and the potential to introduce sub-criteria and thresholds into those weightings. They also asked officers to consider how the Council specifies the 'contracting entity'; and how the discretionary grounds for excluding companies from procurement exercises could be better used by developing more detailed guidance on how the Council chooses to gather evidence and weight it. At their second meeting on 4 December 2016 the group requested that the Head of Procurement provide further information on the European Union (EU) requirement to break down the weighting of contracts where possible.

7.2.2 Members supported the suggestion of the Executive Member for Finance and Human Resources that the social value element of Council contracts should be increased from 10% to 20% but acknowledged that this would be difficult for some contractors. They welcomed clarification that social value could also be measured using 'in kind' benefits as well as monetary contributions.

7.2.3 At their meeting on 14 January 2016 the group welcomed proposals for a Social Fund for small contracts which would help smaller organisations who would not otherwise be able to meet the 20% social value weighting.



**Recommendation 4:** To support proposals to increase the social value element of contracts from 10% to 20%.

**Recommendation 5:** To welcome the proposal of a 'Social Fund', set as a percentage of the value of the contract, and used for social value purposes.

**Recommendation 6:** To note that the Executive Member for Finance and Human Resources in consultation with the City Treasurer will have appropriate oversight of the Social Fund. To request that a report is submitted to Resources and Governance Scrutiny Committee at an appropriate time outlining the proposed governance arrangements and framework for the fund. To request that once the fund is operational future reports are provided on an annual basis which include a percentage breakdown of monetary and in kind benefits.

**Recommendation 7:** To request that Economy Scrutiny Committee receive future reports on an annual basis regarding the outcomes and impact of the Social Fund including a breakdown of measurable outcomes (e.g. how much was used for skills development).

### 7.3 Contract management

7.3.1 At their first meeting on 13 November 2015 the group acknowledged the importance of pre contract procurement and contract management and monitoring. The group asked officers to consider how the Council could improve it's monitoring of the impact that Small and Medium Enterprises (SME's) have on the local economy by considering embedding improved monitoring mechanisms into the Councils contract monitoring processes.

7.3.2 At their second meeting on 4 December 2015 the groups requested that officers investigate the possibility of introducing a gateway system for pre-tender questionnaires. The Executive Member for Finance and Human Resources had advised previously that consultation with Executive Members at the pre-procurement stage had already been introduced and officers confirmed that the pre-tender form and the contract report issued following the completion of the tender exercise prior to awarding the contract had been updated to reflect this.

7.3.3 At their first meeting on 13 November 2015 the group acknowledged the need for procurement processes to be appropriate to the service area, and fully understand the issues across different sectors including health and social care. They requested further information and case studies regarding this to enable them to consider the different contract monitoring mechanisms for SME's, the Voluntary and Community Sector (VCS), and larger companies and examples of how the Council manages contracts with these organisations and encourages capacity building within SME's.

**Recommendation 8:** To note that further work is required around citizen engagement and request that the Strategic Head of Commissioning work with the Head of Procurement to provide input into this.

**Recommendation 9:** To recommend that the relevant scrutiny committee's are informed and invited to comment on the differing contract management processes for their respective remits and invited to accompany officers on monitoring visits where appropriate/as required.

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## 7.4 Payments to subcontractors

7.4.1 At their first meeting on 13 November 2015 the group requested a report on the Council's relationship with subcontractors, including payments to subcontractors. Members supported the idea of project bank accounts and after considering this further at the 14 January 2016 meeting recommended the use of these and sought assurance that contractors were paid on time.

**Recommendation 10:** To recommend the use of Project Bank Accounts where appropriate to ensure that sub-contractors get paid on time.

**Recommendation 11:** To request that officers ask contractors to confirm in writing whether sub-contractors are paid on time on a regular basis. To recommend that a report be provided to Audit Committee on the work being undertaken by the Council's Internal Audit Team around payments in the supply chain. To include information on which companies were the most and least successful and why. To recommend that Resources and Governance Scrutiny Committee members be invited to attend the meeting where this report is considered.

**Recommendation 12:** To recommend that Resources and Governance Scrutiny Committee receive regular reports on payments to contractors. The report should be a concise overview of how many companies have been paid on time and how many late payments. This should include whether particular companies were paid late on multiple occasions, and detail of potential penalties for late payment.

## 8.0 To review what others are doing in respect of ethical procurement

*Relevant key lines of enquiry:*

*4.1.3 To invite the Centre for Local Economic Strategies (CLEs) to attend all meetings in an advisory capacity.*

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<sup>5</sup> Resources and Governance Scrutiny Committee hold overall responsibility for scrutinising Council Procurement and Commissioning however each Scrutiny Committee has particular areas of expertise. Health Scrutiny Committee considers Adult Social Care and Families, Children and Young People Scrutiny Committee scrutinise Children's Services, Communities and Equalities Scrutiny Committee has the remit for the Voluntary and Community Sector (VCS), and Economy Scrutiny Committee looks at economic growth and Small and Medium Enterprises (SME's).

*4.1.4 To invite a broad spectrum of witnesses to give evidence and contribute to discussions.*

8.1 The Group invited Matthew Jackson, the Deputy Chief Executive of the Centre for Local Economic Strategies (CLES) to all of its meetings to act in an advisory capacity and he made important contributions to the discussions. He supported the Groups recommendation that the Council consolidate its processes into an Ethical Procurement Policy. He raised a number of issues including questioning how the Council supported and monitored the impact that Small and Medium Enterprises (SME's) had on the local economy and how much of the Council's spend leaked out of Greater Manchester boundaries. The Group supported the work undertaken by CLES with the Council to undertake a survey of suppliers. The Group requested to comment on the questions prior to the survey being carried out, and these were circulated by email to members. Matthew Jackson stressed the importance of encouraging other local authorities and public agencies to adopt a similar approach to Manchester and encouraged the promotion of Manchester's approach at a Greater Manchester level.

8.2 The Group were interested to find out whether any other local authorities had carried out work around ethical procurement. Officers within the Council's procurement section advised they were not aware of any similar work elsewhere within the UK. Officers cited Birmingham and Sheffield as examples of Councils which had carried out work around social value but not specifically ethical procurement. The Governance and Scrutiny Support Unit had also made enquiries with the North West Scrutiny Support Officers Network (which included all Greater Manchester local authorities) and Scrutiny Officers within Core Cities in respect of any scrutiny around Ethical Procurement within their authorities which did not yield any positive responses. The Group invited Peter Schofield, the Association of Greater Manchester Authorities (AGMA) Procurement Hub Manager to give evidence to its December meeting of how the differing authorities across AGMA dealt with ethical procurement issues. Peter Schofield welcomed the work of the Group and recommended the Council work with the 'Greater Manchester Social Value Network' to promote its work. The Group noted the increasing role of procurement on a Greater Manchester level and the importance of developing relationships and exerting influence in this area.

8.3 Executive Members from across AGMA with responsibility for procurement had been invited to attend the Groups December and January meetings but had given apologies. However, Stockport, Trafford and Rochdale Councils (STAR) nominated Sharon B Robson, Director of Procurement STAR Shared Procurement Service to attend on their behalf and an invitation was extended to her to the groups June 2016 meeting. Sharon Robson explained how STAR had come into operation and how they dealt with ethical procurement considerations. She welcomed the work of the group and advised she would report back to STAR on its proposals.

8.4 The Group invited the Chair of Greater Manchester Chamber of Commerce to its meeting on 2 December 2015 to hear about how they worked with businesses and their thoughts on the Council's Ethical Procurement Policy. The Chair of the Greater Manchester Chamber of Commerce offered to work with the Head of Procurement to

promote the Council's new policy amongst their membership and support their member organisations through the new processes.

8.5 Petition organisers who had previously expressed interest in ethical procurement were invited to the Groups December 2015 meeting to contribute to discussions. The Group acknowledged that reference to grave misconduct was included in contract documentation as standard but accepted their suggestion that the reference also be added to the Councils document 'Extract from Public Contract Regulations 2015'.

8.6 The Group were interested to find out what the NHS were doing around ethical procurement and invited Stuart Moore, Head of Market Management to its meeting on 17 June 2016. Stuart Moore reported that the NHS did not have an ethical procurement policy but explained how it carried out procurement exercises; and how it dealt with a variety of ethical requirements within its procurement policies and processes. Members stressed the importance of collaboration in procurement in the context of devolution.

**Recommendation 13:** To note that Health Scrutiny Committee will consider the progress of NHS Procurement in the context of devolution at an appropriate time.

8.7 The Group were interested to find out what the Universities were doing around Ethical Procurement and invited representatives from the Manchester Metropolitan University to its meeting on 17 June 2016. Manchester Metropolitan University provided information on their policies and processes in respect of ethical procurement and commented on the Council's Ethical Procurement Policy.

8.8 The Group invited Paul O'Brien from the Association for Public Service Excellence to its 14 January meeting to hear more about their work, whether their members had carried out any work around ethical procurement, and to contribute to the discussions. Paul O'Brien shared information with the group about good practice from work he was aware of that its members had carried out around social value.

**Recommendation 14:**  
To welcome the steps taken with CLES to date to develop a survey of suppliers.

8.9 Throughout their investigations the Group received minutes from the Tax Avoidance Task and Finish Group and its Final Report. The Group were satisfied that the Councils new policy and procurement processes included tax avoidance criteria.

8.10 The group felt it was important to promote the work it was doing with other AGMA authorities, organisations, and those that may want to enter into procurement with the Council. They welcomed officers proposals for a launch event for the policy which would take place on 28 February 2017 and recommended that attendees of the Task and Finish Group be invited to contribute and participate in this, which the guests from the 17 June 2016 meeting welcomed. The draft outline for the launch event, which the Chair was consulted upon, is attached at appendix 4.

**Recommendation 15:**

To welcome proposals that the Council organise a launch event to promote the Council's new Ethical Procurement Policy amongst AGMA and potential contractors with the Council. To recommend that officers also invite representatives from the Voluntary and Community Sector, the NHS, and other public sector organisations invited to the Group's meetings.

**Recommendation 16:**

To recommend that these recommendations be submitted to the Resources and Governance Scrutiny Committee for consideration, and that this Committee monitors the progress of all elements of this policy and the implementation of these recommendations

## 9.0 Acknowledgements

The Ethical Procurement Task and Finish Group would like to thank the following people for their advice and support during its investigation:

Peter Schofield, AGMA Procurement Hub Manager  
Phil Cusack, Chair of Greater Manchester Chamber of Commerce  
Norma Turner, Unite the Union  
John Clegg, Unite the Union  
Paul O'Brien, Association for Public Service Excellence  
Stuart Moore, Head of Market Management – Greater Manchester, NHS  
Sharon B Robson, Director of Procurement, STAR Shared Procurement Service  
Arwyn Evans, Head of Procurement, Manchester Metropolitan University  
Alanay Sir, Ethical Procurement Advisor, Manchester Metropolitan University  
Sarah May, Equality and Diversity Co-ordinator, Manchester Metropolitan University

Councillor Flanagan, Executive Member for Finance and Human Resources  
Ian Brown, Head of Procurement  
Karen Lock, Procurement Manager (Operations)  
John Finlay, Procurement Manager, North West Construction Hub  
Nathan Atkinson, Strategic Commissioning Lead  
Paul Bickerton, Commissioning Manager, Quality Performance and Compliance  
Charlie Tomlinson, Strategic Lead Commercial Legal  
Damien Jarvis, Lead Auditor  
Malicka Mandal, Employee Relations Manager  
Kate Andrews, Team Leader Scrutiny Support

## 10.0 Resources

The Task and Finish Group used the following resources as part of its investigation, in addition to the reports provided at its meetings:

- Presentation delivered by Peter Schofield, AGMA Procurement Hub Evidence (available on the Council's web-site)

- Information delivered at the meeting: Social Care case studies provided by officers within the Council's Social Care Commissioning Section and note on fair payments to sub-contractors (available on the Council's web-site)
- Oral presentations delivered by Paul O'Brien, Association for Public Service Excellence
- Oral presentation delivered by Stuart Moore, Head of Market Management, GM Shared Service - Part of North West Commissioning Support Unit (NWCSU)
- Information on the PQQ, the ITT, and the 'any qualified provider scheme'
- Information on the Social Value Charter adopted by Salford CCG
- Information from Sharon Robson pertaining to the Marmot Review
- Information on BREAM, the flexible Framework, the supplier code of conduct, the MMU dashboard, and the statement on modern slavery

Title	Ethical Procurement Task and Finish Group
Membership	Councillors Ollerhead Additional membership to be agreed at the meeting on 1 October 2015 To extend invitations to membership to members of Audit Committee and Scrutiny Chairs
Lead Executive Members	Councillor Flanagan
Strategic Directors	Richard Paver
Lead Officers	Ian Brown
Contact officer	Kate Hines, Team Leader- Scrutiny
Objectives	1. To review how ethical the Council's current procurement policy is to identify any gaps or areas which require review. 2. To review what others are currently doing in respect of ethical procurement including other local authorities and the Greater Manchester Combined Authority (GMCA) 3. To consider the legal position in respect of ethical procurement and explore the scope for developing the Council's current policy and/or encouraging ethical companies to apply for procurement opportunities with the Council
Key Lines of Enquiry	1. To consider the Councils current position including the Constitution, Sustainable Procurement Policy Statement and the Social Value Policy adopted by the Association of Greater Manchester Authorities (AGMA) 2. To consider the weighting used by the Social Value Policy and how this works in practice, including case studies 3. To invite the Centre for Local Environmental Strategies (CLES) to attend all meetings in an advisory capacity 4. To invite a broad spectrum of witnesses to give evidence and contribute to discussions 5. To consider the legal context of procurement including the mandatory and discretionary grounds for excluding tenders
Operation	This subgroup will report its findings to the Finance Scrutiny Committee by submitting minutes to the Committee. The Committee will be asked to endorse any recommendations from the Subgroup.
Access to Information	Meetings of the Subgroup will be open to members of the media and public except where information that is confidential or exempt from publication is being considered.  Papers for the Subgroup will be made available to members of the media and public on the Council's website and the main entrance to the Town Hall except where information which is confidential or exempt from publication is being considered.
Schedule of Meetings	To hold three substantive meetings, with one additional meeting to agree the final report.
Commissioned	September 2015

**Finance Scrutiny Committee – Ethical Procurement Task and Finish Group  
Work Programme – 2015/ 2016**

<b>Meeting 1 – Friday 13 November 2015 at 10am, Scrutiny Committee Room</b>				
<b>Item</b>	<b>Purpose</b>	<b>Lead Executive Member</b>	<b>Lead Officer</b>	<b>Comments</b>
To review how ethical the Council's current procurement policy is to identify any gaps or areas which require review.	<p>To consider the Council's current procurement policies including:</p> <ul style="list-style-type: none"> <li>• The Constitution</li> <li>• The Sustainable Procurement Policy Statement</li> <li>• The Social Value Policy (adopted across AGMA)</li> </ul> <p>To consider the legal context of procurement including the mandatory and discretionary grounds for excluding tenders</p> <p>To give consideration to how Council contractors deal with:</p> <ul style="list-style-type: none"> <li>• Living Wage</li> <li>• Zero hour contracts</li> <li>• Blacklisting practices</li> <li>• Environmental issues (e.g. carbon literacy)</li> <li>• Recruitment of apprentices, ex offenders and disabled people</li> <li>• Any other areas of social value</li> </ul> <p>and how the weighting of social value works in practice. To include case studies (not any provided previously (e.g. leisure))</p>	Councillor Flanagan	Ian Brown	Invites to appropriate Council officers from: Legal, Social Care, and Human Resources (HR) Invite to Centre for Local Economic Strategies (CLES)
Terms of Reference	To receive minutes of the Tax Avoidance Task and			



and Work Programme	Finish Group To review and agree the Subgroup's terms of reference and work programme, and consider any changes or additions that are necessary.		Kate Hines	
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**Meeting 2 – Friday 4 December 2015 at 2pm, Scrutiny Committee Room  
Deadline: Thursday 26 November 2015**

Item	Purpose	Lead Executive Member	Lead Officer	Comments
Review what others are doing in respect of ethical procurement	<p>To consider what others are doing including:</p> <ul style="list-style-type: none"> <li>• local authorities (e.g. Islington, Sheffield, Leeds and others)</li> <li>• AGMA</li> <li>• Chamber of Commerce</li> <li>• CLES</li> <li>• Local networks- what are we doing to encourage local people to apply</li> </ul> <p>To invite a broad spectrum of witnesses to give evidence and contribute to the discussions</p>	Councillor Flanagan	Ian Brown/ Kate Hines	Invites to: CLES, those for/against ethical procurement (e.g. petition organisers), any other local authorities involved in ethical procurement, AGMA Procurement Hub, Greater Manchester Chamber of Commerce, Executive members for AGMA authorities
Work Programme	<p>To receive minutes of the Tax Avoidance Task and Finish Group</p> <p>To review and agree the Subgroup's work programme, and consider any changes or additions that are necessary.</p>		Kate Hines	

<b>Meeting 3 – Thursday 14 January 2016 at 2pm, Scrutiny Committee Room</b>				
<b>Deadline: Wednesday 6 January 2016</b>				
Item	Purpose	Lead Executive Member	Lead Officer	Comments
Manchester City Council's (MCC's) Procurement Policies and Legislation	To receive an updated version of the Draft Ethical Procurement Policy and responses to queries raised at meetings 1 & 2	Councillor Flanagan	Ian Brown	
NHS Procurement Policies and Legislation	To request a report on the procurement processes used by the NHS	Councillor Andrews	To be confirmed	Invite to: Director of Operations and Delivery NHS England (Lead Commissioner),
Review what others are doing in respect of ethical procurement	To consider what others are doing including: <ul style="list-style-type: none"> <li>• the NHS</li> <li>• Universities</li> <li>• Other local authorities (eg. AGMA)</li> <li>• Other organisations</li> </ul> <p>To invite a broad spectrum of witnesses to give evidence and contribute to the discussions</p>	Councillor Flanagan	Ian Brown/ Kate Hines	Invites to: Manchester Metropolitan University (legal and procurement specialist), Executive Members for Finance/Resources (AGMA), Association for Public Service Excellence (APSE)
Work Programme	To review and agree the Subgroup's work programme, and consider any changes or additions that are necessary.		Kate Hines	

<b>Meeting 4 – Friday 17 June at 10am</b>				
<b>Report Deadline: Thursday 9 June 2016</b>				
Item	Purpose	Lead Executive Member	Lead Officer	Comments
NHS Procurement Policies and Legislation	To request an update on the procurement processes used by the NHS	Councillor Andrews	Stuart Moore, NHS	Invite to Stuart Moore, Head of Market Management – Greater Manchester NHS Greater Manchester Commissioning Support Unit
Review what others are doing in respect of ethical procurement	<p>To consider what others are doing including:</p> <ul style="list-style-type: none"> <li>• the NHS (see above)</li> <li>• Universities</li> <li>• Other local authorities (eg. AGMA)</li> <li>• Other organisations</li> </ul> <p>To invite a broad spectrum of witnesses to give evidence and contribute to the discussions</p>	Councillor Flanagan	Ian Brown/ Kate Andrews	Invites to: Manchester Metropolitan University and the University of Manchester, and Executive Members for Finance/ Resources (AGMA)
Review and Reflect/Next Steps	To review the outcomes of all meetings. To review the Final Report of the Tax Avoidance Task and Finish Group and consider any recommendations made	Councillor Flanagan	Ian Brown/ Kate Andrews	
Work Programme	To review and agree the Subgroup’s work programme, and consider any changes or additions that are necessary.		Kate Andrews	

	To consider whether the four substantive meetings that the Subgroup has had have been sufficient to meet the objectives of the Subgroup, or whether any further meetings are necessary.			
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Title	Ethical Procurement Task and Finish Group
Membership 2015/2016	Councillors Connolly, Craig, Gillard, Davies, Lanchbury, Ollerhead (Chair), Richards, and Watson (NB. Resources and Governance Subgroup with invitations extended to members of Audit Committee and Scrutiny Chairs)
Membership 2016/2017	Membership to be agreed for 2016/17 at the meeting on 26 May 2016
Lead Executive Members	Councillor Flanagan
Strategic Directors	Richard Paver
Lead Officers	Ian Brown
Contact officer	Kate Andrews, Team Leader (Scrutiny)
Objectives	<ol style="list-style-type: none"> <li>1. To review how ethical the Council's current procurement policy is to identify any gaps or areas which require review.</li> <li>2. To review what others are currently doing in respect of ethical procurement including other local authorities and the Greater Manchester Combined Authority (GMCA)</li> <li>3. To consider the legal position in respect of ethical procurement and explore the scope for developing the Council's current policy and/or encouraging ethical companies to apply for procurement opportunities with the Council</li> </ol>
Key Lines of Enquiry	<ol style="list-style-type: none"> <li>1. To consider the Councils current position including the Constitution, Sustainable Procurement Policy Statement and the Social Value Policy adopted by the Association of Greater Manchester Authorities (AGMA)</li> <li>2. To consider the weighting used by the Social Value Policy and how this works in practice, including case studies</li> <li>3. To invite the Centre for Local Environmental Strategies (CLES) to attend all meetings in an advisory capacity</li> <li>4. To invite a broad spectrum of witnesses to give evidence and contribute to discussions</li> <li>5. To consider the legal context of procurement including the mandatory and discretionary grounds for excluding tenders</li> </ol>
Operation	This subgroup will report its findings to the Resources and Governance Scrutiny Committee by submitting minutes to the Committee. The task and finish groups final report will be submitted to the committee which will be asked to endorse its recommendations.
Access to Information	Meetings of the Subgroup will be open to members of the media and public except where information that is confidential or exempt from publication is being considered. Papers for the Subgroup will be made available to members of the media and public on the Council's website and the main entrance to the Town Hall except where information which is confidential or exempt from publication is being considered.
Schedule of Meetings	To hold four substantive meetings, with one additional meeting to agree the final report.
Commissioned	September 2015

## **APPENDIX 4- DRAFT AGENDA**

### **Procurement as a tool to enable growth and tackle poverty – Tuesday 28<sup>th</sup> February 2016**

Over the course of the last ten years, the ten Greater Manchester local authorities have been at the forefront of undertaking progressive work around public procurement. In this they have adopted an approach which has been not just about making efficiency savings; but also about ensuring that procurement enables the growth of local economies and addresses key issues including poverty.

In recent years this commitment has been enhanced further through the development of the Greater Manchester Social Value Procurement Framework; for Manchester City Council the development of an Ethical Procurement Policy; and for all authorities a maturer relationship with suppliers, whereby they are pushed to deliver greater benefits for the Greater Manchester economy and its people.

The purpose of this event 'procurement as a tool to enable growth and tackle poverty' is two-fold. First, it aims to reflect upon and celebrate the progress local authorities in Greater Manchester have made around their procurement approaches. Second, it seeks to influence the behaviour of other key purchasers in Greater Manchester so that all procurement activity is undertaken in a way where value for money can be achieved and whereby growth can be enabled and poverty tackled.

The event is aimed at: commissioners, procurers and economic development officers from the ten Greater Manchester authorities; elected members; other agencies in Greater Manchester including CCGs, housing associations, the Greater Manchester Chamber of Commerce and the Growth Company; and suppliers to the ten Greater Manchester Authorities and others.

A suggested agenda is detailed below.

#### **9.30 – 9.40 – Welcome from the Chair**

- Councillor Carl Ollerhead, Manchester City Council

#### **9.40 – 10.30 – Policy – Why is procurement important for Greater Manchester?**

- Lord Peter Smith – Leader, Wigan Council (to provide political view – reflecting upon devolution, economic growth, linking growth to poverty)
- Theresa Grant – Chief Executive, Trafford Council (to provide officer view – reflecting on Greater Manchester Social Value Procurement Framework, link to GM Together and public service reform, and supporting Greater Manchester residents)
- Councillor John Flanagan – Manchester City Council – reflecting on Ethical Procurement Policy

#### **10.30 – 11.10 – Practice – What are our suppliers doing to enable growth and tackle poverty?**

- 5 minute talks from a 6 suppliers – diverse group to include (suggestions): Wates, GM Waste, Barclays, B4 Box, Catch 22, voluntary sector

#### **11.10 – 11.30 – Break**

**11.30 – 12.00 – Performance – What impact are we having on enabling growth and tackling poverty?**

- Matthew Jackson – Deputy Chief Executive, Centre for Local Economic Strategies (CLES) – reflecting on work with GMCA and Manchester City Council over course of last 8 years.

**12.00 – 12.15 – A response from central government**

- Representative of Cabinet Office – a response about activities in Greater Manchester, what more can be done

**12.15 – 13.00 – Influencing – How can other organisations deliver more progressive procurement approaches?**

- Facilitated discussion tables

**13.00 – 14.00 Lunch**

**14.00 – 16.00 Cross Greater Manchester Meet the Buyer Event – Breaking down barriers to working with Councils**

**16.00 - CLOSE**