

**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee – 22 June 2017

Subject: Social Value When Using Frameworks Established by Other Public Bodies

Report of: City Treasurer

Summary

This report for information sets out how the Council ensures that social value is reflected when using frameworks established by other public bodies to procure goods and services.

Recommendations

To consider and comment on the information in the report.

Wards Affected: All

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Background documents (available for public inspection):

None

1.0 Introduction

- 1.1 Social value is embedded within the Council's procurement policies and procedures and following the work of the Ethical Procurement Task and Finish Group, is now a minimum of 20% of the contract award decision criteria. However, when using frameworks let by other public bodies, the same emphasis on social value is not always evident. This report for information sets out how the Council ensures that social value is reflected when using frameworks established by other public bodies to procure goods and services.

2.0 Background

- 2.1 The Council has considered the social impacts of its procurement activity since the 2008 Sustainable Procurement Policy and incorporation of the GMCA Social Value Policy into Manchester's procurement policies and procedures in January 2015.
- 2.2 In November 2015, through the work of the Ethical Procurement Task and Finish Group, the social value weighting in tenders was increased from 10% to 20% on all tenders issued through the Procurement Group.
- 2.3 In June 2016 tenders were trialled with the inclusion of the options for suppliers, service providers and contractors to offer social value 'in kind' or 'social fund' set at a percentage of the contract. The trials proved successful and the inclusion of these options (where appropriate) is now fully established in the tendering process.
- 2.4 When establishing the Council's own frameworks, social value is an integral part of the procurement process as described above.
- 2.5 Use of frameworks established by other public bodies can offer a more expedient and collaborative route to market but the approach to social value may not be as strong as the Council's.
- 2.6 The approach varies and is not consistent across local authorities, government departments and other purchasing bodies.
- 2.7 A specific social value weighting is rarely applied and is often addressed as part of the quality award criteria and not a stand-alone section.
- 2.8 We are not aware that the social value 'in kind' or 'social fund' option is used elsewhere as part of the tender process.

3.0 The Council's use of External Frameworks

- 3.1 External frameworks are used where appropriate by the Council and equates to approximately 2% (£10.4 million) of the Councils' total procurement spend.

3.2 External frameworks that are used fall into the following categories:

- AGMA frameworks (Association of Greater Manchester)
- Government/CCS (Crown Commercial Service) frameworks.
- Frameworks established by purchasing bodies e.g. YPO (Yorkshire Purchasing Organisation), Eastern Shires Purchasing Organisation (ESPO).

4.0 AGMA Frameworks

4.1 AGMA Procurement Hub played a key role in the development of the GMCA Social Value Policy and this is embedded across AGMA authorities.

4.2 Frameworks can be established either by the hub itself or an individual AGMA authority that leads on the procurement of a particular type of goods or service.

4.3 The percentage allocated to social value can vary between 10% and 15% but currently will only be included at 20% if Manchester is leading on the procurement. The increase to 20% is being considered by AGMA authorities.

5.0 Government Frameworks - CCS Frameworks

5.1 When using these frameworks social value, where provision is made, can be assessed within the quality award criteria as there is currently no provision made to assess this in a stand-alone section.

5.2 This is more problematic but the procurement team have worked with the CCS to understand the flexibility within the quality assessment and identify areas for the inclusion of social value.

5.3 CCS are currently reviewing their approach to social value and have recently been meeting with individual AGMA authorities, including Manchester, to find out what our requirements are when considering using their frameworks.

6.0 Frameworks Established by Purchasing Bodies.

6.1 A similar approach is taken to that when using CCS frameworks if provision has been made within the award criteria to do so.

6.2 YPO are currently reviewing their approach and weighting of Social Value when renewing or issuing tenders for new frameworks.

6.3 A very small number of these frameworks are used.

7.0 Contract Sign Off Stage

7.1 When using external frameworks, normal governance processes for contract sign off are still adhered to. Social value is reflected in all framework contract reports as part of the sign off process.