



Resources and Governance Scrutiny Committee

Date: Tuesday, 19 July 2022

Time: 2.00 pm

Venue: Council Antechamber, Level 2, Town Hall Extension

There will be a private meeting for Committee Members only at 1:30pm on Tuesday 19 July 2022 in Room 2006, 2nd Floor, Town Hall Extension

Everyone is welcome to attend this committee meeting.

Access to the Antechamber

Public access to the Council Antechamber is on Level 2 of the Town Hall Extension, using the lift or stairs in the lobby of the Mount Street entrance to the Extension.

There is no public access from any other entrance.

Filming and broadcast of the meeting

Meetings of the Resources and Governance Scrutiny Committee are 'webcast'. These meetings are filmed and broadcast live on the Internet. If you attend this meeting you should be aware that you might be filmed and included in that transmission.

Membership of the Resources and Governance Scrutiny Committee

Councillors - Simcock (Chair), Andrews, Davies, Good, Kirkpatrick, Lanchbury, B Priest, Rowles and Wheeler

Agenda

1. Urgent Business

To consider any items which the Chair has agreed to have submitted as urgent.

2. Appeals

To consider any appeals from the public against refusal to allow inspection of background documents and/or the inclusion of items in the confidential part of the agenda.

3. Interests

To allow Members an opportunity to [a] declare any personal, prejudicial or disclosable pecuniary interests they might have in any items which appear on this agenda; and [b] record any items from which they are precluded from voting as a result of Council Tax/Council rent arrears; [c] the existence and nature of party whipping arrangements in respect of any item to be considered at this meeting. Members with a personal interest should declare that at the start of the item under consideration. If Members also have a prejudicial or disclosable pecuniary interest they must withdraw from the meeting during the consideration of the item.

4. Minutes

To approve as a correct record the minutes of the meeting held on 21 June 2022

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5. HROD Update

Report to follow

6. Ethical Procurement and Forthcoming Changes to Government Procurement Rules

Report of the Head of Integrated Commissioning and Procurement attached

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This report provides an update on the approach to ethical procurement with a focus on workforce considerations including blacklisting and to provide an update on changes in Government procurement rules and their potential impact.

7. Management of Major Contracts

Report of the Head of Integrated Commissioning and Procurement and Strategic Lead Integrated Commissioning attached

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This report describes how major contracts are managed and the key considerations for the council when looking at future commissioning options, including insourcing versus outsourcing decisions, and the associated capacity the council would need in

place to take a major contract back in house either as a result of a procurement decision or to address market failure.

8. Overview Report

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Report of the Governance and Scrutiny Support Unit.

This report provides the Committee with details of key decisions that fall within the Committee's remit and an update on actions resulting from the Committee's recommendations. The report also includes the Committee's work programme, which the Committee is asked to amend as appropriate and agree.

Information about the Committee

Scrutiny Committees represent the interests of local people about important issues that affect them. They look at how the decisions, policies and services of the Council and other key public agencies impact on the city and its residents. Scrutiny Committees do not take decisions but can make recommendations to decision-makers about how they are delivering the Manchester Strategy, an agreed vision for a better Manchester that is shared by public agencies across the city.

The Resources and Governance Scrutiny Committee areas of interest include finances, Council buildings, staffing, corporate and partnership governance as well as Council tax and benefits administration.

The Council wants to consult people as fully as possible before making decisions that affect them. Members of the public do not have a right to speak at meetings but may do so if invited by the Chair. If you have a special interest in an item on the agenda and want to speak, tell the Committee Officer, who will pass on your request to the Chair. Groups of people will usually be asked to nominate a spokesperson. The Council wants its meetings to be as open as possible but occasionally there will be some confidential business. Brief reasons for confidentiality will be shown on the agenda sheet.

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Smoking is not allowed in Council buildings.

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Further Information

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This agenda was issued on **Monday, 11 July 2022** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 2, Town Hall Extension, Manchester M60 2LA

Resources and Governance Scrutiny Committee

Minutes of the meeting held on Tuesday, 21 June 2022

Present:

Councillor Simcock (Chair) – in the Chair
Councillors Andrews, Davies, Good, Kirkpatrick, Lanchbury, B Priest, Rowles and Wheeler

Also present:

Councillor Akbar, Executive member for Finance and Resources

RGSC/21/21 Minutes

Decision

The Committee approve the minutes of the meeting held on 24 May 2022 as a correct record.

RGSC/21/22 Revenue and Benefits update

The Committee considered the report of the Deputy Chief Executive and City Treasurer that provided an update on the activity of the Revenues and Benefits Unit as set out in the October 2021 Scrutiny Report, including details of Covid schemes and cost of living schemes delivered by the service.

Key themes in the report included:

- An overview of Benefits administration, including Council Tax Support and the management of the Welfare Provision Scheme and other discretionary schemes;
- The financial support provided as part of the Test and Trace scheme;
- The financial support provided by the Household Support Fund scheme;
- The financial support provided by the Energy Grant Scheme; Performance in the collection of council tax and how the Council balances collection, whilst working in an ethical way and supporting those residents on a low income; and
- Performance in the collection of business rates, including the financial support provided to businesses through various Business Rates Reliefs and grants.

Some of the key points that arose from the Committee's discussions were: -

- Was it possible to provide any indication as to how many families and businesses had been supported by the Council's approach to helping those in need;
- It was noted that there were no properties within the Private Rented Sector within Manchester that offered properties for rent close to the Local Housing Allowance (LHA) rate and it was deeply worrying that there had been no uplift in April 2022;

- Was there any significant variations between Council Tax bandings and the uptake in direct debit payments of Council Tax;
- What percentage of applicants were approved in relation to the Welfare Provisions Scheme;
- In relation to the pilot with Oasis Centre in Gorton, what have been the learning outcomes for wider implementation;
- Had there been any occasion where the Council had managed to collect Council Tax at a rate of 95% or more;
- Clarification was sought on how the Council was preventing the £150 Council Tax rebate being paid to those residents with a second home;
- A question was asked on how quickly 'U' banded properties became classified;
- Clarification was sought as to whether Enforcement Agents were bailiffs and how likely was the trial on attachments to earnings to be extended;
- Was there any indication as to how many business the city were lost due to them not fitting the criteria set by Government for its Business Support Scheme; and
- Was there any specific reasons for the low uptake of the CARF funding.

The Head of Corporate Assessments advised that it was difficult to give a precise number as to how many people had been supported as many people had been affected by a range of pressure. He advised that it would be possible to provide a high level figure of the number of households that had received support. The Head of Corporate Revenues advised that the position was similar in relation to business rate support, insofar that it would be possible to provide a figure on how many businesses had received support and the amount of money paid out by the Council, but it would not be possible to provide more detail as to how many businesses had been saved from collapsing.

The Executive Member for Finance and Resources commented that it would be fair to acknowledge that the Council would not have been able to help as many residents and businesses without the additional funding from government, but it was not a simple process of just passporting the money on to those families and businesses. It needed to be recognised the amount of work that had gone into the design and implementation processes by the Council in short space of time to enable the distribution of these funds to those most in need.

The Head of Corporate Revenues agreed to provide details to the Committee on the number of households that paid Council Tax by direct debit in each Council Tax banding. He commented that the Council tried to provide residents with multiple ways to establish direct debit payments, not just online, as this was the cheapest way for the council to process Council Tax payments.

The Head of Corporate Assessments advised that he did not have all the available data on the percentage of applicants who were approved in relation to the Welfare Provisions Scheme, but in relation to the first two months of the current financial year, which would be broadly representative of applications approved the figure was at 38%.

The Committee was advised that following the pilot with Oasis Centre in Gorton, the Council was considering rolling out similar provisions at other sites in the future.

Although the number of referrals that had been made at present was fairly low the service had been extremely well received by staff at the Oasis Centre, as well as those residents that have been helped.

The Head of Corporate Revenues commented that in terms of the in year collection rate of Council Tax arrears, the Council had never achieved a rate of 95%, but it was reported that the overall collection rate for Council Tax had been in excess of 96.5% pre pandemic. This rate had reduced to 94.5% during the pandemic and these financial years had been set at 95.5%

In terms of the £150 Council Tax rebate for second home owners, it was explained the Council's data on this was as accurate as it could be but the Council was to some degree reliant on residents informing the Council if they owned a second property. In addition, the technical definition of a second home included rented furnished properties between tenants so any property classified as this would not have been eligible for the rebate.

In relation to the classification of 'U' banded properties, there was currently 4,400 properties on the Academy system, which could range from only having footings to being ready for occupancy and referred to the Valuation office for banding. Properties were added to the system when formal names and addresses had been determined. Completion notices were served when properties became ready for occupation within three months and this provided a date as to when a property became eligible for paying Council Tax.

The Head of Corporate Revenues clarified that the Enforcement Agents were previously referred to as Bailiffs and that the Council did use these to enforce the collection of Council Tax or Business rate debt but commented that the Council had reduced the number of instances where Enforcement Agents were instructed significantly over the last ten years. The Committee was reassured that there was a strict code of conduct of how the Council expected the Agents to conduct themselves and they were never used for those people on Council Tax support. The Deputy Chief Executive and City Treasurer agreed to provide the Committee with a fuller response on this issue after the meeting.

The Committee was advised that the Cabinet Office was keen to extend the trial on attachments to earnings but HMRC was not as supportive due to requirement of sharing information. It was noted that the second stage of the trial would not be as successful as the first stage as HMRC had requested more information to match the Council's data against their own, which the Council could not provide as it did not hold it. The Council was working with DWP to provide the information being sought but this was only resulting in matches where the resident had DWP connections and these did not tend to be the higher earners.

The Head of Corporate Revenues advised that the Growth and Skills Hub would possibly have the information on the number of businesses that did not fit the governments criteria for Business Support Scheme. It was agreed that Officers would speak to colleagues in the Growth and Skills Hub for this information and if available would be provided to the Committee

In terms of the uptake of CARF funding, it was not clear as to why the uptake was low. It was reported that £24m had been made available to businesses and so far the Council had written to over 9,000 businesses to make them aware of this available funding.

Decisions

The Committee:-

- (1) Notes the report.
- (2) Thanks all Officers within the Council's Revenue and Benefits team for their hard work in supporting those most vulnerable in the city.
- (3) Requests that Officers provide the Committee with information on the number of businesses that did not fit the government's criteria for Business Support Scheme and details on the number of households that paid Council Tax by direct debit in each Council Tax banding.

RGSC/21/23 Capital Outturn Report

The Committee considered the report of the Deputy Chief Executive and City Treasurer. The Committee had been invited to comment on the report prior to it being considered by the Executive.

Key themes in the report included:

- The outturn of capital expenditure for 2021/22;
- The financing of capital expenditure for 2021/22;
- The major variances between the 2021/22 outturn and the previous Capital Programme monitoring report submitted in February 2022; and
- The revised capital programme budget for 2022/23; and subsequent years as a result of the review of the programme following outturn.

Some of the key points that arose from the Committee's discussions were: -

- Was the inflation contingency of £28m over the next four years going to be enough given the increasing rate;
- Would it be possible to have a report on how each capital project contributed to a net zero carbon city;
- Could information be provided on the spending towards the new proposed residents parking zone in Ancoats;
- Was the Council still expecting a positive return on investment in regard to The Factory
- How would spending change on Northwards Housing now that it was back within the Council;
- Concern was expressed around the economic volatility Manchester residents were facing and whether there would be an effect on Council borrowing if interest rates were to increase;
- How was social value delivered within the projects;
- Concern was expressed around the cost of inflation to the construction industry;

- Why was there a proposed virement of £1.62m from the Newton Heath High Rise Block
- Could an explanation of maintaining structure of borrowing be given; and
- Clarification was sought as to the why the cost of refitting the Peterloo Memorial was greater than the total cost of the Emmeline Pankhurst memorial.

The Deputy Chief Executive and City Treasurer advised that it was difficult to accurately assess the level of contingency needed for inflation as the situation was very fast moving and the impact on the supply chain was profound as well. All major schemes had been reviewed but it would be further in the year before there would be clearer picture of the impact of recent increases in inflation would have. The Deputy City Treasurer also comment that most of the capital projects had contingency levels built in and it would be these contingencies that would be used in the first instance and the £28m was for anything that couldn't be covered within the planned contingency levels within each project.

The Deputy Chief Executive and City Treasurer agreed to share with Committee Members the Council' Low Carbon Build Standard report. In addition, it was explained that each capital project went through a business case process, with a specific part centred around how the project would contribute towards low carbon and other climate mitigation measures.

In terms of the residents parking zone in Ancoats, the scheme would be included in the Council's Capital Programme at the point it became fully approved and the funding in place. At present, this scheme was currently going through consultation and would be added into the programme at the point it was agreed and signed off.

It was reported that the Council was still expecting a positive economic return for The Factory, but it was acknowledged that there was a pressured budget for the project given the inflationary pressures the Council was facing.

In regard to Northwards Housing, some of the work the Council would be doing would be around the Capital Investment Programme for the estate.

The Deputy Chief Executive and City Treasurer shared the Committee's concern on the impact to residents that the increase in inflation was having. She commented that the Council was not able to mitigate against everything but would work hard to target its resources that it had in the most effective way possible. It was reported that in relation to borrowing, whilst the financing for the current approved programme was affordable, any future capital programme schemes and the ability to deliver some new projects may be constrained by the level of funding available.

The Deputy City Treasure advised that each capital project had a 20% weighting of the tender in relation to delivering social value as part of the project. It was often up to the contractor as to what form this would be delivered but there had been a focus on job creation, apprenticeships, skills training as well as local works and volunteering days. In addition, there was a further 10% weighting around contributing to a low carbon city, both of which were monitored throughout the life of the project.

The Deputy City Treasurer provided an explanation of what was meant by maintaining structure of borrowing and also agreed to provide details on the virement at Newton Heath High Rise Block, but in essence this was due to a potential underspend on the work undertaken. Furthermore, he clarified that the cost allocated to refitting the Peterloo Memorial was the total available funding available figure and would not necessarily cost the total value as stated in the report.

Decision

The Committee note the report.

RGSC/21/24 Overview Report

The Committee considered the report by the Governance and Scrutiny Support Unit which provided details of key decisions that fall within the Committee's remit and an update on actions resulting from the Committee's recommendations. The report also included the Committee's work programme, which the Committee was asked to amend as appropriate and agree.

Decision

The Committee note the report and agreed the work programme.

**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee – 19 July 2022

Subject: Ethical Procurement and Forthcoming Changes to Government Procurement Rules

Report of: Head of Integrated Commissioning and Procurement

Summary

To update the Committee on the council's approach to ethical procurement with a focus on workforce considerations including blacklisting and to provide an update on changes in Government procurement rules and their potential impact.

Recommendations

The Committee is recommended to consider and comment on the information in the report.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

There is no direct environmental impact from this report – the issues addressed in the report include measures that will contribute to achieving the zero-carbon target for the city
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Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments
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The issues addressed in this report will have a direct impact on meeting Public Sector Equality Duty and broader equality developments by ensuring that the council's suppliers demonstrate commitment to support disadvantaged groups identified as priority groups in the council's Social Value Policy

Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The report outlines how the council's suppliers will contribute towards creating jobs and opportunities to support a thriving and sustainability

A highly skilled city: world class and home grown talent sustaining the city's economic success	The report outlines how the council's suppliers will create opportunities for local people to develop skills to support the city's economic success
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The report outlines how the council's suppliers will work with communities to unlock potential
A liveable and low carbon city: a destination of choice to live, visit, work	The report outlines how the council's suppliers will contribute towards achieving carbon reduction targets
A connected city: world class infrastructure and connectivity to drive growth	This report does not include proposals that have specific connectivity implications

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

None

Financial Consequences – Capital

None

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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 one of the contact officers above.

The principal policies referred to in this report are:

- Manchester City Council's Ethical Procurement Policy
- Manchester City Council's Social Value Policy

1. Introduction

- 1.1. Manchester City Council has long been recognised for having a progressive approach to procurement. This is evidenced by an ongoing annual analysis of the effect of the council's own spend on the local economy that commenced in 2007, early adoption of the Social Value Act 2012 and has developed over the years into an Ethical Procurement Policy that was adopted by the council in 2016. This report outlines how the approach to Ethical Procurement is applied, with a focus on workforce considerations including blacklisting.
- 1.2. This report also provides an update on changes in Government procurement rules and their potential impact with specific reference to Ethical Procurement.

2. Background

- 2.1. The council has a long track record – nearly 15 years – of promoting ethical procurement and social value. The council was a pioneer in these aspects, introducing what was then its Sustainable Procurement Policy in 2008, well before the Public Services (Social Value) Act 2012 came into force.
- 2.2. Over the years the council has refined its policies and expanded its efforts, introducing, for example, the 20% social value weighting in the evaluation of all tenders, going beyond the requirements in the Act. The 20% social value weighting remains, to our knowledge, the joint highest in the country, and is now enhanced with the additional 10% weighting with respect to climate change and environmental actions.
- 2.3. Today, the council's procurement approach is guided by two key policies – the Ethical Procurement Policy and the Social Value Policy. The two are closely connected and even more so now, as social value considerations are increasingly interested in what the bidder / supplier is doing within their organisation, as well as what they will deliver as part of the contract – for example, whether an organisation pays well (and at least Real Living Wage), whether it applies good employment practices, how it takes action to reduce its carbon footprint.
- 2.4. The Ethical Procurement Policy sets out the council's expectations on ethical practices that it expects all suppliers to commit to and promote within their own supply chains. The policy covers key basics, such as compliance with laws, but also commends various good practices. The policy includes consideration of a number of workforce issues including "employment" in terms of improving working conditions, paying a living wage, Health and Safety, a right to be part of a trade union, child employment, working hours, regular employment, apprenticeships, abuse, equality, access to training, promotion, termination or retirement.
- 2.5. Subsequently there have been specific commitments to a range of initiatives that support the Ethical Procurement policy including:

- Publication of a Human Trafficking and Modern Slavery statement in 2019, two years prior to the introduction of a requirement for public sector organisations to do so.
 - Signature of the Unite Construction Charter
 - A commitment by the council that its suppliers will pay the real living wage leading to accreditation as a RLW Employer by the Living Wage Foundation in 2019
 - The Unison Ethical Standards Charter for social care
 - Adoption of the Care Leavers Covenant since 2020
 - Recognition of the Armed Forces Covenant since 2020
 - Realisation of a commitment to pay RLW rates to all social care providers from April 2022
 - A commitment to becoming a real living wage city
- 2.6. The Ethical Procurement Policy is appended to this report. Page 1 lists the various developments in the policy since 2017 including those listed above.
- 2.7. The Social Value Policy complements the Ethical Procurement Policy, by setting out priorities for how suppliers can create additional social value both through their organisation and with regard to the specific contract(s) they are delivering for the council. The policy has six overarching objectives, consistent with the framework adopted across Greater Manchester, which are as follows:
- Provide the Best Employment You can
 - Create the Education, Work and Skills opportunities our residents need
 - Be Part of a Strong Local Community
 - Develop a Local and Resilient supply Chain
 - Make Your Organisation Greener
 - Keep the Air Clean
- 2.8. The Social Value Policy was first published in 2014 and subsequently updated in 2017 and 2021. The current version was updated and the priority cohorts augmented to include those adversely directly and indirectly affected by the Covid-19 pandemic.
- Children and young people, specifically: looked after children and care leavers, young people who are Not in Employment, Education, or Training (NEET) or at risk of becoming NEET; and young people involved in or at risk of being involved in the criminal justice system.
 - Long-term unemployed with an underlying health condition or complex needs, including, the over 50s who have, on average, been hit harder economically by the Covid-pandemic.
 - Promoting equality for Black, Asian and Ethnic Minority residents, who research shows have been disproportionately impacted by the Covid-pandemic
 - Disabled people.
 - Older people; and
 - Vulnerable adults overcoming a crisis or, domestic violence and abuse, rough sleepers.

2.9. The council applies these policies in its procurements in several ways:

- the council promotes the aims of the policies through, for example, general market engagement events, or through market briefing events on a specific procurement.
- all invitations to tender by default include a 'standard questionnaire', which enables the council to exclude bidders if they have committed serious violations, such as illegal activity, breaching of labour, environmental, social obligations etc.
- There are the scored social value and environmental questions, which together make up 30% of the total score in the evaluation of tenders. Social value questions will vary reflecting the nature of the opportunity, but they will nearly always ask bidders what they are already doing to create social value, as well as what they will deliver as part of the contract.
- There are also additional standard questions which are not scored but which provide further detail on underpinning ethical practices, including payment of Real Living Wage, whether zero hours contracts are used, among others.

3. Main issues

3.1. The Public Services (Social Value) Act 2012, gives the council the freedom, and indeed the legal duty, to consider "(a) how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and (b) how, in conducting the process of procurement, it might act with a view to securing that improvement."

3.2. There are however some limitations on what councils can do. The first is practicability and ensuring that invitations to tender are not too onerous, for example in the number of questions and data required, to put organisations off from bidding, particularly small and medium-sized enterprises. The second is that there are legal limitations on what the council can consider when procuring. In particular section 17 of the Local Government Act 1988 states that "*It is the duty of every public authorityin relation to its public supply or works contracts..... to exercise that function without reference to matters which are non-commercial matters*". The Act defines several non-commercial considerations and relevant examples of matters that can not be taken into consideration include:

- the terms and conditions of employment by contractors of their workers or the composition of, the arrangements for the promotion, transfer or training of or the other opportunities afforded to, their workforces;
- whether the terms on which contractors contract with their sub-contractors constitute, in the case of contracts with individuals, contracts for the provision by them as self-employed persons of their services only;

- the conduct of contractors or workers in industrial disputes between them or any involvement of the business activities of contractors in industrial disputes between other persons.
- 3.3. Some specific questions on ethical practices, are not scored or considered for the purposes of awarding contracts whereas those within the Standard Questionnaire and in relation to Social Value, which are both legally permitted, are scored. Thus it is possible that a contract or a place on a framework may be awarded to a supplier that is considered weak in relation to these matters. In such circumstances, the supplier is asked to set out proposals to rectify the situation and implementation of agreed measures with then be monitored.
- 3.4. **In specific reference to blacklisting**, the position is set out on pages 6 and 7 of the Ethical Procurement policy. A report was considered by the Resources and Governance Scrutiny Committee on this subject in August 2018 (see appendix 2). The report outlines that suppliers, service providers and contractors shall not unlawfully compile, use, sell or supply a prohibited list which:
- a. contains details of persons who are or have been members of trade unions or persons who are taking part or have taken part in the activities of trade unions, and
 - b. is compiled with a view to being used by employers or employment agencies for the purpose of discrimination in relation to recruitment, or in relation to treatment of works within the meaning of The Employment Act of 1999 (Blacklists) Regulations 2010
 - c. contains details of persons who are or have been involved in whistleblowing to appropriate bodies as a result of becoming aware of any deficiency in service provision, impropriety, fraud, customer abuse, breach of procedure or maladministration.
- 3.5. **Changes to UK Procurement Regulations** are currently under consideration as the Local Government Procurement Bill is considered by Parliament during the current term. A green paper was published in October 2020 outlining proposals for the new procurement regulations. Consultation closed in February 2021 and drew over 600 responses and this delayed the introduction of the Bill until May 2022.
- 3.6. The new regulations that will result from the Act, once passed, are likely to be in force from mid 2023 onwards. The Procurement Bill includes a set of new procurement procedures that will introduce more flexibility and, for example, encourage a greater level of negotiation with potential suppliers.
- 3.7. The following paragraphs provide an outline of some of the proposals but, as the Act is currently going through Parliament, there may be some changes as a result of the debates and committee stages.
- The new regulations will replace the seven existing procurement procedures with three new simplified approaches:

1. **Flexible procedure** that gives freedom to negotiate and innovate to get the best from the private, charity and social enterprise sectors
 2. **Open procedure** for simpler, 'off the shelf' competitions
 3. **Limited tendering procedure** to use in certain circumstances, such as crisis or extreme urgency
- The flexible procedure is expected to be used for most procurements and the regulations will be less prescriptive than the 2015 regulations which were often criticised for being inflexible.
 - The consultation included several proposals which were removed or amended in the light of responses received. Some have been abandoned and, as the Government is keen to avoid further delay and ensure that the new rules are in place as soon as possible, others which require careful drafting and further consultation will be introduced in coming months through new Statutory Instruments or Procurement Policy Notes ("PPN"s).
 - A proposal to abolish the Light Touch Regime, the process under which certain listed services are subject to less rigorous procurement rules, has been reversed and the procedure will be retained with some modification.
 - The Green Paper included new regulations on transparency and publication of data relating to procurement that are intended to address issues created by misinterpretation of the data already published. One proposal is to link published data on spend to actual contracted activity which will require significant modification to finance systems. This is one aspect that will be developed separately and included in an SI to be issued in due course.
 - There are proposals to strengthen approaches to exclusion of suppliers for misconduct (eg fraud, corruption or poor performance) which will result in the introduction of a new exclusions framework that is simpler, clearer and more focused on suppliers who pose an unacceptable risk to effective competition for contracts, reliable delivery, and protection of the public, the environment, public funds, national security interests or the rights of employees.
 - One aspect of the current regulation that will be changed is the ability of unsuccessful suppliers to challenge a contract award. The proposals will introduce a fast track way of resolving disputes over tender awards which will, for example, prevent an incumbent supplier from challenging the award of a new contract to another provider in order to retain a current contract and also make it simpler and quicker to resolve any issues that may arise.
 - Another change is in relation to current Regulation 77 which allows contracting authorities to directly award contracts to VCSEs in certain limited circumstances such as to pilot new services. This provision has been little used due to restrictions but is likely to be strengthened to allow contracts for up to 5 years instead of the 3 years under the current regs. This will help councils to test new ways of delivering services over a meaningful period that, if successful, will stimulate VCSE growth and allow some certainty for these organisations.

- The National Procurement Policy Statement was published as PPN 05/21 in June 2021 but has not yet been implemented due to technical legal issues. The PPN requires contracting authorities to have regard to national strategic priorities for public procurement alongside any additional local priorities. The PPN states that Contracting Authorities should consider the following social value outcomes:
 - Creating new businesses, new jobs and new skills in the UK
 - Improving supplier diversity, innovation and resilience
 - Tackling climate change and reducing waste
 - The provisions of this PPN are now encompassed in the Procurement Bill and include establishing an “oversight unit” based at the Cabinet Office. This is considered necessary to support the introduction of the new less stringent regulations. The general role of the new unit will be to oversee and spread best practice and enable all contracting parties to benefit from lessons learned which in turn should drive improvements in practice.
 - The unit will be known as the Procurement Review Unit and will also have powers to deal with contracting authorities that regularly breach the regulations.
 - The Unit is intended to have 2 main purposes:
 - Monitoring – including of issues raised as the new rules are implemented, and to ensure understanding and compliance
 - Intervention – including the issue of improvement notices to individual contracting authorities. Recommendations would be enforceable by sanctions, yet to be confirmed, such as spending control measures
- 3.8. The Cabinet Office plan to produce a detailed and comprehensive package of published resources (statutory and non-statutory guidance on the key elements of the regulatory framework, templates, model procedures and case studies). In addition, a programme of learning and development is being prepared and implemented to meet the varying needs of stakeholders.
- 3.9. Once the Bill becomes an Act, expected to be within the current parliamentary term, there will need to be secondary legislation (regulations) to implement specific aspects of the new regime. There will be a six months’ notice of “go-live” once the legislation has been concluded, in order to support effective implementation. Given the timescales around the legislative process, the new regime is likely to come into force in the second half of 2023.
- 3.10. It is relevant to note that, in parallel, the Health and Care Act 2022 includes provision that will establish a “Provider Selection Regime” (“PSR”) which will be a new set of rules replacing the existing procurement rules for arranging healthcare services in England. Again, legislation is not yet fully formed but this includes a mechanism to avoid unnecessary competition in certain limited circumstances and to direct award contracts where it is considered that tendering would be unlikely to generate sufficient interest from suppliers to justify the exercise.

4. Recommendations

The Committee is recommended to consider and comment on the information in the report

Appendices

1. The 2016 MCC Ethical Procurement Policy
2. 6 September 18 Report to R&G Scrutiny on Blacklisting
3. The 2021 Manchester City Council Social Value Policy



Manchester City Council Ethical (Procurement) Policy

Version	Date	Summary of Changes	Issued
V1.1	25.05.17	Modern Slavery Act 2015	06.07.17
		Tax IR35	06.07.17
		Manchester Living Wage	06.07.17
V1.2	5.04.18	Whistle Blowing	24.04.18
V1.3	27.06.18	Living Wage Increase	29.06.18
V1.4	17.04.19	Review of Ethical Procurement Policy	17.04.19
		Living Wage Increase	17.04.19
		Unite Construction Charter	17.04.19
V1.5	19.08.19	Unite Ethical Employment Standards in the Voluntary and Community Sector Charter	22.08.19
	21.08.19	Slavery and Human Trafficking Statement link	22.08.19
	21.08.19	Modern Slavery Act 2015 Contacts	22.08.19
V1.6	13.01.20	Real Living Wage Accreditation	13.01.20
V1.7	27.04.20	Environmental – Climate Change	27.04.20
V1.8	13.05.20	Real Living Wage Increase	13.05.20
V1.9	13.04.21	Amendment to Living Wage Addition of Care Leaver Covenant Addition of Armed Forces Covenant Link to the Council's new Social Value Policy	13.04.21
V1.10	14.03.22	Real Living Wage increase £9.90	14.03.22

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Ethical Policy for Manchester City Council

1. Purpose

This policy sets out the context for ethical trade practices and the ethical core objectives that Manchester City Council has agreed to deliver through commissioning and procurement activities.

The Council is committed to ensuring a high standard of ethical trade practices, across its commissioning and procurement activities. In accordance with this Policy the Council expects its suppliers, service providers and contractors to observe the policy's provisions and to demonstrate a similar commitment to an ongoing programme of ensuring and, where necessary, improving ethical practices locally and globally.

The Council will proactively work to ensure that all goods, works and services it procures are sourced ethically in terms of both the way the Council procures and in terms of the standards that we expect our suppliers, service providers and contractors to meet. Within its obligations as a Best Value Authority, and in compliance with UK and underpinning EU legislation, the Council will conduct its procurement process in line with this Ethical Procurement Policy ("the Policy") which is based upon the principles of the Ethical Trading Initiative (ETI) Base Code, which were founded on the conventions of the International Labour Organisation (ILO) and is an internationally recognised code of labour practice.

2. Scope

The aim of the Policy is not to alter the commissioning and procurement processes, but to ensure that as part of these processes, the Council gives consideration to the wider impact of the service's delivery. It allows the authority to, for example, choose a supplier under a tendering process who not only provides the most economically advantageous service, but one which goes beyond the basic contract terms and secures wider benefits and improvement to the lives of people in Manchester and the environment.

The Policy applies to all areas of the Council and to its direct suppliers and contractors. The Council requires all direct suppliers and contractors to observe the provisions of this Policy and requires that such suppliers and contractors, in turn obtain similar compliance with its provisions from their suppliers and contractors. All parties to whom this Policy applies are also required to comply with applicable national and international laws.

This policy statement sets out the Council's aims in this regard. In particular it seeks to:

- Set out a definition of ethical practice for Manchester
- Sets out a clear statement of policy for ethical practice in Manchester
- Set out the core policy objectives
- To promote the adoption and improvement of ethical practices globally
- Sets out a Manchester Ethical Framework

3. Defining Ethical Practices

Procurement processes which respect fundamental standards and conduct relating to criminal/non criminal conduct, and human rights/environmental abuse which are designed to discourage conduct and behaviours resulting in progressive improvement to the lives of people and the environment to the extent that the same can be influenced by supply chain decision-making.

Criminal/Non Criminal Conduct includes but not exhaustive to:

- transparency
- bribery
- fraud
- corruption
- Tax Abuse
- conflict of interest
- fairness

Human Rights/Environmental Abuse includes but not exhaustive to:

- Employment
 - Improving working conditions
 - Paying a living wage
 - Health and safety
 - Accidents
 - Diseases
 - Right to be part of a trade union
 - Child employment
 - Working hours - Zero hour contracts
 - Training
 - Regular employment
 - Apprenticeships
 - Abuse
 - Equality – hiring, compensation, access to training, promotion, termination or retirement
 - Race
 - Caste
 - National Origin
 - Religion
 - Age
 - Disability
 - Gender and Gender Identity
 - Marital status
 - Sexual orientation
 - Union membership
 - Political affiliation
 - Slavery
 - Abuse – Physical, Verbal and Sexual
- Environment
 - Sustainability
 - Global Warming
 - Global Climate Change
 - Deforestation

- Pollution
- Threat of Extinction

4. **Working with Manchester City Council**

All suppliers, service providers and contractors to Manchester City Council must commit to employing the highest ethical standards in every area listed in all sections of this policy, in their own operatives and those within their supply chain. In addition social value principles and practices apply to suppliers, service providers and contractors and their supply chain as required in the Council's Social Value Policy (see appendix 1) ensuring maximum benefits are gained for improving economic, social and environmental well-being.

5. **Improve labour conditions in the supply chain**

Through the following principles:

Freedom of association and the right to collective bargaining are respected

- Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- The employer adopts an open attitude towards the activities of independent trades union or other workers' association and their organisational activities
- Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

Equalities

- Practice no discrimination in hiring, compensation, training, promotion, termination or retirement either directly or indirectly.
- Suppliers, service providers and contractors shall not unlawfully discriminate within the meaning and scope of any Law (whether in age, race, gender, religion, disability, sex orientation or otherwise in employment) including but not limited to the Equality Act 2010 or other relevant or equivalent legislation, or any statutory modification or re-enactment thereof.

Blacklists

- Suppliers, service providers and contractors shall not unlawfully compile, use, sell or supply a prohibited list which:
 - a. contains details of persons who are or have been members of trade unions or persons who are taking part or have taken part in the activities of trade unions, and

- b. is compiled with a view to being used by employers or employment agencies for the purpose of discrimination in relation to recruitment, or in relation to treatment of works within the meaning of The Employment Act of 1999 (Blacklists) Regulations 2010.
- c. contains details of persons who are or have been involved in whistleblowing to appropriate bodies as a result of becoming aware of any deficiency in service provision, impropriety, fraud, customer abuse, breach of procedure or maladministration.

Employment is freely chosen

- There is no forced, bonded or involuntary prison labour.
- Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice
- Afford employees the freedom to choose to work and not use forced, bonded or non-voluntary prison labour.
- Afford employees freedom of association with the right to join an independent trades union or other workers' association and to carry out reasonable representative functions in the workplace.
- Facilitate alternative means of democratic representation where laws restrict freedom of association and collective bargaining.

Working conditions are safe

- Appropriate health and safety policies and procedures are operated and are overseen by a senior manager responsible for compliance and monitoring and for ensuring employees have the necessary training and health and safety equipment.
- Adequate steps are taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- Provide comfortable and hygienic working conditions with clean toilets and water suitable for drinking and washing. Where worker housing is provided it should meet the same standards for health and safety as the workplace.
- Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.

Good health is promoted

- Invest in measures for tackling ill health as healthy employees experience a better quality of life and tend to be more productive.

Working hours are not excessive

- Comply with national laws or industry standards on employee working hours, whichever affords greater protection.
- Provide clear, easily understood disciplinary, grievance and appeal procedures that are lawful and appropriate. Any disciplinary measures should be recorded and suppliers should not seek to deprive employees of their legal or contractual rights.

Minimum wages

- Provide wages and benefits at rates that meet at least national legal standards with no deductions made unless permitted under national law or agreed by the employee, without duress.

Living Wage

- The Council developed a formal Living Wage Policy in September 2015 and has since operated the Manchester Living Wage (MLW) which defines the Council's policy with regard to its lowest paid employees. In November, 2019 Manchester City Council became a **Real Living Wage Accredited Organisation** (RLW).

The RLW is a voluntary rate of pay announced annually by the Living Wage Foundation and is based on an independent assessment of the real cost of living based on a number of indicators, including goods and services, which represent what people need to meet their basic everyday needs.

As part of that accreditation the Council is required to provide information relating to its suppliers payment of the Living Wage to their employees and as such any successful suppliers will be required to provide relevant details on request.

The MLW is aligned to the RLW as a minimum. The current RLW rate is £9.90.

The main drivers that led to the creation of the MLW were the impact of the economic downturn, positive links between wage levels and all aspects of well-being, the Council's Community Plan objectives, and the direct contribution this strategy had on the Community Strategy vision.

The MLW alignment with the RLW supports the Council in meeting many of its social, economic and environmental objectives, including:

1. Ensuring that wages in the City can sustain families and individuals
2. Attracting and retaining motivated employees, thereby reducing the impact of staff turnover.
3. Helping to underpin a thriving economy.

In accordance with the Council's aspirations and objectives and its obligations under the Public Services (Social Value Act) 2012 we commend the adoption of the MLW and RLW to our contractors and suppliers.

- Provide employees with an easy to read contract of employment clearly explaining wage levels. Where employees are unable to read, the contract should be explained to them by a union representative or another appropriate third party.

Regular employment is provided

- To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
- Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub- contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.
- Excessive use of Zero Hour contracts should be avoided and suppliers, service providers and contractors should be working toward eliminating such contracts or where used give more protection to the work force such as adopting an element of guaranteed hours where employees express a preference for this or where flexibility is required. In these circumstances it is expected that employers ensure their employees receive their entitlement to holiday and sick pay.

Training is provided

- Raise employees' skills through training and access to professional development as befits their role to improve quality and secure greater value for money.

Disputes procedure

- Provide clear and accessible processes for resolving disputes with employees.

Child labour is eliminated

- Support the elimination of child labour. The course of action taken shall be in the best interest of the child, conform to the provisions of International Labour Organisation (ILO) Convention 138 and be consistent with the United Nation's Convention on the Rights of the Child.
- Provide for any children found to be performing child labour to attend and remain in quality education until no longer a child. 'Child' refers to any persons less than 15 years of age, unless local legislation on the minimum

age stipulates a higher age for work or mandatory schooling, in which case the higher age shall apply.

- Ensure no children and young persons (over the age of a child, as defined above, but under the age of 18) are employed at night or in hazardous conditions, as defined by the International Labour Organisation.

No inhumane treatment is allowed

- Prohibit physical abuse or coercion, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation.

Acting with integrity and transparency

- Procurement processes are conducted in an open and honest way
- There is transparency in the spending of public money
- Suppliers have systems in place to ensure high standards of propriety which make sure public money is used for the purpose it is intended.

Charter for Ethical Employment Standards in the Voluntary and Community Sector

As a local authority we are responsible for the procurement of a multitude of contracts within the voluntary and community sector. It is therefore appropriate that we as a responsible Council have signed up to Unite's Charter for Ethical Employment Standards in the Voluntary and Community Sector in order to achieve the highest standards of ethical employment and behaviour. A link to the full charter that the Council have signed up to can be found in the appendix to the policy.

Whistle Blowing

The **Public Interest Disclosure Act 1998 (PIDA)** is known as the Whistleblowing law and is designed to encourage and enable employees to "speak out" and to report suspected wrongdoing at work. This is commonly known as "blowing the whistle".

Whistleblowing is generally the term used when someone who is employed in an organisation reports a concern about suspected wrongdoing, malpractice, illegality or risk in the workplace.

This can include:

- criminal offences;
- failure to comply with a legal duty;
- miscarriages of justice;
- fraud or corruption;
- abuse of authority;
- serious breaches of Council policy or procedure;
- unethical conduct and actions deemed unprofessional or inappropriate; This could include breaches of regulations requiring school governors to 'act with

integrity, objectivity and honesty and in the best interests of the school' and breaches of the 'Nolan Principles' which are the basis of ethical standards expected of public office holders;

- the health and safety of any individual has been, or is likely to be, endangered;
- the environment has been, is being or is likely to be, damaged (as a result of the City Council's actions or inactions); and
- information about any of the above has been, is being, or is likely to be, deliberately concealed.

The Council's Whistleblowing Policy is a vital element of our governance arrangements and is designed to allow those employed by the Council and/or members of the public to come forward and raise both disclosures and serious allegations of wrongdoing involving the actions of the Council's employees, its Councillors, contractors or any aspect of the Council's activities.

Manchester City Council is committed to the highest possible standards of honesty, openness and accountability and will not tolerate malpractice or wrongdoing and expects that its suppliers, service providers and contractors are committed to and have in place a similar policy for its employees and subcontractors which:

- seeks to protect those individuals who make certain disclosures with regard to any instance of malpractice or wrongdoing and to investigate them in the public interest.

Modern Slavery Act 2015

As part of Local Government, the Council recognises that it has a responsibility to take a robust approach to slavery and human trafficking. In addition to the Council's responsibility as an employer, it also acknowledges its duty as a City Council to notify the Secretary of State of suspected victims of slavery or human trafficking as introduced by section 52 of the Modern Slavery Act 2015.

The Council is absolutely committed to preventing slavery and human trafficking in its corporate activities and to ensuring that its supply chains are free from slavery and human trafficking. The Council requires that all direct suppliers, service providers and contractors to the Council are absolutely committed themselves to preventing Slavery within their own activities and through their supply chain which includes manufacturers, and producers.

To report a suspicion or seek advice contact the Greater Manchester Police Modern Slavery Helpline confidentially on [08000 121 700](tel:08000121700). This is open 24 hours a day, 365 days a year. This can also be reported [online](#) or call the police on [101](tel:101) at any time to report an incident. To report anonymously contact Crimestoppers on [0800 555 111](tel:0800555111). Always call [999](tel:999) if there is a crime in action or immediate threat to life.

6. Responsible supply chain

MCC expects a commitment by the supplier, service provider and contractor to continuous improvement of the ethical performance of their supply chain.

Small to Medium Enterprises (SMEs)

- The Council is committed to improving engagement with SMEs, voluntary sector and charitable organisations and where appropriate tenders will be adapted to their needs, particularly with regard to dividing large contracts into lots, in accordance with the Public Contract Regulations 2015 which encourages authorities to use the 'Code of Best Practices Facilitating Access by SMEs to Public Procurement Contracts'.

'Small to Medium Enterprises (SMEs)' means

The definition of an SME is that it must meet two of the following criteria:

- It has a turnover of less than £25M
- It has gross assets of less than £12.5M
- It has less than 250 employees

Environment

- The supplier, service provider and contractor endeavour to purchase through suppliers and contractors who are continuously working at improving labour and environmental standards in the supply chain. Organisations such as but not limited to Environment standards (ISO14001 and EMAS management systems), Good agricultural standards (GlobalGAP), Consumer facing standards (Fairtrade, Rainforest Alliance, Tea Sourcing Partnership (TSP)), Organic (Soil Association), Management of world forests (FSC and PEFC) and Commitment to continuous improvement of the ethical performance of supply chain (SEDEX)
- Manchester City Council has declared a climate emergency and has developed its action plan for tackling climate change 2020-25. This is part of the wider Manchester Climate Change Framework 2020-25 for the city. Both documents were approved by the Council's Executive in March 2020. The plans commit the Council and the City to being zero carbon by the year 2038 at the latest, operating within a science-based budget that limits total carbon dioxide emissions for the city to 15 million tonnes between 2018 to 2100. This requires urgent action to half emissions over the years 2020-25. It is important that the Council works with and influences other organisations to also play their full part in responding to the climate emergency, to support the city achieving its zero carbon ambitions. Through its procurement activity, the council is therefore asking all suppliers to set out the measures they will take to reduce their own carbon emissions and how these will be monitored effectively.

Citizen Engagement

- The supplier, service provider and contractor will work intensively with communities and our partners to develop greater resilience in communities, building on the strong networks that already exist in neighbourhoods, and current leading work such as Age Friendly Manchester.
- The Council favours an asset based approach which looks at the uniqueness of people, their potential skills, assets, relationships and

community resources. This approach concentrates primarily on what is important to people, what they want to do, and the strengths and nature of their social networks. This underpins wider Council priorities of building self reliance and strengthening communities.

- The key principles are:
 - Connecting people with local community solutions which may include a community hub, a social group or peer support
 - People of all ages should have access to community facilities which support them to be healthy and engaged in the life of their place. This does not have to be just physical buildings or universal services, but residents should be able to readily find information to access to community initiatives either run by the voluntary sector or through individuals and groups of residents

Fair Payments throughout the Supply Chain

- The Council is committed to ensuring fair payment for goods and services are paid for promptly through the supply chain.
- The Council is signed up to the 'Prompt Payment Code' administered by the Chartered Institute of Credit Management on behalf of the Department for Business, Innovation and Skills. The Council recommends that suppliers, service providers and contractors sign up to this Code.
- The Council's standard terms of payment to its suppliers, service providers and contractors are 30 days from receipt of invoice, however the Council is committed to paying its suppliers as promptly as possible and endeavours to do so within 10 days of invoice date wherever possible. The Council also encourages payment by Purchase card enabling suppliers to be paid within 4 days. The Council requires that all direct suppliers, service providers and contractors demonstrate a similar commitment through the supply chain in paying their suppliers and contractors which in turn is passed through to manufacturers, and producers.

Construction Charter

- As a local authority we are responsible for the procurement of a multitude of construction projects. It is therefore appropriate that we as a responsible Council have signed up to Unite's Construction Charter in order to achieve the highest standards in respect of direct employment status, health & safety, standard of work, apprenticeship training, and appropriate nationally agreed terms and conditions of employment. A link to the full construction charter that the Council have signed up to can be found in the appendix to the policy.

Care Leaver Covenant

The Council was appointed as a Local Authority Champion for the Care Leaver Covenant and Procurement Toolkit in April 2020 and in doing so undertakes to

promote the Care Leaver Covenant and Procurement Toolkit with all our partners and throughout our supply chain. We would ask all to consider how you can help and support Care Leavers by signing up to the Covenant. We would ask all to consider how you can help Care Leavers by signing up to the Covenant and supporting in any or all of the following areas:

- Ensure social value aspects within contracts benefit the needs of our young people
- Provide/promote/ring-fence entry level employment or apprenticeships opportunities
- Other employment opportunities
- Support access to low or no cost leisure activities
- Promote the Adoption and Fostering Service recruitment campaign
- Promote their involvement in Further/Higher Education/Training
- Provide suitable accommodation for care leavers
- Be an Independent Visitor or Mentor to a Looked After Child / Care Leaver

A link to the Care Leaver Covenant that the Council has signed up to and the Care Leaver Covenant's website can be found in the appendix to the policy

Armed Forces Covenant

In June 2013 Manchester City Council confirmed its support for the Armed Forces Community by signing the Armed Forces Community Covenant. The Council refreshed and re-signed the Armed Forces Covenant in December 2019. The Armed Forces Covenant is a public sector pledge from Government, businesses, charities and organisations to demonstrate their support for the armed forces community. The Covenant was brought in under the Armed Forces Act 2011 to recognise that the whole nation has a moral obligation to redress the disadvantages the armed forces community face in comparison to other citizens, and recognise sacrifices made.

The Covenant's 2 key principles are that:

- the armed forces community should not face disadvantages when compared to other citizens in the provision of public and commercial services
- special consideration is appropriate in some cases, especially for those who have given most such as the injured and the bereaved.

The Authority encourages all suppliers, service providers, contractors, and their supply chain, to sign the Covenant, declaring their support for the Armed Forces community. A link to Armed Forces Community Covenant that the Council has signed up to and a link to the Armed Forces Covenant Web site can be found in the appendix to the policy.

7. The legal context for Ethical Procurement

The Council operates within the legal framework governing public procurement as framed by the EU Treaty itself, the relevant EU Directives relating to public procurement and the Public Contract Regulations 2006 as subsequently updated and amended. This legal framework requires contracting authorities to award

certain contracts in line with the overarching fundamental principles of the EU Treaty, including the principles of non-discrimination, equal treatment, transparency, procedural fairness, mutual recognition and proportionality.

Mandatory exclusion

Mandatory grounds for exclusion are participation in criminal organisations, corruption, bribery, fraud, and money laundering; those who are guilty of child labour, people trafficking or drug trafficking offences or offences linked to terrorism; and those who have breached their tax or social security obligations (until the supplier has rectified the breach) within a period of five years prior to the procurement.

Discretionary grounds for exclusion

Discretionary grounds for exclusion are more widely defined but include professional or commercial misfeasance and grave professional misconduct in the course of business, payment of taxes under UK law, payment of social security contributions under UK law.

“Grave Professional Misconduct” means:

It has been established by a final judgement or a final administrative decision made by the Council that a supplier, service provider or contractor or persons employed by or subcontracted by a supplier, service provider or contractor that there is guilt of grave misconduct by having violated applicable laws or regulations or ethical standards of the profession to which the supplier, service provider or contractor belongs, or by having engaged in any wrongful conduct which has an impact on its professional credibility where such conduct denotes wrongful intent or gross negligence.

UK Government additional recommendations on Tax Compliance

In accordance with the UK Governments recommendations the Council places an obligation on suppliers, service providers and contractors to keep the Council notified of any “occasion of tax non-compliance (OONC)” during terms of contracts. The Council will make all reasonable enquiries to see that the statements made by suppliers, service providers and contractors at selection stage remain valid at the commencement of the contract

“Occasion of Tax Non-Compliance” means:

- (a) any tax return of the Supplier submitted to a Relevant Tax Authority on or after 1 October 2012 is found to be incorrect as a result of:
- (i) a Relevant Tax Authority successfully challenging the Supplier under the General Anti-Abuse Rule or the Halifax Abuse Principle or under any tax rules or legislation that have an effect equivalent or similar to the General Anti-Abuse Rule or the Halifax Abuse Principle;
 - (ii) the failure of an avoidance scheme which the Supplier was involved in, and which was, or should have been, notified to a Relevant Tax Authority under the DOTAS or any equivalent or similar regime; and/or

- (b) the Supplier's tax affairs give rise on or after 1 April 2013 to a criminal conviction in any jurisdiction for tax related offences which is not spent at the Effective Date or to a penalty for civil fraud or evasion.

Tax Rule IR35

'In compliance with the governments reforms of Tax Rule IR35 for off-payroll working rules in the Public Sector the Council take responsibility for ensuring that those who work for them pay the right amount of tax. The Council requires that all its direct suppliers, service providers and contractors take responsibility for ensuring that those who work for them, including off-payroll, pay the right amount of tax.'

Procurement law

The Council shall act fairly, reasonably and in accordance with the rules of Natural Justice in exercising its discretion (pursuant to Rule 57 of the PCR 2015) in considering whether to exclude a potential tenderer from participation in any procurement procedure and shall also take into account any other relevant legislation including but not limited to the Local Governments Act.

The LGA includes the prohibition on public authorities from taking into account "non-commercial" considerations and also includes the obligation to act fairly and with right to fair hearing etc.

In accordance with the public procurement rules, it is therefore necessary to ensure that ethical issues are relevant to the subject matter of the contract and are consistent with the requirement within the Local Government Act 1999 to achieve "best value". In the context of procurement, best value for money means choosing the option or bid that offers "the optimum combination of whole life costs and benefits to meet the customer's requirements." Ethical considerations that are "relevant" to the subject matter of the contract may arise where there is a risk to the Council from a supplier being unable to deliver the product or service to time and of sufficient quality due to say insufficient health and safety provisions for its employees. If a clear link can be established between poor conditions of employment and the ability or motivation of an employee to maintain required equality standards, this will be relevant to the supply of goods, works or services.

Public sector bodies may also work in partnership with suppliers to pursue wider ethical issues, in a constructive and collaborative way, outside the public procurement process. This must however be done post-award and on a voluntary basis as contracts must not set standards that exceed the parameters of what may be required under EU law. Further, doing so may deter bidders from Member States and could be challenged as a restriction on free trade.

Approved by full Council
Date...March, 2016.....

Appendices of Bodies

Ethical Trading Initiative	ETI Base Code Ethical Trading Initiative
International Labour Code	http://www.ilo.org/global/topics/labour-law/lang--en/index.htm
Social Value Policy	Social Value Policy Manchester City Council
Equality Act 2010	Equality Act 2010
The Employment Act 1999 (Blacklists) Regulations 2010	The Employment Relations Act 1999 (Blacklists) Regulations 2010
International Labour Organisation Convention 138	Convention C138 - Minimum Age Convention, 1973 (No. 138)
Public Contract Regulations 2015	The Public Contracts Regulations 2015
Code of Best Practices Facilitating Access by SMEs	Code of best Practices Facilitating Access by SMEs
Environmental Standards	BSI Group Home - EMAS - EUROPA GLOBALG.A.P. www.fairtrade.org.uk www.rainforest-alliance.org The Ethical Tea Partnership Soil Association : Organic standards http://www.fsc-uk.org/en-uk PEFC Sedex
MCC Climate Change Action Plan	MCC Climate Change Delivery and Action Plan
Local Government Act	Local Government Act 1999
Prompt Payment Code	Prompt Payment Code
Unite Construction Charter	Unite Construction Charter
Charter for Ethical Employment Standards in the Voluntary and Community Sector	Charter for Ethical Employment
Slavery and Human Trafficking Statement	Slavery and Human Trafficking
Care Leaver Covenant	https://mycovenant.org.uk/
MCC's Armed Forces Community Covenant	Armed Forces Community Covenant
Armed Forces Covenant	Home - Armed Forces Covenant

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Report to: Resources and Governance Scrutiny Committee
6 September 2018

Subject: Blacklisting

Report of: The City Treasurer

Summary

To provide a report on the Council's position and actions in relation to organisations/contractors that have previously or currently blacklist trade union members and officers.

Recommendations

Members are asked to note and comment on the report.

Wards Affected - All

Manchester Strategy outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The Council is committed to improving engagement with Small – Medium organisations, voluntary sector and charitable organisations, and where appropriate procurement processes will be adapted to their needs, particularly with regard to dividing large contracts into lots, in accordance with the public procurement rules
A highly skilled city: world class and home grown talent sustaining the city's economic success	Provide better Health and Wellbeing for Manchester residents through promotion of fair working conditions, better training opportunities and sustainable economic growth.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The Council favours an asset based approach which looks at the uniqueness of people, their potential skills, assets, relationships and community resources. This approach concentrates primarily on what is important to people, what they want to do, and the strengths and nature of their social networks. This underpins wider Council priorities of building self-reliance and strengthening communities.
A liveable and low carbon city: a destination of choice to live, visit, work	The supplier, service provider and contractor endeavour to purchase through suppliers and contractors who are continuously working at improving labour and environmental standards in the supply chain.

A connected city: world class infrastructure and connectivity to drive growth	Through commissioning and procurement activities this will promote Manchester as an attractive place to work by securing wider benefits and improvement to the lives of people in Manchester and the environment.
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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 one of the contact officers above.

N/A

1.0 Background

- 1.1 The UK Government defines blacklisting as ‘the systematic compilation of information on individual trade unionists and their use by employers and recruiters to discriminate against those individuals because of their trade union membership or because of their involvement in trade union activity’.
- 1.2 Blacklists are referred to in specific blacklisting legislation as ‘prohibited lists’ when concerned with trade union activity. However, a blacklist could potentially contain further details on individuals who have reported concerns, for example, regarding health and safety and / or environmental matters.

2.0 Current Position

- 2.1 The Council’s current position is as set out in the Council’s Ethical Procurement Policy.
- 2.2 The Council’s Ethical Procurement Policy states the following on Blacklisting:

‘Blacklists

Suppliers, service providers and contractors shall not unlawfully compile, use, sell or supply a prohibited list which:

- a. contains details of persons who are or have been members of trade unions or persons who are taking part or have taken part in the activities of trade unions, and*
 - b. is compiled with a view to being used by employers or employment agencies for the purpose of discrimination in relation to recruitment, or in relation to treatment of works within the meaning of The Employment Act of 1999 (Blacklists) Regulations 2010.*
 - c. contains details of persons who are or have been involved in whistleblowing to appropriate bodies as a result of becoming aware of any deficiency in service provision, impropriety, fraud, customer abuse, breach of procedure or maladministration.’*
- 2.3 The appendices of the Policy provide a link to The Employment Act of 1999 (Blacklists) Regulations 2010.
- 2.4 The Employment Relations Act 1999 (Blacklists) Regulations 2010 includes for:
- Define a prohibited list (eg a blacklist) and prohibit the compilation, dissemination and use of prohibited lists;
 - Make it unlawful for organisations to refuse employment, to dismiss an employee or otherwise cause detriment to a worker for a reason related to a prohibited list;
 - Make it unlawful for an employment agency to refuse a service to a worker for a reason related to a prohibited list;
 - Provide for the employment tribunal to hear complaints about alleged breaches of the regulations; and

- As an alternative, provide for the courts to hear complaints from any persons that they have suffered loss or potential loss because of a breach of the regulations

3.0 Actions that can be taken relating to organisations/contractors that have previously or currently blacklisted trade union members and officers.

3.1 Below is an overview of the key legal issues relating to addressing blacklisting through procurement.

Can contracting authorities exclude blacklisters from procurement processes?

In principle, yes, blacklisting can amount to an act of grave professional misconduct or a violation of applicable obligations relating to social and labour law and so could justify exclusion of an economic operator from a procurement process in accordance with the public procurement rules. These grounds are discretionary exclusion grounds under the rules. However, the Council:

- would need to assess the seriousness of the offence;
- would need give the economic operator the opportunity to demonstrate any action it has since taken to rectify any breach or to address these issues; and
- must able to demonstrate any decision to exclude is proportionate to the seriousness of the offence.

Exclusion must be considered on a case-by-case basis – a blanket ban would not be lawful;

- Exclusion must be justified on the evidence – for example, an admission of wrongdoing by the operator or a decision of a tribunal, court or other public body exercising similar functions. In theory, it may be possible to rely on other evidence, but in practice it is difficult to envisage circumstances where other evidence will suffice;
- Exclusion is not a means of punishing operators for past wrongdoing, but rather a means of putting right past wrongdoing and ensuring that it does not re-occur (self-cleaning, see below).

The concept of self-cleaning

The “self-cleaning” regime in the public procurement rules provides that an operator convicted of an offence will not be precluded from participating in a procurement process if it can demonstrate that it has put in place effective measures to remedy the consequences of any criminal offences or misconduct and ensure that the conduct will not recur. Self-cleaning entails the following process:

- Potential suppliers are required to initially self-declare their status against the exclusion grounds.
- If a potential supplier, or any organisation they rely on to meet the selection

criteria, has breached any of the exclusion grounds, they have the opportunity to explain how and what action they have taken to rectify the situation

- Potential suppliers are required to demonstrate that they have taken remedial action, to the satisfaction of the contracting authority in each case. In order for the evidence provided to be sufficient it must prove the supplier has “self-cleaned” as follows:
 - paid or undertaken to pay compensation in respect of any damage caused by the criminal offence or misconduct;
 - clarified the facts and circumstances in a comprehensive manner by actively collaborating with the investigating authorities; and
 - taken concrete technical, organisational and personnel measures that are appropriate to prevent further criminal offences or misconduct.

The actions agreed on deferred prosecution agreements may be submitted as evidence of self-cleaning and evaluated by a contracting authority. The measures taken are evaluated taking into account the gravity and particular circumstances of the criminal offence or misconduct. If such evidence is considered by the Council as sufficient, the potential supplier shall be allowed to continue in the procurement process.

If the potential supplier cannot provide evidence of ‘self-cleaning’ that is acceptable to the Council, they may be excluded from further participation in the procurement and provided with a statement of the reasons for that decision.

The Council must accept a self-assessment of compliance with the exclusion and selection criteria at the early stages of a procurement process, though evidence may be required at any time during the procedure if that is necessary to ensure the proper conduct of the procedure.

Can contracting authorities terminate contracts with an economic operator that has or is engaged in blacklisting?

There is no automatic right to terminate a contract where an economic operator has been or is engaged in blacklisting. While express rights may be included these need to be balanced against proportionality and materiality of the blacklisting to the contract

4.0 Recommendations

- 4.1 Members are asked to note and comment on the report.

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Manchester City Council's Social Value Policy

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Introduction

In Manchester, we encourage organisations to operate and provide goods and services in such a way that offers maximum social, environmental, and economic benefit to Manchester residents and communities.

As we rebuild our economy and society following the crisis caused by Covid-19, we will look to use social value to tackle the inequalities around us and make the things that we do, good, fair, and sustainable. We want to partner with organisations and suppliers that share our values, that look at the wider value they can offer to society, and that will contribute to Manchester's ambition to be zero-carbon by 2038.

We and our partners across Greater Manchester share the six overarching areas of focus for social value articulated in the refreshed 2020 [GMCA Social Value Framework](#), aimed at supporting a green, inclusive economic recovery for the city:

- Create the employment and skills opportunities that we need to build back better
- Provide the best employment that you can
- Be part of a strong local community
- Develop a locally based and resilient supply chain
- Keep the air clean
- Make your organisation greener

Since the Social Value Act was implemented in 2012, Manchester City Council has led in generating social value through its procurement, its own operations and its wider influence with organisations across the city.

Examples include:

- Steps the council takes to create employment opportunities for people from disadvantaged backgrounds.
- The setting of the zero-carbon ambition and accompanying programme which includes workstreams to reduce the council's own emissions and those of the supply chain to reduce its carbon footprint and make the council greener.
- Becoming a Real Living Wage accredited employer
- Signing up to the Care Leaver and Armed Forces covenants, along with similar initiatives, aimed at creating employment and other opportunities for people who are disadvantaged.
- Well established volunteering and charitable giving programmes, supporting Manchester communities.
- Social value commitments from developers in planning applications.
- Networks of organisations across the city that the council works with to help create value for the residents and communities of Manchester; and
- The council's procurement – the goods, services, and capital works that the council buys. The council has a well-established approach, developed over more than a decade, to driving social value through its supply chain.

Social value has become even more of a priority in light of the coronavirus pandemic and the economic and social impacts it has had on Manchester. Research shows that the impact has fallen particularly hard on certain groups. For example, the direct health impacts from coronavirus have been felt acutely, but by no means exclusively, by older residents and residents with underlying health conditions. But economically too, certain groups have been disproportionately affected. These include young people, especially those with low or no qualifications, who face significant barriers to a very challenging labour market, and Black, Asian, and Minority Ethnic populations.

Background

The Public Services (Social Value) Act 2012 placed an obligation on local authorities and other public bodies to consider the social good and wider impact that could come from the procurement of services before they embark upon it. The effect of the Act has been to alter the commissioning and procurement processes by ensuring that councils give consideration of social value in all purchasing and disposal procedures.

For over a decade Manchester City Council has been at the forefront of promoting social value within its supply chain, and the impacts of this have been externally assessed by the Centre for Local Economic Strategies.¹

Over the years we have continually looked to refine and improve our approach, including most recently where we have tested new ways to evaluate environmental commitments in tenders. National procurement policy is also changing, pointing towards increased flexibility for authorities to commission for social value and use their buying power to support local recoveries.

Definition

The concept of social value refers to this wider value to society that organisations can generate, i.e., value generated beyond the direct value that the organisation and its customers or end-users receive. An example is a company who has put in place environmentally friendly operations, which the customer does not *directly* benefit from, but society does (e.g., cleaner air). Another example is an organisation that looks to employ people from disadvantaged backgrounds, who face greater barriers to work. The organisation benefits from the skills and labour provided, but there is also additional value generated to society from having fewer people who may otherwise be out of work and the economic and social costs that come with that.

There is a technical definition that formally captures this concept from the UK Sustainable Procurement Taskforce:

Social value is a process whereby organisations meet their needs for good, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and economy, whilst minimising damage to the environment.

Why we are doing this

Social Value has the potential to release millions of pounds of public money for community benefit and support the city's recovery. It encourages smarter spending to not only deliver a proposed service but also address social, economic, and environmental issues in the local community.

We want our policy to:

- encourage a diverse range of suppliers to work with us, including the participation of small and medium sized enterprises (SME's) and 3rd sector organisations, and local suppliers in general.
- promote fair employment practices: Ensuring workforce equality and diversity within supply chains.
- offer a range of apprenticeship, training, and skills development opportunities as well as employment opportunities.
- maximise opportunities for Manchester organisations to participate in the council's supply chains and encourage suppliers to make a social contribution to the local area.
- maximise use of local supply chains, retaining money in the Manchester economy.
- ensure ethical sourcing practices, including compliance with UK, and international standards, promoting fair trade and fair pricing policies, tackling corruption, child/slave labour, blacklisting of union members and similar social issues.
- promote greater environmental sustainability: Minimising waste and pollution, supporting carbon reduction initiatives, furthering energy efficiency and other sustainability programmes.

Our social value priorities

Greater social value can be achieved if we and our partners focus efforts that benefit people who are more likely than most to be at a disadvantage. For example, we know care leavers or young people not in education, employment or training are more likely to find it harder to get the breaks in life that others may have. New employment opportunities for these groups reduces the risk of longer-term unemployment, adding value to Manchester overall, beyond the direct benefit to the individuals employed and to the employer.

As such, we particularly prioritise the following groups for actions aimed at creating social value (these are not in any priority order):

- children and young people, specifically: looked after children and care leavers; young people who are Not in Employment, Education, or Training (NEET) or at risk of becoming NEET; and young people involved in or at risk of being involved in the criminal justice system.
- long-term unemployed with an underlying health condition or complex needs, including, the over 50s who have, on average, been hit harder economically by the Covid-pandemic.
- promoting equality for Black, Asian and Ethnic Minority residents, who research shows have been disproportionately impacted by the Covid-pandemic.
- disabled people.
- older people; and
- vulnerable adults overcoming a crisis or, domestic violence and abuse, rough sleepers.

Across all groups, there should be a focus on paid work within occupational areas with good post-Covid prospects and high-quality training relevant to future job growth.

Priority actions are to:

- Maximise new job creation, increasing overall labour demand in the city, and ensure residents are supported into these opportunities.
- Support unemployed Manchester residents to re-enter work as quickly as possible - especially priority cohorts
- Support and strengthen organisations that make a positive contribution to Manchester and retain money in the local economy, including through use of local, Manchester-based supply chains.
- Support Manchester's transition to a zero-carbon city.
- Ensure 'good employment' is centre to any opportunities. We particularly encourage organisations to commit to the Greater Manchester Good Employment Charter (<https://www.gmgoodemploymentcharter.co.uk/>), including paying all staff at least the Real Living Wage.
- Focus charitable giving on We Love MCR, Young Manchester and Big Change

- Facilitate donations of surplus food through the Food Response Team & Council's website to ensure food can be distributed to those who need it & reduce food waste.
- Build our understanding of the diversity of our supply chain, particularly how black, Asian and minority ethnic communities and women are represented both in the workforce and in company ownership.
- Establish the required processes to make use of the Social Value fund and realign to the recovery priorities

Our approach is to:

- work with suppliers and markets to raise awareness and understanding of social value and, in particular the social value priorities for Manchester. This includes development of toolkits for suppliers, supplier engagement events and pre-procurement briefing events.
- work with council and partner staff to develop our own knowledge and understanding of social value and identify further opportunities to support the city's green and inclusive recovery through our supply chain.
- build our understanding of the diversity of our supply chain, particularly how black and Asian minority ethnic communities and women are represented both in the workforce and in company ownership.
- incorporate social value outcome objectives, aligned with the priorities described above, as a core part of specifications for contract opportunities that go through a tender or similar exercise. Specifications may focus on particular social value outcomes, for example, if certain outcomes are especially suited to the contract.
- provide an option for suppliers to make a cash contribution in lieu of offering 'Social Value in Kind,' where this is considered to be appropriate to the contract.
- emphasise to bidders our priorities for ethical working practices, including the priority the council places on suppliers paying staff at least the Real Living Wage.

Evaluation and Weightings

We evaluate social value proposals in tenders as follows:

- Invitation to Tenders issued by Manchester City Council have dedicated questions on the social value outcomes the bidder will deliver, and how they will deliver and monitor this. Normally 20% of the score applied in tenders will be allocated to Social Value. Tenders include dedicated questions on how bidders will reduce their carbon emissions and become greener. There is an emphasis on seeking 'SMART'² commitments from bidders that can be tracked through contract monitoring.
- To reflect the Council's commitment to achieving zero carbon by 2038, all procurements will allocate an additional 10% of the evaluation score to a supplier's contribution to carbon reduction within their own operations. In limited circumstances where this is not considered practicable, this score may be revised for an individual tender.
- Social value commitments (including Key Performance Indicators) are recorded in Contract Award reports submitted for approval.

Monitoring

Contract managers monitor delivery of social value as a core part of their contract monitoring.

To help with monitoring, officers will further develop social value Key Performance Indicators, building on the experiences from departments like Highways, that use the national TOMS framework.

Governance and Oversight

A Social Value Governance Board, comprising senior officers, oversees the development and implementation of social value throughout the council. This is supported by a working level Social Value, Commissioning and Contracts Leads group, which aims to share and embed good practice.

Zero carbon has its own dedicated Programme, overseen by Members and senior officers.

Externally, the council will continue to work with external partners like the Centre for Local Economic Strategies to monitor progress and co-develop further social value innovations.

Review

The Social Value Governance Board in collaboration with other Greater Manchester Authorities will review this policy in line with changes to procurement rules and future legislation and the currency of the priorities.

The council will undertake quarterly progress reviews of social value delivery, with a formal review of the policy once a year, taking account of different sources of data including: social value delivery (e.g. KPI performance) compared with commitments in bids; procurement data (e.g. how market interest has changed as a result of the policy, quality of social value submissions in bids); survey data of our supply chain.

We will also review the effectiveness of electronic tools for monitoring social value delivery, which are already in use in Highways and Capital Programmes and the potential to expand them to other areas.

**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee – 19 July 2022

Subject: Management of Major Contracts

Report of: Head of Integrated Commissioning and Procurement and
Strategic Lead Integrated Commissioning

Summary

This report describes how (i) major contracts are managed and (ii) the key considerations for the council when looking at future commissioning options, including insourcing versus outsourcing decisions, and the associated capacity the council would need in place to take a major contract back in house either as a result of a procurement decision or to address market failure.

Recommendations

The Committee is recommended to consider and comment on the information in the report.

Wards Affected: All

<p>Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city</p>
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<p>The issues discussed in this paper have no direct impact on the environment but effective contract management is a key part of ensuring social value and environmental contractual obligations are delivered.</p>
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<p>Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments</p>

<p>The issues discussed in this paper do not have any direct impact on equality, diversity and inclusion, but the council looks to promote equality, diversity and inclusion through its contracts with suppliers, as set out in its social value policy.</p>

Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	<p>Through its procurement, the council seeks suppliers that can help create wider social value for the city. Our social value framework, which is a shared framework across Greater Manchester, identifies six overarching areas of focus, which closely align with the Manchester Strategy outcomes. These are:</p> <ul style="list-style-type: none"> • Create the employment and skills opportunities that we need to build back better • Provide the best employment that you can • Be part of a strong local community • Develop a locally based and resilient supply chain • Keep the air clean • Make your organisation greener
A highly skilled city: world class and home grown talent sustaining the city's economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	
A liveable and low carbon city: a destination of choice to live, visit, work	
A connected city: world class infrastructure and connectivity to drive growth	

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

None

Financial Consequences – Capital

None

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Background documents (available for public inspection): None.

1.0 Introduction

- 1.1 The council's contracts portfolio contains a diverse range of contracts, both in terms of value and nature, and the contract management approach needs to be tailored accordingly. This paper first sets out the framework officers use for managing major contracts. The paper then looks at the key considerations involved in commissioning a new contract, particularly major contracts, including the appraisal of different delivery options.

2.0 Background

Approach for contract management of major contracts

- 2.1 The council promotes a proportionate approach to managing contracts, with the largest and most critical contracts requiring more intensive management compared with smaller and/or less critical contracts. Officers use a 'Gold, Silver, Bronze' model for categorising the significance or 'criticality' of a contract - Gold being the most critical – a model based on that used by the Government Commercial Function in central government.
- 2.2 The term 'criticality' is used because whilst major contracts tend to be the largest in value, there are other considerations too that might make a contract particularly critical, such as how easy it is to source an alternative supplier (if needed), the reputational risk if the contract were to fail etc. There are also nuances for certain services. For example, in ICT, one of the most important considerations is business continuity in the event of supplier failure, which could potentially impact multiple contracts depending on the supplier. ICT therefore assign importance by supplier on that basis. The underpinning principle though is the same – more critical contracts (and by association suppliers) should in general require more intensive management.
- 2.3 Criticality isn't however the sole driver for prioritising contract management resource. Performance is another key factor and if a less critical contract started to perform below contractual expectations, that would require appropriate attention.
- 2.4 In practical application, there isn't a one-size-fits all approach to managing major contracts – management of a waste collection contract is different to managing a contract for Microsoft licences, for example. However, the key elements of managing a contract - including supplier relationship management, financial management, risk management, performance management, contract administration, etc – will be common features across the board, and the depth of management will be correspondingly higher for these contracts. As an illustration, a gold contract would typically involve:
- Daily operational engagement with the supplier, plus regular (e.g. monthly) meetings with the supplier to review contract performance, supported by regular strategic supplier meetings (e.g. quarterly / six-monthly), and, where needed, an annual meeting, particularly to look ahead and where any service or contract changes need to be negotiated.
 - Regular (e.g. daily / weekly / monthly) performance data returns and reviews, including social value performance.

- Robust risk management procedures, with regular joint reviews of key risks and mitigating actions.
 - Deeper, more complex contract administration, including management of orders and invoices, managing resourcing, contract variations etc.
 - Regular due diligence on the supplier, from annual checks on key required policies and insurance levels, to checks on the supplier's economic and financial standing.
- 2.5 The above apply to both 'revenue' funded contracts (e.g. resident-facing services) and capital projects (e.g. building and works contracts, ICT investment). As an example of the latter, Capital Programmes Major Projects Team hold a monthly performance review of all the major construction projects, and have regular senior engagement with all the major projects suppliers.
- 2.6 The Integrated Commissioning and Procurement Team (ICP) supports contract managers with contract management, including through providing guidance on the key processes involved in contract management, template contract management tools, workshops with teams to develop their processes (ICP and Children's Services are currently working together on a contract management development programme), and support with individual contracts.

Key considerations for future commissioning

- 2.7 Most of the council's critical contracts are for services which will continue to be required in future years and which will therefore be recommissioned accordingly. The re-commissioning process will usually be a significant undertaking and for the largest contracts can take up to a year of design work, or even longer, particularly where contracts are to be heavily redesigned. This is before the procurement and implementation phases, which can be equally involved for more complex projects, particularly implementations involving new systems which involve significant staff engagement and process redesign, or commissions that involve significant market change or markets that are facing wider challenges (e.g. homecare services).
- 2.8 With long lead-in times for recommissioning of major contracts, the council needs to plan its sourcing timeline accordingly. The ICP Team has regular – usually monthly – meetings with services to update procurement forward plans. As examples: Highways has recently established a new Procurement Board to support forward planning, bringing together Highways, Legal and Procurement officers; Northwards and ICT have an Integration Board, so called because legacy Northwards ICT contracts are being integrated into wider council arrangements.
- 2.9 Digging into the recommissioning process itself, part of the time involved is for working with residents (e.g. in the case of frontline services), the market and wider stakeholders, consistent with the Our Manchester ways of working. The Manchester Local Care Organisation's (MLCO) Commissioning Plan, for example, sets out the co-production approach it looks to take in its commissioning of adult social care services. Children's Services have a similar focus on co-production with children and young people.

2.10 The commissioning work will also involve a review / analysis phase, and the development and appraisal of options, including delivery options. MLCO, for example, is reviewing how its current adult social care contracts have performed (e.g. in learning disability services), how the contracts work alongside and compare with similar services elsewhere (e.g. how employment support services for people with a learning disability work complement wider employment support services), reviewing data on demand for the service, and demographic data (with analytical support from the council's Performance, Research and Intelligence team). These are standard for any new commissioning but, in the case of health services commissioned by Population Health and Wellbeing (formerly known as Public Health), considerations like these may become legal requirements under forthcoming regulations that the government will introduce later this year, as part of its new Provider Selection Regime.

2.11 When appraising how a service should be delivered, government guidance states the following on delivery model assessments (also known as Make verses Buy): "Contracting authorities should conduct a proportionate delivery model assessment before deciding whether to outsource, insource or re-procure a service through evidenced based analysis." (National Procurement Policy Statement, 2021). The government's Sourcing Playbook expands a little on this, setting out some relevant considerations, including the:

- ability to acquire or build and maintain the required expertise and assets
- impact of TUPE regulations and pension liabilities
- organisational governance, processes and capability, including senior management and backroom functions
- potential increase to risk exposure
- impact on market health and other public services
- interdependencies with other public services
- accessing required service information and intellectual property

2.12 The consideration of insourcing tends to be undertaken most in situations where there is already a mix of both in-house and external provision (e.g. in adult social care), or where there are close synergies with other parts of the council (e.g. the care leavers service, which was insourced), or where the council either has previous experience of delivering such services and/or could build up the required expertise relatively quickly. The option appraisal process starts with an outline business case which would include the viability of insourcing the service. These tend to include the following stages:

- Evaluation of the current 'as is' service, including what worked well, what required improvement and the future challenges and changes the service faced. This includes feedback from stakeholders alongside a rigorous analysis of the current service performance and expected legislative and policy changes.
- The identification of the available options and the associated research activity with other organisations to fully understand the rationale behind decisions that had been made elsewhere.

- A detailed evaluation of the options identified and the relative opportunities, benefits, risks and costs associated with each in order to reach a recommendation.

2.13 If insourcing is identified as a potential option more detailed work is required pulling in expertise from across the Council and, where necessary, external legal, financial or market advice. This work considers the types of delivery model and commercial structuring and governance (for example should the service be delivered by an external partner through procurement, be fully insourced to the local authority or delivered through some other means such as a joint venture). It will also explore the practical considerations, including those set out in the Sourcing Playbook such as:

- Capacity and expertise within the Council to manage the services and if not in place how quickly this could be accessed. This includes the management expertise as well as potential impact on support services.
- Workforce considerations including terms and conditions and pensions considerations. For example, are there broader equal pay implications and what will be the impact and cost for the Local Government Pension Scheme.
- ICT implementation, can be critical (particularly in the current market climate where there are long lead-in times for some equipment)
- Setting out the financial and legal implications of each option along with an assessment of the potential risks and benefits.

2.14 As an example of the above, the decision to let the waste collection and street cleaning services to a contractor was subject to a detailed analysis of potential delivery models. The approach taken was similarly detailed both when the initial contract was let and prior to the decision being taken to extend the current arrangements. In both cases external validation of the approach and analysis was obtained through subject matter experts with recent and relevant experience of similar processes that had been undertaken elsewhere within the industry / public sector.

3.0 Main issues

3.1 On the contract management side, there are several developments currently:

- Policy changes. The government has just updated its Government Commercial Standards, which set out what good practice looks like across the commissioning cycle. These standards have historically applied to central government but now extend to NHS and Local Government. Manchester City Council has been involved in discussions with government, the LGA and other local authority partners in the development of these. Government intends that authorities will benchmark themselves against the new standards, and that there will be a peer review process (following what central government departments currently do). ICP will be working initially with contract managers of Gold contracts to identify where we can develop practice.
- Market risk. During the pandemic provider failure was a high risk, and whilst the nature of the risk has changed, there is still significant market

uncertainty. The council uses various tools and approaches to mitigate risk of provider failure. One of the headline indicators the council regularly monitors is a company's 'H-score', which is a score produced by the risk agency Companywatch, and which is a summary indicator for a company's risk of failure over the next 12 months. Central government also use this tool.

- Inflation and financial management. The current very high inflation rates are resulting in more requests from suppliers to increase prices. The council has a process for reviewing well-evidenced price increase requests, which are only awarded if delivery of public services would otherwise be put at risk, for example if the provider were to terminate the contract or under-deliver. These risks are very real though for contracts like home-to-school transport, where operators have limited opportunity in the short-term to mitigate high fuel prices.
- Contract management skill development. The ICP Team promotes the Government Commercial Function's e-learning Contract Management Foundations course across all contract managers, and there is more in-depth training available for those managing more complex managers - the council, has had two cohorts of staff go through CIPFA's Certificate in Contract Management, and there are further staff signing up for that this year. As referred to above, the ICP Team is also working alongside teams (e.g. Children's and MLCO) to develop contract management practice.
- Contract management system. The council is currently procuring a new contract management system to support contract management. The procurement is currently inviting the equivalent of expressions of interest and capability from interested bidders and will then invite a shortlist to submit a tender.

3.2 On the commissioning considerations, and in particular delivery considerations and insourcing potential, the main current issues are as follows:

- The latest Government guidance makes clear that 'complex' procurements should include an appraisal of delivery options including insourcing, and that 'should-cost' modelling should be undertaken. The latter involves challenges, particularly when accounting for indirect costs (e.g. corporate overheads involved) and for commercial risk. It is why for This City – one of the council's more recent commercial ventures – has brought in external expertise to advise and stress-test various legal, financial and business case aspects. Elsewhere, the MLCO is conducting its review into care costs using externally validated tools to better understand the nature of care costs, particularly the harder to quantify costs such as acceptable rates of return on property.
- Implementation complications. There is learning from previous insourcing decisions, such as when the council brought the Care Leavers service in-house in 2018/19 – a service which recently received praise from Ofsted. With that project, there were particular structuring considerations – e.g. whether to bring the service into Children's Services or whether to set up a wholly owned company – which took time to work through and were critical as that decision then determined other aspects like back-office SLA requirements and workforce and pension considerations, which subsequently were developed under challenging timescales at the time.

The learning from that was that insourcing is generally more complex and as the detail is worked through, new issues can arise which in turn can have knock-on impacts on other aspects. Plans for insourcing therefore need to allow additional implementation time, compared with a transfer of service from one external provider to another provider.

- Retention of expertise. With any transfer of a service, either to another external provider or bringing in-house, although TUPE may apply, experience shows that the transfer can still result in staff moving on. This is less of a risk where the council already has in-house operations in that field and has management and recruitment expertise in place; it is more of a risk where a transfer in would be a new venture for the council, particularly with current labour market conditions.
- Back-office support requirements. These are not always like-for-like pre- and post-insourcing. Public bodies have different standards and requirements to private sector – procurement processes being one – which need to be considered in detail when determining what level of resource is needed. Today, bodies like MLCO have worked with corporate services over the last couple of years to clarify respective functions, roles and expectations, for example.
- Urgent insourcing as a result of supplier or market failure. In some circumstances the council may have to take over a service at short notice, for example if a supplier ceases trading, the standard of service drops below an acceptable level or the market fails to respond to an Invitation to Tender. Often another provider stepping in will be an optimal approach but there are exceptions – for example, the council temporarily took on a care home for a short period to retain continuity of care prior to identifying a longer-term market solution. In such circumstances, the points covered above under “retention of expertise” would apply and the council would need to act urgently to develop or acquire the capacity to deliver the service. It could be possible that TUPE would apply and some experienced staff would be available and a plan would be put in place to mainstream delivery of the service over time or to reframe a tender and go to market again. The approach would be dependent upon several factors including the complexity and performance levels of the service being transferred.

3.3 One of the big debates will be whether local authorities should continue to outsource some of their major services. This is likely to come to the fore as market conditions and issues with supply chain and workforce shortages start to impact. The council will need to be able to act quickly if the market fails in any area and a service has to be recommissioned or taken back in house at very short notice.

3.4 It will be important to objectively weigh up the pros and cons of the available options. External partners have bought considerable knowledge and expertise, with access to specialist skills and knowledge which the council does not have, and driven service improvement. Insourcing can deliver added benefits such as service integration and better control. All decisions must be made on a sustainable and legal basis and where the Council looks at proposals of how to deliver any service, the quality of that delivered service and the social and financial value for money must be considered.

- 3.5 All outsourced contracts should be regularly reviewed according to quality, performance, value for money, and staff terms and conditions to explore whether the delivery option remains the most appropriate and whether insourcing should be considered. In the light of the current market conditions a more systematic approach will need to be taken to this work.
- 3.6 In summary, commissioning of major contracts has long-lead in times to allow for design of the requirements, the procurement, and the implementation. Insourcing should be considered for major contracts, noting that certain contracts will be more amenable than others to insourcing. In either case though, insourcing involves additional complexity compared with a reprocurement, and often specialist external advice will be required to inform the options appraisal.

4.0 Recommendations

- 4.1 The Committee is recommended to consider and comment on the information in the report.

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**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee – 19 July 2022
Subject: Overview Report
Report of: Governance and Scrutiny Support Unit

Summary

This report provides the following information:

- Recommendations Monitor
- Key Decisions
- Work Programme
- Items for information

Recommendation

The Committee is invited to discuss and note the information provided and agree the work programme.

Wards Affected: All

Contact Officer:

Name: Mike Williamson
Position: Governance and Scrutiny Support Manager
Telephone: 0161 234 3071
E-mail: michael.williamson@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 one of the contact officers above.

None

1. Monitoring Previous Recommendations

This section of the report contains recommendations made by the Committee and responses to them indicating whether the recommendation will be implemented, and if it will be, how this will be done.

Items highlighted in grey have been actioned and will be removed from future reports.

Date	Item	Recommendation	Action	Contact Officer
8 February 2022	RGSS/22/11	Recommends that a briefing note be circulated to members of the Committee that describes the discussions and agreements reached regarding staff health and safety considerations and mobile working.	A response to this recommendation has been requested and will be circulated to Members. A follow up email was sent on 23 June 2002 for a response	Chris Wanley

2. Key Decisions

The Council is required to publish details of key decisions that will be taken at least 28 days before the decision is due to be taken. Details of key decisions that are due to be taken are published on a monthly basis in the Register of Key Decisions.

A key decision, as defined in the Council's Constitution is an executive decision, which is likely:

- To result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates, or
- To be significant in terms of its effects on communities living or working in an area comprising two or more wards in the area of the city.

The Council Constitution defines 'significant' as being expenditure or savings (including the loss of income or capital receipts) in excess of £500k, providing that is not more than 10% of the gross operating expenditure for any budget heading in the in the Council's Revenue Budget Book, and subject to other defined exceptions.

An extract of the most recent Register of Key Decisions, published on **11 July 2022**, containing details of the decisions under the Committee's remit is included below. This is to keep members informed of what decisions are being taken and, where appropriate, include in the work programme of the Committee.

Corporate Core					
<p>Manchester City Centre Triangle (2021/01/14A)</p> <p>The approval of capital expenditure for the construction of a scheme to connect travel hubs in the city centre</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 1st Mar 2021</p>		<p>Checkpoint 4 Business Case</p>	<p>Steve Robinson, Director of Operations (Highways) steve.robinson@manchester.gov.uk</p>

<p>Early Years - Tendered Daycare Settings (2021/07/16B)</p> <p>The approval of capital expenditure to support the continued provision of high-quality Early Years settings across the City.</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 16th Aug 2021</p>		<p>Checkpoint 4 Business Case</p>	<p>Amanda Corcoran, Director of Education a.corcoran@manchester.gov.uk</p>
<p>Contract for a Technology and Implementation Partner for the Council's Resident and Business Digital Experience Programme (RBDxP) (2021/11/29B)</p> <p>The appointment of Technology and Implementation Partner for the Council's Resident and Business Digital Experience Programme (RBDxP)</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 29th Dec 2021</p>		<p>Report & Recommendation</p>	<p>Joanna Thorne joanna.thorne@manchester.gov.uk</p>
<p>Contract for the Provision of Consultancy Services for Resident and Business Digital Experience Programme (RBDxP) (30/11/2021A)</p> <p>The appointment of</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 30th Dec 2021</p>		<p>Report & Recommendation</p>	<p>Joanna Thorne joanna.thorne@manchester.gov.uk</p>

Consultancy Services for Resident and Business Digital Experience Programme (RBDxP)					
<p>Flare case management system (2021/12/03A)</p> <p>Approval to go out to Tender to replace an existing case management system.</p>	City Treasurer (Deputy Chief Executive)	Not before 3rd Jan 2022		Business Case	Mark Power mark.power@manchester.gov.uk
<p>Contract for Provision of ICT and Digital resources to Manchester City Council (2022/01/31A)</p> <p>The appointment ICT and Digital resources to Manchester City Council.</p>	City Treasurer (Deputy Chief Executive)	Not before 28th Feb 2022		Report & Recommendation	Joanna Thorne joanna.thorne@manchester.gov.uk
<p>Framework Provision for Travel Services (2022/02/14A)</p> <p>The appointment of a provider to deliver Travel Services for MCC employees and Members.</p>	City Treasurer (Deputy Chief Executive)	Not before 14th May 2022		Report & Recommendation	

<p>Write off of EoN Reality loan (2022/03/01B)</p> <p>Under the delegation agreed at February 2022's Executive, write off of existing £1.1m loan to EoN Reality Ltd and outstanding interest, following confirmation that the company has been liquidated.</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 1st Apr 2022</p>		<p>Companies House – liquidation progress report</p>	<p>Tim Seagrave T.Seagrave@manchester.gov.uk</p>
<p>Transforming of Legal Services (2022/03/02B)</p> <p>Approval to procure and implement a new legal case management.</p>	<p>City Solicitor</p>	<p>Not before 2nd Apr 2022</p>		<p>Report and recommendation</p>	<p>Karen Mcilwaine, Deputy City Solicitor karen.mcilwaine@manchester.gov.uk</p>
<p>Framework for the Provision of a Debit/Credit Card Service (2022/04/26A)</p> <p>The appointment of provider for Debit/Credit Card Service.</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 26th May 2022</p>		<p>Report & Recommendation</p>	<p>Vanda Mckeon vanda.mckeon@manchester.gov.uk</p>
<p>Northwards IT migration (2022/05/03A)</p> <p>To award funding to enable the IT transfer from</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 1st Jun 2022</p>		<p>Business Case</p>	<p>Andrew Blore a.blore@manchester.gov.uk</p>

Northwards IT to Manchester City Council IT.					
<p>Public Sector Decarbonisation Scheme - Round 3 (2022/05/06A)</p> <p>To invest a mix of Council funding and grant funding in energy conservation and carbon reduction measures for the Council's estate, in line with the Public Sector Decarbonisation Scheme grant funding agreement.</p>	City Treasurer (Deputy Chief Executive)	Not before 6th Jun 2022		Check Point 4 Business Case	Richard Munns r.munns@manchester.gov.uk
<p>HR and Finance System Replacement Project (2022/05/13A)</p> <p>Approval of capital expenditure to create the initial programme structure required to undertake pre-development work to prepare the organisation for the significant business change.</p>	City Treasurer (Deputy Chief Executive)	Not before 13th Jun 2022		Checkpoint 4 Business Case	Tom Wilkinson, Deputy City Treasurer tom.wilkinson@manchester.gov.uk
<p>GM Clean Air Plan review (2022/05/31A)</p> <p>Note an update on the Greater Manchester Clean</p>	Executive	Not before 22nd Jul 2022		Report on the GM Clean Air Plan review	Michael Marriott, Head of Local Planning & Infrastructure Michael.Marriott@manchester.gov.uk

Air Plan review prior to submission of a response to Government on the review.					
<p>Framework Agreement for Senior Permanent and Interim Executive Search (2022/06/09A)</p> <p>The appointment of Agencies to deliver Permanent and Interim Senior Recruitment Services.</p>	City Treasurer (Deputy Chief Executive)	Not before 9th Jul 2022		Report & Recommendation	Mike Worsley mike.worsley@manchester.gov.uk
<p>Contract for the provision of a Contract Management System (2022/06/15B)</p> <p>To contract with a software supplier to provide MCC with a new Contract Management System.</p>	City Treasurer (Deputy Chief Executive)	Not before 15th Jul 2022		Report and recommendation	
<p>The Provision, Erecting, Maintaining & Storage of Christmas Wooden Houses (2022/06/15C)</p> <p>To seek approval to appoint a company/s to a framework for the provision, delivery, maintenance and</p>	City Treasurer (Deputy Chief Executive)	Not before 15th Jul 2022		Contract report	

storage of Wooden Houses for the Manchester Christmas Markets. The framework will be for a 4 year period, commencing September 2022.					
<p>Contract for the Provision of Engineering Inspection and Insurance (2022/06/16A)</p> <p>The appointment of Provider for Engineering Inspection and Insurance.</p>	City Treasurer (Deputy Chief Executive)	Not before 16th Jul 2022		Report and recommendation	
<p>Elizabeth Tower GP Surgery grant (2022/06/20A)</p> <p>To provide a £2.6m capital grant to the GP surgery at Elizabeth Tower, Great Jackson street to fund the fit out of the shell to allow the opening and operating of the new GP surgery facility.</p>	City Treasurer (Deputy Chief Executive)	Not before 20th Jul 2022		Checkpoint 4 Business Case	Tom Wilkinson, Deputy City Treasurer tom.wilkinson@manchester.gov.uk
<p>Disabled Facilities Grant (DFG) budget for 2022/23 (2022/06/22A)</p> <p>The approval of capital expenditure funded by DFG</p>	City Treasurer (Deputy Chief Executive)	Not before 22nd Jul 2022		Checkpoint 4 Business Case	

Grant allocation for home adaptations for people with disabilities					
TC985 Learning & Development Training Framework (2022/07/04A) To establish a Dynamic Purchasing System of organisations to provide Learning & Development Training	City Treasurer (Deputy Chief Executive)	Not before 4th Aug 2022		Report & Recommendation	Kate Andrews kate.andrews@manchester.gov.uk
Resident and Business Digital Customer Experience additional budget (2022/07/04B) To approve a further £592k of Budget	City Treasurer (Deputy Chief Executive)	Not before 4th Aug 2022		RBDxP Business Case	
Legal Services Case Management Replacement (2022/07/06A) To approve a Budget of £695k	City Treasurer (Deputy Chief Executive)	Not before 6th Aug 2022		Legal Case Management	Peter Walker peter.walker@manchester.gov.uk
Development and Growth					
Strategic land and buildings acquisition	City Treasurer (Deputy Chief	Not before 3rd Jul 2019		Checkpoint 4 Business Case &	Richard Cohen r.cohen@manchester.gov.uk

2019/06/03B The approval of capital expenditure for the purpose of the strategic acquisition of land and buildings to support the Eastlands Regeneration Framework.	Executive)			Briefing Note	
Strategic land and buildings acquisition 2019/06/03C The approval of capital expenditure for the purpose of the strategic acquisition of land and buildings to support the Eastlands Regeneration Framework	City Treasurer (Deputy Chief Executive)	Not before 1st Mar 2020		Checkpoint 4 Business Case & Briefing Note	Richard Cohen r.cohen@manchester.gov.uk
Delivering Manchester's Affordable Homes to 2025 - Disposal of sites (2019/09/05B) To agree the disposal of sites in Council ownership for the provision of affordable homes	City Treasurer (Deputy Chief Executive)	Not before 4th Oct 2019	In consultation with Strategic Director (Growth and Development) and Executive Members for Housing and Regeneration and Finance and HR	Report and Recommendations	Steve Sheen s.sheen@manchester.gov.uk
Northwards Housing	City Treasurer	Not before		Checkpoint 4	Martin Oldfield

<p>Programme 2022/23 - Internal Work to Properties (2022/04/19A)</p> <p>The approval of capital expenditure for the Northwards Housing 2022/23 Capital Programme Internal Work to deliver essential health and safety work, security improvements and environmental improvements.</p>	(Deputy Chief Executive)	19th May 2022		Business Case	m.oldfield@manchester.gov.uk
<p>Northwards Housing Programme 2022/23 - External Work to Properties (2022/04/19B)</p> <p>The approval of capital expenditure for the Northwards Housing 2022/23 Capital Programme – External Work to deliver essential health and safety work, security improvements and environmental improvements.</p>	City Treasurer (Deputy Chief Executive)	Not before 19th May 2022		Checkpoint 4 Business Case	Martin Oldfield m.oldfield@manchester.gov.uk
<p>Northwards Housing Programme 2022/23 -</p>	City Treasurer (Deputy Chief	Not before 19th May		Checkpoint 4 Business Case	Martin Oldfield m.oldfield@manchester.gov.uk

<p>Adaptations (2022/04/19C)</p> <p>The approval of capital expenditure for the Northwards Housing 2022/23 Capital Programme – Adaptations to deliver essential health and safety work, security improvements and environmental improvements.</p>	Executive)	2022			
<p>Asset Management Programme 2022/23 Budget (2022/04/26C)</p> <p>To approve capital expenditure for the Council's citywide assets.</p>	City Treasurer (Deputy Chief Executive)	Not before 26th May 2022		Checkpoint 4 business case	Richard Munns r.munns@manchester.gov.uk
<p>Manchester Accommodation Business Improvement District 2023 - 2028 (2022/06/17A)</p> <p>To formally approve that a ballot be undertaken by Civica Election Services (acting on behalf of Manchester City Council) between 9 August 2022 and</p>	Executive	22 Jul 2022		Proposal and Business Plan For Manchester Accommodation Business Improvement District 2023 – 2028	Liam Crichlow liam.crichlow@manchester.gov.uk

the 5 September 2022 for an Accommodation BID in Manchester City Centre.					
<p>This City - new scheme development (2022/06/17B)</p> <p>To give capital expenditure approval to build a mixed development of market and accessible rent properties, initially through the Council before transferring to a Council-owned company during the build.</p>	City Treasurer (Deputy Chief Executive)	Not before 17th Jul 2022		Report and recommendation	Alan Caddick, Interim Director of Housing and Residential Growth Alan.Caddick@manchester.gov.uk
<p>Remediation and Refurbishment work to City Art Gallery & Queens Park Conservation Studios (2022/06/28A)</p> <p>To approve capital expenditure for essential remediation work to City Art gallery and Queens Park Conservation Studios.</p>	City Treasurer (Deputy Chief Executive)	Not before 28th Jul 2022		Checkpoint 4 Business Case	Richard Munns r.munns@manchester.gov.uk

Housing Affordability Fund Budget (2022/06/28B) The approval of capital expenditure for affordable housing via a dedicated HAF budget.	City Treasurer (Deputy Chief Executive)	Not before 28th Jul 2022		Checkpoint 4 Business Case	Yvette Ryle, Project Manager Yvette.ryle@manchester.gov.uk
Neighbourhoods					
Parks Development Programme Team Funding (2022/03/10B) To approve capital expenditure to continue the Parks Development Programme team.	City Treasurer (Deputy Chief Executive)	Not before 10th Apr 2022		Checkpoint 4	Neil Fairlamb N.Fairlamb@manchester.gov.uk
Extension of the waste & street cleansing contract (2022/03/30B) To fund the increase in contract fee from 2023 for the remainder of the contract period - £7.95m.	Executive	1 Jun 2022		Waste Report to Environment & Climate Change Scrutiny Committee (10 March 2022)	Matthew Bennett matthew.bennett@manchester.gov.uk
Hough End Project (12/05/2022B)	City Treasurer (Deputy Chief Executive)	Not before 12th Jun 2022		Check Point 4 Business Case	Neil Fairlamb N.Fairlamb@manchester.gov.uk

To approve capital expenditure to deliver 2 NO. 3G Cork Infill Football Turf Pitches, Demolition of existing changing facility, Leisure Centre Extension and Car Parking at Hough End Leisure Centre and Playing Fields site.					
Highways					
<p>Improvements to Manchester Cycleway that combines the Fallowfield loop line and Yellow Brick Road (previously the Stockport Branch Canal) (2021/09/17B)</p> <p>The approval of capital expenditure for the construction cost estimate for Manchester Cycleway funded by Mayors Challenge Fund</p>	City Treasurer (Deputy Chief Executive)	Not before 11th Oct 2021		Checkpoint 4 Business Case	Steve Robinson, Director of Operations (Highways) steve.robinson@manchester.gov.uk
<p>Levenshulme and Burnage Active Neighbourhood (2021/12/16A)</p> <p>Approval of capital</p>	City Treasurer (Deputy Chief Executive)	Not before 16th Jan 2022		Checkpoint 4 Business Case	Steve Robinson, Director of Operations (Highways) steve.robinson@manchester.gov.uk

expenditure to undertake construction works for Levenshulme and Burnage Active Neighbourhood					
<p>Highways Project Delivery Fund (2022/03/10A)</p> <p>To approve capital expenditure to develop preliminary designs for funding bids for infrastructure development funding, eg active travel.</p>	City Treasurer (Deputy Chief Executive)	Not before 10th Apr 2022		Checkpoint 4	Steve Robinson, Director of Operations (Highways) steve.robinson@manchester.gov.uk
<p>Public Realm Improvements 2022/23 (2022/06/15A)</p> <p>To approve the capital expenditure for a number of essential Public Realm improvements.</p>	City Treasurer (Deputy Chief Executive)	Not before 15th Jul 2022		Checkpoint 4 Business Case	Steve Robinson, Director of Operations (Highways) steve.robinson@manchester.gov.uk
<p>City Centre Active Travel Fund scheme (2022/07/08A)</p> <p>The approval of capital expenditure to develop the detailed design of the city centre active travel project</p>	City Treasurer (Deputy Chief Executive)	Not before 8th Aug 2022		Checkpoint 4 Business Case	Steve Robinson, Director of Operations (Highways) steve.robinson@manchester.gov.uk

Education and Skills

Q20347 Consultant for EYES data Migration. 2019/04/25A	City Treasurer (Deputy Chief Executive)	Not before 1st Jun 2019		Report and Recommendation	John Nickson j.nickson@manchester.gov.uk
Contract is to support Manchester City Council with the migration of their Education Management System away from Capita One towards the Liquidlogic EYES solution.					

3. Resources and Governance Scrutiny Committee - Work Programme – July 2022

Tuesday, 19 July 2022, 2.00pm (Report deadline Friday 8 July 2022)

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
HROD Update	To receive an HROD update report with a focus on the experiences of a Manchester Employee. Specifically to include Our Ways of Working, the performance management framework and approach and an update on how suspensions are handled.	Councillor Akbar	Deb Clarke	
Ethical Procurement	To receive an update report on the council's approach to Ethical Procurement with a focus on workforce considerations including blacklisting. This will also contain updates on changes in Government procurement rules and their potential impact.	Councillor Akbar	Peter Schofield	
Management of Major Contracts	To receive a report that details how major contracts are managed. This will include Insourcing vs Outsourcing decisions and the capacity we would need in place to take a major contract back in house either as a result of a procurement decision or to address market failure.	Councillor Akbar	Fiona Worrall Neil Fairlamb Carol Culley Peter Schofield	
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.	N/A	Scrutiny Support	

Tuesday, 6 September 2022, 2.00pm (Report deadline Wednesday 24 August 2022) * To account for August Bank Holiday

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
Section 106 Governance	To receive a report on the Governance arrangements relating to Section 106.	Councillor White	Julie Roscoe	
Property Annual Report	To receive the Property Annual Report.	Councillor White	Richard Munns and David Lord	
Ownership of Assets	To receive a report on the ownership of assets which will include how Councillors can determine who owns what within their wards.	Councillor White	Richard Munns and David Lord	
Major Projects Update – Town Hall and The Factory	To receive an update on the progress of two major projects – Town Hall and The Factory.	Councillor Rahman	Jarred Allen, Pat Bartoli and Carol Culley – The Factory Jared Allen, Carol Culley and Paul Candelent – Town Hall	
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee’s work programme and any items for information.	N/A	Scrutiny Support	

Tuesday, 11 October 2022, 2.00pm (Report deadline Friday 30 September 2022)

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
Update on RBDXP, including Digital Inclusion	To receive an update on the Resident and Business Digital Experience Project which includes the replacement of the council's CRM system and improvements to how we digitally interact with residents and businesses. The report will also update on the customer centre model, the work on digital inclusion and how we will support residents who are unable to interact with the council digitally.	Councillor Akbar	Chris Wanley	
ICT Strategy	To receive the draft ICT Strategy for review and comment.	Councillor Akbar	Chris Wanley	
2023/24 Budget Process	A short overview report setting out the proposed budget process for the update of the Medium Term Financial Plan and Capital Strategy and a summary of the latest revenue budget position.	Councillor Akbar	Tom Wilkinson	
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.	N/A	Scrutiny Support	

Items to be Scheduled
(Items highlighted in grey indicate that these have been included in the work plan of one of the above meetings).
(New items added are highlighted in blue)

Item	Purpose	Executive Member	Strategic Director / Lead Officer	Comments
Commercial activity	Precise Details to be confirmed	Councillor Craig	Carol Culley	
Contract Monitoring	Precise Details to be confirmed	Councillor Craig	Carol Culley	
Review of investments being made by the Council into its Capital Strategy in terms of delivering future VFM post COVID19	Precise scope to be determined	Councillor Craig	TBC	
GMCA Governance and Public Sector Reform	To receive an update on what is being delivered for the City through these arrangements	Councillor Craig	TBC	
Revenue and Benefits	Themed meeting to include activity around position of Business Rates and Council Tax and impact on residents and how to target support most effectively	TBC	TBC	