

## **Overview and Scrutiny Ethical Procurement and Contract Management Sub Group**

### **Minutes of the meeting held on Thursday, 13 September 2018**

#### **Present:**

Councillor Russell (Chair) – in the Chair

Councillors Ahmed Ali, Clay, Shilton-Godwin and S Wheeler

#### **Also present:**

Councillor Ollerhead and Craig

**Apologies:** Councillor Farrell, Hacking, Igbon, Lanchbury, Stone and Watson

#### **RGSC/EP/18/1      Minutes**

#### **Decision**

To approve as a correct record the minutes of the meeting held on 7 June 2018.

#### **RGSC/EP/18/2      Update on delivery of social value in the new health and social care arrangements**

The Subgroup considered a report of the Executive Director of Planning and Operations, Manchester Health and Care Commissioning (MHCC) that provided an update on the development of the approach to the delivery of social value within the new health and social care arrangements. In recognition of the importance of embedding social value within the transformation of the health and social care system in the city, MHCC had funded a post to develop a draft inclusion and social value strategy which would set out social value priorities across both MHCC and the Manchester Local Care Organisation (MLCO).

Key to the development of this strategy had been the opportunity to share resources across MHCC and the constituent parts of the MLCO with a focus on using social value as an enabler to reduce both health and workforce inequalities.

Officers referred to the main points and themes within the report which included:-

- A description of the MHCC and MLCO draft Inclusion and Social Value Strategy;
- Progress on deriving social value through commissioning and procurement; and
- The MHCC approach to 'in-house' social value delivery.

Some of the key points that arose from the Groups discussions were:-

- Was the draft five year MHCC and MLCO inclusion and social value strategy available for comment;
- Clarification was sought on NHS arrangements for commissioning budgets that were spent on contracts which were negotiated on a year by year basis;
- When would the Manchester Local Care Organisation (MLCO) adopt a procurement and commissioning function;
- How appropriate was it to use zero hour contracts and how would these be monitored;
- In regard to Homecare workers what was being done to support and encourage Trade Union representation;
- Clarification was sought on what 'local' meant for employment opportunities;
- What was being done to promote and develop BAME staff within the work force and address institutional barriers;
- Commissioners should also include Modern Day Slavery as a criteria when evaluating and awarding contracts;
- Whilst welcoming the report and the activities described, future reports to the Subgroup needed to include an analysis of outcomes and what had been achieved through this approach;
- Noting that that the Resources and Governance Scrutiny Committee had recommended that the Executive Member for Finance and Human Resources ensures that Manchester City Council achieved accreditation as a Living Wage Employer; and
- Noting that the commissioning of services locally and employing local employees would also deliver health and environmental benefits.

The Executive Member for Adults, Health and Wellbeing informed the Subgroup that the establishment of MHCC represented a partnership approach across the city to improve the health outcomes for residents. She said that the Council had an established social value policy to its procurement and commissioning function. She said that health partners in MHCC had demonstrated that they had begun and continued to incorporate and align this approach and ethos into their systems. She said that when the draft five year MHCC and MLCO inclusion and social value strategy and delivery plan was available to be shared this would be provided to the Subgroup.

The Executive Member for Adults, Health and Wellbeing described the approach that had been developed to commission Homecare for citizens stating that social value was used through the procurement process. She said that providers had been asked to demonstrate how they were already delivering social value and any additional measures they would implement as part of this contract, including environmental; economic and social factors.

The Executive Member for Adults, Health and Wellbeing stated that the introduction of the Manchester Living Wage and providing professional career development opportunities would attract people into this area of work, especially in areas of the city that had traditionally proven to be a challenge. She said that the concept of local employment linked into the discussion around the concept of what constituted good employment and how this reflected and attracted a diverse workforce drawn from the local community. She said that the Health Scrutiny Committee had recently considered a report on this and recommended that the report be circulated to

Members of the Subgroup as further information.

The Executive Member for Adults, Health and Wellbeing acknowledged the concerns expressed regarding the use of zero hour contracts stating that these would be used only in exceptional circumstances and the use of these would be monitored to ensure these were only ever used appropriately. She further commented that the same would be the case for Trade Union recognition within the workforce.

The Executive Member for Adults, Health and Wellbeing informed the Subgroup that the MLCO had gone live in April 2018, describing it as an ambitious development to deliver truly integrated services, in localities to improve the health outcomes of all Manchester citizens. She said this was the first year of the new model and the MLCO did not have a commissioning function at present, however the agreement was that for procurement and commissioning purposes, the MCC/MHCC approach would be adopted by the MLCO in the future.

The Executive Member for Adults, Health and Wellbeing responded to the comments regarding the content of the report by stating that future update reports would contain detail on where money had been spent and what social value had been achieved through commissioning. She stated that by establishing and demonstrating good practice 'in house', this would provide organisational leverage and help influence partners and providers.

The Strategic Lead: Inclusion and Social Value, MHCC said that the all partners of the Health and Wellbeing Board had been charged to review their own employment practices to ensure they demonstrate and deliver the values required by providers. In addition she described the initiatives that had been developed to support young people into work and support people back into work.

The Director of Workforce and Organisational Development, MHCC described the work that was currently underway to review work force progression for BAME and disabled staff, in particular at a leadership level as it was recognised that institutional barriers existed. She stated that a steering group had been developed to review this at a Greater Manchester level, and following a request from a Member she said that information on this activity would be shared with the Subgroup. In response to a question regarding positive action in recruitment she confirmed that this practice was lawful and that MHCC was seeking to encourage its usage. She further explained that it would be investigated as to how the Commissioning for Quality and Innovation (CQUIN) framework could be used as a mechanism to derive Social Value and stated that an update on this would be provided in future reports. She further responded to the question asked regarding one year NHS arrangements for commissioning budgets by saying that this was a result of the annual NHS yearly budget settlement awarded by Central Government.

The Executive Member for Finance and Human Resources informed the Subgroup that the options for achieving accreditation as a Living Wage Employer were being investigated.

## **Decision**

The Subgroup:-

1. Notes and welcomes the reported progress and requests an update report at an appropriate time; and
2. Requests that a briefing note be provided to Members of the Resources and Governance Scrutiny Committee on how the Council's procurement policies and practice was responding to the issue of Modern Day Slavery.

**RGSC/EP/18/3 Social and Environmental Requirements in Procurement exercises (formerly listed on the main agenda as M Futures)**

The Chair expressed her considerable disappointment at the content of the report that had been submitted for consideration, and that nobody had attended the meeting to introduce the report or answer any questions from the Group.

The Chair recommended that the Group defer consideration and to recommend that the Chair write to the Chief Executive, the Head of Legal Service and the Leader to express the disappointment of the Group.

**Decision:**

The Subgroup:-

1. Agrees to defer consideration of this item; and
2. Recommends that the Chair write to the Chief Executive, the Head of Legal Services and the Leader to express the disappointment of the Group.

**RGSC/EP/18/4 Work Programme and an overview of MCC contracts**

The Subgroup were invited to consider and agree the work programme. The Chair recommended that she would review the Work Programme following discussions with officers. The Members agreed this recommendation.

**Decision**

The Subgroup agree the Work Programme, subject to any amendments agreed by the Chair following discussions with officers.