

**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee – 9 November 2023

Subject: Social Value Update

Report of: Head of Integrated Commissioning and Procurement

Summary

This report provides an update on the new procurement regulations and advises the committee of the implications for future council procurement activity.

Recommendations

The Committee is recommended to:

- (1) Consider and comment on the information in the report
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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 but the report includes discussion about measures that will contribute to achieving the zero-carbon target for the city.

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 an indirect 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 Social Value will be used to ensure that the council's suppliers 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 social value will provide a mechanism to ensure that the council's suppliers 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 social value can be used to ensure that 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):

None

1. Background

- 1.1. Two reports on ethical procurement and social value respectively were presented to the June 2023 Resources and Governance Scrutiny Committee. These had a particular focus in relation to the social value delivered through the contracts the council has with its suppliers.
- 1.2. The reports also referred to the wider cross-council work that has been taken forward by the council and overseen by the Social Value Governance Board, not just in relation to contracts, but also in relation to the council's wider partnerships and the council's own social value delivery. This report sets out further this work over the last 12 months and updates since the summer.
- 1.3. A further report is scheduled for the meeting of the Economy and Regeneration Scrutiny Committee on 5th December that will deal with the economic impact and benefits of social value, so this report focusses on the Social Value delivered via the council's contracts that are procured with a 20% Social Value weighting rather than that delivered through other council funded initiatives such as the North Manchester Development and the planned developments at Wythenshawe and Holt Town.

2. Social Value Governance Board

- 2.1 An internal audit report on Social Value Monitoring was issued in October 2022 and included a reasonable assurance opinion over social value monitoring activity across directorates but concluded that the extent of monitoring and challenge of social value outcomes was variable across services. The report also recommended further focus in relation to the Social Value Fund and the "banked hours" linked to the North West Construction Hub's Small Value Framework.
- 2.2 The report also commented that the Social Value Governance Board (SVGB) had not met frequently during the previous 12 months and that there was a need to rationalise the group and reconstitute its purpose and priorities. Improvements to the operation of the SVGB were already in hand.
- 2.3 The terms of reference were refreshed in September 2022 to the following:
 - Monitor and review delivery of Social Value including an annual review and reset of the direction of travel for Social Value in the organisation.
 - Ensure that links are put in place to broker opportunities to connect suppliers, community groups and residents.
 - Provide support and resources for Council officers and partners involved in this agenda.
 - Build relationships with anchor institutions to develop shared and complementary Social Value approaches.
 - Ensure that robust contract management arrangements are in place to ensure delivery of Social Value commitments and to capture the benefits.
 - To have oversight of the work of other groups in delivering social value
 - To allocate the available budget within the Social Value Fund

- Ensure that the Council’s work on Social Value is promoted as widely as possible.
- 2.4 The Board meets bimonthly and includes the following core membership:
- Deputy Chief Executive and City Treasurer
 - Executive Member for Finance and Resources
 - Deputy Executive Member for Finance and Resources
 - Director of Capital Programmes
 - Head of Integrated Commissioning and Procurement
 - Director of Inclusive Economy
 - Head of City Policy
 - Communications Business Partner
 - Strategic Lead Commissioning
- 2.5 On its reestablishment, the Social Value Governance Board reviewed all aspects of social value and considered where additional effort could be focussed in order to improve delivery and monitoring of social value across all of the council’s activities. The intention was to provide assurance that social value delivery was in line with expectations and to raise the profile of the council in relation to the impact of social value on the residents of the city.
- 2.6 This review led to the establishment of a “Task and Finish” group, comprising 5 workstreams, in January 2023 which aimed to forge a new direction for social value, building on the progress made by the council over the previous decade. This was to resolve that the council has traditionally prioritised and championed social value to ensure that all its procurement decisions bring maximum benefit for the economy of Manchester and contribute to efforts to tackle the city’s social and environmental challenges but has not channelled resources into reporting and monitoring of the results.
- 2.7 The Board also recognised that the council is maturing in the application of social value into other areas – most notably the North Manchester development and this evidences that, in order to maximise the contribution Social Value can make to tackling inequalities and addressing communities’ needs, Social Value has to be embedded more widely. This will improve outcomes and also help to demonstrate that Social Value is not just seen across the authority as a procurement issue.
- 2.8 The Task and Finish Group’s 5 workstreams were:
- Further embedding Social Value into Procurement & Commissioning
 - Learning & Development (formal & informal)
 - Brokerage to better connect opportunities with local need
 - Strategic Bespoke Approaches for spatial & thematic areas
 - Communication & External Influence
- 2.9 The SVGB monitored progress of the 5 workstreams and each was asked to provide conclusions and recommendations by September 2023. Some of the

recommendations and next steps from each of the workstreams are summarised below.

Workstream	Recommendations and Next Steps
<p>Further embedding Social Value into Procurement & Commissioning building upon the council's track record as a leading social value authority to ensure that social value outcomes are tracked and recorded</p>	<ul style="list-style-type: none"> • Reviewing social value from all larger (gold) contracts and the accompanying design of new contracts. • Ensuring that Manchester (and GM) is prioritised with North West Construction Hub projects (i.e. that construction projects are benefiting Manchester residents and communities). • Review and consider terms of engagement with CLES regarding their future role and social value work. • Development of new social value toolkit(s) and webinar for commissioners. • Development of social value KPIs and procurement documentation review. • Reviewing the case for a dedicated SV system for larger contracts.
<p>Learning & Development (formal & informal) Addressing concerns that multiple asks are currently being made of managers and that there is a risk of social value asks being lost.</p>	<ul style="list-style-type: none"> • Opportunities to continue building social value into the good manager work. • The development of a universal social value engagement plan which clearly articulates the different elements of social value, how it is a key lever/tool to help to deliver Manchester's strategic priorities, and also the missed opportunities when it isn't delivered. This will need to link up to the wider internal communications approach from workstream 5. • Sessions at Senior Leadership Group and the Leadership Summit. • The development of targeted learning and development products for different parts of the Council's workforce. This will include 'how to' style webinar events, e-learning packages and a repository of supportive information on the Intranet and Teams/Sharepoint. • Longer term priorities will include the development of a social value staff network and reviewing inclusion into service plans.
<p>Brokerage to better connect opportunities with local need Ensuring that opportunities for Social Value from suppliers are matched to needs, for example from VCSE organisations</p>	<ul style="list-style-type: none"> • Further progressing the brokerage work is reliant on putting in place some dedicated resource to drive this forward working closely with existing staff already delivering social value such as staff in Work and Skills and looking to establish an effective way to broker relationships between potential suppliers preparing bids and the Manchester VCSE community that could access support offered as social value. This will require close working with Integrated Commissioning and Procurement and commissioners across the Council to ensure that potential tenderers have visibility of VCSE needs when preparing tenders. • There is also a pressing need to ensure that some of the more fundamental aspects of social value are in place on a more consistent basis such as within Integrated Commissioning and Procurement (set out in Workstream 1 above).
<p>Strategic Bespoke Approaches for spatial & thematic areas Ensuring that "non-procurement" Social Value opportunities are fully exploited</p>	<ul style="list-style-type: none"> • Further work undertaken with City Policy to develop standard approaches. • Work continues to integrate MCC Housing Retrofit formally into the North Manchester Strategy and Benefits Framework. • Work underway with legal to consider how social value can be included into land deals. • Officers working on Workstreams 3 and 4 feel that it would make sense to merge these two pieces of work into a single priority.

Workstream	Recommendations and Next Steps
<p>Communication & External Influence New approach to communications including redesign of the annual social value event developed with CLES.</p>	<ul style="list-style-type: none"> • The new approach to replace the “annual CLES event” proposes four virtual sessions to promote Manchester’s work on social value and learn from others between September 2023 and June 2024 focused on: • Session 1 (9 October 2023): How can local councils and their partners can work together to tackle inequalities through social value – good practice from around the UK. • Session 2 (w/c 6 November 2023): Supporting people into good quality employment and training through social value: key lessons from Manchester’s procurement strategy and the ICan project in Birmingham. • Session 3 (w/c 4 December): How social value can become everyone’s business: How to make social value a cross departmental priority for Councils and other anchor institutions – what good practice examples are there for measuring impact. • Final session (early 2024) to launch the report: Taking social value to the next level: key lessons from the last ten years, our ambitions for the future, and how we make it happen.

3. Dedicated Resource – Social Value Programme Lead

3.1 A common theme in each of the Task and Finish Group workstreams was that the best outcomes are achieved if a dedicated resource is put in place. This approach has been applied, for example, within Highways which was once considered to be lagging the rest of the council in relation to Social Value delivery but is now one of the leading examples or with the capital funded Town Hall refurbishment scheme and construction of the Factory and is delivering significant benefits in North Manchester.

3.2 Outside of Social Value, this approach has also been applied very successfully to the Council’s Zero Carbon Programme. It was therefore agreed that the council will introduce a Social Value Co-ordinator role for a fixed term 2-year contract to support delivery of the recommendations from each workstream.

3.3 The postholder will be based within City Policy and will work closely with a number of teams in the Council including staff already working on social value within Integrated Commissioning and Procurement, Work and Skills and other services. They will lead on the coordination of reporting and will build a virtual team to ensure that social value becomes a corporate priority.

3.4 The key components of the role portfolio are listed below:

- Leading a virtual team across the organisation to ensure that social value delivery is maximised across all directorates and departments.
- Co-designing and rolling out any required systems or processes to ensure that we are capturing and monitoring delivery and benefits of social value.
- Developing a new high quality social value reporting approach at a corporate level, ensuring that senior officers and elected members have

clear sight of current performance and can challenge contract managers and commissioners effectively.

- Reviewing and facilitating any necessary updates to Manchester's Social Value Policy with input from other internal services to ensure that it accurately reflects our needs and processes, plus any changes to national legislation.
- Working with partners and anchor institutions within the city to ensure that social value opportunities are exploited to the full.

3.5 The resource has been recruited and will commence employment with the council in January 2024.

4. Updates on social value in contracts

4.1. As outlined above, this report focusses on social value delivered through the council's contracts. Previous reports have been provided that summarise the procurement led outcomes from the Our Town Hall Project and the Factory, so examples from a number of other procured contracts are provided later in the report.

4.2. Improvements to monitoring and reporting on outcomes have been introduced across all contracts as the council's new contract management system is in the final stages of implementation so future reporting on delivery will become more structured. The following paragraphs detail some of the other "process" improvements being made in relation to social value delivery.

Major contracts

4.3 The council has strengthened oversight over the last 12 months with the Major Contracts Review Board. Similarly, on new commissions, services have been working to promote social value further and examples of recent work include the following:

4.4 As part of the first stage of procurement (the current stage, at the time of writing) for the Wythenshawe Civic Centre and wider developments, the council is asking bidders how they will co-develop and manage a social value framework similar to the model used in North Manchester. An initial set of potential KPIs have been developed as part of this, which will be shaped further as the procurement process develops.

4.5 Recognising the importance of smaller organisations and Voluntary, Community and Social Enterprise organisations in service delivery and social value, MLCO commissioned Antz UK to run training courses (100 places) for potential home care providers on how to put their best foot forward in public sector procurements, including social value. These sessions were particularly aimed at supporting smaller organisations, some of whom fed back in market engagement sessions held by MLCO in the summer that they were not as familiar with public sector procurement processes than more established larger companies. The procurement of new home care contracts will commence before Christmas.

4.6 Integrated Commissioning are building a set of case studies / examples from contracts in relation to social value to help promote good practice. Some initial examples are provided later in this document.

4.7 Integrated Commissioning and Procurement have worked with North West Construction Hub this year to reprocur the Hub's construction frameworks. NWCH's Medium Value Framework Agreement (value of the framework is 250 million to 1 billion) was awarded in August 2023. Suppliers appointed to the framework had to demonstrate the establishment and management of key performance indicators ("KPI's") / (TOMs) to monitor their performance against pre-agreed benchmarks. The Medium Value Framework Agreement by NWCH Frameworks is in line with the Greater Manchester Combined Authorities (GMCA) social value policy. Social Value measurements are:

- **Jobs:** Promote local skills and employment;
- **Growth:** Supporting growth of responsible regional business;
- **Social:** Healthier, safer, and more resilient communities;
- **Innovation:** Promoting social innovation & Carbon.

A total of 11 suppliers were appointed to this framework.

4.8 In market engagement events, the council continues to promote social value and ethical procurement. For example, Integrated Commissioning and Procurement officers recently presented on social value at an ICT supplier day and, separately, ran a session on Modern Slavery at a North West Construction Hub regional market event (construction is one of the sectors more at risk of modern slavery).

Measurement

4.9 As previously highlighted to the Resources and Governance Scrutiny Committee, measurement of social value has been another area of focus. Integrated Commissioning have worked to tighten up social value Key Performance Indicators (KPIs) and measures, both to drive more specific commitments from bidders and also to drive greater consistency in measurement. These have been used, for example, in the aforementioned Wythenshawe procurement, and are being built into the new contract management system. Work to refine measures further will continue and the team are also connected with a Cooperative Council's Innovation Network working group which is looking to develop a harmonised measurement framework.

Training and guidance

4.10 Further to the Task and Finish work, a new social value toolkit is currently in development. This includes a toolkit / guidance on zero carbon, which has had more of a focus within contracting this year – Integrated Commissioning commissioned face-to-face training sessions for contract leads earlier this year, which was delivered by a specialist environmental consultancy. That

work has led to the development of new a new e-learning package which is planned to be available in the new year.

Procurement documentation

- 4.11 Over the last month, the Procurement team has reviewed and in places rewritten procurement documentation (I.e. Invitation to Tender documents), one of the aims of which is to make the wording clearer, particularly for smaller organisations and VCSEs who may be less familiar with public procurement. Wording on social value and expectations of potential suppliers has been updated as part of this. The new documents are in the final draft stage but will be used on some of the upcoming procurements, including homecare.

Systems

- 4.12 Earlier in the summer, Integrated Commissioning reviewed the market for dedicated social value monitoring tools and sought quotes from suppliers. A paper subsequently went to the Social Value Governance Board advising that the council should retain the use of the Social Value Portal for Highways and North West Construction Hub – two areas where the Themes, Outcomes and Measures framework used by the Portal is better suited to – but for wider contracts, to make use of the social value functionality in the new contract management system. This will be a more cost-effective approach and will also simplify the approach so that social value monitoring is carried out within the same system that monitors delivery of the contract requirements.
- 4.13 For context the NHS nationally use the same system and also are using it for social value measurement, including across Greater Manchester. This recommendation will be reviewed periodically as the systems landscape is changing significantly over the coming years, both internally with the new finance and HR system which is being procured currently, and externally as software developers continue to develop their offerings.

5. The Social Value Fund

- 5.1 The Social Value Fund was originally developed to enable suppliers to make monetary contributions for social value, as well as resources in kind (e.g. providing staff volunteering time, giving time and expertise to VCSE organisations etc). Whilst in-kind contributions are the priority, and are the focus in procurements these days, the Fund was and still is a potential avenue for suppliers who might not be well placed to offer support directly.
- 5.2 Since 2022, the Social Value Governance Board agreed to use the Fund on a number of projects, which had a strong focus on work and skills (aligned with Manchester's Social Value priority outcomes) and on children and young people (one of Manchester's Social Value Priority Groups, and also a particular focus in 2022, which was 'Our Year').

5.3 The table below summarises the projects funded with a combined value of £225k:

Project Title	Brief Outline	Fund Draw Down
Additional / outreach resource on NEET & Unknown	To enhance current offer to deliver outreach activity wards with highest unknown NEET (Not in Employment, Education or Training) figures - engaging parents / young people in non youth specific venues, retail and leisure.	£30,000
Supported Digital Internships	Support NEET and finding access to the workplace challenging due to a neuro-diverse condition - to gain employment in the Digital sector. Will deliver a pre-internship to rebuild confidence; assist with travel and SEMH; and introduce participants to professional digital skills training, using blended face to face and remote learning using an on-line suite of training.	£50,000
Work Club Support	To increase the allocation available through the work & skills budget to community organisations for capacity building and delivery of employment support across the city.	£30,000
Digital Inclusion Support	To support the Digital inclusion programme linked to a refurbished device scheme and support the roll out of digital devices scheme for residents most in need.	£50,000
Duke of Edinburgh	Address gaps in provision and work with Youth partnerships to increase opportunities for young people.	£30,000
City of Trees	City of Trees to support Manchester's green recovery, tackling the climate emergency head on, through planting trees and restoring woodlands for the young people and wildlife of Manchester.	£15,000
Youth Festival	Opportunities for young people to showcase their talents at a city centre site, through performances, including but not limited to spoken word, music, poetry, dance, this will provide young people with a real platform to feel valued and recognised.	£20,000

5.4 The value of the fund is currently approximately £60k and the SVGB is scheduled to consider and agree options for the future operation of the Fund to ensure that outcomes and benefits are maximised.

6. Case Studies

6.1 The table below summarises some of the Social Value delivered by suppliers to the council through a range of projects and contracts. More detailed documents on some of the achievements are included as appendices to this report.

ISG, The Velodrome, National cycling centre	<ul style="list-style-type: none"> • 6 jobs created and sustained. • 128 education activities to 4000 students. • 240 hours of support to those who are unemployed. • Funded and enabled two NVQ level 2's in Building Maintenance. • Delivered 25 community initiatives. • Waste reduction drive, donating strip out materials to local organisations. • Local supply chain – 81.5% spend within 30 miles and 70% local labour.
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ISG completed a programme of modernisation upgrades at the National cycling centre. Stakeholders within the project - Manchester City Council, MCRActive, operator GLL, British Cycling and other stakeholders, via the North West Construction Hub framework. Further details of the Social Value provided by this project are appended to this report.

Equans, Repairs and Maintenance	<ul style="list-style-type: none"> • 1162 Hours of volunteering. • 98 hours of work experience. • 15 Apprenticeships. • 5 Graduate placements. • £19,015 from fundraising and donations. • 76% average engagement with hard-to-reach groups. • 495.5 hours of employment and skills.
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Equans provide the delivery of repairs and maintenance to local (MCC owned) housing in North Manchester.

Sir Robert McAlpine, Co-op Academy, Belle Vue	<ul style="list-style-type: none"> • 54 Jobs created. • 4 Work experience T-level placements. • 37 people engaged through community activities. • 30 volunteering hours. • 12 Apprenticeships. • £9648 Charitable work/donations. • 14 Work experience placements. • 21 people engaged in Mental Health activities. • 1032 Students engaged in educational activities.
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	<ul style="list-style-type: none"> • 22 People engaged through employment and skills activities.
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Sir Robert McAlpine managed the construction of the new Co-op Academy Belle Vue in East Manchester.

PaSH (Passionate about Sexual Health) Partnership	<ul style="list-style-type: none"> • Members all have a cycle to work scheme. • Members are supporters of the Good Employment charter - 'Disability Confident' and 'Accredited Living Wage Foundation'. • All members provide inclusive employment to local people – up to 96% of employees live within GM. • Up to 56% of the workforce identify as LGBTQ+. • Up to 35% of the workforce identify as having a disability. • Up to 76% of the workforce identify as racially minoritised. • Georges House trust actively engage around 2,500 people living with HIV in activities, events, and engagement each year. • LGBT Foundation hold regular Village Clean Ups, improving the local environment. • Greater Manchester LGBTQ+ Community Fund – grants to support change
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PaSH is a partnership made up of BHA for Equality, LGBT Foundation and George House Trust.

MCC Highways Services	<ul style="list-style-type: none"> • £804 donated to a local Junior football team for their new kits. • Provided use of an electric vehicle to deliver books to 13 schools for local children. • 1500 Easter eggs donated to local children. • Women in Construction Event – reaching 40, year 9 female students. • Provided £30,600 of electrical works to a local football club. • Volunteers provided litter picking and general help for local community days. • 4 hours of road safety workshops to local, year 6 students.
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MCC Highways is made up of a range of contractors including, J.Hopkins, Bethell, Rosgal and Eric Wright Group. Further details of the Social Value provided by Highways works are appended to this report in the Highways monthly newsletter.

JCDecaux, Small format advertising contract.	<ul style="list-style-type: none"> • Planting 5x trees per advertising unit (86) – totalling 430 trees over the contract. • Taking on a placement from University of Manchester per year.
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	<ul style="list-style-type: none"> • Funded a co-ordinator to support the Greater Manchester Mayor Charity. • 2 week placement at the Mustard Tree – supporting people in poverty and homelessness. • Installation of 22 top boxes providing wifi, pedestrian and air quality monitoring. • JCDecaux have pledged to fund £3000 to 3 local groups in Manchester. • Use a rainwater system for the cleaning of the displays in Manchester. • Dispose of all waste types with 100% diversion from landfill. • All sites use 100% energy generated from renewable sources.
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JCDecaux provide small format advertising across Manchester.

Mitie Foundation	<ul style="list-style-type: none"> • 232 hours of support into work. • £2688 donated to local charities. • 151 hours spent on local community projects. • 128 weeks of work placement. • 667 hours of staff volunteering. • 104 hours on local school visits.
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Mitie provide security services to MCC and details of the Social Value provided by this contract are appended to this report.

7. National Social Value Task Force

- 7.1. The National Social Value Task Force (NSVTF) was established a number of years ago by the LGA's National Advisory Group for Procurement and has reached a stage where the membership is in need of rationalisation. A recent initiative from the NSTF has been to publish [Delivering a Social Value Economy - A Social Value Roadmap](#).
- 7.2. The Social Value Economy is defined as one in which all agencies, organisations and individuals have a common goal to improve the societal, environmental and economic challenges our communities face in order for everyone to prosper and flourish.
- 7.3. The Social Value Governance Board agreed to endorse the content of the publication in May 2023 and a number of working groups have now been established to deliver the commitments included in the roadmap document. As these working groups are currently being established, it is too early to report on progress but the Council has committed to supporting the development of the action plans and future reports to the Board will include details of this work.

8. Recommendation

- 8.1 Members of RAGOS are recommended to consider and comment on the contents of this report.

9. Appendices

Appendix 1 - ISG Group Social Value Case Study relating to the National Cycling Centre refurbishment works.

Appendix 2 - Social Value Case Study from Mitie relating to the council's Security Contract

Appendix 3 - October 2023 Highways Social Value Newsletter

Appendix 4 - Delivering a Social Value Economy – A Social Value Roadmap