

**Manchester City Council
Report for Information**

Report to: Economy and Regeneration Scrutiny Committee - 5 December 2023

Subject: Information on the economic impacts of Social Value

Report of: Director of Inclusive Economy (Growth and Development)

Summary

This report provides an update on the social value and provides examples of the social value opportunities generated as a direct result of from Manchester City Council's procurement policy.

Recommendations

The Committee is recommended to note and comment on the content of 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	A liveable and zero carbon city is a theme in the Work and Skills strategy and Manchester's social value priorities include zero carbon and wider environmental priorities.
Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments	Manchester has developed 'social value' priority groups, as set out in its Social Value Policy to support some of our most disadvantaged residents.

Manchester Strategy outcomes	Summary of how this report aligns to the Our Manchester Strategy/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The report aims to highlight how social value can support employment and training opportunities for Manchester residents.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Manchester works with training organisations and employers ensuring residents can gain the skills and experience they need to be successful in the labour market, moving into more highly skilled, more sustainable and better paid opportunities
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Social Value through local procurement helps to support local investment which can address the theme of inclusion, to ensure that more of our residents are able to benefit from the city's economic success.
A liveable and low carbon city: a destination of choice to live, visit, work	Ensure our residents have the skills needed to support our net zero ambitions, and how our education and training providers can become equipped to deliver the necessary courses and qualifications to support this.
A connected city: world class infrastructure and connectivity to drive growth	Social value through procurement and help support some of the digital divide through our ICT investment.

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

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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.

- Report to Resources & Governance Scrutiny Committee – 9 November 2023
Update on social Value
- Report to Resources & Governance Scrutiny Committee - 9 November 2023
Update on New Procurement Regulations
- Report to Economy Scrutiny Committee - October 2023.
Victoria North Strategic Business Plan Refresh, which set out the North Manchester Social Value Benefits Framework
- Report to Resources and Governance Scrutiny Committee – June 2023.
Update on Social Value from Head of Integrated Commissioning.
- Report to Economy Scrutiny Committee - January 2023. Update on the employment and skills opportunities created from Manchester City Council's major capital investment programmes, with a key focus on the Our Town Hall and The Factory projects.
- Report to Economy Scrutiny Committee in January 2023 . Highways Asset Management State of the City Annual Report 2021/22, which highlighted details on social value approach in Highways and case studies from specific projects.

1.0 Introduction

- 1.1. Using our purchasing power, Social Value is about generating wider value to our Manchester residents, businesses and communities beyond the direct value. Social value can be generated in a variety of ways, from creation of new job opportunities, linking in our unemployed residents, providing work related education experiences for our young people through to support for local voluntary, community and social enterprise (VCSE) organisations and reducing carbon emissions.
- 1.2. Using our procurement levers, this report highlights some of the economic impact that social value has delivered, which supports the delivery of the Manchester Work and Skills Strategy.
- 1.3. Manchester has pioneered a dedicated social value weighting in procurement evaluations, which at 20% awarding criteria for social value and a further 10% for zero carbon and the environment, are potentially the largest weightings that we are aware of in the country.

2.0 Background

- 2.1. Manchester City Council has long recognised the importance of generating social value from the city council's revenue spend and capital investment programmes. Using our spending power can be a catalyst to support the growth of the city and enable greater return on investment through direct and indirect impact contracts have on local businesses, residents, and communities
- 2.2. The Council's Executive approved the refreshed Social Value Policy in March 2021 which set out the role social value can play in supporting economic recovery, whilst being consistent with Greater Manchester Combined Authority's social value policy.
- 2.3. Manchester, along with the rest of Greater Manchester, has adopted six thematic social value priorities:
 - 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
- 2.4. Within our Social Value policy, the city council has targeted priority groups, including:
 - 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 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

3.0 What have we achieved so far and economic impacts

- 3.1. Over the last decade the City Council has worked with the Centre for Local Economic Strategies (CLES) to understand the impact of the council's procurement in terms of social value by surveying our top 300 suppliers (by spend). For example, last year CLES published data relating to 2020-21, reporting that the City Council achieved:-
- £416m of spend with top 300 suppliers.
 - 59% spend with Manchester based organisations. This is an increase from 46% in 2014/15.
 - 50% of spend with SMEs (businesses with less than 250 employees). This has increased from 46.6% in 2014/15.
 - 629 apprenticeships
 - 141,500 hours of support to the voluntary and community sector
- [See CLES 2021 findings \(external link to cles.org.uk\)](#)
- 3.2. In addition to the wider picture, the council is also building up a picture of social value within individual contract portfolios. Two areas are Capital Programmes and Highways, both of which have a number of large spend contracts with potential for generating additional social value. For example, Highways circulate a Social Value newsletter to Members illustrating some of the current projects and good news stories; similarly Capital Programmes monitor Social Value delivery on their projects and have case studies (for example case study from the Velodrome development was shared with the November Resources and Governance Scrutiny).
- 3.3. The impact of social value generated is best illustrated at the individual contract level, to provide a picture of not just the quantitative aspects but also the qualitative impact with case studies. Last year the council's Internal Audit team reviewed social value monitoring within contracts and gave an overall 'Reasonable' assurance opinion. They reviewed processes and found good examples of monitoring activity and advised they could see social value was clearly embedded in the contract management arrangements.
- 3.4. Achievements and examples of Social Value from our contracts**
- 3.4.1. The tables below summarise some of the Social Value delivered by suppliers to MCC through different contracts. This information will be supported by

some of the contractors in attendance, who will talk through the work they do to support the Council's Social Value Strategy.

3.4.2. Velodrome development

ISG completed a programme of modernisation upgrades at the National Cycling Centre. Stakeholders within the project included Manchester City Council, MCR Active, operator GLL, British Cycling. This was a commission via the North West Construction Hub framework.

<p>ISG, The Velodrome, National cycling centre</p>	<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.
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3.4.3. Facilities Management

Equans deliver facilities management services for Manchester City Council's estate.

<p>Equans, Repairs and Maintenance</p>	<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. • 495.5 hours of employment and skills support, made up of 246 hours young people (schools) employment & skills and 249 hours of community employment support.
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3.4.4. Waste and Recycling

Biffa is responsible for delivering residential waste management for MCC. The nature of this contract enables Biffa to promote environmental advice and support, within the local community. Council officers have invited a Biffa representative to attend the Scrutiny meeting to talk through some of the Social Value work they do as part of the contract. Below is a summary from April 2023 – Present.

<p>Biffa Waste Management</p>	<p>April – Present:</p> <ul style="list-style-type: none"> • Delivered 35 workshops, 3 assemblies, 3 Biffa Eco Days and 4 summer school eco days to 1455 children. • Attended 83 community events, engaging 3030 people. • Recruited an Engagement Officer to engage high school students – KS3 & KS4. • Submitted a Carbon Literacy course for accreditation to deliver the course from early 2024.
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	<ul style="list-style-type: none"> • Raised £624.27 for Macmillian.
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3.4.5. North Manchester Social Value Benefits Framework

Manchester City Council in partnership with our development partner the Far Eastern Consortium (FEC), MFT (Manchester NHS Foundation Trust) and GMMH (Greater Manchester Mental Health) developed the North Manchester [Social Value Benefits Framework](#) to maximise benefits from major investment in North Manchester and coordinate its delivery.

This model has also been held up as a model of best practice with social value commitment and delivery across anchor organisations and their supply chain, focused on a local area. It is underpinned by strong collaborative working.

<p>North Manchester summary.</p>	<p>April – Present:</p> <ul style="list-style-type: none"> • 1,029 jobs have been reported across the Victoria North developments in total since 2021, these include newly created and retained roles. • 17% of all jobs have been taken by North Manchester residents. • 58% of all jobs have been taken by residents of North Manchester wards, All Manchester, Bury, Oldham, Rochdale and Salford. • 29 Apprentices have been employed to date. • 100% of employees across all projects are paid the Real Living Wage. • 649 hours volunteering time provided to support local community projects. • 210 hours spent on local school and college visits supporting pupils including delivering career support, literacy support and safety talks. • 155 hours of support to unemployed people through career advice and mentoring, mock interviews, CV advice. • £9k of devices and connectivity provided to North Manchester residents to increase digital inclusion.
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3.4.6. Morgan Sindall – The Gorton Hub Development

A purpose-built learning, health, and community hub for Manchester City Council, which brings together a range of public services including a GP practice, library, housing and adult education under one roof for the first time. This was commissioned via the North West Construction Hub Framework. £1.041m spend was with Manchester based suppliers.

<p>Morgan Sindall, Gorton Community Hub</p>	<ul style="list-style-type: none"> • 16 Manchester jobs created and sustained. (Plus 7 in GM) • 25 education activities to 595 students. • 83 hours of support to those who are unemployed. • 35 Manchester College students completed Virtual Work Experience during COVID. 5 from Manchester schools
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	<ul style="list-style-type: none"> • Delivered 23 community initiatives. • Waste reduction drive, donating materials to local organisations. 532 tonnes of embodied carbon saved
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3.4.7 Manchester City Council Highways

The Highways department consists of a range of contractors and contracts, that range from day to day regular services, small works to large major contracts for particular projects. Below is an example of some Social Value, from April 2023, which has been delivered as part of 3 ongoing major contracts.

Manchester to Chorlton Cycleway, Phase 3B	<ul style="list-style-type: none"> • 22 hours of staff hours spent on local and college visits. • £1,126,78 total amount spent in local supply chain through the contract. • £4,000 donated or an in-kind contribution to local community projects. • 100% of staff paid above Real Living Wage.
Northern Quarter, Area 2	<ul style="list-style-type: none"> • 60 staff hours spent on local and college visits. • £135,485.48 total amount spent in local supply chain through the contract. • £1,245 donated or an in-kind contribution to local community projects.

4.0 Current focus and next steps

- 4.1. The Council wants to progress social value delivery further and work continues to embed social value across all contracts and with suppliers. There are some challenges such as, how we connect organisations with social value offers, with those individuals and organisations that can gain from them.
- 4.2. To progress this work, earlier this year, the Social Value Governance Board, chaired by the Deputy Executive member for Finance and Resources established an internal 'Task and Finish' group with 5 workstreams to support the development of social value cross departmentally. In addition to the task and finish group, a new dedicated social value resource has been identified who will support and drive this work. The November and June Resources and Governance Scrutiny Reports, referred to, in the background documents, provide a more detailed summary of the work of the Task and Finish Group and the council's governance on social value.
- 4.3. The Integrated Commissioning and Procurement team is currently implementing a new contract management system that will better capture social value outcomes delivered at a directorate or whole council level, aligned with Manchester's priorities. Associated with this, in collaboration with Work and Skills team and wider commissioners, we will develop more consistent key performance measures drawing on the learning from (for example) the North Manchester development, which we are looking to emulate with the current Wythenshawe Civic Centre development which is currently being procured.

- 4.4. Another area of focus relates to the training and development of both staff and suppliers including:
- New guidance and e-learning is currently being developed
 - Reworking tender documentation with the aim of;
 - making procurements more accessible to smaller organisations,
 - ensuring the social value ask is clearer from the questions asked of bidders,
 - and that there are clear and measurable commitments from bidders.
 - For contracts with greater potential for work and skills opportunities, the work and skills team work closely with the integrated commissioning team to support in the development of social value questions and in some cases tender evaluation, bringing and sharing their expertise. For example, we ensure that all of our suppliers pay the Real Living Wage and demonstrate that they adopt the Good Employment Charter principles.
- 4.5. The city council is keen to ensure that local SMEs (small to medium enterprises) benefit from the potential procurement opportunities. The city council works with the Business Growth Hub (BGH) who offer help and support to businesses, including information advice and training sessions to businesses to become tender ready. These sessions cover topics such as creating a bid production process, identifying procurement opportunities and/or partners to jointly bid with and specifically writing a social value response as part of a submission.
- 4.6. The BGH provides support and advice to businesses to help them to understand the social value agenda and how to develop their operational activity to maximise their impact on wider society. The Business Growth Hub's team of Social Value specialists can provide both group and one-to-one delivery on, understanding social value, monitoring and reporting impact, community and cross sector partnerships, tools and frameworks, procurement and supply chain and good employment practices.
- 4.7. As part of the Leadership, Skills and Social Impact service within the GM Business Growth Hub, organisations have access to a team of social value specialists, while for the VCSE sector specifically, a designated VCSE specialist can provide additional support. The Business Growth Hub also work with council and GM colleagues to identify the implications of the new Procurement Act and will deliver briefings to support businesses in early 2024, to help them understand the changes in legislation. In the last year the Business Growth Hub has provided support to over 50 businesses who have undertaken their tender readiness training.
- 4.8. More broadly the Work & Skills team often link Manchester council suppliers into local initiatives. Some notable examples include officers working closely with Biffa to support local recruitment initiatives and other community activities. The team also worked closely with Equans and Mitie to support the delivery of their social value contractual obligations by connecting with local partner

organisations, such as local schools, charities, employment and skills agencies to deliver Manchester initiatives (including work placements, apprenticeships, educational events, careers events, community support). This supported the contracts with recording, reporting and achieving social value targets and captured best practice and production of case studies.

- 4.9. Working with the Manchester Airport Group, the Work and Skills team alongside the Business Growth Hub supported a meet the buyer event for employers. Over 800 sales meetings took place between airport buyers and local SME suppliers aimed at developing local supply chain opportunities. The event featured an exhibition area and a workshop programme with sessions delivered by Manchester City Council and Manchester Airport. A total of 26 buyers, 15 exhibitors and 231 delegates attended the event. Manchester Airport indicate that the event is set to generate £2,200,466 for local businesses.
- 4.10. The city will build on existing best practise and as part of our journey will use models such the North Manchester Social Value Benefits Framework and the work of Highways to better embed social value and deliver more opportunity for our residents. One area of focus is internal and external communications, which was discussed at the November Resources and Governance scrutiny as an area of priority. The city is working on creating video content and develop an approach to promote historic and current social value achievements.

5.0 Recommendations

The Committee is recommended to note the progress and comment on the content of the report.