

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

## **Minutes of the meeting held on 21 February 2019**

### **Present:**

Councillor Russell (In the Chair)  
Councillors Ahmed Ali, Clay, Hacking, Lanchbury, Reid and Watson

### **Also present:**

Councillor Ollerhead, Executive Member for Finance and Human Resources

**Apologies:** Councillors H Priest and Shilton Godwin

### **RSG/EP/19/01      Minutes**

#### **Decision**

To approve as a correct record the minutes of the meeting held on 29 November 2018.

### **RSG/EP/19/02      Small Format Advertising – Council Influence on Adverts Displayed on Council Assets**

The Sub Group considered the report of the Strategic Director, Development that provided a summary of the Council's position to ensure that inappropriate content was not displayed through the advertising estate. The report also summarised how the Council intended to engage the market through the procurement process in order to find the appropriate supplier to operate the small format advertising estate.

The main points and themes within the report included: -

- The context in which the Strategic Director, Development had been asked to provide an assurance that the Council would not be supportive of any advertising that celebrated inappropriate conduct and what the Council could do through the procurement process to influence advertisers who wished to use Council owned land;
- Providing information on the scale of the current small format advertising contract;
- An update on the ambition to generate income from this estate from 2020;
- Information on the guidance as set out by the Advertising Standards Agency to ensure that adverts are legal, decent, honest and truthful and consumer confidence was maintained;
- The additional criteria expected by the Council to ensure that the Council would not be seen to be promoting anything that would be out of line with its ethos; and
- An update on the procurement process.

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

- How long had the previous contract been in existence and what would the duration of any new contract be;
- Consideration should be given to sharing the advertising criteria which would be agreed by any supplier in order to control the type of advertisements with other Greater Manchester Authorities as an example of good practice;
- Noting that clarification was required to determine which organisations associated with the Authority or Greater Manchester Local Authorities were being referred to in the list of criteria;
- Noting that the wording of all of the criteria needed to be reviewed to ensure it was succinct so as to avoid duplication and more specific, as some of the wording was open to a wide variety of interpretations;
- Noting that the Council has no influence on what could be displayed on screens or boards on private land or other platforms that have approved planning permission on the adopted highway such as the BT Inlink stations.
- Consideration should be given to using the digital advertising boards to promote relevant local community events and to promote the wider cultural offer and library service in the City; and
- Had any complaints been received to date regarding the subject matter advertised, either directly to the Council or to the Advertising Standards Agency.

The Head of Commissioning and Delivery informed Members that the small format advertising contract currently covered 99 sites across the city centre, owned and maintained by JC Decaux and the contract was a legacy contract that was 26 years old. He reassured the Members that although any new contract would not be awarded for such a length of time, throughout this period JC Decaux had complied with all of the requirements of the contract and that no complaints had been received. He said that any future contract would be for a 15 year period, awarded using the Ethical Procurement Policy and the contract would be monitored.

In response to the comments regarding the wording of the criteria the Strategic Director, Development accepted the points raised by the Members and gave an assurance that these would be reviewed. The Contract and Commissioning Manager stated that these had been produced following the examples provided by Transport for Greater Manchester and Nottingham County Council and welcomed the feedback from the Members. He said that they would work closely with any supplier to ensure that any agreed criteria was adhered to.

The Strategic Director, Development advised there was evidence to indicate that BT Inlink stations were associated with anti-social behaviour and crime and in effect operated as advertising boards. He said work was ongoing to address this issue as these installations were outside of planning requirements.

The Executive Member for Finance and Human Resources noted the comments regarding incorporating the advertising of local community events, noting that this could

be part of the social value element of any contract awarded. The Head of Commissioning and Delivery advised that it was already agreed that a percentage of advertising time would be dedicated to promoting Council campaigns. The Chair stated that the timing of any such adverts needed to be at an appropriate time of the day to maximise their effectiveness and that the contract would need to make provision for this.

The Executive Member for Finance and Human Resources stated that he noted the comments expressed by Members regarding the subject matter of adverts and the requirement that they should adhere to the values of the Council, stating that a correct balance would be met to maximise this important revenue stream.

## **Decisions**

The Sub Group;

1. Recommend that there should be no promotion of sexual entertainment venues displayed through the advertising estate;
2. Recommend that the proposed criteria to be set by the Council which will be agreed by the supplier in order for them to control the type of advertisements is to be reviewed;
3. Recommend that once agreed, the proposed criteria to be set by the Council which will be agreed by the supplier in order for them to control the type of advertisements is shared with other Greater Manchester Authorities to promote good practice;
4. Recommend that clarification was obtained to determine which organisations associated with the Authority or Greater Manchester Local Authorities were being referred to in the list of criteria; and
5. Recommend that the Communications Team work with the appointed supplier to advertise local community events and the wider cultural offer in an appropriate manner.

## **RSG/EP/19/03      Procurement of Building Works for Schools**

The Sub Group considered the report of the Head of Major Projects that provided a summary of the social value activities and outcome resulting from the major construction projects commissioned on schools during 2018.

The main points and themes within the report included: -

- During 2018 all major school construction projects were procured through a competitive 2 stage tender exercise through the North West Construction Hub for the programme of works, noting that ISG were the contractor successfully appointed;
- ISG recorded and reported on their social value delivery compared to their individual project targets on a monthly basis;

- ISG like many other major contractors employed social value specialists and utilised a social value profit calculator to attach a monetary value to their activities;
- Information on how social value was measured and collated; and
- Providing case studies to demonstrate the social value activities.

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

- Would future contracts deliver similar outcomes;
- Noting the progress and delivery of social value through such contracts;
- The need to promote the construction industry as a career option for all with consideration given to the language used when engaging with young people to ensure it was inclusive;
- Did targets exist for engaging with residents with protected characteristics, noting that positive action should be adopted to address inequalities experienced in society; and
- How was social value calculated.

The Head of Major Projects said that social value had been embraced and represented a significant cultural shift in the construction industry nationally, and future contracts would replicate this activity. In response to the comments regarding promoting the industry as a career option he said that they were keen to promote this and did engage with schools and FE providers in Manchester.

The Executive Member for Finance and Human Resources stated that caution needed to be taken when attempting to calculate a financial value for social value, commenting that an industry had developed around this very issue. However, noted the comments regarding KPIs in regard to protected characteristics.

## **Decisions**

The Sub Group;

1. Recommend that a review of the Social Value Policy be undertaken to ensure that it complies with the equality objectives of the Council; and
2. Recommend that any future update report includes information on the level and number of apprentices achieved through the procurement of building works for schools.

## **RSG/EP/19/04      Work Programme**

The Subgroup were invited to consider and agree the work programme.

## **Decision**

To agree the Work Programme subject to the recommendations agreed for item RSG/EP/19/06.

**RSG/EP/19/05      Exclusion of Press and Public**

A recommendation was made that the public was excluded during consideration of the following items of business.

**Decision**

To exclude the public during consideration of the following items which involved consideration of exempt information relating to the financial or business affairs of particular persons and public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**RSG/EP/19/06      Social and Environmental Requirements, contractual enforceability and remedies (Public Excluded)**

The Subgroup considered the report of the City Solicitor that set out the legal framework in respect of social value considerations and how these were reflected in the Council's commercial and contractual arrangements and to be aware of the position in respect of enforcing such terms and remedies available to the Council.

The Head of Corporate Procurement introduced the report and both he and the City Solicitor responded to questions from the Members.

**Decisions**

The Sub Group;

1. Recommend that a report be submitted for consideration at the next meeting that provides information on the Social Value Policy and how equality outcomes are measured and recorded; and
2. Recommend that a report be submitted for consideration at the next meeting that provides an update on how Social Value is being delivered through the Our Town Hall Project. This report will also provide an update on the activities to address Modern Day Slavery.

**RSG/EP/19/07      National Agreements in associated construction industries – Our Town Hall Contract (Public Excluded)**

The Subgroup considered the report of the City Treasurer that provided information on the National Agreements for the employment, welfare, grading and training of

apprentices in the associated construction industries in relation to the letting of the Our Town Hall Contract.

The City Solicitor introduced the report and responded to questions from the Members.

In response to a question from a Member the Executive Member for Finance and Human Resources informed the Group that the Unite Construction Charter had been incorporated into the Our Town Hall contract and the contractor had agreed to adhere to this. He advised that this Charter, along with other nationally agreed standards would also inform future contracts. Members welcomed this, stating that this should be monitored very closely.

### **Decision**

To note the report.