

**Manchester City Council  
Report for Information**

**Report to:** Ethical Procurement and Contract Monitoring Sub Group -  
31 July 2019

**Subject:** Information on the Social Value Policy and how equality  
outcomes are measured and recorded

**Report of:** City Solicitor

---

**Summary**

To provide Members with an update on the Social Value Policy and how equality outcomes are measured and recorded.

**Recommendations**

Members are requested to note and comment on the report.

---

**Wards Affected - All**

---

<b>Manchester Strategy outcomes</b>	<b>Summary of the contribution to the strategy</b>
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 tenders will be adapted to their needs, particularly with regard to dividing large contracts into lots, in accordance with the Public Contract Regulations 2015
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.

---

**Contact Officers:**

Name: Fiona Leddon  
Position: City Solicitor  
Telephone: 0161 234  
E-mail: fiona.ledden@manchester.gov.uk

Name: Peter Schofield  
Position: Head of Integrated Commissioning and Procurement  
Telephone: 0161 234 3591  
E-mail: peter.schofield@manchester.gov.uk

Name: Karen Lock  
Position: Procurement Specialist  
Telephone: 0161 234 3411  
E-mail: k.lock@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.

N/A

## **1.0 Background**

1.1 The report is to provide information on the Social Value Policy and How Equality Outcomes are Measured and Recorded

## **2.0 What is in the Social Value Policy**

2.1 In late 2013 the Council reviewed its sustainability policy which resulted in The Council working with GMCA to develop a new GM Social Value Policy. This was led from Manchester and once signed off by GMCA, adopted into MCC's policies and procedures in 2014. The policy outcomes were developed to positively impact on equality outcomes

2.2 The Policy sets out the following 6 objectives which are embedded into the procurement process:

- promote employment and economic sustainability – tackle unemployment and facilitate the development of skills
- raise the living standards of local residents – working towards living wage, maximise employee access to entitlements such as childcare and encourage suppliers to source labour from within Greater Manchester
- promote participation and citizen engagement - encourage resident participation and promote active citizenship
- build the capacity and sustainability of the voluntary and community sector– practical support for local voluntary and community groups
- promote equity and fairness – target effort towards those in the greatest need or facing the greatest disadvantage and tackle deprivation across the borough
- promote environmental sustainability – reduce wastage, limit energy consumption and procure materials from sustainable sources

## **3.0 The Council's current method for Monitoring and Measuring Social Value**

3.1 The measuring and monitoring is inconsistent across the council with some pockets of good practice that have been developed and are described in more detail in this section of the report.

3.2 A consistent approach to the monitoring and measurement of social value across the council is unlikely to be achieved until the new council wide contract management system has been procured and implemented. The specification is currently being finalised and it is planned a tender will be issued summer 2019, it should be noted there will be a phased implementation period of at least 12 months from when the system is procured.

### **Highways**

3.3 Highways monitor and measure social value through their social value tracker which is a spreadsheet maintained by the Social Value Project Manager. The tracker records the social value that has been offered at tender stage and

agreed with the supplier on award of the contract. It also provides updates against social value progress made during meetings with the suppliers. The Social Value Project Manager provides support to suppliers in order to link their commitments with potential opportunities to help achieve positive social value outcomes.

- 3.4 All major projects within Highways must have social value KPIs embedded within the tender documents in order to hold suppliers to account against their social value offer. KPIs are linked to supporting Manchester’s key priority groups and targeting ‘hard to reach’ individuals.
- 3.5 Social Value commitments from Highway suppliers have also included support to organisations and charities who are trying to get Manchester residents back into work. Suppliers have offered social value time for participating in mock interviews, CV writing workshops and attending ‘back to work’ events. One Highway’s contractor has also recently agreed to take on a Manchester Care Leaver who will join the company in Summer 2019.

### Capital

- 3.6 Capital Programmes currently measure 14 KPIs. These include:

Fair Payment (Contractor to Supply Chain)	Health and Safety
Local Labour	Contractor Satisfaction
Social Value	Supply Chain Satisfaction
Waste Reduction	Client Satisfaction, Product at Handover
Carbon Reduction	Client Satisfaction, Service at Pre Construction
Predictability of Cost	Client Satisfaction, Service at Construction
Predictability of Time	Client Satisfaction, Service and Product at Completion of Defect Period

All of the capital programme KPIs are recorded and updated on a quarterly basis by constructor partners. All standard KPIs are benchmarked in line with the National Association Construction Frameworks (excluding social value which is treated as a “local” issue which is not standard practice across the country). Each KPI has a pre-agreed target and is monitored by a KPI and Performance Manager on a monthly basis.

The social value KPI is broken down into the following elements. Pre-agreed targets are aligned to them (measured on inputs and outputs):

- Apprentice Weeks
- Employment Activities
- Community Activities
- Education Activities
- Work Placements
- Training

Quarterly audits are undertaken on projects where Constructor Partners are required to provide evidence on the KPIs recorded.

Capital Programmes have developed an advanced suite of KPIs for our new Frameworks, which will include High and Medium Value in 2019. These KPIs build on the best practice delivery the Capital Programmes has achieved since 2010, by linking to the National Social Value Task Force developed National Themes, Outcomes and Measures (TOMs) as well as the UK Construction Industry Performance report (CIPR) and NACF benchmarked KPIs. By adopting this approach Clients receive reports on how each project is performing against its set KPIs, how this compares regionally/ nationally and the impact of this performance in economic impact (£). There is additional flexibility within KPIs by adding our own bespoke TOMs for the Capital Programmes to the standard TOMS, to accommodate the measurement of regional specific impacts and ensure we can capture these for clients too. This will enable us to capture the following.

### **Revenue Procurement**

- 3.7 The monitoring and measurement of social value on the Council's revenue spend is undertaken through the annual survey, analysis and report summary on the Council's top 300 suppliers for spend carried out by Centre for Local Economic Strategies (CLES). Which has been undertaken each year since 2008 and the results reported to Members on a regular basis. Appendix 1 provides a breakdown of the equality measures included in the CLES reports.

### **4.0 Ongoing work**

- 4.1 Work is currently in progress to develop a Social Value Tracker incorporating the National Themes, Outcomes, and Measures (TOMs) with the flexibility to incorporate bespoke TOMs to Manchester. The tracker will require suppliers, contractors and service providers to update and upload evidence of delivering their social value commitments throughout the contract period.
- 4.2 The social value tracker mentioned above will be an interim measure until the Council wide contract management system is implemented.

### **5.0 Recommendations**

- 5.1 Members are requested to note and comment on the report.

## Appendix 1 - Social Value Theme: Promote Equity and Fairness

Measure	2014/15	2015/16	2016/17	2017/18
Spend with top 300 suppliers	£407,347,359	£462,700,146	£445,584,189	£430,700.00
Proportion of total spend in Manchester	68.8%	73.6%	71.7%	71.3%
Proportion of total spend in Greater Manchester	88.6%	90.7%	87.2%	89.8%
Number of targeted employment 'opportunities from suppliers directed at 'hard to reach' individuals	1,130	334	5,352	1788
Break down of employment opportunities				
Young people not in employment education or training	No breakdown carried out.	27%	53%	27%
Young People involved in/or at risk of becoming involved in the criminal justice system				13%
Young people who have to overcome additional barriers to secure and sustain a place in the labour market				14%
Long-term unemployed		24%	18%	19%
Ex-services		0%	13%	*2
Ex-offenders		7%	7%	*3
Over 50		0%	4%	13%
Disabled		11%	2%	2%
BME		21%	1%	*4
homeless and asylum seekers or refugees respectively		5%	5%	12% <sup>5</sup>

<sup>1</sup> Figures provided are proxy figures

<sup>2</sup> Not included in the survey

<sup>3</sup> Not included in the survey

<sup>4</sup> Not included in the survey

<sup>5</sup> Includes vulnerable adults overcoming a crisis (e.g. domestic abuse survivors, substance mis-users, rough sleepers)