



Briefing note

To Audit and Procurement Committee

Date: 1st December 2014

Subject: Update on delivery and implementation of the Social Value Policy

1 Purpose of the Note

This note is to update the Audit and Procurement Committee on the work that has been undertaken since the introduction of Coventry's Social Value Policy adopted by Cabinet on 11th February 2014. It contains highlights of the report that will be taken to Finance and Corporate Services Scrutiny Board on 2nd February 2015 and Cabinet Member for Strategic Finance and Resources on 9th March 2015.

2 Recommendations

Audit and Procurement Committee is asked to endorse the work carried out on delivery and implementation of the Social Value Policy.

3 Information/Background

- 3.1 The Social Value Policy was adopted by Full Cabinet on the 11th February 2014 (See appendix 1) and incorporates the Public Services (Social Value) Act 2012 that came into force on 31st January 2013. Our policy expands the coverage of the Act to all contracts over the EU threshold, where proportionate and reasonable to do so.
- 3.2 Social Enterprise West Midlands (SEWM) tell us that we were the first authority in the West Midlands to formally adopt a Social Value policy. In addition we are now not just Social Value Champions but a Social Innovation Partner with SEWM which demonstrates our commitment to improving the social, environmental and economic wellbeing of our City (separate report taken to Cabinet Member, Community Development, Co-operatives and Social Enterprise on the 5th November 2014)
- 3.3 To complement the Social Value Policy which applies to all contracts let by the authority, a Business Charter for Social Responsibility (BCfSR) was drafted in consultation with key partners. The purpose of this charter is that companies can sign up on a voluntary basis if they have existing contracts or are keen to work with the Council in the future. The BCfSR was adopted by Cabinet Member (Strategic Finance and Resources) on 21st October 2013.

4 Progress since the Policy was adopted

- 4.1 To develop the policy the Assistant Director Procurement pulled together a cross authority group of colleagues working on areas which can impact on Social Value and this group has continued to meet to discuss progress and iron out any issues that people were facing with implementation of the policy. The principles of the policy have now been embedded into our day to day activities and the benefits are beginning to be delivered to the residents of Coventry.
- 4.2 Since the policy was approved, some of the key achievements in delivering Social Value include:
 - 4.2.1 Launching the Business Charter in conjunction with Coventry's Wellbeing Charter on the 31st March 2014 with more than 5 Businesses signing up to the Charter to re-enforce their commitment towards delivering more benefits to the residents of Coventry.

- 4.2.2 Establishment of the Social Value recording process including Coventry's Social Value Procurement Framework to guide colleagues to identify the Social Value that can be generated for the residents.
- 4.2.3 The revision of the Procurement Outline Document (POD) template to include consideration of the social value impact the procurement could have on our local community. A POD is the business case which is developed and taken through the Procurement Panels and Board before any procurement activity begins. Panel and Board members are therefore able to challenge the business case if they feel not enough cognisance has been given to the policy.
- 4.2.4 The development of close working relationships with commissioning colleagues to ensure that social value is considered early on in the consultation process (pre-procurement stage) as this is the stage where maximum impact can be made.
- 4.2.5 Embedding of contractual clauses within tender documents to mandate the delivery of Social Value in contracts.
- 4.2.6 A review of tender documentation in consultation with the voluntary sector to ensure that artificial barriers to the third sector submitting compliant bids were removed.
- 4.2.7 A review of all contracts on the contracts register to identify which contracts could have the most social, economic and environmental impacts.
- 4.2.8 Presentations/training for procurement and commissioning staff on social value and how it can be used legally in the procurement process.
- 4.2.9 Reduction of carbon footprint by encouraging suppliers to work with their employees in planning travel and use of cars.
- 4.2.10 Use of more local companies on contracts like Scape Minor works Frameworks leading to employing more than 25 local people to deliver the work via sub-contracting.
- 4.2.11 Building the skills of our young people via the Shared Apprentice Schemes on some of our bigger construction projects including Friargate Bridge, AT7 Centre extension, Transport Museum Extension, Public Realm Project as well as other projects delivered via the Section 106 funding.
- 4.2.12 Delivering social benefits by linking the suppliers with local schools to boost their confidence and raising their awareness about various career options.
- 4.2.13 The Council has been awarded the Best 'Small Business Friendly' Procurement Policy as part of the FSB's annual Local Authority Awards.
- 4.2.14 A total of 82 externally funded grant awards have been issued to date (up until end June 2014) that include a clause for the grantee to work with the Council's Employer Hub for their recruitment ensuring the jobs created from the grants remain local. To date 10 companies have made contact with the employer hub. The process is being rolled out to cover all grants to businesses that the Council manages.
- 4.3 To bring the policy to life for members three case studies have been attached (Appendix 2) explaining the impact on our local community.



Social Value Policy

Coventry City Council

1 Purpose and Background

- 1.1 Coventry City Council is required to consider, before commencing the procurement process, how the economic, social and environmental well-being of the city may be improved through the procurement of its services as part of the Public Services (Social Value) Act 2012. The aim of the Act is not to alter the commissioning and procurement processes, but to ensure that, as part of these processes, councils give consideration to the wider impact of the services delivery. It allows a council, for example, to choose a supplier under a tendering process who not only provides the most economically advantageous service, but one which goes beyond the basic contract terms and secures wider benefits for the community.
- 1.2 The aim of this policy is to set out how Coventry City Council will deliver social value through its commissioning and procurement activities and to set out the Council's priorities in relation to social value. The Government issued guidance on social value in its Best Value Statutory Guidance in September 2011. This can be accessed at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5945/1976926.pdf

2 Defining Social Value

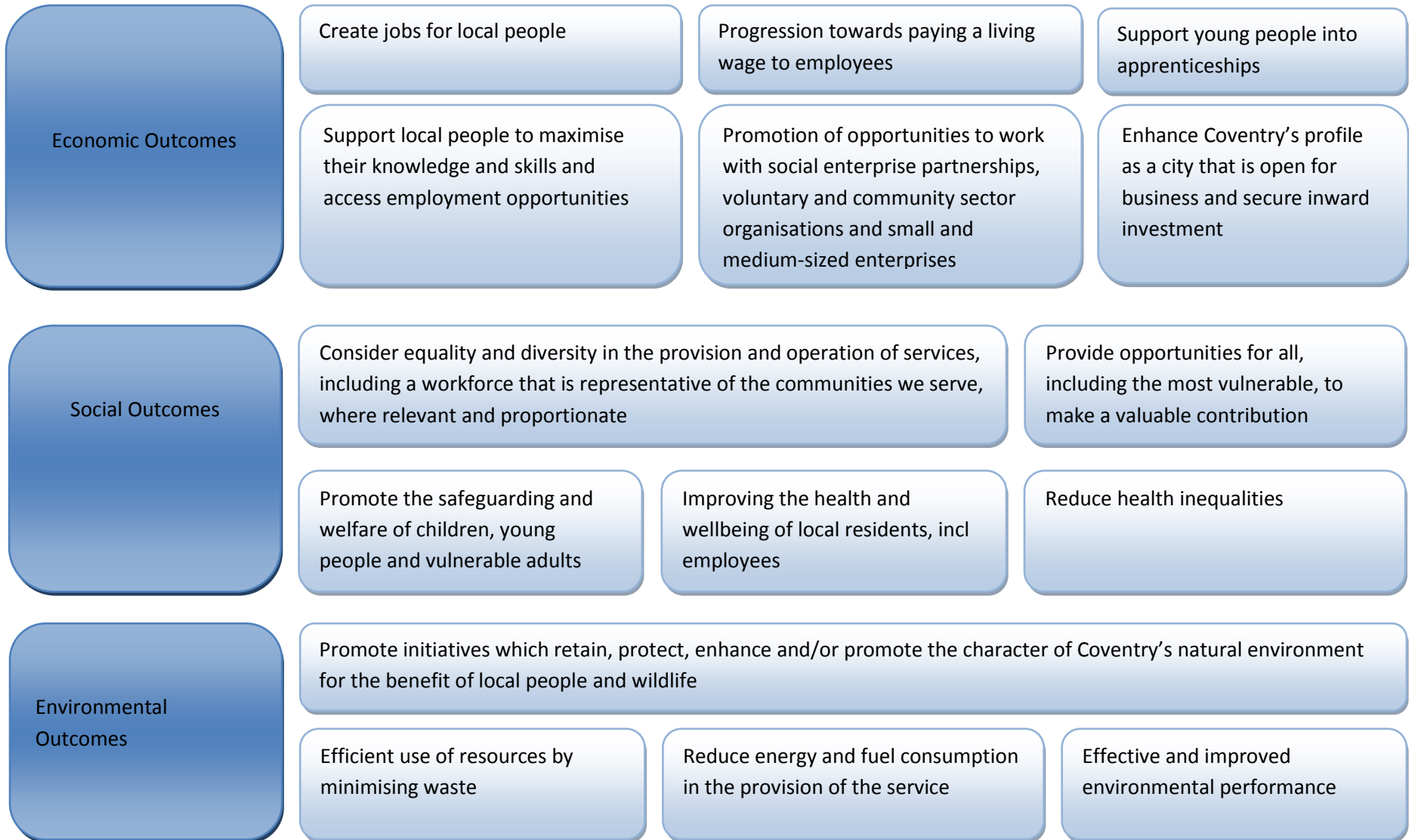
- 2.1 The Act does not define what is meant by 'social value'. Therefore, the Council will adopt the definition of social value as set out by the Sustainable Procurement Taskforce. Social value is defined as:
a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment

3 Our Social Value Outcomes

- 3.1 The Council has developed a set of outcomes that will allow it to consider the economic, social and environmental well-being of the city and its residents when commissioning and procuring goods and services. These outcomes are based on the vision, values and priorities contained in the Council Plan (www.coventry.gov.uk/councilplan/).
- 3.2 The Council procures a wide range of goods and services, and it is recognised that there can be no 'one size fits all' model. This policy will, therefore, need to be applied in a proportionate manner and be tailored to reflect the service or goods to be procured. It is the role of service commissioners and procurement leads to consider, on a contract by contract basis, the potential social value outcomes that could be delivered through the procurement process and the most appropriate procurement strategy to achieve these.
- 3.3 Where appropriate in its procurement activities, the council will specify social value outcomes that are proportionate and relevant to the specification of the service required and will evaluate tenders in accordance with those social value outcomes and the specification.
- 3.4 Applications to provide services from organisations should therefore *demonstrate* their, and where appropriate their supply chains', ability to add economic, social and

environmental value to the city above and beyond simply providing the tendered service and provide evidence which would contribute to the outcomes set out below.

Our Social Value Outcomes where relevant and proportionate



4 Scope

- 4.1 The Act applies to services contract and contracts which combine service with the purchase or hire of goods. However, the Council has for many years considered social, economic and environmental issues when procuring goods and services. Therefore, the Council will continue to encourage consideration of social value outcomes in all contracts above the EU threshold, where it can be evidenced that it is relevant to the subject matter of the contract.
- 4.2 For those contracts that fall below the EU threshold, the approach should be to maximise these outcomes where possible.
- 4.3 In order to ensure that the Council adheres to the Act and to EU law, the social value sought from a contract must be relevant and proportionate in respect of the proposed contract.

5 Consultation

- 5.1 In discharging its statutory duties, the Council is required to consider whether consultation should take place as part of the commissioning process, so as to allow the community and voluntary sectors to be more closely involved. Consultation should be considered as part of the process of looking at how a procurement might be offered for tender which would improve the area's economic, social and environmental well-being.

6 Implementation

- 6.1 The Council has also developed an Implementation Framework (attached at Appendix 1), which sets out the Council's approach to delivering its Social Value Policy. The Framework sets out how the Council will ensure that social value is embedded in its commissioning cycle, the governance arrangements in place to deliver social value and a set of indicators that will be used to consider the potential social value that could be delivered with regard to the Council's social value outcomes.

7 Responsibility

- 7.1 The delivery of the Social Value Policy is the responsibility of Executive Director Resources, reporting to Cabinet Member Strategic Finance and Resources. All procurement decisions will be managed through the procurement processes, as set out in the Council's constitution.

8 Monitoring and Review

- 8.1 The Social Value Policy will be monitored on an ongoing basis through reports on procurement to the Cabinet Member responsible for procurement.

Appendix 1: Implementation Framework

1 The Council will ensure that social value is delivered through a number of approaches:

1.1 Commissioning Cycle

1.1.1 The opportunities to secure improvements to social, environmental or economic wellbeing will vary from service to service. Consideration of social value is built into all the stages of the Council's commissioning cycle – when reviewing service provision; conducting a needs analysis; consulting stakeholders and/or the marketplace; and specifying the services to be procured. This offers more genuine opportunities to community and voluntary groups to become involved, whilst maintaining our focus on obtaining value for money.

1.2 Governance Arrangements

1.2.1 The Council will use its existing governance arrangements, through both its democratic governance, as set out in the Council's Constitution, and its Strategic Category Panels, in order to ensure scrutiny and control of procurement decisions so that the Council achieves social value, where appropriate.

1.2.2 The Strategic Category Panels ensure that the Council achieves the best possible outcomes using the resources available, as efficiently as possible. By embedding social value into the Procurement Outline Document (POD), which is taken to Strategic Category Panels for approval, the Council will meet its obligations under the Public Services (Social Value) 2012 Act. In order to embed social value into our processes, the changes will be set out in the Rules for Contract document and associated policies to take effect as soon as possible.

1.3 Social Value Indicators

1.3.1 The Council has identified a set of indicators that can be used to measure and track the amount of social value delivered through contracting arrangements. When commissioning goods and services, commissioners and procurement leads must consider the indicators for inclusion into the award criteria or as a performance obligation, where appropriate. These indicators are not an exhaustive list, and commissioners and procurement leads may wish to consider additional indicators.

Social Value Indicators, where relevant and proportionate

Outcome	Indicators	
Economic	Create jobs for local people	<ul style="list-style-type: none"> No of new jobs created within the city Number of local people in employment within services commissioned
	Progression towards paying a living wage to employees	<ul style="list-style-type: none"> No of suppliers paying a living wage
	Support young people into apprenticeships	<ul style="list-style-type: none"> No of businesses operating apprenticeship schemes/work placements No of local people accessing apprenticeships/work placements within services commissioned
	Support local people to maximise their knowledge and skills and access employment opportunities	<ul style="list-style-type: none"> No of training places/apprenticeships/work placements No of local people supported to gain a qualification No of employees benefiting from L&D activities Level of qualifications achieved
	Promotion of opportunities to work with social enterprise partnerships, voluntary and community sector organisations and small and medium-sized enterprises	<ul style="list-style-type: none"> No of contracts with social enterprise partnerships Evidence that suppliers work with voluntary and community organisations via contracting/sub-contracting arrangements
	Enhance Coventry's profile as a city that is open for business and secure inward investment	<ul style="list-style-type: none"> No of new investment projects Amount of new money invested in the city No of foreign owned businesses in the city New business registration rate
Social	<p>Consider equality and diversity in the provision and operation of services, including a workforce that is representative of the communities we serve, where relevant and proportionate</p> <p>Indicators based on individual service requirements <i>Examples:</i></p> <ul style="list-style-type: none"> <i>Service caters for the specific needs of users.</i> <i>Equality profile of service users</i> 	

Outcome	Indicators	
	Provide opportunities for all, including the most vulnerable, to make a valuable contribution	Indicators based on individual service requirements <i>Examples:</i> <ul style="list-style-type: none"> • <i>Increase in volunteering</i>
	Promote the safeguarding and welfare of children, young people and vulnerable adults	Indicators based on individual service requirements <i>Examples:</i> <ul style="list-style-type: none"> • <i>Fewer children in LA care</i> • <i>Reducing incidents of domestic violence</i>
	Improving the health and wellbeing of local residents, including employees	Indicators based on individual service requirements <i>Examples:</i> <ul style="list-style-type: none"> • <i>Provision of facilities and resources for the wider community</i> • <i>No of businesses with a workplace health charter</i>
	Reduce health inequalities	Indicators based on individual service requirements and linked to Council Plan indicators
Environmental	Promote initiatives which retain, protect, enhance and/or promote the character of Coventry's natural environment for the benefit of local people and wildlife	<ul style="list-style-type: none"> • Increased biodiversity • Amount of green space available
	Efficient use of resources by minimising waste	<ul style="list-style-type: none"> • Amount of waste sent to landfill • Recycling rates • Reduced packaging
	Reduce energy and fuel consumption in the provision of the service	<ul style="list-style-type: none"> • Reduced carbon footprint of business
	Effective and improved environmental performance	<ul style="list-style-type: none"> • Certification to Environmental Management System Standard or evidence of equivalent environmental management system, for example an Environmental Policy in place

MEET THE BUYER EVENT



Coventry City Council and Costain held a “Meet the Buyer” event in February 2014.

The event aimed to introduce local SME’s to Costain who won the contract for two major developments in Coventry (*Friargate Bridge and Whitley Junction*) to hear more about the types of contracts Costain will want to subcontract for.

More than 30 individuals attended the event, from a range of different businesses covering Construction, Engineering, Security to Ecology.

Following the event Costain continued to engage with the businesses which attended, one company is in discussions with Costain on a Rail Electrification Project and Advance Ecological Works, they are also listed as potential supply chain for M4 Corridor works which is a £800m bid.

Many of the other businesses which attended the event are now on the tender list for future works and will be invited to tender for Friargate when Costain reach that point in the procurement process, fulfilling the councils commitment to local procurement and employment and allowing the local supply chain to benefit from the larger contracts they award.

The Coventry and Warwickshire Construction Shared Apprenticeship Scheme is a partnership initiative between Coventry City Council, BAM Construct UK, local colleges and construction employers.

The objective is to open up opportunities for young people to enter the construction industry and become apprentices. The scheme has provided a platform for the young people to learn, get qualified and demonstrate their skills and value to local businesses.

Costain engaged with the scheme via the Meet the Buyer event and appointed a local young person as an administration apprentice within their site office. The young person excelled with Costain and has successfully been offered full time employment within the company.

As a result of this success, Costain is now recruiting for a second admin apprentice via the Construction Shared Apprenticeship Scheme to provide another opportunity for a local young person.

CONSTRUCTION SHARED APPRENTICESHIP SCHEME



Coventry City Council was awarded the Best ‘Small Business Friendly’ Procurement Policy as part of the FSB’s annual Local Authority Awards.

The awards provide an opportunity to make known any project or initiative that promotes and champions local economic development. Coventry City Council's application showed how an initiative approach with Costain to keeping trade local has helped local firms to access contracts.

The council is determined that local business should have the chance to bid for some of the supply chain work for major projects underway in the city. By holding the Meet the Buyer event in partnership with Costain local companies had the opportunity to show what they can do and now, lots of local companies are part of the large infrastructure projects that are happening across the city, now and in the future.

FSB LOCAL AUTHORITY AWARDS 2014



WORK WITH SCHOOLS



Costain agreed to link in with schools to offer site visits and Coventry City Council has worked to link them to:-

- 2 secondary schools
- 1 primary school
- 1 support service

Costain is also supporting a careers event for pupils that have previously been disengaged at school as well as a Local Enterprise Partnership Jobs & Careers event.

PROJECT CASE STUDY – ROCKWARM

Project Team

Project Partners:

Kier Services Ltd
Rockwarm Insulation Ltd
Scape System Build Ltd

Project Details

Value:

Dual funded - DECC Local Authority Competition funding £597,000, British Gas Energy Company Obligation funding £223,000

Desired Outcomes:

- Fuel poverty mitigated
- Health and wellbeing of disabled householders improved
- 100% of work carried out by local workforce
- Employment and training opportunities for local people

Coventry Fuel Poverty Project

Coventry's Fuel Poverty Project was devised by the Sustainability and Low Carbon Team as an innovative response to fuel poverty in Coventry. Focusing on insulation and heating improvements for disabled householders likely to be fuel poor, the team successfully bid for £597,000 of funding from the Department of Energy and Climate Change. The third and final phase of the project is currently underway – the life of the project was extended by attracting an additional £223,000 of Energy Company Obligation funding from British Gas.

One of the ambitions for the project was that local contractors should be used to carry out the work. The Council's Procurement and Commissioning Service examined a number of different framework contracts and identified the Scape National Minor Works Framework as being suitable. One of the attractions of the Framework was that the appointed contractor, Kier Services Ltd, had to place at least 60% of the work with suppliers within a 30 mile radius of the city.

The Sustainability and Low Carbon Team subsequently negotiated with Kier to increase the local supply target up to 100%, and after carrying out their own selection process, Kier appointed Rockwarm, a specialist insulation company based in Nuneaton.

The project enabled Rockwarm to provide employment to twenty nine local employees in order to deliver the project. Five were from Coventry and the remainder lived in Nuneaton, Bedworth and Hinckley. Three new locally based operatives were taken on to be part of this workforce. Two of these, Dan Stokes and Mick Neville, were renderers who had been unemployed, and as a result of the project both received training to NVQ level 2 in external wall insulation. The third was Charlie Miles, an unemployed cavity wall insulation installer. Charlie was also trained to install external wall insulation, and has now progressed within the company to become a Quality Inspector.

This project is an example of the council working smartly to lever in external funds to tackle a pressing local problem for vulnerable people. In so doing it has also helped the city's economy by providing employment and making it easier for people to avoid high energy costs and be healthier by having better insulated homes.



Pictured from left to right are Charlie Miles, Mick Neville and Dan Stokes

Construction Shared Apprentice Scheme Coventry & Warwickshire

Project team

Project Partners:

BAM construct UK
Coventry City Council
City College Coventry
Warwickshire College
Local construction businesses

Project details

Value:

Multi Funded - Public funds, Private funds and Construction grant - £200k+

Desired Outcomes:

- 60 Shared Apprentices recruited
- Target disadvantaged students
- 80% + Completed Apprentice Frameworks.
- Apprentices into employment and/or further learning



Introduction.

The Construction Employers Engagement Forum at City College Coventry, identified apprentice recruitment as their key area of concern. A sub group from the forum was brought together to identify what the barriers were for employers taking on apprentices and how we could develop a shared apprenticeship model that could combat those barriers.

The barriers identified were:

- Employers believed that Apprenticeships brought with it high administration and management time/costs.
- Employers did not feel they could offer all units of work experience needed.
- Uncertainty of long term work/order book meant that they would not commit to take someone onto an Apprenticeship for up to 3 years.
- High expectations of the Apprentice to produce 'financial' return quickly.

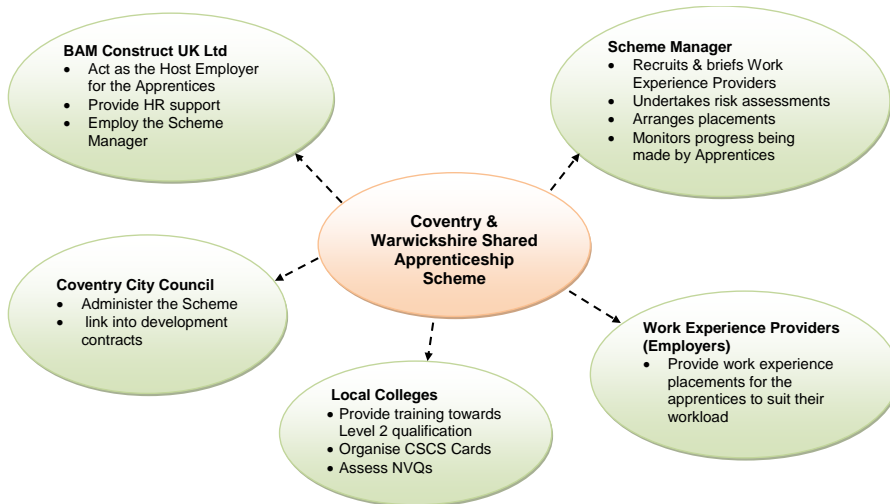
A scheme was needed where companies do not have to directly employ, pay a nominal amount for, and can move the apprentices elsewhere with short notice, whilst the young people still get every opportunity to cover the units in their qualification was required as a matter of urgency.



'Affordable to sub-contractors - this also encourages them to take the apprentices to other projects they are working on or indeed employ them directly. All employers working on contracts in the area should be encouraged to sign up as part of the deal'

Carol Appleton - Client Recruitment & Trainee Development Manager. **Thomas Vale Construction**

Operational Structure:



Achievements to date:

The Scheme won the **Apprenticeship Scheme of the Year** at the National Federation of Builders Awards 2013

The Scheme was also nominated and became a highly commended **shortlisted finalist** in the National **Local Government Chronicle Awards 2013** for Public/Private Partnerships.

We nominated one of our apprentices for the Youth Build award of **'Young Builder of the Year'** Our apprentice Elliot Seenan was commended for his determination and efforts to further his career in construction.

Coventry City Council are the accountable body for the Scheme and provide programme and financial management. Via their ambitious three year Jobs & Growth Strategy for the city and the commitment via the Social Value Policy they ensure local people and businesses benefit from the work that it procures. Wherever possible either contractually or voluntarily, the shared apprenticeship scheme is promoted providing a steady supply of placements.

BAM provide the Scheme Manager who has the responsibility of securing new placement providers and ensuring that the Apprentices are linked up to appropriate initial/carousel placements. The Scheme Manager, with BAM HR, carry out interviewing of prospective apprentices and makes the final offers for a place on the Scheme. They then deliver pre start and day one on-site induction. Together BAM's Workforce Manager and Scheme Manager deal with any issues Apprentices have on site regarding appropriateness of work available and when a 'carousel' would be advantageous to the Apprentice and benefit the Employers.

Local Colleges provide the academic training needed for the young people to achieve their Apprenticeship Framework, co-ordinate site visits for NVQ Assessors and monitor the progress towards framework completion.

BAM, as Host Employers to the Apprentices, carry out the full Human Resource (HR) function. Their Workforce Manager has responsibility for ensuring that they are supported through their Apprenticeship and has regular one to one sessions with each of them to ascertain progress. He works very closely with the Scheme Manager and the College to ensure that attendance and attitude is good and supports wherever necessary. BAM also provide further additional training on Safety, Environment etc.

A steering group consisting of representatives from BAM, The Colleges, and Coventry City Council meet regularly to discuss progress of the Scheme.



Outcomes:

- 34 young people have started on the Scheme
- 17 have achieved their Full Apprenticeship Framework to date
- 17 have secured full time employment, self employment or further training
- 16 out of the 34 have 'carouselled' to 1 or more companies while on the Scheme
- 11 young people are currently on the scheme working towards their framework completion.

For More Information

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