

<b>Committee:</b>	<b>Date:</b>
Finance Committee	15 December 2015
<b>Subject:</b> The work of the City's Social Value Panel	<b>Public</b>
<b>Report of:</b> The Chamberlain	<b>For Information</b>

### Summary

City Procurement in response to the Social Value Act 2013 established the City of London Social Value Panel made of 12 organisations that represent social, economic and environmental aspects of the community we serve. The Panel has been in operation since June 2014 and has consulted on 13 service contracts to date with a positive impact on the outcomes delivered through the supplier contracts the City has let during this period.

### Recommendations

Members are asked to note:

- The role of the City's Social Value Panel and the outcomes achieved in contracts let to date (as set out at Appendix 1).
- The contributions made by the panel organisations on a voluntary basis.
- The recent hosting of a study visit from 14 delegates from public authorities in Finland and Denmark.
- The potential to grow the work of the Social Value Panel in collaboration with other London Boroughs in the future.

### Background

1. City Procurement set up the Social Value Panel in response to the Social Value Act 2013 which introduced national legislation requiring all public authorities to engage the voluntary and community sector, along with other interested groups, to help shape procurement policies, services and outcomes for all service contracts over the EU procurement threshold for service (£174k currently).
2. As a procuring authority, City of London must consider how service contracts might improve economic, social and environmental well-being in the relevant area and explore how this may best be put into practice. The authority must demonstrate how it has consulted the community and record the ideas put forward. The authority has no legal requirement to implement anything sourced from such a consultation.
3. Traditionally this work was undertaken by online forums or questionnaires with the procurement lead sharing their ideas and asking for feedback. In 2014

the Head of City Procurement presented the case to establish the Social Value Panel to the Procurement Steering Group.

4. The main idea was to seek real innovation through early consultation with a forum made up of local representative groups at the early stages of planned service procurements. This would allow the City to gain innovative ideas and be clear on what was actually important to the City we serve. It would also improve relations with such groups, give an audit trail of how the City complies with the Act and enhance the City's reputation in this sector.
5. The Social Value Panel was established during early 2014 in terms of creating terms of reference, approaching groups to participate, get non-disclosure agreements signed and agreeing the workings of the panel and frequency of the meetings.
6. The first Social Value Panel was launched in June 2014 and has met quarterly since being chaired by The Head of Sourcing and Category Management. To our knowledge we are the only (or at least the first!) public authority to have established such a panel.
7. The established membership of 12 organisations of the Social Value Panel represent businesses, community and environmental organisations which include the London Chamber of Commerce, Greater London Enterprise, Social Enterprise UK, Bromley by Bow Centre, Toynbee Hall, Demeter Development, Transport and Sustainability Forum, Action Sustainability and the Brokerage Citylink.
8. The Panel has been consulted on 13 service contracts to date covering a wide range of service areas. Appendix 1 lists the contracts and subsequent outcomes that have been introduced to the contracts, showing a wide range of community benefits being realised through our supplier spend.
9. One of the key projects recently delivered is an example of this, with our new Corporate Cleaning contract introducing the following responsible outcomes:
  - I. *Panellists had been concerned about the prevalence of unfair rotas in the industry) - Staff friendly rotas have been implemented in the new contract.*
  - II. *Staff training & career development opportunities suggested - Each member of staff has an individual training plan in the new contract.*
  - III. *Facilities Management apprenticeships were suggested instead of cleaning apprenticeships - 12 Facilities Management Apprenticeships created.*
  - IV. *Environmentally friendly cleaning products suggested – The contract now uses materials that adhere to EU GPP criteria AND none are tested on animals.*
  - V. *Contractor to pay London Living Wage. Was already our policy.*
  - VI. *Panellists were concerned about zero hours contracts - All staff are employed on FT/PT contracts only in the new contract.*
10. The Social Value Panel has proved to be a highly successful intervention for the City's Officers. It brings us closer to the issues that matter most to

communities within the City and fringe boroughs including local economic regeneration, social value and equality and environmental quality.

11. We believe that the innovative ideas generated have been facilitated by bringing together a pool of individuals with diverse interests, backgrounds and experiences.

### **City of London Hosted Study Visit**

12. Given the impact City has made on Social Value we recently as a result of a request from a city in Denmark and four cities in Finland to share best practice on social value, hosted a Study visit. The visiting delegation of 14 spent a full day with City and supporting boroughs on topics such as Living Wage, apprenticeships and social value in contracts. Representatives from these European cities also attended the Social Value Panel on 24<sup>th</sup> November.

### **Future potential growth in Scope of the Social Value Panel**

13. City Procurement are liaising with other London Boroughs involved in the London Responsible Procurement network to explore the potential opportunity to widen the scope of the Social Value Panel. This would see in the first instance the panel expanded to take on more London wide issues and consider any collaborative London service contracts.

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## Appendix 1 – Social Value Outcomes from contracts consulted through the City’s Social Value Panel

Consultation	Date of Feedback	Outcomes
Mansion House Catering Contract	03-Jul-14	<ul style="list-style-type: none"> <li>• Sourcing of Fair Trade, local suppliers and Rainforest Alliance Certified Products</li> <li>• Consolidated deliveries and supply chains</li> <li>• Carbon emissions reduced through commitment to reducing air miles</li> <li>• Food waste management programme</li> <li>• Diversity and environmental training for staff</li> <li>• Payment of Living Wage for all staff</li> </ul>
Barbican Centre Catering Contract	9-Sep-15	<ul style="list-style-type: none"> <li>• Water saving measures including staff training</li> <li>• Environmentally positive farming (organic &amp; biodynamic – maintaining biodiversity, heirloom varieties, rare breeds etc.)</li> <li>• Sustainable restaurant Association menus</li> <li>• Sustainably sourced fish (MSC)</li> <li>• Ethical meat and dairy, high animal welfare standards, free range eggs</li> <li>• Seasonal menus using locally sourced ingredients</li> <li>• Consolidated deliveries</li> <li>• Dedicated Sustainability and Environmental Management expert</li> <li>• Waste management, monitoring and reduction &amp; food waste composting scheme</li> <li>• Energy efficiency – equipment and staff training</li> <li>• Payment of London Living Wage to all staff</li> <li>• Fair Trade certified products</li> <li>• Vegetarian and Gluten Free offerings</li> <li>• Employment opportunities for local people</li> <li>• Apprenticeships opportunities for catering college students</li> <li>• Food Miles – local sourcing, Bermondsey Bakery, (free range) British chicken etc.</li> <li>• Sustainable Fish City Pledge</li> <li>• Seasonal and healthy food – fruit and veg from Watts farm (co-operative in Kent)</li> </ul>
Off Street Car Park Management Service	19-Mar-15	<ul style="list-style-type: none"> <li>• Signposting to homelessness services is part of the operating procedures.</li> <li>• All equipment is DDA compliant</li> <li>• On-going work to review street furniture for cycle parking opportunities</li> <li>• The contractor will engage with employment initiatives such as Fringe Benefits, the Cheapside Employment Service, and Square Mile jobs</li> <li>• All staff paid London Living Wage which will improve recruitment and retention as of 1 April 15</li> <li>• All staff has been given hand held equipment for security purposes.</li> </ul>
Aldgate Pavilion Café Management	10-Jun-15	<ul style="list-style-type: none"> <li>• Soft market testing conducted with social enterprises to refine specification and determine their interest.</li> <li>• “Other Social Value” section added to specification enabling tenderers to propose alternative schemes including food recycling.</li> <li>• Time credits included in specification to encourage &amp; support volunteers.</li> </ul>

Consultation	Date of Feedback	Outcomes
		<ul style="list-style-type: none"> <li>• Low cost menu options for local communities included in specification.</li> <li>• A community steering group was included in the specification.</li> <li>• Meet the Buyer event held.</li> </ul>
Corporate Cleaning Services	9-Sept-15	<ul style="list-style-type: none"> <li>• Fair rotas implemented</li> <li>• Staff training &amp; career development opportunities</li> <li>• Apprenticeship opportunities</li> <li>• Use of electric vehicle for a mobile cleaning unit</li> <li>• Staff able to lease bikes tax free</li> <li>• Cleaning products adhere to UK government buying standards</li> <li>• Contractor to pay London Living Wage</li> <li>• Staff employed on FT/PT contracts (no zero hours contracts)</li> </ul>
Window Cleaning Services	9-Sept-15	<ul style="list-style-type: none"> <li>• Winning bidder is an SME</li> <li>• Staff paid above Living Wage</li> <li>• All staff trained (IRATA, PASMA &amp; IPAF) &amp; further NVQ training encouraged</li> <li>• Committed to working within COSHH regulations.</li> </ul>
City Advice Service	10-Jun-15	<ul style="list-style-type: none"> <li>• Tender pricing schedule developed to show apportionment of funding across different providers.</li> <li>• Specification included reference to use of volunteers; potential to develop local ambassadors; and a requirement to integrate time credits.</li> <li>• Bidders asked to demonstrate how the service would affect identified outcomes. Performance measures were included to show the distance travelled.</li> </ul>
Community Support Services	19-Mar-15	<ul style="list-style-type: none"> <li>• Timescales were adjusted to allow smaller organisations to apply</li> <li>• A service user was part of the evaluation panel.</li> <li>• Specification is mostly outcome based, but with specific areas where required in accordance with the Care Act.</li> <li>• Consultation with current service users on all aspects of the contract.</li> </ul>
Community Health Engagement tender	19-Mar-15	<ul style="list-style-type: none"> <li>• Service was reconsidered &amp; aligned with the Obesity &amp; Physical Activity tender, which starting in mid-October.</li> <li>• A Meet the Buyer event was held in Feb 15.</li> <li>• The current service uses volunteers through the City's Time Credits scheme &amp; this will be written into the specification to ensure it continues.</li> </ul>
Healthy Behaviours Service	19-Mar-15	<ul style="list-style-type: none"> <li>• Meet the Buyer event held in December 2014.</li> <li>• All potential bidders were invited to be part of a contact sharing database on the London Tenders Portal to allow further networking outside of event.</li> <li>• A review of TUPE of internal staff with HR, and external staff with those providers &amp; Comptrollers &amp; confirmed in ITT pack.</li> </ul>

Consultation	Date of Feedback	Outcomes
		<ul style="list-style-type: none"> <li>• Service outcomes within the specification have been adjusted to a more positive focus.</li> <li>• Holistic treatments for clients included in the specification.</li> </ul>
Schools Coach Travel Services	19-Mar-15	<ul style="list-style-type: none"> <li>• Contract to be split into lots based on location, reducing environmental impact on air quality</li> <li>• Health &amp; Safety &amp; sub-contracting arrangements considered during supplier selection process?</li> <li>• Charging mechanism to be split between known regular journeys at a fixed rate and ad-hoc requirements subject to mini-competition or mileage rate</li> <li>• Discussions held with Community Services Category Board to determine if and how the contract can be widened.</li> </ul>
Barbican Communal Repairs and Redecorations	24-Nov-15	<ul style="list-style-type: none"> <li>• SME support</li> <li>• Contact information for Ready to Supply the City programme and other small business initiatives</li> <li>• Strong weighting and focus on CSR in evaluation of specification</li> </ul>
Employability Services Provider for Central London Forward 'Working Capital' Pilot Programme".	19-Mar-15	<ul style="list-style-type: none"> <li>• Engagement with SME and third sector organisations through a supplier event</li> <li>• COL amended its PQQ to facilitate consortia of smaller organisations to apply.</li> <li>• Prior to supplier event CLF set up a micro website to publish information about the procurement. SMEs have used this to advertise their services as potential sub-contractors/consortium partners &amp; for larger organisations to advertise their supply chain opportunities.</li> <li>• Specification asked tenderers how they will commit to managing their supply chains in a fair &amp; transparent way &amp; how they will embed social value &amp; environmental sustainability.</li> </ul>

**END**