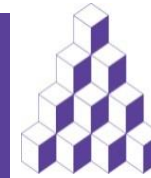


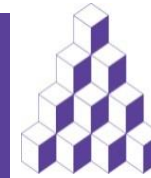
Local Government and Regional Growth Agenda



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Peter Schofield – GM Procurement Hub
27th March 2018

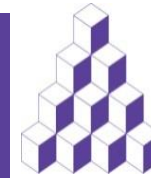
Agenda



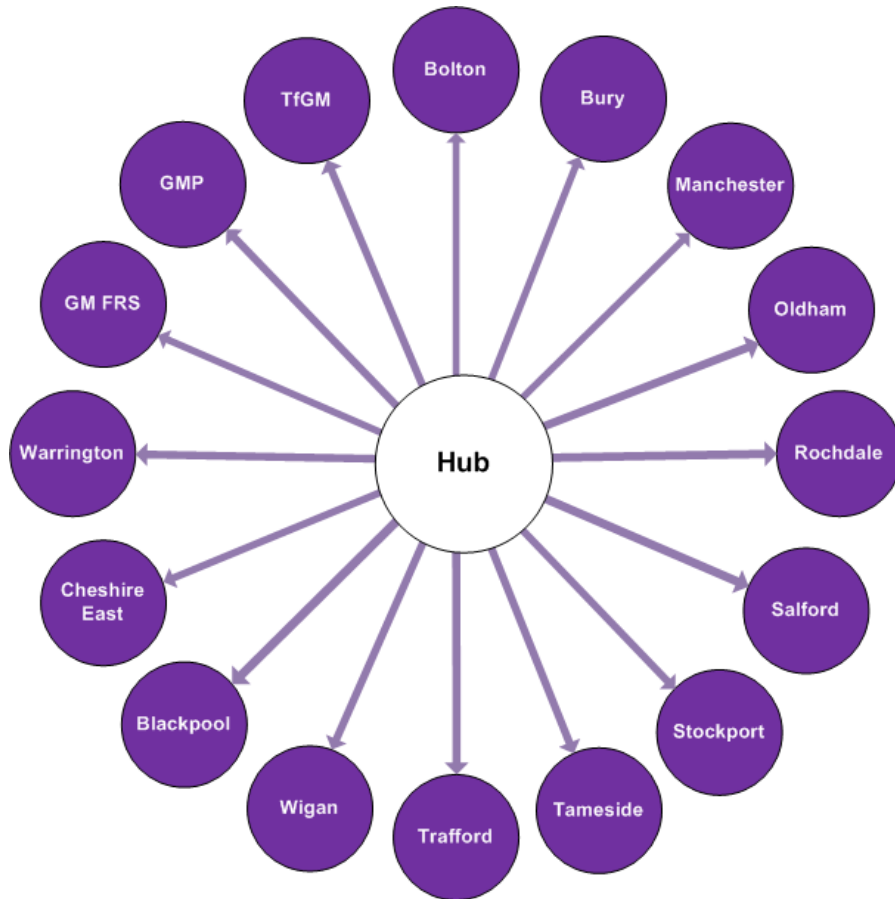
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- **AGMA Hub operation**
- **Overview of the Greater Manchester approach**
- **Some examples**
- **Lessons learned – 2018 Policy refresh**
- **Is this “Trump protectionism” made small?**

GM Procurement “hub and spoke” model

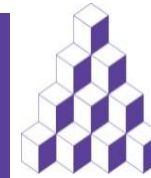


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- **AGMA Procurement Hub “Facilitator”**
 - Business case
 - High Level Project Management
 - Timescales, Risks, Communications etc
 - Support with stakeholder management etc
 - Monitoring & Reporting
 - Capturing impact
- **Lead Authority**
 - Lead the procurement exercise
 - Decide “procurement strategy” (route to goal)
 - Use own processes and procedures
 - Lead management of contract

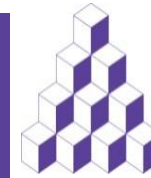
GM Social Value model



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- **Apply to all Procurement (not just services above EU threshold)**
- **‘Golden Thread’ of:**
 - Corporate Objectives ⇒ Processes⇒ Results
- **GMCA “Stronger Together” Strategy to set objectives**
 - Each procurement exercise identifies appropriate outcomes
 - Allow scope for innovation
- **Suppliers response**
 - How they will deliver the Outcome(s)
 - How they will be measured and verified
- **Contract Management includes delivery against outcomes**

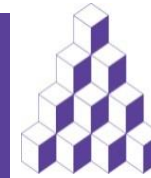
The GM approach



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- **GMCA Social Value Policy sets out how social value will be delivered through commissioning and procurement**
- **All Councils in Greater Manchester adopted Policy in a way that reflects and benefits their own localities**
 - Consistent approach – better understanding from suppliers
- **The Policy underpins the core objectives of the Greater Manchester ‘Stronger Together’ Strategy**
 - Stimulating growth in the economy
 - Reforming the way in which public services are delivered
 - Creating good jobs for people to progress and develop
 - Reducing future demand on public services
- **Objective to ensure that public sector money spent in Greater Manchester supports the regional strategy**

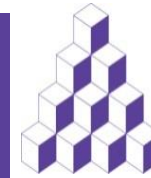
2014 SV “Menu”



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- 1. Promote employment and economic sustainability**
 - a. tackle unemployment
 - b. facilitate development of skills
- 2. Raise the living standards of local residents**
 - a. working towards living wage, employee access to entitlements (childcare)
 - b. encourage suppliers to recruit within Greater Manchester
- 3. Promote participation and citizen engagement**
 - a. encourage resident participation
 - b. promote active citizenship
- 4. Build the capacity and sustainability of the VCS**
 - a. practical support for local voluntary and community groups
- 5. Promote equality and fairness**
 - a. target effort towards those in the greatest need and tackle deprivation
- 6. Promote environmental sustainability**
 - a. reduce wastage
 - b. limit energy consumption
 - c. procure materials from sustainable sources

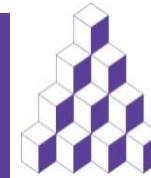
Example – Tier One



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- **AGMA ICT Asset Recycling and Disposal Contract**
- **Company operate a workshop in Forest Bank Category B prison**
- **Inmates receive training, qualifications, work experience and support with CVs and job applications**
- **Social Value benefits:**
 - Reduced demand on benefits system & other support
 - Contribution to local and national economy through Income tax and NI
 - Future reduction in demand for treatment of mental and physical health conditions associated with long term unemployment
 - Reduced re-offending rates – employment can reduce reconviction by >14%
 - Re-offender costs criminal justice system > £65k + £37.5k pa incarceration
 - Reduced support required for victims of crime
 - Improved quality of life for communities, ex-offenders and families

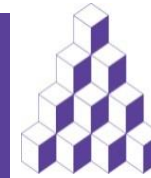
Example – Barclays Bank



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- **AGMA Banking Contract – required after Co-Op Bank withdrew from the market**
- **A range of Social Value opportunities offered – tailored to locality**
- **Bury Borough Council benefits over 5 year contract**
 - 15 opportunities for work experience placements
 - 20 apprenticeships created
 - Digital support to 1,000 business start ups
 - 675 hours voluntary efforts for vulnerable people in the community
 - 15 events held to help give local older people access to digital technology
- **Evaluated as £400k of additional community value on a £500k contract or over +80% SVA over a period of five years**

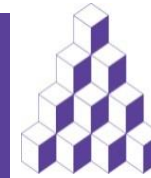
Example – GM Work and Health



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- **Awarded to public & voluntary sector consortium**
- **Contract objective is supporting people with health issues into work**
- **Social Value Commitment – Additional to contractual obligations:**
 - 35% of own workforce from 18-24s, 50+, disability/ill-health or ex-offenders
 - Meaningful work experience for people with specific labour market disadvantages – eg care-leavers, those with limited social networks
 - Staff volunteering days providing employability support with schools and community groups in economically deprived communities
 - 83.2% of total contract spend (£46.4m) in GM of which 41% will spent on local not-for-profit, VCS, SME or social enterprise organisations
 - Support 28 new GM business start-ups through business mentoring
 - Promote the benefits to employers of recruiting people with disabilities through 14 Disability Confident events in partnership with VCS organisations
 - All staff (own and throughout supply chain) on permanent contracts (no zero-hours) with salaries above the Living Wage Foundation Living Wage

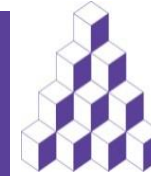
GM Social Value Policy refresh



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- **How will Devolution be measured?**
 - Growth of the GVA and Service reform
 - Procurement's role – how has the LA's £2.5bn (and NHS £6bn) contributed?
 - Are cause and effect linked or even linkable?
- **How can we improve the Social Value ask?**
 - Not just an apprenticeship or a job – engage someone that is “hard to reach”
 - ICT experts painting (badly) or supporting VCS to optimise ICT systems?
 - Be prescriptive but don't stifle innovation
 - Signpost suppliers to those that can support
 - Assess bids based on reality – achievable and realistic?
 - Whole system approach – not just LA procurement people!
- **What about the companies not in our supply chain?**
 - GM GVA is £56bn – Public Sector spend is £8.5bn and falling
 - What do the other GM businesses contribute to growth and reform?
 - Work with supply chains to promote the benefits, good behaviour is infectious

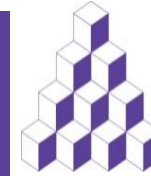
Workstreams for GM SV Policy review



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- **Current take up across GM members & partners**
 - What works and what doesn't
 - Case Studies
- **Measurement**
 - Single system across GM?
 - Links to GM Outcomes Framework
- **Training**
 - Internal and external stakeholders
- **Standardisation of approach**
 - Weightings
 - Clauses
 - Supplier guidance
- **Innovative approaches to procurement**
 - Pre-Commercial Procurement or Innovation Partnerships
 - *"This is the problem, this is how much we have to spend – what can you do?"*
 - Opportunity for genuine co-production of services with GM HSC Partners
- **Engaging with the wider GM economy**
 - Influencing how the "other £60+bn" is spent

Is it “protectionism”?



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■ **Scale**

- Tax cuts, cheap land etc as incentives to attract global companies?
- Shareholders set objectives

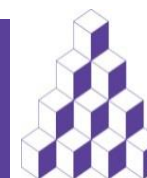
Or

- Award contracts on basis of MEAT including contribution to local economy?
- Localities set objectives

■ **Most Economically Advantageous Tender**

- No free rides – contracts awarded on basis of :
 - Quality of goods, services or works provided
 - Contribution to local objectives (GM Strategy)
 - Price

Questions??



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