



Leicester
City Council

WARDS AFFECTED
All Wards - Corporate Issue

Economic Development, Transport & Tourism Scrutiny Commission
5 February 2020

PROGRESS ON MATTERS RAISED AT THE LAST MEETING

Minute 45, “Social Value and Procurement Update” (4 December 2019)

The Head of Procurement was asked to provide written answers to the following questions:

Which contracts were “in scope”? Were they over a particular size or of a particular nature? If the scope was limited, why was this and to what was it limited? What was the timetable to extend the scope?

Response:

In relation to Social Value, the Charter states that “we will ensure social value is sought in all EU contracts and proactively consider its inclusion in all appropriate Large contracts”

Large (as per current Contract Procedure Rules) means contracts for Goods & Services over £75,000 and for Works over £250,000.

EU means contracts for Goods & Services over £181,302, (except Schedule 3 services: £615,278) and for Works over £4,551,413. (These thresholds are rising by approximately 4% with effect from 1st January 2020.)

The presentation given to the Commission contained statistics for both Large and EU where we have carried out our own tender exercise, noting this excluded some contracts where we have not carried out a full tender exercise (e.g. used a waiver or procured from a framework agreement). Data on such contracts was not fully available to include in the presentation but these contracts are included in the commitment and will be reviewed and monitored for compliance.

In relation to the Living Wage, contracts in scope are as per the LW Licence Agreement signed with the LWF and set out in the Living Wage in Procurement document attached at Appendix B1.

We already include Social Value requirements/criteria in a lot of Intermediate Contracts (currently above £10,000 (goods and services) or £25,000 (works)) but think to commit to doing all would become onerous and disproportionate in some cases – we could however look to measure/report on this. Subject to a more detailed review, we could consider a stronger commitment to Large Contracts, so it was worded the same as for EU Contracts.

The Living Wage was an important part of the Council's ability to influence contractors. Were there any other factors considered to be important and how would they be weighted?

Response:

See the Guide attached at Appendix B2. We have used a lot of the Social Value examples from the guide and some were given in the presentation. The most common are around employment and skills (jobs, apprenticeships, work experience) and environmental impact (especially of vehicles). We are increasingly looking for smaller volunteering and school visit commitments from Intermediate contracts.

How had the Council's service areas responded to the requirement to include social value in tenders? Who decided what could be included as social value?

Response:

There has been good support at senior level. Some operational level managers have required more support, particularly to include an acceptable weighting against social value criteria linked to some concern around cost impact, but my team have been increasingly successful at influencing this. When we communicate changes to Contract Procedure Rules to staff next year, we will reinforce social value importance in training and communications materials. The decision about what can be included is joint between procurement and service areas.