IP15, Procurement manager(F)

Speaker Key:

CM Interviewer

IE Interviewee

CM What is your job role and the experience with the commissioning for social value in your local authority?

IE I am the procurement manager and I have been in this post for about 18 months now since [overtalking]. And one of my earlier jobs, that we did, is MW is formed of different local authorities. We work together for a lot of things. And one of the things, when I first became manager, is that we noticed that everybody looked at social value within procurement in different ways.

So people like B Council were quite far advanced in how that they address social value within their procurement process or whenever they went out to do a tender, they had quite a detailed process of addressing social value with a procurement activity. But some of the other local authorities and ourselves, didn’t really address social value at that time and didn’t really know the best place to have, like, a collaborative way of including it within our tenders.

So what we did with the help of the SVP is we set up a task force group and that task force group just sort of worked our way through setting up a collaborative approach to invest in social value. So, we came up with a set theme that puts in measures that we can use in procurement. And then we also, through that group, set up a social value policy for procurement and that has now been approved and is in use as well.

That is a very high level, sort of, description of what we have been doing over the last 18 months. Is that the sort of information you needed?

CM Yes I would like to know about your general experience, what is your job role, what kind of projects you are working with?

IE Yes, okay. Well we get involved in lots of different things. So the CA, in general, is made up of lots of different, made up of 18 local authorities and local enterprise partnerships and we get involved in all sorts of different matters. So it could be, in procurement we are quite a small team, we are only a team of five people. We get involved in all [unclear] the procurement activity relating MW. So, at the moment that remit is growing, but we get involved in things like women and procurement of metro, we get involved in housing and regeneration, the building of park and ride projects, everything through to the procurement of pens and pencils in stationery.

And we get involved in lots and lots of different projects, they are really varied, to be honest. But they are really all about connecting people in the MW. Helping people get around the local networks, and there is a large element of transport related to what we do. So we help people understand how they can travel around the city and the MW; not specifically in a car but through rail or busses or walking and cycling. So there is a lot of activity that goes on there and the procurement exercises around helping people connect to the various transport modes within the MW and to travel around. That is quite a big part of it as well.

But we recently had a Mayor appointed to the MW and the appointment of the Mayor has brought in quite a lot more different types of activities and got us involved in a wider remit within the MW. So we also look at things like housing and regenation. We look at things like adult education and employment. So there are some project going on right now around helping people get into employment, helping people to get jobs. And those sort of things or getting relevant training and building up skills.

The homelessness that we concentrate on as well and training to reduce homelessness in the MW and we are looking at different ways of travelling. So we are also looking at automated vehicles, in the early stages of looking at that now as well. But there is an absolutely huge range of things. And as our procurement team, we support all the individual areas within the organisation, so we will lead on all the procurement activities to procure, compliantly procure all of these requirements in line with public sector regulations and public contract regulations to make sure that we procure the best practice, using open and transparent way and those sort of things.

CM You mentioned in the beginning about the collaborative approach of trying to do things together, and an approach for embedding the social value policy in MW. I was wondering, this is a collaborative approach between different local authorities, do you mean?

IE Yes it is. Yes. So when we set up the working group we invited people from the constituent areas of the MW. …So what happened is, the working group had procurement representatives from all of those different councils. We, sort of, built the collaborative way of setting in a policy and of a process within procurement for testing social value.

And the idea was that it shouldn’t replace anything that is already there. So I said, like, the Council have already got quite a lot of process already in place for social value. But it was more for, say, some of the smaller councils. If they hadn’t got anything there already, we’d already set up like a template for them to use. So it was to save them recreating a lot of duplications in the MW basically.

CM So, could you talk a little bit more about your council social value policy and the approach to embedding social value in commissioning?

IE Yes. No problem. What we did is, initial research. What we did is we just went out and looked at what the policies included. We didn’t really want to re-invent the wheel, if you like. So we looked at what other companies and organisations did with social value. And then, the social value policy itself is actually available an internet site, so I can send you that if you haven’t seen it already. But basically it goes through different stages but we have said what the purpose was.

So in the purpose of the policy we talk about how we want to develop a consistent and collaborative approach with social value in the MW, which is what I just mentioned to you there. Just for our own clarity we define what social value is to us, because it can be defined in lots of different ways. So we referenced the Social Value Act 2012, was in there and we just talk about what it means to us in terms of procurement activity in particular.

Then we go into the background and the scope, so making it more specific to the MW. So then we talk about how it links in with our overall ambition of what we are trying to achieve through our own organisation and linking it to, sort of, key growth programs. That talks about things like making the most out of the taxpayer’s money and generating as much value as possible and helping with jobs and growth in that sense as well.

So then we go into talk about the policy context in more detail. And we say how it links into key documents, which we already have in existence, and then we set out some key objectives and this is where we, sort of, set out themes out, outputs and measures. So we talk about objectives such as growth in field of employment, growth of local businesses, growth in health, creating health so a stronger community. Protecting and improving our environment, social innovation.

We are also putting planning and development in there now as well, which supports the housing sector that we work with as well. Then we talk about our respective results, what they expect to see for the implementation of this policy. And the policy is quite young; it has only been approved in November last year. I can send you that, I will send you a link to that but it is available on the internet and you can have a read through. It talks about all those thing I have just said in detail.

CM That will be great. Thank you very much.

IE Yes, it was only approved in November, so that means we are just trying to put it into our procurement processes now. But they are in consumer processes now but we are waiting for results and more tangible benefits really so we haven’t actually seen the full benefits of our policy yet. But we should be seeing it in the next few months or so.

CM How would you articulate and define social value in your own words and understanding?

IE How would I define it?

CM Yes.

IE I think, for me, it is about how we procure goods and services in consideration for benefitting the local community. So we are not just buying something because it is the best value for money or it is the highest quality; we are also now buying something that helps benefit the local community. That could be in terms of jobs or it could be in terms of training or housing or all these different areas, or better for the environment or community.

But that is very much how I see it, so it is another element added onto our procurement processes which just allows us to give something back for the community rather than just procuring something that is the cheapest cost and those sorts of things.

CM What is your opinion about the SVA and what impact it had on your organisation?

IE Obviously it had a bit of significant impact because we didn’t have any policy whatsoever at all before that act came in. And I think through discussions, through the working group we have come to the realisation that, obviously, there are things that we do really need to consider within our procurement activity. So the act, sort of, highlighted some of what we needed to start some of the changes on and it will help us build new changes into the future as well. But it was certainly the starting point to helping us consider social value a bit more and it shone a light on what we needed to think about in the future.

CM What about understanding the policy and trying to embed it in your local authority?

IE I think there was a little bit of difficulty because the language that is used is not always the most straight-forward, so it took a little bit of discussion. I think if you just read the policy on its own I think it would be quite hard to follow and build your own processes just from that on its own. But the fact that we have got the support group and we’ve got the working group and we’ve got examples of how other people have implemented it before; that I really helpful. So I think it was a combination of all those different resources, helped us build our policy but I think just that on its own is a little bit hard to understand.

CM What are the top barriers that you had in understanding the SV Act and the social value itself from that policy?

IE Let me have a quick look. I just have to remind myself of the Social Value Act, the wording because it has been a while since I looked at it. I think, really, it is the legal wording. So because I am not from a legal background, the Act itself it is written, probably not as clearly for someone that doesn’t understand fully legal terminology and those sorts of things. So if you just look at the act on its own it’s sometimes a little bit harder to understand exactly what is required of you and those sorts of things.

And so it is helpful that there’s been like summary documents and there has been all sorts of additional support and documents to help with that. Because I think on its own it is a little bit difficult to just decipher exactly what it is that we should be doing.

CM How have you overcome these barriers? Any engagement took place with service providers for example, to shape a better understanding?

IE Yes, we did. So we did a couple of different things. We went out to visit sort of local, small companies and to chat to them about how they would expect something like social value policy developed. So we took some feedback there. We went to visit some of the large companies that we know already really embrace social value and we looked at some really big providers, people like Wilmott Dixon [unclear] some of the leaders in the industry.

And just chatted to them about, you know, how they expect to see us develop our procurements so that suppliers can respond in the easiest and most basic way really, because you don’t want to make the procedure. We also visited with the different communities. We had Disability Rights UK come in and chat to us about how they wanted to work with us and address barriers into employment and those sorts of things. Yes, we did visit quite a lot of different areas and I think, through that taskforce group we had some really good connections and we managed to, sort of, pull a lot of that information into the policy and how it shaped that procurement now.

Then also the Mayor had quite a big part to play in the policy so he has obviously got some areas that he really wanted to work on, deliver during his time in the MW so we made sure that those key things were plugged into our deliverables as well. So that is things like tackling homelessness, exercising, diet and those sort of things. And creations of apprenticeships was quite high on his agenda as well. So we did quite a lot of collaboration which is why it took a long time, really, to get; it took about 18 months to get where we are now because there was quite a lot of stakeholders to consider.

CM You just had some meetings privately with them or was it kind of gathering together with different stakeholders and you did some workshops?

IE A bit of both actually. So with the suppliers we did workshops where they, sort of, shared with us what they had done so far. And we learnt from them and got, like, best practice ideas. With the sort of, smaller to reach and harder to reach suppliers we went out and visited them. Particularly so if we knew that the small, like enterprise companies and the very small, like one-man band companies, we went out to visit those specifically and we’d got some contacts already from the mayor’s office.

We just sent to chat to them to tell them what our plans were. And they were really supportive of it and just gave us some ideas about how they would like to see the policy developed, help support them, to help them grow as a business as well. So we took all that on-board and it was just like quite an informal chat really but it was just trying to get some buy in. we have got local contacts in a company, there is a portal called *Find It in B* which we had advertised on as well, just to sort of capture small companies within B. to say this is what we are doing and here is your opportunity to work with us as well.

CM How much important was the role of VSOs in shaping this policy?

IE We did do a little bit of consultation with them and its sort of feedback from the, lots of local councils work with that sector as well, so we got feedback through the councils really, in that respect. We didn’t go out and speak to a lot of voluntary sectors ourselves. But it seems like [unclear] measures do address the voluntary sector as well.

CM What you can tell be about the commissioning process, how is happening this process?

IE Yes, well we do that, not for everything, but we do that with certain, some of the major projects we will do that for. Where we do things like market spend [?] and exercises. So what we would do there is we would let suppliers know about a forthcoming opportunity. We tend to invite them in and then we talk to them about how we are thinking about going out to tender but we also let them give us feedback and they can tell us about how we might want to, sort of, change or shape the way that we go out for tender to get the best possible response.

And that plan includes social value within those conversations as well. And we don’t do it for everything but for some of the larger ones. We have just done it for an employment support pilot and we are doing it for service providers as well, so we are doing it for some of the big ones as well.

But for the really big ones where we know we might benefit or we are not even sure what we want ourselves, we can often go out and approach the market first just to help shape the way that we get that right and the documents ready so we go on building.

CM How much you consider social value element into the contracts?

IE So we do it, anything that the procurement do now, they do include social value. I am going to send you a link to the social value policy…We have put in the policy like recommended weighting the social value of the contract. So as the spend goes up the emphasis for social value goes up as well because there is a lot more potential in larger contracts to deliver more. So yes, there is a table within the policy, you will see that when I send it over to you.

CM Could you describe a successful project of commissioning of social value that is involving the voluntary organisations as well?

IE So we haven’t got any results just yet because their jobs in the process of [unclear] quite early on, within the implementation of the policy. So we have got some tenders that are out there at the moment that are using the SVP and this one is [noise] measures we have sent out. But we don’t have the results finalised yet. But we will have within a few months.

But at the moment there is about three or four projects that are just in the process of being evaluated and then, once we have completed that process, then we will be able to say exactly what is going to be delivered, social value wise, within the successful contracts. But unfortunately we don’t have that detail right now, but we will have it quite soon.

CM So there are projects commissioned that are ongoing, and there are service providers like VSOs delivering it?

IE That is right, yes. So we are working with, you mentioned TB, we are working with TB company there to help us with all the evaluation of all

CM And the projects are always around employment or apprenticeships?

IE No. We have got one on waste. So waste collection. We have got one, one is on employment support and another one is on a construction, sort of construction works within a train station.

CM Do you see any difference in the way commissioning is done now? There is social value evidenced, more than it was before.

IE I think we have got some way to go in educating people about why social value is important because, obviously, I think it is because I have been working on it for some time now. So I think we need to educate everyone else in the organisation and, sort of, let them know why it is key that we include this within tenders. So what we are doing on some of the large ones [wind noise] procurement coming up where we are buying a number of new trams for the area.

And what we are going to do there is we are actually going to get SVP to come in and to help, sort of, help sell social value to key stakeholders within the organisation. And sort of help them realise the benefits of including social value. So, yes things are going to change but things don’t change that fast. So we need to sort of sell it and really try and embed it into the organisation a bit more.

CM What is your opinion about the wider context of relationships between the local council and the VSOs?

IE I think what’s missing at the moment for us, is us helping to encourage the voluntary sector a little bit more. So maybe providing a little bit more encouragement in terms of how we can get those sectors to apply for our tender opportunities and letting them know what is out there.

I think the government could perhaps help with issuing out some sort of guidance documents that could be sent to organisations like ourselves. Just giving some tips on how to reach out to those sectors, because they do often miss out on some of the opportunities. So I suppose some information on that from the government will be really helpful, to help us more forward.

CM In the commissioning process, there is an encouragement to attend for the small, medium voluntary organisation?

IE We, it’s hard to answer actually. But we do see responses from both. Like I say, we have taken it up to everybody but because of the regulations that we have to follow, the tender process in itself can be quite long and can take a lot of resource for smaller companies to take [overtalking]. So sometimes that can be a barrier to smaller companies responding to tender opportunities.

But we are a little bit restricted in terms about how we have to work in terms of contracts of a certain value. We have to follow specific rules; so we have got out hands tied a little bit there because we understand that it can take a lot of resource for suppliers to fill in a whole tender process and then not be successful. So that is something that we recognise as a little bit of a barrier to taking part in tenders.

CM The contracts of commissioning social value are for large contracts?

IE We do financial assessments on suppliers as well but, obviously we look at it in bit of a subjective way and we can take on the risk. We can see if we can take on the risk or not, basically. So it not always a big supplier is always guaranteed the work. And we look at it quite carefully, so every project that we work on, we work with a financial lead as well and a legal lead, and we set the parameters of what is absolutely essential from a supplier very early on. So that a supplier who is not sure if they should take part or not could have a look at that essential price here and know, very early on, if they should go to the effort of taking part in the tender or not.

So hopefully, with the documents that we send out are quite transparent around exactly what is required [overtalking] part of a tender. And we have got things like what is absolutely essential as a pass/fail requirement on the tender documentation as well. So, hopefully, we are quite transparent as well and it isn’t just a case of we’ll always accept a big company just because of their cash flow and their financial situation.

CM Do voluntary sector organisation are applying in consortium or some other kind of alliances?

IE Yes, so we can offer, as part of our standard documentation that we send out, we offer the opportunity for suppliers to confirm if they are working for consortium, so that is welcomed as well, we wouldn’t obviously restrict that. So yes consortiums respond in that way and they could, yes.

CM How austerity and funding cuts has affected the commissioning for social value?

IE I think it is quite early on for us to comment on that, really because our social values have only been in the process since November last year and we have only really run it though a couple of our projects.

So it is quite hard to say, at the moment. But we might have a bit more of an informed opinion of that probably around this time next year when we have actually got the results of some tenders and we can see if there has been any impact on the way people respond or [overtaking] people that respond and those sorts of things. And suppliers will often give us feedback on how they feel our tender process is going. So we will probably get some feedback over the next 12 months or so as well.

CM There are any specific methodology for measurement of social value that you use?

IE Not at the moment, no. So we have just set up some general feedback, put some measures. So they will be what T would have spoken to you about those as well. So at the moment we are pretty much using those. There are a couple of additional things that have been added on from the Mayor’s office and few from our environmental team as well.

But we are not, we are trying not to sway suppliers to go, but at the moment it is quite voluntary around how they respond to that section of our procurement. We don’t force them to bring it to any particular level so we don’t have to restrict to one particular area. So it is up to them. We feel like we are going to get a better response at the moment to do it like that rather than to force them into one particular area of social value which could be particularly difficult for smaller companies that might not have the resources to deliver that.

CM Could tell me a little bit about your experience with the contract management, monitoring and reporting process?

IE Yes, we haven’t awarded anything yet; we are in the process of awarding, but when we do, the SVP of the company are going to be helping us with setting up like a portal, an area that we can log into and actually monitor what the client has said they are going to deliver. And then we will have like a process for checking what they have actually done in terms of delivering that.

So we haven’t used it yet, because we haven’t awarded anything just yet, but we are going to have, we have got a dashboard and a log-in portal. And we have got process in place where we can keep a check and set reminders and, sort of, get results back to the supplier. Just to see what they have delivered and if they delivered on track and those sorts of things as well. And we are paying the SVP to help us with that as that as well, because it is quite new for us.

CM Do you think that the feedback from the voluntary organisation to have an understanding of social value with the local council would be beneficial for the local council?

IE Yes I think so. Because everyone is on the same page then, as well and obviously that helps, which helps the suppliers respond correctly. So every time we send a tender out it that includes social value, we would also include a copy of our policy so they can understand what we mean by social value because it can be interpreted in all sorts of different ways. So, yes, I think an understanding of that would really help as well.

CM To what degree do you feel that has been successful so far your local council?

IE I think it is early days but I think we have got there. I think what we want to do is, once we have got a few successful contracts awarded, is so some sort of publication or launch to sell the benefits, I think. We are at our earlier stages and we probably haven’t published it and made people aware of it enough at the moment. But we are hoping that, once we have got some good news stories to report, we can start letting people know what good things we are going to be able to deliver for it as well.

CM Thank you. Thank you very much for your availability and for answering the questions. It was very helpful to talk to you, thank you very much.