

Cabinet report



13 July 2021

MORE FOR MK



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| Name of Cabinet Member | Councillor R Middleton Resources |
| Report sponsor | Steve Richardson Director for Finance and Resources |
| Report author | Mark Culley Strategic Procurement Lead |

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| Exempt/confidential/not for publication | No |
| Council Plan reference | Commitment 42 Bring forward a report to the July 2021 Cabinet to introduce 'More for MK', that uses council procurement and works with partners to deliver and capture local community improvements and social value. |
| Wards affected | All wards |

Executive summary

The Council Plan sets out our aim for Milton Keynes to be a place of opportunity, where every person has the opportunity to achieve their ambitions, a good well-paid job and the skills to achieve it. The Council has a number of projects underway to support this aim, for example at Milton Keynes College (skills development for young people) and Works 4 Us (a twelve-month course targeted at women aiming to get back into work).

One other area where the Council and our partners can make a positive difference is through procurement, ensuring that, as far as possible, the things we buy and the services we commission have social value (positive benefits) for our community and local businesses.

For the first time, the Council is bringing together a set of important actions that together underpin our commitment to procurement that promotes social value under the banner of the 'More for MK'.

1. Decision to be made

- 1.1 To adopt 'More for MK' across the Council.
- 1.2 To promote 'More for MK' amongst our local public sector partners, encouraging them to take the same approach though their own procurement.

2. Why is the decision needed?

- 2.1 The Council spends around £300M annually, with a significant sum being spent buying products and commissioning services. The Council is a diverse organisation, with operations as diverse as children's social care, environmental services and housing. There are significant benefits in ensuing that, as far as possible, procurement activity takes into account the social value that can be created by working with local businesses and community organisations.
- 2.2 The recently published [national procurement strategy](#) reinforces this, highlighting the significant public sector spend (£290 billion every year) and how it can support the delivery of public sector priorities, including generating economic growth, helping communities recover from COVID-19 pandemic and supporting the transition to net zero carbon.
- 2.3 This decision responds to the Council Plan commitment (number 42) to Bring forward a report to the July 2021 Cabinet to introduce a new 'More for MK', that uses council procurement and works with partners to deliver and capture local community improvements and social value.

3. More for MK

- 3.1 More for MK is a banner bringing together three important social value commitments. These are:
 - a. **Being a Real Living Wage employer** – The Council is a Real Living Wage Foundation (LWF) employer defined as “the Contractor shall be required to pay at least the Real Living Wage, as defined within the conditions of Contract, to all its employees who are 18 years and above, are employed in connection with the Contract and who meet the Living Wage Criteria”. The LWF is stated within all invitation to tender documentation as well as contract terms and conditions.
 - b. **Recognising social value in commissioning process** – The Social Value Act of 2012 outlines how public bodies are to consider how the services they procure might improve the economic, social and environmental well-being of the local area. The Council has a commitment that all procurement activity spend over £100K in value must consider what Social Value can be delivered, where it is appropriate and proportionate to do so, in relation to what is being procured. We do this though using the Social Value Toolkit.

- c. **Supporting smaller local suppliers** – The Council currently has 191 local suppliers (defined as having a MK postcode) registered on its E-Tendering portal. This means that all of these suppliers can bid for any council contract opportunity that is published above the value of £25,000. In addition, the Council is committed to running supplier engagement events to provide guidance and advice on how to work with us. The Council also has a proportionate approach to lower value contract procedures, with all contracts up to the value of £25,000 only requiring three quotations with these sought at the discretion of the requestor with no restriction on where they seek the quotes from.

4. Implementing and reporting on More for MK

- 4.1 In order to implement ‘More for MK’, the Council’s procurement team will work with senior colleagues involved in procurement activity to set out expectations and identify what support and assistance may be required, for example in organising supplier engagement events in good time ahead of any procurement process being started.
- 4.2 Our procurement team will also work to help businesses and organisations to be able to offer meaningful and creative social value contributions. For example, exploring if contractors could put back into the community in practical terms – perhaps through decorating, garden work, minor repairs, donation of equipment and so on.

Working with our partners

- 4.3 The Council has a strong relationship with the other public bodies in Milton Keynes. We will use these relationships to introduce and explain ‘More for MK’, setting out how it works at the Council, and encourage them to adopt it as part of their procurement activities. We will particularly focus on anchor organisations like schools, blue light services and health partners.

Reporting

- 4.4 The council has a new contract management system that is in the implementation phase (expected to go live in September 2021). More for MK can become a standard performance indicator that all contracts are required to report on throughout the life of the contract.
- 4.5 An annual ‘More for MK’ report is proposed, capturing examples of local community improvements and social value. This report can be used to assess progress, with the examples also helping to show to other local businesses what is possible. It is proposed the ‘More for MK’ report is provided with the Council’s annual budget papers, around February time annually.

5. Implications of the decision

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| Financial | No | Human rights, equalities, diversity | Yes |
| Legal | No | Policies or Council Plan | Yes |
| Communication | No | Procurement | Yes |
| Energy Efficiency | No | Workforce | Yes |

a) Financial implications

The delivery of 'More for MK' can be developed without the need for additional funding. The approach will adopt current processes to ensure best value is achieved for the Council and our residents.

b) Legal implications

All procurement activity must remain in line with the Public Contract Regulations 2015, Milton Keynes Council Constitution and Contract Procedure Rules. The Social Value Act 2012 should be adhered to and any deliverables measured in line with it.

Procurement regulations and the council contract procedure rules require all purchasing to be made in a fair and transparent manner. Government have recently made reserving below threshold procurements an option when considering procurement activity. This means any goods/services contract under £186,000 and works under £4,000,000 can be reserved by supplier location and/or reserved for small and medium sized enterprises or voluntary, community and social enterprises. There are criteria that must be met in order to undertake such activity, and paramount is an assessment of the market, seeking best value and ensuring an open, fair and transparent process.

c) Other implications

None.

6. Alternatives

The alternative is not to develop our approach further. This will mean that the council's approach may be disorganised and will not expand to additional partners, meaning opportunities to maximise the social value to local people could be missed.

7. Timetable for implementation

NOW: If the recommendations in this report are approved, the council's procurement team would immediately start working with senior colleagues across the organisation to introduce and explain 'More for MK', offering any support and advice as required.

NEXT: The Director of Finance and Resources would engage with his counterparts in our partner public service organisations through the summer and early autumn to encourage them to look at 'More for MK' and see if they can adopt it. The Corporate Leadership Team (CLT) will support this work through their established contacts and networks.

LATER: The first More for MK report would be made to Council in February or March 2022, alongside the budget proposals.

List of annexes

None

List of background papers

None