

Social Policy Working Group

Monday, 28th February, 2022

MEETING OF THE SOCIAL POLICY WORKING GROUP HELD REMOTELY VIA MICROSOFT TEAMS

- Members present: Councillor O'Hara (Chairperson)
Alderman Copeland; and
Councillors Bunting and McLaughlin.
- In attendance: Mr. J. Tully, Director of City and Organisational Strategy;
Miss S. Grimes, Director of Property and Projects;
Ms. C. Sheridan, Head of Human Resources;
Ms. N. Bohill, Head of Commercial and Procurement
Services;
Mr. C. Campbell, Divisional Solicitor;
Ms. S. O'Regan, Employability and Skills Manager;
Mr. L. Murray, Strategic Category Manager;
Ms. C. Patterson, Inclusive Growth-Policy and
Programme Officer;
Mr. M. Denny, Commercial Manager;
Ms. C. Hutchinson, Policy and Performance Analyst;
Ms. R. Rea, Programme Manager;
Mr. R. Connelly, Policy, Research and Compliance
Officer;
Mr. G. Dickson; Strategic Policy Lead Officer;
Ms. N. Irvine, Enterprise and Business Growth Officer;
Mr. J. Uprichard, Community Planning Officer;
Mr. M. Mulholland, Policy Officer; and
Mr. G. Graham, Democratic Services Assistant.

Apologies

An apology for inability to attend was reported on behalf of Councillor Heading.

Minutes

The minutes of the meeting of 22nd November were taken as read and signed as correct.

Declarations of Interest

No declarations of interest were reported.

Action Tracker

The Working Group noted the update on actions which had been circulated, previously, by the Strategic Policy Lead Officer. The Working Group requested that the action tracker, in regard to future meetings, be included as part of the published agenda pack.

Noted.

Procurement and Commissioning Group Update – Presentation from CLES

Mr. S. MacDonald, Associated Director – CLES, attended in connection with this item and was welcomed by the Chairperson.

Mr. MacDonald provided the Working Group with an update on the steps required to explore how procurement and commissioning could support and generate local community wealth. He reported that it was important that wealth was re-directed into the local community economy, in conjunction with the promotion of community ownership and stated further that work, to that end, was continuing in conjunction with the Community Planning Partnership.

The Members were informed that the focus of work, undertaken by CLES, had been concentrated on procurement with particular reference on how public institutions spent their money and how that money could be circulated within the local economy. Mr. MacDonald highlighted the importance of reducing revenue leakage from the local economy, to ensure that local businesses were provided with the support required to expand and provide increased employment opportunities.

Mr. MacDonald referred to the collaborative work which CLES had undertaken with the Council's four anchor organisations, namely the Ulster University, Queens University, Belfast City Council and the South Eastern Trust, in the identification of their spend patterns. He highlighted the need to develop financial reporting mechanisms in order to analyse those spend patterns, which accounted for £443 million annually. The Members were informed that the total spend, attributable to the anchor organisations, accounted for approximately one third of the total Community Planning Partnership spend.

The Working Group was informed that, as part of their commissioning work, CLES had evaluated that spend, in terms of its benefits to the local economy supply chain, and how financial leakage could be reduced for the benefit of the local economy. Mr. MacDonald explained that, of the £443 million spend, the analysis had shown that seventy per cent of that spend had flowed to Northern Ireland based companies and that twenty-eight per cent of that spend, representing £122 million, had flowed to organisations outside the province.

Mr. MacDonald provided further analysis stating that fifteen per cent of the total spend had been provided to the ten per cent of the most deprived wards in Belfast and highlighted the need to examine those businesses which were not within the public sector supply chain. The Members were provided with a regional map highlighting the distribution of spend by the four institutions, in terms of their industrial sectors, which had indicated that the construction industry had absorbed the greatest level of public sector procurement spend in Northern Ireland. He reported that the construction industry

accounted for £60 million per annum, in Northern Ireland, and provided a detailed analysis of company size, in regard to the distribution of that spend.

The Working Group was provided with information on the need to develop an integrated and shared action plan, incorporating the four anchor institutions. Mr. MacDonald highlighted the need to share supply chain intelligence in respect of SME's, which would be useful in terms of the development of appropriate supply chain tenders and specifications and which would benefit potential un-identified local business suppliers. He referred also to the need to target those businesses, located in areas of deprivation, and emphasised the need to reduce the level of financial leakage to maximise the benefits to the local economy.

The Members posed a number of questions which had been generated as a result of the presentation, including the value of the total public sector spend, within the province. The Members requested information on further actions which could be undertaken to influence other public bodies to engage with the commissioning group and support the development of social enterprise initiatives.

In response, Mr. MacDonald confirmed that other public bodies, including the Belfast Health Trust and the Belfast Metropolitan College, had expressed interest in joining the four anchor institutions. The Members were informed that Belfast had a significant number of social economy enterprises, however, he stated that only a small number of those companies were part of the public sector supply chain. Mr. MacDonald suggested that the Council might wish to consider modifications to its tender process and, in so doing, engage with the social economy as a means to make it more aware of public sector finance and remove the barriers which restrict social enterprises from competition for public sector contracts.

A Member suggested that it might be useful to develop a collective procurement strategy for public sector contracts and that segmentation of large contracts, into smaller units, might permit smaller enterprises to enter the market and compete successfully for areas of work within the overall contract. The Director of City and Organisational Strategy in response to a question from a Member on the collation of annual spend data, and its distribution, suggested that it would be appropriate to wait until CLES had finished its research and, at that point, the Members suggestion could be considered as part of a next steps approach.

The Chairperson sought clarification in regard to the level of financial leakage within Northern Ireland as compared to other regions within the U.K. Mr MacDonald responded by stating that the important factor, was the progress made in the reduction in leakage, given that financial leakage was often attributed to local and specific circumstances.

The Working Group noted the information provided and thanked Mr. MacDonald and his CLES associates for the valuable work they had undertaken, and it was

Proposed by Councillor McLaughlin,
Seconded by Councillor O'Hara, and

Resolved – that CLES be authorised to present its report and findings to the Strategic Policy and Resources Committee, including Party Group Leaders, to ensure that all Council political representatives were consulted

in regard to the Council's future procurement strategy, subject to the approval of that Committee.

Social Value Procurement Policy – Consultation Feedback and Next Steps

The Head of Commercial and Procurement Services reported that the consultation exercise in regard to the Social Value Procurement Policy had been completed in December 2021 and that the feedback from that exercise was now available and had been included in the reports information pack for consideration. She stated that the Strategic Category Manager would provide the Working Group with an overview of the results extricated from the public consultation process.

The Strategic Category Manager provided the Members with a detailed analysis in respect of a number of key themes contained within the consultation exercise, including the Council's definition of social value and the objectives attributable to that. He reported that the consultation exercise had explored issues such as the inclusion of reserve contacts and the organisational behaviours which the Council required from its suppliers. The Strategic Category Manager reported that views had been sought on the scoring attached to social value and the associated evaluation process, including the potential to reward suppliers who had implemented the real living wage and rejected the use of zero-hours contracts.

The Working Group was informed that seventy responses had been received as a result of undertaking the public consultation exercise and referred to recent developments which had arisen since the draft procurement policy had been approved, by the Strategic Policy and Resources Committee, in June 2021. The Strategic Category Manager stated that climate change had presented as an emerging issue and that climate issues would require to be factored into the final Social Value Procurement Policy. The Members were informed that suppliers implementing the National Living Wage were being considered for inclusion within the revised procurement policy and that prompt payment of suppliers had now been mandated, by the Department of Finance, for inclusion within public sector contracts.

The Members were provided with a range of recommendations from the results of the public consultation process which, if agreed, would be included with the final social value procurement policy, subject to the approval of the Strategic Policy and Resources Committee. The Strategic Category Manager emphasised the importance of monitoring, on an annual basis, the impact of the new social value procurement policy and its benefits. The Working Group was informed of the various themes included as part of the consultation including, amongst other things, the definition of social value which had been amended to include a reference to local communities, the use of resource contracts and social value weighing criteria.

The Working Group was informed that the issue of the minimum value of contract, currently £250,000, should remain unchanged stating that the threshold would be kept under review as part of the annual evaluation process. The Strategic Category Manager referred to the current weighting attributed to goods, services and works and the adjustments under consideration to those weightings from 2023. The Working Group agreed that the current weightings of 10% and 15% respectively should remain unchanged but should be subject to an annual review process.

In terms of a social value pass-mark, it was reported that the results of the consultation exercises had stated a preference pass-mark of between 40%-60%, with a potential increase to 70% in future years as suppliers became more familiar with the tendering process. The Strategic Category Manager stated that it had been recommended to reduce the pass-mark to 50% which again would be subject to review, under the annual evaluation process for goods, supplies and services. He stated that this change would give the supply base sufficient time to adjust to the new social value criteria.

As part of the social value initiatives, the Working Group was informed that, as part of the social value tender process, a number of themes were being considered, including employment initiatives to promote the recruitment of young people, the non-use of zero-hours contracts and the implementation of the real living wage, as part of the tender specification process. The Members were informed that the introduction of the real living wage was a mandatory requirement from 2023, including the non-use of zero-hours contracts. The Strategic Category Manager informed the Working Group that support for businesses would be required in adapting to the new tender specification requirements and that an updated policy, taking on board the suggestions emanating from the public consultation exercise, would be presented to the March meeting of the Strategic Policy and Resources Committee for consideration. He stated also that it would be necessary to update the tool-kit tender documentation and to provide guidance and training, for suppliers, to assist them in complying with the new tendering specification requirements and for the Council to develop an appropriate contract monitoring programme.

The Working Group, while broadly supportive of the draft Social Value Procurement Policy, raised concerns in regard to some of the weightings and scorings which had been proposed, in terms of the £250,000 contract value, citing that the limited capacity for small business interests to develop the capacity or expertise to compete for such large contracts. The Members suggested that, from 2023/24, consideration should be given to applying social value weighting to contracts in excess of a £3,000 valuation.

The Members referred to the scoring value weighting which the proposed draft procurement policy had indicated should apply to both goods and supplies contracts and services and works contracts and suggested that, from April 2023, the social value weighting should increase by 5%, on an annual basis, over the proceeding three-year period. The Working Group considered the recommendation to reduce the minimum scoring threshold for social value from 70%/75% to 50% and suggested that the threshold be maintained at its current level and that the percentage threshold should, thereafter, be subject to a review prior to the April 2023 commencement date.

The Head of Commercial and Procurement Services highlighted some of her concerns in regard to some of the suggested amendments to the draft policy. She stated that adding a social value requirement to tenders, above the £3,000 threshold, could result in placing a burden on small companies, restricting their access to compete for smaller contracts by placing a burden on the small to medium business supply chain. She stated that the imposition of a social value clause on contracts over a £3,000 valuation could have an adverse impact on those suppliers where the goods and services were required to be delivered on a quick turn-around basis. The Head of Commercial and Procurement Services stated that small companies had not been supportive of a reduction in the social value requirement applying to contracts within the £3,000 -£10,000 threshold.

After further detailed consideration and taking on board the concerns of the Head of Commercial and Procurement Services it was

Proposed by Councillor McLaughlin,
Seconded by Councillor O'Hara, and

Resolved - that the minimum tender valuation, subject to social value scoring and weighting, be reduced from £250,000 to £30,000 and above from April 2023, subject to an annual review and the approval of the Strategic Policy and Resources Committee.

After discussion, in regard to the social value threshold attached to procurement contracts and following a recommendation within the draft policy, which had recommended that the threshold be reduced from 70%/75% to 50%, it was

Proposed by Councillor McLaughlin,
Seconded by Councillor O'Hara, and

Resolved - that the minimum scoring threshold be maintained to its original level, vis-a vis, 70/75%, for goods, services and works, subject to the approval of the Strategic Policy and Resources Committee.

City Charter Update

The Director of City and Organisational Strategy provided the Working Group with an update on the work undertaken in the development of the city charter incorporating a framework for the delivery of the Belfast Business Promise. He explained that the business promise consisted of a number of themes which could be used to inform a number of anchor institutions, across the city, and which included, amongst other things, fair wage contracts.

The Director informed the Members that a bid had been placed for resources to fund the project which included staffing and that, upon completion of that phase, confirmation of the roles and the development and of an on-line web platform would be required as part of the implementation phase.

The Working Group noted the information provided by the Director.

Real Living Wage Accreditation Update

The Head of HR provided the Working Group with an update on the progress made, to date, in regard to the Council becoming an accredited real living wage employer which was paid currently by means of a supplement. She referred to contact which had been made with the Living Wage Foundation in an attempt to make contact with other living wage authorities to seek information on how they had progressed implementation of the living wage and to ascertain any issues or barriers they had encountered, particularly in relation to pay structures.

The Head of HR confirmed that a meeting had taken place with Scottish Borders who advised that they had paid the real living wage as a supplement and yet had been accredited by the Living Wage Foundation. She reported that the Living Wage Foundation would be contacted to ascertain the details of this arrangement. The Head of HR explained that Scottish Borders did not follow the NJC national pay agreement and that the Council had asked the Living Wage Foundation to facilitate meetings, with other local authorities which had implemented the NJC national pay agreement and who were an accredited real living wage employer. The Head of HR stated that the Council was

engaging with the Local Government Association in regard to the challenges faced by introducing the real living wage, including the ability of the pay spine to absorb any future increases in the national living wage. To that end, she stated that a number of briefing sessions, facilitated by the Local Government Association, were due to take place in March/April and that the Council would be attending those briefings.

In response to comments made by the Head of HR in regard to the lack of response from the Living Wage Foundation, she stated that the Council had endeavoured to contact other local authorities directly but, to date, this had been unsuccessful. The Head of HR stated that it was her intention to exhaust all efforts to engage with the Living Wage Foundation and to provide the Working Group with a more detailed update in the matter at its next meeting. She requested that, if Members had any direct contacts with other relevant UK authorities, she would be happy to engage with those contacts to gain the information required. The Members stated that they would endeavour to provide any political support to facilitate engagement with relevant UK authorities in order to progress the Council becoming an accredited living wage employer.

The Working Group noted the information provided and thanked the Head of Human Resources for her efforts in the pursuance of Belfast City Council becoming a living wage authority.

Agency Workers Update

The Head of Human Resources submitted the undernoted report in respect of the costs of agency workers to the Council and including the allocation of job types covering the period April - till December 2021.

“1.0 Purpose of Report or Summary of main Issues

1.1 To provide information on the usage and cost of agency assignees from April 2021 to December 2021.

2.0 Recommendations

The Working Group is asked to note the contents of this report.

3.0 Main report

3.1 At the meeting on 22nd November 2021 the Working Group requested information on the annual cost, to the Council, associated with the recruitment and employment of agency staff. This report provides an overview of agency usage and cost for the current financial year to date (April 2021 to December 2021).

Table 1 illustrates the breakdown of agency usage by month from April 21 to December 21.

Table 1

| BCC overall agency headcount | |
|-------------------------------------|-------------------------|
| Month | Agency headcount |
| April 2021 | 231 |

| | |
|----------------|-----|
| May 2021 | 237 |
| June 2021 | 253 |
| July 2021 | 290 |
| August 2021 | 292 |
| September 2021 | 312 |
| October 2021 | 318 |
| November 2021 | 311 |
| December 2021 | 301 |

Analysis of the agency worker information shows a high level of agency usage in basic entry job roles. The table below shows that on 31st December 2021, six job types accounted for 66% of overall usage.

| Job type | Number of agency workers in this job type (FTE) in October | % of total agency usage |
|--------------------------------|--|-------------------------|
| General Operative | 110 | 36.5% |
| Business Support Clerk | 30 | 9.9% |
| Combined HGV/LGV Driver Loader | 23 | 7.6% |
| Recycling Operative | 17 | 5.6% |
| Park Warden | 12 | 3.9% |
| Park Operative | 9 | 2.9% |
| TOTAL | 201 | 66.4% |

3.3 General Operative

This post was created as part of the Open Space and Streetscene project. Transfer arrangements for existing staff was completed in October and an internal trawl was advertised in early November, this resulted in 6 permanent appointments being made. An external trawl will be advertised in early April with 25% of the permanent vacancies ringfenced to the long term unemployed, supported by an employment academy approach. This will significantly reduce the number of agency assignees in this basic entry job role and stabilise staffing arrangements.

As well as covering vacancies, agency workers are also used to provide temporary cover, for employees on internal secondments / career break, for temporary projects, e.g. the Glass and Kerbie box trials, for seasonal requirements and as a response to Covid 19. Seasonal general operatives are due to finish at the end of March and this along with the permanent recruitment exercise in April will further reduce the number of agency workers at this grade.

3.4 Business Support Clerks

The Business Support Clerk post is a basic entry, high turnover job role which historically has always had a high dependency on agency usage. The pausing of the review of business support services, alongside Covid-19 response and recovery work and organisational capacity issues, has contributed to the use of agency workers in this job role. In July 2021, CMT agreed that permanent established business support posts that are permanently vacant, can be recruited on a permanent basis. It is anticipated that a recruitment exercise will take place in April 2022. As above we will ringfence 25% of the vacant posts to the long term unemployed, again supported by an employment academy approach.

3.5 Combined HGV / LGV Driver Loader

A recent recruitment campaign for Combined LGV/HGV Driver/Loader has now been completed, with 7 appointments made. Several agency workers have been retained pending the completion of medical & pre-employment checks.

The other agency workers are providing temporary cover, e.g.; internal secondments / career breaks, temporary projects, e.g. the Glass and Kerbie box trials, for seasonal requirements and due to Covid 19 response and recovery.

3.6 Recycling operative

A number of full-time posts are currently being recruited. Agency workers will be retained pending completion of the recruitment exercise. The other agency workers are providing temporary cover for internal secondments / career breaks, and due to Covid 19 response and recovery.

3.7 Park Warden

This post falls under the City Services review, with recruitment on hold until the review has been completed. There are 6 vacancies being covered. The other agency workers are providing temporary cover for internal secondments / career breaks, and due to Covid 19 response and recovery.

3.8 Ongoing Issues

While the progress of some structural reviews will help address the ongoing dependency on agency workers, there is a need for a dedicated corporate “gatekeeper” resource to manage, challenge and control agency usage across all departments.

It has been agreed to facilitate the creation of this post on a temporary basis for 2022/23. The creation of a permanent post will be considered during the estimate process for 2023/24 as part of strategic workforce planning and our efficiency agenda. It is anticipated that this post will be advertised in March 2022.

4.0 Financial and Resource Implications

- 4.1 The total cost to the Council for the period April 2021 to December 2021 was £5,025,579. This reduces to £4,084,478 when costs attributed to covid are deducted. The use of agency workers is not an additional financial burden on the Council as the cost is met through vacant posts.**

The creation of a temporary resource to manage the use of agency workers corporately and manage the agency contract as identified above.

4.2 Equality or Good Relations Implications

Adherence to the compliance framework will help ensure equality of opportunity for all agency workers.”

In respect of General Operative posts, the Head of HR informed the Members that, a number of permanent appointments had been made in November 2021 and that a further external recruitment campaign, to fill permanent posts, was planned for April, 2022. Furthermore, 25% of the permanent posts would be ringfenced to the long-term unemployed.

The Head of HR stated that it was anticipated that, as a result of a range of recruitment measures, a number of Agency staff employed by the Council, over the next twelve months, would be reduced significantly. She stated that this would be supported by the recruitment of an agency gatekeeper to monitor and regulate the use of agency workers on a departmental basis.

The Working Group was informed that the recruitment of agency staff did not pose an additional financial burden on the Council in that those costs were met from the vacant posts currently within staffing structures. The Head of HR stated that it was important to stabilise the staffing structures and that the measures referred to would make a considerable contribution towards the achievement of that objective.

A Member raised concerns in regard to the costs associated with the use of recruitment agencies to provide the agency and temporary staff cover required to fill short term employment requirements. The Member suggested that it would be useful if a report, highlighting the recruitment costs associated with the employment of agency and temporary staff, be reported to the Strategic Policy and Resources Committee, on a quarterly basis.

After consideration, it was

Proposed by Councillor McLaughlin,
Seconded by Councillor O'Hara, and

Resolved - that a report be provided to the Strategic Policy and Resources Committee, on a quarterly basis, highlighting the costs, to the Council, associated with the recruitment of agency staff in conjunction with reports received currently, by that Committee, on the costs associated with departmental service level reviews and the recruitment of temporary staff. It was proposed further that historical data, on those recruitment costs, be included for the purposes of comparison.

The Head of HR stated that she would prepare a report for the May meeting of the Strategic Policy and Resources Committee, providing information on the costs associated with the recruitment of agency and permanent staff and including the length of time those temporary/Agency staff had been employed by the Council. In response to a query regarding agency staff being able to apply for internally trawled permanent posts, the Head of HR advised that, in 2018, a protocol to trawl posts internally had been agreed by the Members and the Trade Unions. She stated that the protocol had been extended until March 2022 and it was not the Council's extension to seek a further extension. The Members were informed that it would be her intention to inform the relevant trade unions on the proposition that that all permanent posts be advertised, on an external basis, from April 2022.

Date of Next Meeting

The Working Group agreed that its next meeting would be held on a date to be agreed, in conjunction with the Chairperson.

Chairperson