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# **Birmingham City Council**

## **Councillor Stewart Stacey**

Cabinet Member for Commissioning,  
Contracting and Improvement



# Where is Birmingham?

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# The British Isles

Area: 315,130 km<sup>2</sup>

Population: 68.017m





# West Midlands Region

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Area: 13,000 km<sup>2</sup>

Population: 5.674m





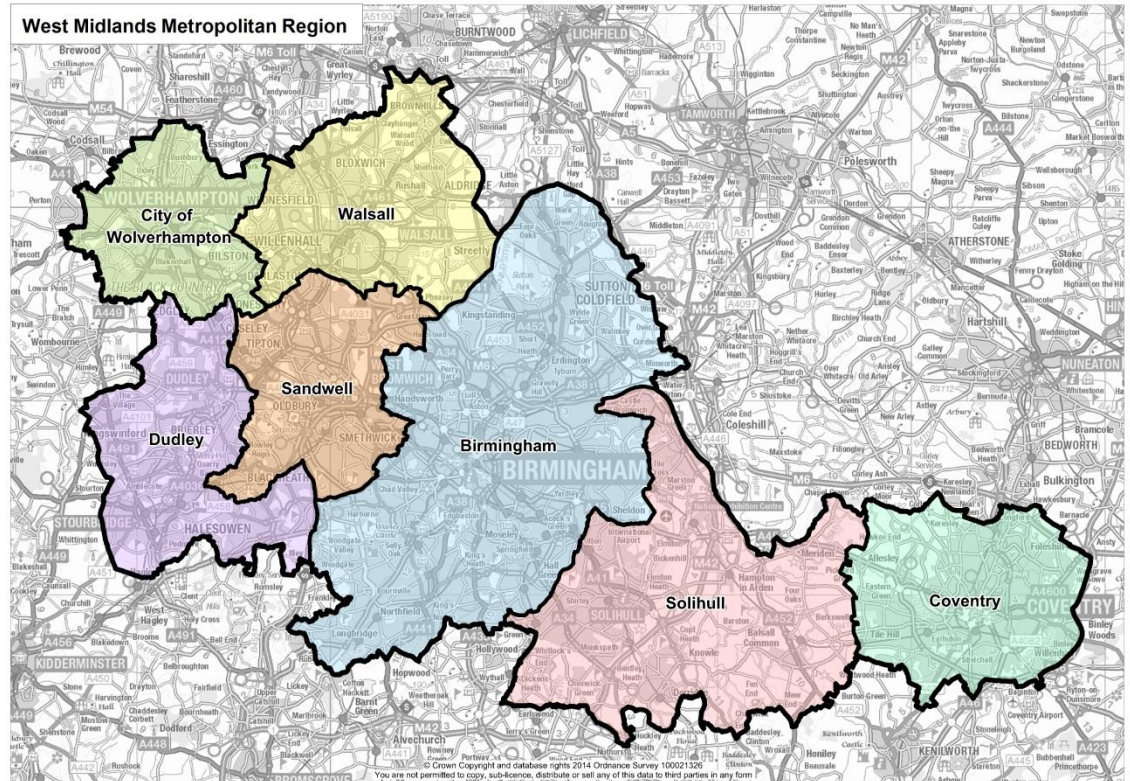


# West Midlands Metropolitan Area

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Area: 902 km<sup>2</sup>

Population: 2.783m





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# The Task We Face

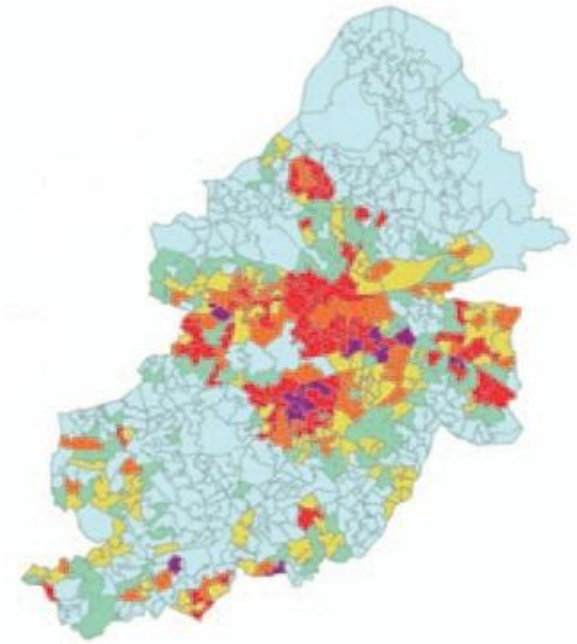
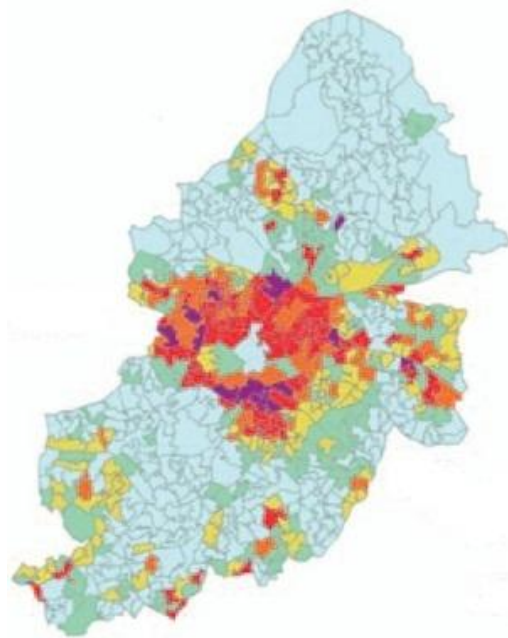
The areas of the city with the greatest deprivation are generally unchanged.

**2004**

**2010**

Area: 267.8 km<sup>2</sup>

Population: 1.092m





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# **The Birmingham Business Charter for Social Responsibility (BBC4SR)**





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# Background

The Birmingham Labour Party's manifesto in May 2012 included a commitment to:

- “Use the £7.5billion spent by public services in Birmingham to develop, wherever possible, a progressive procurement policy to buy Birmingham goods and services, creating jobs and building Birmingham's economy.”



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# Background continued

The new Leader's Policy Statement in June 2012 developed this idea as the BBC4SR:

“The Council will launch a **Business Charter for Social Responsibility** that will seek, initially, new businesses as well as major businesses currently contracted to the Council to make voluntary agreements in a number of areas, including”:



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# Background continued

- Local employment
- Training and apprenticeship opportunities
- A living wage policy; and
- Sustainability and waste elimination

Future commissioning and contracting decisions will take account of the objectives of the Business Charter for Social Responsibility



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# Public Services (Social Value) Act 2012

- The Act came into force on 31 January 2013
- The Authority must consider:
  - how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and
  - how, in conducting the process of procurement, it might act with a view to securing that improvement.





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# Procurement

- “More bangs for your buck”
- Value for money .....
- Social Value!



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# BCC Policies

Approved by Cabinet on 22 April 2013.

- The Living Wage Policy for Birmingham
- The Social Value Policy for Birmingham
- The Birmingham Business Charter for Social Responsibility



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# What is the Charter?

“The Charter is a set of guiding principles to which Birmingham City Council will adhere and which it will invite its contracted suppliers and partners to adopt in order to help foster the economic, environmental and social well being of the City of Birmingham.”

The Charter will also form part of the terms and conditions of new Council contracts.



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# What are the principles?

1. Local Employment
2. Buy Birmingham First
3. Partners in Communities
4. Good Employer
5. Green and Sustainable
6. Ethical Procurement





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# Charter 'elements'

Two categories:

- Mandatory for all.
- Mandatory above Threshold, and Voluntary below.

*Threshold = £200,000 (c €250,000) contract value or £500,000 (c €630,000) cumulative*



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# Local Employment (i)

Charter signatories will create employment and training opportunities for local people especially in target areas:

## Mandatory for all

- Commit to create employment and training opportunities for local residents, including people with disabilities and support people into work and work experience placements.
- Adopt an approved Jobs and Skills policy and apply this policy at every stage of the procurement process. BCC's Policy Toolkit for Jobs and Skills provides an example of an approved policy approach.



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# Local Employment (ii)

## Mandatory above Threshold, and Voluntary below Threshold

- Seek opportunities to work with schools to help to ensure that the young people of Birmingham are equipped with the right skills to match the requirements of the labour market.
- Support the local economy and create much needed jobs and apprenticeships by adopting procurement strategies that remove barriers to local businesses



# Buy Birmingham First (i)

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## Mandatory for all

- Support the local economy by choosing suppliers close to the point of service delivery where possible.
- Use Find it in Birmingham as the primary method of sourcing suppliers for contracts in Birmingham, increasing the accessibility of opportunities to local businesses throughout the Supply Chain.
- Encourage their suppliers to endorse the principle of 'Buy Birmingham First' throughout their supply chains.





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# Buy Birmingham First (ii)

Mandatory above Threshold, and Voluntary Below Threshold

- Commit to purchasing from pre-qualified businesses on the Find it in Birmingham website where possible.



# Partners in Communities (i)

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## Mandatory above Threshold, and Voluntary Below Threshold

- Build capacity by supporting community organisations with resources and expertise in areas with the greatest need, for example mentoring and working with youth organisations and services.
- Make a local impact by improving local facilities and areas, for example staff volunteering schemes.
- Provide support to third sector organisations and work with third sector organisations to deliver services and contracts.



# Partners in Communities (ii)

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- Work with schools and colleges, offering work experience and business awareness to students, especially those from disadvantaged areas or communities.
- Support the Birmingham Baccalaureate as it is developed.
- Make accessible all sub-contracting opportunities to a diverse supply base including the third sector and local suppliers and provide mentoring and support to assist these organisations to tender for and deliver these supply opportunities where necessary.



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# Good Employer (i)

Charter signatories will support staff development and welfare and adopt the Birmingham Living Wage within their own organisation and within their supply chain.

## Mandatory for all

- Ensure that employees are given a fair reward for their labours and help foster a loyal and motivated workforce by paying the Birmingham Living Wage.
- Recognise employees' rights of freedom of association and collective bargaining, including not using blacklists in recruitment processes.
- Provide a safe and hygienic working environment.





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# Good Employer (ii)

- Not discriminate in respect of recruitment, compensation, access to training, promotion, termination of employment or retirement based upon race, caste, national origin, religion, age, disability (including learning disability), mental health issues, gender, marital status, sexual orientation, union membership or political affiliation.
- Comply with employment and social security legislation;
- Not employ harassment or intimidation.
- Have and comply with a whistle blowing policy.
- Comply with working hours legislation and industry standards.



# Green and Sustainable (i)

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Charter signatories will commit to protecting the environment, minimising waste and energy consumption and using other resources efficiently. These commitments will also apply to their supply chain.

## Mandatory for all

- Eliminate unnecessary waste by adopting the “reduce, reuse, recycle” philosophy.
- Be a good neighbour, minimise negative local impacts (noise, air quality), improve green areas (e.g. biodiversity, visual attractiveness).
- Reduce Carbon footprint – be aware of main impacts on carbon emissions including the indirect carbon used in manufacturing processes and the direct impact of operations and logistics.



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# Green and Sustainable (ii)

Mandatory for above Threshold, and Voluntary Below Threshold

- Measure carbon emissions and ensure a plan is being implemented using carbon measurement tools. Specific targets to be included in major contracts.
- Protect the environment and minimise adverse impacts and instil this approach throughout suppliers' supply chains.



# Ethical Procurement (i)

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Charter signatories will commit to employing the highest ethical standards in their own operations and those within their supply chain.

## Mandatory for all

- Work to the highest standards of business integrity and ethical conduct.
- Pay their fair share of taxes.
- Ensure the well-being and protection of work forces which must be supported by robust systems and procedures.



# Ethical Procurement (ii)

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- Support the principles of the Universal Declaration of Human Rights.
- Support the Fundamental International Labour Organisation Conventions.
- Not engage in or support the use of child labour.
- Adopt best practice when procuring goods and services e.g. procure low energy products and avoid the use of rainforest timber from unmanaged sources.
- Pay suppliers no later than the terms stated in the primary contract.



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# How we do it

- We work with businesses to guide them through the process --- and not just those winning contracts.
- Working with major non-contracted businesses to sign up.
- Working with other public sector organisations to sign up.
- The Charter is included in relevant Council staff performance and development reviews.





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# Progress to date

- Since September 2013, more than a 100 businesses have signed up to the Charter and are paying the Living Wage.
- 70 more action plans are work in progress.
- We have a target that the number of companies signed up will be above 250 by April 2015.



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# Spreading the word





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..... Working in partnership



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# Threats/Challenges

- Businesses see CSR as a tax.
- Businesses see CSR as a private choice, not an issue for regulation.
- Process becomes bureaucratic, complicated and expensive.
- Social Enterprises lose their advantage
- Unintended consequences



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# Next steps

- Evaluation of the BBC4SR to identify whether there are any additional elements for inclusion.
- Review of BCC processes for Charter implementation
- Review of Birmingham's Social Value Policy to reflect new EU Procurement rules and changes to BCC internal processes.
- Updating the Living Wage Policy to account for recent legislation (travel time) and Social Care



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# Questions?

## Contact details:

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