

GATESHEAD METROPOLITAN BOROUGH COUNCIL

CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE MEETING

Monday, 29 November 2021

PRESENT: Councillor John Eagle (Chair)
Councillor(s): D Burnett, J Wallace, R Beadle, D Bradford, L Caffrey, B Clelland, P Foy, T Graham, M Hall, I Patterson, J Simpson and J Turner

APOLOGIES: Councillor(s): D Duggan, S Green, R Mullen, S Ronchetti and K Wood

CR54 MINUTES

RESOLVED - That the minutes of the meeting held on 11 October 2021 be agreed as a correct record.

CR55 CORPORATE COMMISSIONING AND PROCUREMENT STRATEGY 2021/22 - 2026/27

The Committee received a report seeking views on the draft Corporate Procurement Strategy and approval to consult on the strategy externally.

The current strategy was approved in February 2017 for a period of five years. It is the intention that the new strategy for the next 5 years will align to the Council's Thrive Agenda, the Health and Wellbeing Strategy, the Economic Strategy and the Climate Emergency Strategy. It will also align to Community Wealth Building Principles and look at maximising the Gateshead £.

Procurement in Gateshead is the process of acquiring goods, services and works, to achieve the optimum combination of costs, benefits and management of risk, to meet the objectives of the Council.

Commissioning in Gateshead is a cycle of activity that begins by considering what evidence is telling us about our community, and then leads us to determine the needs of our local population and analyse what must be done to achieve the best possible outcomes within our available resources.

The Vision:

'We will continue to provide first class, outcome focused services based on compliant commissioning and procurement activity that delivers value for money, maximises the Gateshead £, tackles inequality, helps to reduce our carbon footprint and support Gateshead people to thrive.

Our Values:

- Integrity – we will always work with integrity – demonstrating fairness and respect every day in every way
- Inclusive – we will be inclusive – One Council working together and engaging people to get better results and ensure equality of opportunity
- Inspirational – will be inspirational – thinking creatively, being dynamic and motivating and empowering everyone to do the things that make a real difference for the people of Gateshead

Our behaviours:

Our behaviours will be evident in how we approach our work, how we treat others and how we expect to be treated, as well as how we work together.

- We will always be positive, helpful and supportive in our approach
- We will be professional and lead by example
- We will work as a team and take personal responsibility for our actions
- We will learn from our mistakes and celebrate our successes
- We will embrace and promote equality
- We will be flexible and adaptable to change

The strategy will be divided into the following four areas with actions for each of the areas.

- Tackling inequality, supporting local communities and putting people at the heart of everything we do.
- Investing in our local economy
- Working together for a better and greener future
- Delivering value for money and ensuring a sustainable Council.

It was noted that some of the strategy is quite aspirational and it was queried how all services would buy into this and how can this be used to influence the SEND agenda, for example parents of children with SEND who wish their children to stay in the Borough and are having to travel out of borough.

It was noted that commissioning is done on a regional basis for certain contracts agreed under the NEPO framework. It was noted that we are looking at that decision at the moment and whether it is working for us.

It was also noted that requests have been made to officers of other OSC's for information on issues for example if a parent has had a decision from a tribunal Councillors need to know what the position is, but the information was not forthcoming and items were being removed from the workplan. Councillors understand the need for confidentiality but the information could be presented in a way so as to inform councillors of decisions made but not details of the parent/child. It was noted that if councillors are not getting information requested they can take the issue to the Leader who would have a conversation with the Chief Executive.

It was queried whether the language used in relation to the Council being an enabler was the correct use of language, in particular when also saying the Council is reducing in size, it comes across as though we will be out-sourcing services which Councillors are aware did not go well for other local authorities and is not something which has ever been supported by the Council. It was considered that direct service delivery provides the greatest level of influence and in many cases better quality services, however it was also commented that due to funding reductions we cannot do everything we used to do.

It was noted that it is important that we establish a shared vision on Community WealthBuilding and this is something which we don't seem to have now, particularly around Social Care.

It was also queried about whether we know what the Gateshead £ is and have a clear shared definition.

It was noted that it was disappointing not to see the section on Integrated Health completed as there are massive amounts of money being handled in this area and we need to undertake more challenge of some of the professional who provide advice as sometimes the advice gets in the way of sensible decision making.

There was concern that there is too much silo thinking and not enough planned work eg for children with SEN where we could have more conversations with existing SEN schools in Gateshead to better manage demand.

We have good examples e.g. Kells Lane Park where the equipment was replaced by a supplier that was not necessarily the cheapest, but provided an excellent service and additional Social Value in the way that he dealt with the community.

It was suggested that we explore alternative ways of expressing the £ and consider a different exchange system. We could look to have schemes such as the Community Farm at Gibside and more co-operative type schemes where the benefits would include local people having access to produce they had grown themselves and sharing with others. This would also reduce the carbon footprint given there would be no need to import as much food and we could look at the land that the council currently owns.

- RESOLVED -
- (i) That the comments of the Corporate Resources Overview and Scrutiny Committee be incorporated into the draft strategy
 - (ii) That wider consultation takes place on the draft strategy
 - (iii) That the Strategy be brought back to the Overview and Scrutiny Committee prior to Cabinet for approval.

CR56 A NEW APPROACH TO SOCIAL VALUE

The Committee were presented with a report and presentation to update them and provide an opportunity for the new approach to Social Value that is being developed.

The Public Services (Social Value) Act 2012 requires all Contracting Authorities to

consider social value criteria for inclusion in their commission and procurement activities and specifically in respect of contracts above the Public Contracts Regulations threshold. Contracting Authorities should consider not only how to improve the economic, social and environmental well-being of the area served by them but also how to secure that improvement and measure it during the life of their contracts.

The Procurement Team along with other North East Local Authorities and NEPO have been focusing on the further development of Social Value criteria that can be measured. Working alongside a social enterprise, the Social Value Portal, a national toolkit has been developed to translate social value measures into a monetary value, and therefore enable comparisons to be made across a range of social value criteria. This toolkit has been extensively adopted in various ways by authorities across the Country.

Whilst the measures have been devised nationally, the Social Value Portal agreed to provide local, Gateshead specific metrics to use in our social value evaluations. The ongoing maintenance of the metrics is under consideration as the social value portal have advised that updating the metrics will be chargeable, and the fee associated with updating the metrics is not insignificant, therefore working with NEPO we are considering alternative options regarding the maintenance of local metrics.

A team of subject experts from across the Council came together to form a Social Value Delivery Group and they considered the 150+ measures from the toolkit, streamlined and prioritised them against the themes in the draft Corporate Commissioning and Procurement Strategy 2021/22 – 2026/27 which should also represent Council priorities to create the Gateshead Social Value toolkit.

In Gateshead every contract will have a default 20% weighting for Social Value that is then divided into 4 themed areas of the draft Corporate Commissioning and Procurement Strategy Other Local Authorities allocated 10% we are looking to allocate 20% weighting.

It was noted that there is an awful lot of priorities to be considered as a default position. It was queried whether there would be a standard list each contract would include, however it was considered that there should be flexibility to bespoke the measures to the contract matter. It was also noted that some measures would not be used as there may be terms and conditions within the contract that mandate specific measures.

It was noted that the Corporate Social Responsibility Policy, would have to be reviewed in light of the Social Value toolkit.

It was noted that one of the things we don't do well enough is that when things go wrong ask for a proper review of lessons learned when we have made mistakes we should build that into the process.

It was queried whether we are going to support Gateshead based organisations to do this. It was noted that we have to be careful to comply with procurement law and not give advantage to any suppliers, however, one of the things we do have is

market engagement sessions and often the majority of suppliers who attend are local. We also work with our Economic Development Team who do lots of work with Gateshead based organisations to upskill them and ensure that they are able to compete for work. We have held several workshops over the years to engage markets, however we now try and target the sessions towards any contracts that might be due for renewal.

- RESOLVED -
- (i) That the comments of the Corporate Resources Overview and Scrutiny Committee be noted
 - (ii) That all procurements exceeding £100k should incorporate the Gateshead Social Value Toolkit with a default weighting of 20% unless otherwise approved by the Service Director, Corporate Commissioning and Procurement
 - (iii) That a wider consultation on the approach be undertaken

CR57 ANNUAL WORK PROGRAMME

The Committee requested that the Corporate Procurement Strategy amendments be brought back to the January meeting. They also requests a Members Seminar be organised to consider the zero-based budget approach. There was also a request for a workshop with CLES for Councillors to better understand the Community Wealth Building work.

- RESOLVED -
- (i) That the provisional work programme be noted but with the following amendments:
 - the Covid Update in January to be merged with the one in April
 - the amended Corporate Commissioning and Procurement Strategy be added onto the January meeting.
 - The new approach to budget setting be scrutinised in March/April
 - (ii) That the Committee noted that future reports on the work programme would be brought to the Committee

Chair.....