

## University of the West of England: Leading HEI Social Value

This case study was produced by the Buying Social Justice research project as part of its exploration of how public procurement is being adopted by public sector organisations to advance equality in employment. It is one of a series of case studies that feature good practice in the use of public procurement by infrastructure and transport bodies, local authorities, housing associations and universities in England, Scotland and Wales. The purpose is to present examples of good practice in how public procurement can incorporate objectives to promote equality, diversity and inclusion in the workforce. By presenting a selection of examples from public bodies of different sizes and sectors, it is intended that other organisations may consider adopting similar measures in their procurement practices.

All the case studies, together with other publications and outputs from the project, are available on the Buying Social Justice website.

### Background to the organisation

UWE (University of the West of England), Bristol is a higher education institution (HEI) given the title of university under the Further and Higher Education Act 1992, one of the first ‘New Universities’. However, the university has a long history dating back to its roots as a merchant and navigation school in 1595. In 1949 the school transferred to the control of Bristol City Council when it became Bristol College of Commerce and Bristol College of Technology. In 1965 Bristol College of Science and Technology was given university status and moved to Bath. In 1969 Bristol Polytechnic was established and during the 1970s and 80s amalgamated a number of colleges in the South West before gaining university status in 1992.

The university has a sizeable campus outside of Bristol city centre that it has continually enlarged since 1992. The most recent construction additions are prestigious new Business School and Engineering buildings. Plans have been passed to build a 9-storey student accommodation block to open in late 2023, with VINCI Building as the tier 1 contractor for the third phase of the student accommodation project (SAP3).

Equality, Diversity and Inclusion (EDI) policy

UWE has set out a 10-year plan ‘Strategy 2030 – Transforming Futures’. The strategy sets out UWE’s overarching core values (ambitious, inclusive, innovative, collaborative and enterprising) and key areas of focus (purpose, people and place). The EDI strategy at UWE is one of the sub-strategies associated with the university’s 2030 strategy:

“With inclusivity as a core value, we recognise the power of a truly diverse university community. We will support and celebrate the diversity of our staff and students as a key driver for innovation and success, promoting pathways and achievements to inspire and generate confidence and ambition. We will also work to increase the diversity of our workforce through innovative and targeted interventions, recognising this is crucial to attract and retain talent.” (Strategy 2030: Transforming Futures, p.12).

To implement the strategy, the university has a raft of EDI policies<sup>i</sup> and a recently-established dedicated EDI team. The Director of Procurement (DoP) said that she had gained some of her insight

into EDI as a by-product of working with the university HR team in the procurement of services in relation to staff and student well-being as well as through undertaking the mandatory university training on EDI.

A focus on EDI was also at the forefront of VINCI Building's approach to social value, as their Social Value Manager highlighted:

“A target for us has been trying to support people furthest from the construction job market who are looking for placements. That usually tends to be women and people from ethnic minorities... What we've tried to do is engage with local groups as well as university programmes, for example the green skills for jobs and entrepreneurship.”

## **Procurement policy**

Procurement strategy and policy at UWE is overseen by the DoP, who has been involved in many iterations of the procurement policy. The UWE procurement team has grown from just three people to a team of six headed by the DoP and is in the process of trying to recruit another staff member, in response to the expanding demands being placed on the procurement function in recent years. Like many of the procurement managers we have spoken to, the DoP referred to the difficulty of recruiting and retaining good procurement professionals.

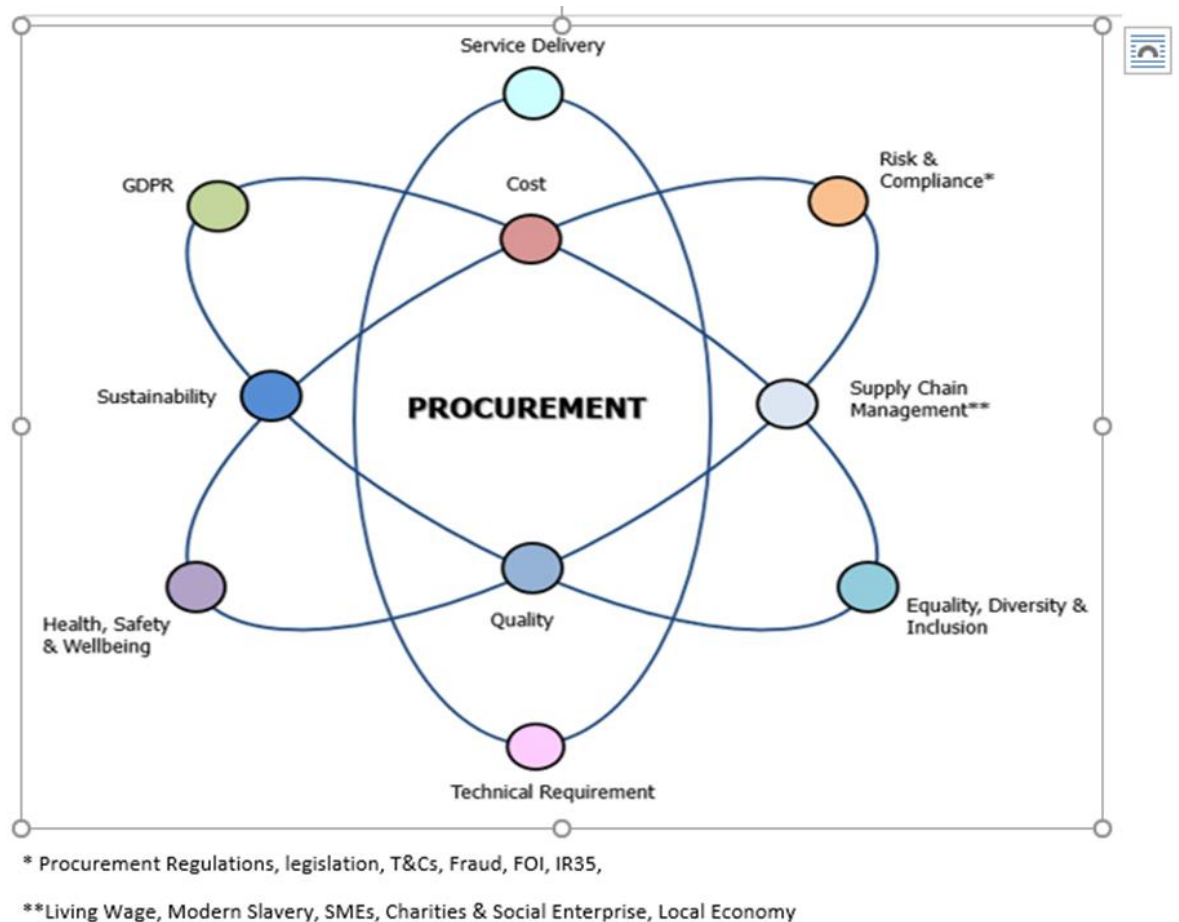
The most recent recruit to the Energy and Procurement team was brought in for their specialist skills as a Scope 3 supply chain co-ordinator, to “improve the university's work with their suppliers in relation to environmental sustainability and the Scope 3.”<sup>ii</sup> This post is part of the Energy Team but works alongside the Procurement Team. The increasing demands on procurement are described visually by the DoP in her regular presentations to the senior leadership team through the analogy of procurement at the centre of an ‘atom’ around which orbit an increasing number of objectives and issues that procurement specialists are being asked to consider (see Figure 1).

Although some universities consider themselves as ‘out of scope’ in respect of public procurement regulations and not covered by the 2012 Public Services (Social Value) Act, UWE, due to its funding model, considers itself ‘in scope’ and has adopted social value principles within its procurement strategy. The DoP is the social value expert in the team, seeking to ensure that its considerations are included in all the categories of procurement for which her team are responsible.

The DoP has developed a responsible procurement strategy<sup>iii</sup>, based around four ‘pillars’: Environmental, Social, Economic, and Culture and Governance. It is the ‘Social’ pillar that covers most of the EDI considerations that UWE include in their procurement activities. It also encompasses requirements related to fair labour practices. This has been developed into a draft Responsible Procurement Policy.<sup>iv</sup> The Responsible Procurement strategy and associated Responsible Procurement policy that implements the strategy, like the EDI strategy and policy, are governed by the principles set out in the universities overarching 2030 Strategy, and the university's 2030 Climate Action and Sustainability sub-strategy, which specifically mentions the strategic use of procurement for sustainability purposes:

“We will use our procurement processes and purchasing power to influence our supply chain, through local and ethical procurement, and will work with our suppliers to encourage the highest standards of sustainability performance.” (Transforming Futures: Climate Action and Sustainability Strategy, p.8).

Figure 1



The DoP is keen to link her activities to the sustainability agenda wherever possible and stated:

“I’ve lived with lots of structures of UWE and lots of different strategies and we are obviously very keen to try and support where the University is going with responsible procurement 2030 strategies, net zero, all things sustainability.”

In relation to EDI and procurement, the DoP felt that a range of social value issues were built into decisions about procurement at UWE from contractors’ supply chain sustainability, modern slavery policies, gender pay gap reporting, minimum/living wage, menopause, self-identification and gender transitioning policies, to making sure that equipment that was purchased met acceptable standards for the university. A key point made by the DoP was that procurement was a useful tool in leveraging skills workplace placements and skills opportunities for students at UWE:

“I’m asking them [contractors] to commit to working with the University for student value, for enhancing the student skill set... We’ve been talking to HP [Hewlett Packard] and putting them in contact with the careers team to come up with a matrix of activities for HP to work with the university in terms of advertising their jobs with us, looking at summer internships. In addition to time, cost, quality, although that’s the core requisite about procurement, many other areas come into the process now.”

The importance for UWE of social value benefits for students was a key part of the VINCI SAP3 Student Accommodation tender:

“We supported four interns through a scheme focused on international students at the university. We are giving opportunities to people who would not have considered coming into construction or not had the opportunity to engage with something like this before. With the programme we had four interns, and we also carried out interviews, of around 10 people, all from different courses, from international relations to marketing candidates who never considered construction as an option.” (Social Value Manager, VINCI Building)

In this case, three interns were women from minoritised ethnic groups.

The DoP observed that the economic environment of universities had worsened in recent years because of the sharp rise in energy and other running costs at a time when student fees had been frozen. This could have an impact on sustainable procurement if, as was likely, cost again became the main driver of procurement decisions.

“Student fees are currently being capped, so there's going to be a big squeeze on budgets. We're all universities and I think that some of the progressive work that's been done when we were able to focus on best value, not lowest cost, might not be able to continue. I think we might see a shift to a little bit more lowest cost.”

The DoP stated that one of the main challenges of her role was keeping abreast of government policy and changes to the legislation in relation to public procurement. The DoP also subscribed to some key government websites that she found useful but kept up-to-date largely by being active on LinkedIn and having a wide and active network of procurement colleagues across HEIs, particularly a Bristol based network (PIP), the Southern Universities Purchasing Consortium (SUPC) and an ‘On-line Procurement’ discussion board, which covers the whole of the UK. The DoP was also active in re-establishing the HE National Responsible Procurement group and is now the chair of the steering group. The group has three priorities, supply chain emissions, circular economy and waste, and social value. The steering group includes, UKRI (UK Research and Innovation - University research funding agency), Environmental Association of Universities & Colleges (EAUC), and HE colleagues who wanted to start a responsible procurement group. The DoP presents an annual procurement report to the Board of Governors, which includes some outcomes in relation to social value and EDI.<sup>v</sup>

## **Procurement stages**

UWE policy on sustainable procurement uses the UN Sustainable Development Goals (SDGs) and the DoP said that a number of procurement specialists in HEIs had developed a set of tender questions based on the SDGs. These have been amended by UWE to make them more category specific and user-friendly. UWE also uses the TOMs (Themes, Outcomes and Measures), a national framework for measuring and reporting social value in financial terms) in its procurement practice and has recruited a member of staff who is experienced in using the TOMs. UWE builds social value KPIs into the procurement process and the Sustainability Committee of the university decided last year that all procurement contracts must include 10% of the evaluation criterion for social value and sustainability, following the principle encouraged by the Standard Selection Questionnaire (PPN 03-23) detailed below.

Because UWE, as an organisation, has a large number of budget holders who might buy goods and services directly, the procurement team have also issued a set of guidance for budget holders based on the SDGs and TOMs drawn up by the UK Universities Purchasing Consortium<sup>vi</sup> and a guide to contract management, which although not specific to social value, clarifies the roles of contract managers and sets up a protocol for an ongoing relationship between the contract manager and supplier to ensure that all aspects of the contract are delivered.<sup>vii</sup>

UWE has developed a 'responsible procurement checklist'<sup>viii</sup> for colleagues seeking to engage the procurement team in a particular procurement activity. The checklist encourages the client department or individual to consider the ways in which the environmental, social and economic aspects of responsible procurement, as outlined in the policy, might apply to their specific procurement. Included under the 'social' heading are considerations such as possible apprenticeships and training opportunities, student engagement and the potential for encouraging third sector organisations and/or SMEs to engage in the tendering process.

In respect of potential suppliers, as part of their procurement processes UWE issues suppliers with an EDI checklist<sup>x</sup>, which asks a series of 15 questions about the EDI approach and policy of bidders for UWE contracts. The DoP highlighted that although the responses on the EDI checklist were not always scored in relation to the decision on the tender, she felt it was important to know where the supplier was in relation to their EDI practice so that it was possible to see where improvement could be built in as part of the procurement award process and ongoing contract management:

"Sometimes you don't want to score the equalities aspects, you want to find out where a supplier is on their journey, and then once they're appointed and under contract management, help them develop that journey. When we have contract review meetings, EDI is one of the agenda items and we can monitor where the suppliers is with different aspects of their own EDI journey."

The DoP made the point that the university had surveyed all of its suppliers to find out who were paying the real Living Wage and were now collecting that information systematically from all suppliers. UWE is itself a real Living Wage employer.

The procurement team can also use the SUPC and LUPC Responsible Procurement Assessment Tool<sup>x</sup> as part of the pre-tender stage. In terms of EDI, the tool includes questions about the supplier's gender and ethnicity pay gaps, asks the contractor to demonstrate how they proactively meet their obligations under the Equality Act 2010 and if they have any schemes or initiatives to work with under-represented groups, apprenticeships and living wage schemes.

The procurement team use a HE sector coding tool to categorise the risk when purchasing against seven factors (Equality, Environmental/Sustainable, WEEE/Disposal, Social Issues, Packaging, Modern Slavery).<sup>xi</sup> (The UWE Sustainability Team assisted the more recent update of the tool when packaging risk was added)

Tendering, evaluation and contract award

The procurement team use a Selection Questionnaire (SQ), in addition the tender documents contain a range of social value questions, which must form 10% of the evaluation. This is based on the Government PPN 03-23 Standard Selection Questionnaire template, which they adapt as appropriate to the goods or services being tendered. As noted above, the DoP said that there had been some resistance from bidders to the use of social value criteria in the awarding process:

"Clearly there could be then some questions from the stakeholder team, when a supplier may have the best technical solution and you're marking them down and that's why we often remind stakeholders, we evaluate on the most economically advantageous response, against a range of criteria. It's not just about one or two criteria. We have to have the right balance of criteria and weightings."

The DoP noted that in addition to the numerical marking of various criteria, including equality-related criteria where they have been included, tenderers were often also invited to present their bids and where she is involved in such a presentation, her preference is to ask a relevant question, often around a social value aspect of the bid.

The Social Value Manager at VINCI Building confirmed that building in social value, particularly in relation to students and the local community was an integral part of the tendering process for SAP3:

“We had a requirement of... three questions aimed around social value in particular... They were social responsibility questions focused around enhancing community benefits, safeguarding against modern slavery, and engaging the student experience. So it was very much focused on the community as a larger Bristol community, and the student community as well. Safety and wellbeing was another part that we also looked at, related to social value, and was more focused on the wellbeing of our staff and any wellbeing of student involvement that we could take part in.”

Contract management and monitoring

A key element of UWE’s good practice approach to achieving equality outcomes from their procurement activities is to see their relationship with suppliers as a journey that they are seeking to influence over the course of the contract. Contract management and monitoring are the main way in which this is influenced by the procurement team. Contract management guidance drawn up by the procurement team builds in a number of monitoring and compliance meetings. There is an accompanying contract review meeting template<sup>xii</sup> with a specific question on EDI.

In this respect, their starting point during regular contract review is the responses that a supplier gave during their initial tender evaluation with suggestions about how these might be developed during the lifetime of the contract. As The DoP explained:

“We’ll try and make sure that we follow through EDI areas into the contract review meetings under the EDI heading and I will highlight a particular area, usually related to university initiatives, recent examples are: Do you have a transition at work policy? Do you have a menopause policy? Even though we’ve awarded a contract the supplier could be working with us for many years, we don’t just drop these really important areas. We continue to work with the suppliers to support and guide them to enhance their policies, we’ll keep it going.”

UWE’s continuous improvement approach to social value was something that VINCI had found challenging but ultimately beneficial to their practice, according to the Social Value Manager:

“One of the great things [...] when we’ve been achieving the KPI, it’s never been okay, well, you’re done with that now... It’s so what can you do next?”

As well as revisiting the suppliers’ tender responses, contract management and monitoring, the procurement team at UWE makes use of a ‘Supplier Code of Conduct’<sup>xiii</sup>, which states: “The way you do business should align to the values and aspirations outlined in this document, which are our values. We expect all of our suppliers to act in accordance with the highest ethical standards, and to comply with all relevant laws, regulations and licences, as set out in this Code of Conduct.” (p.1)

The document has sections on employment and welfare standards, in which discrimination, gender equality and equal pay are specifically mentioned. Contractors are also required to report on contract KPIs and an example produced by one of the construction contractors was shared with the research team<sup>xiv</sup> that indicated performance monitoring in relation to a number of EDI and social value KPIs.

The procurement team also use an on-line database (TISC – Transparency in Supply Chains), which allows them to monitor, on an ongoing basis, the EDI and fair working practices of their main contractors through reports they have registered in relation to legal requirements such as the Gender Pay Gap reporting regulations.<sup>xv</sup>

If problems are identified, the focus is on encouraging improvement rather than applying contract penalties. As the DoP stated: “it’s about education and upskilling rather than necessarily contract termination, because if you terminate a contract, you don’t get the supplier to improve, do you?”

Education, in this sense, sometimes takes the form of a recommendation for the supplier to undertake training, for example, from the Supply Chain Sustainability School.

It is clear from the contractor experience of working with UWE, that their approach to social value is a key enabler for success:

“It’s definitely UWE’s ethos in general, that has been a big propeller in terms of our planning for the project. UWE having such an ethos of civic engagement, EDI and sustainability in general was important to UWE. And we had to make sure that our approach was hitting all of those elements [...] The people who are directly involved with social value, but those people that have a lot of influence on the project but also the influence of UWE and the way that they procure, the way they present themselves as a university and the importance of that civic engagement for them as a university. This was a big a big enabler for us to be able to achieve this.” (Social Value Manager, VINCI Building)

## **Good practice highlights**

A key aspect of good practice is that UWE has chosen to implement social value requirements even though, as an HEI, they are not mandated to by the Social Value Act and the limited regulatory framework that is in place in England. In doing so they have recognised the relevance of social value considerations to the university sector, particularly in respect of key strategic objectives such as EDI and sustainability.

Some key highlights of good practice that supported EDI outcomes are:

- A Director of Procurement who is a social value champion;
- Buy-in of senior organisation leaders and organisational strategy that has EDI as a priority;
- Clear links between organisational strategy, EDI strategy and procurement strategy, helping to underpin the buy-in of the senior leadership team;
- The importance of networking and activism within and beyond the organisation in procurement networks;
- Processes in place to regularly monitor contract compliance, progress and outcomes;
- A ‘continuous improvement’ approach to social value in procurement with contractors, which encourages, as VINCI demonstrates, contractors to go beyond KPIs whenever possible;
- A developmental rather than judgemental approach to supplier improvement;
- Equality and social value mainstreamed into all policies, processes and procurement stages.

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- <sup>i</sup> <https://www.uwe.ac.uk/about/values-vision-strategy/equality-diversity-and-inclusivity/policies>
  - <sup>ii</sup> UN Greenhouse Gas Protocol <https://www.unglobalcompact.org.uk/scope-3-emissions/>
  - <sup>iii</sup> Responsible Procurement Strategy (ESG) Infographic PDF
  - <sup>iv</sup> UWE Draft Responsible Procurement Policy - approved October 2021
  - <sup>v</sup> Procurement Annual after Governors Presentation 2022 Power Point.
  - <sup>vi</sup> UKUPC SDG Questions
  - <sup>vii</sup> Contract Management Guidance
  - <sup>viii</sup> UWE Responsible Procurement Checklist
  - <sup>ix</sup> Equality and Diversity Questionnaire v2021-01
  - <sup>x</sup> Responsible\_Procurement\_Assessment\_Tool\_v1\_SUPC
  - <sup>xi</sup> Master Commodity Coding List\_incl\_Packaging 2021.xls
  - <sup>xii</sup> UWE Review Sept 21 PDF
  - <sup>xiii</sup> UWE Supplier Code of Conduct PDF
  - <sup>xiv</sup> UWE KPI Report
  - <sup>xv</sup> <https://tiscreport.org/>