



Buying Social Justice Through Procurement

Report of project findings

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1. Introduction

The UK public sector spent £295.5bn in the year 2019/20 on purchasing (or procuring) goods, works and services from the private sector, accounting for about a third of public sector spending (House of Commons Library 2022) and making procurement decisions “among the government’s most significant interventions in the economy” (HM Government 2017, 129).

Using public spending power to achieve additional social ends, or “buying social justice” through the incorporation of additional social objectives into the procurement process (McCrudden 2007) has gained renewed policy interest in recent years under various guises such as ‘responsible’, ‘social’ or ‘sustainable’ procurement, and has been a particular focus of attention of the devolved governments of Scotland and Wales. Despite this growing policy and practitioner interest, academic research in this area remains limited.

The concept of ‘social value’ has gained significant momentum in public sector commissioning since its introduction in the Public Services (Social Value) Act 2012, which requires public authorities in England and Wales to consider how the services they commission can improve the economic, social and environmental wellbeing of the area. The Social Value Model introduced in 2020 provided further impetus (Cabinet Office 2020), requiring all central government procurement activity to explicitly evaluate the possibility for achieving social value, rather than just ‘consider’ it as required by the Act. The Model provides detailed Model Assessment Criteria under five themes, including two explicitly addressing inequality, on tackling economic inequality and equal opportunity.

Additionally public authorities in England, Wales and Scotland are subject to the public sector equality duty (PSED), part of the Equality Act 2010, requiring them to have ‘due regard’ to promoting equality of opportunity in the exercise of their functions, including procurement (EHRC 2022).

Governments in Scotland and Wales have been actively promoting public procurement as a means of reducing socio-economic inequality. In Scotland the Procurement Reform (Scotland) Act 2014 requires consideration of community benefits, while its Fair Work First policy promotes high quality work and workforce diversity across the labour market by applying fair work criteria to grants, other funding and public contracts. The Welsh Government encourages the inclusion of community benefit commitments in contracts, the Well-being of Future Generations (Wales) Act (2015) obliges public authorities to consider the long-term economic, social, environmental and cultural impact of their actions, and the Social Partnership and Public Procurement (Wales) Act 2023 seeks to promote social partnership working, fair work and socially-responsible public procurement and introduces social clauses in major construction works and the delivery of services.

These different policy approaches in the three nations of Great Britain¹ make it an opportune moment to examine the practice of incorporating social and equality requirements in public procurement, as implemented in varied policy and legal contexts.

The ‘Buying Social Justice’ research project examined the inclusion of social and equality objectives within public sector procurement practice in the three nations. This report presents its findings in answer to the following research questions:

¹ Northern Ireland is not included within the scope of the empirical research in this project as the equality legislation is different. However, its use of procurement policy to achieve social goals is examined in chapter 2.

1. To what extent are social and equality objectives included within the public procurement of construction works in England, Wales and Scotland? What types of employment equality requirements are included within tendering and contracts?
2. How do responsive and reflexive legal frameworks and policy contexts in England, Wales and Scotland influence a) the inclusion and b) the effectiveness of social and equality requirements in public procurement? How do these affect practice both at tendering stages and during the operation of the contract?
3. What are the outcomes of including social and equality requirements in public procurement for employment and how are these monitored and evaluated? Who are the key actors for ensuring effective outcomes that go beyond legal compliance?

1.1 UK construction

The construction and infrastructure sector was the focus of the research for several reasons. First, construction has proved highly resistant to increases in workforce diversity, with women making up 14% of the workforce and 2% of the construction trades, while only 7% of the workforce are from an ethnic minority (Office for National Statistics 2022). Second, social procurement, including requirements to create employment for disadvantaged groups, often under the banner of social value, is increasingly being adopted by the construction sector. Although research remains scarce (Loosemore 2016; Petersen and Kadefors 2016; Raiden et al. 2019), our previous research has demonstrated that social procurement can increase workforce diversity on major projects (Wright 2015; 2014; Wright and Conley 2020; Conley and Wright 2015). However, its implementation can also face serious challenges (Sarter 2020). Third, construction was seen as crucial to post-coronavirus economic recovery, with an annual contribution to GDP of £413bn, employing 3.1 million workers (Construction Leadership Council 2020), but still faces skills shortages, exacerbated by the UK leaving the EU. Industry attention is thus sharply focused on new sources of recruitment. Fourth, the public sector funds or commissions a major proportion of construction projects; UK local authorities spend £18bn a year on construction, making it their single largest category of procurement expenditure (LGA 2018) while universities' spending on capital projects reached £3.7bn in 2019/20 but fell back to £2.6bn as a result of the coronavirus pandemic (AUDE 2022) and housing associations are major house builders and providers of social housing. Fifth, large infrastructure projects often include equality, diversity and inclusion (EDI) objectives in procurement and supply chain management (Lulham 2011; Pascutto 2016; HS2 2022), making it timely to evaluate the effects. Finally, the sector is known for lengthy supply chains, providing an opportunity to investigate the challenges of embedding EDI throughout supply chains, with lessons for other sectors. Our previous research has noted the need for more evidence of the impact of social procurement requirements on company behaviour, especially SMEs, to ensure effectiveness (Sarter and Thomson 2020).

1.2 Conceptualising equality, diversity, inclusion and social justice

The Equality Act 2010 protects people from discrimination in the workplace, in education and when accessing public services and many private services on the grounds of: age; gender reassignment; being married or in a civil partnership; being pregnant or on maternity leave; disability; race including colour, nationality, ethnic or national origin; religion or belief; sex and sexual orientation.

As well as outlawing discrimination, the Act places an obligation on public authorities in England, Wales and Scotland to have ‘due regard’ to promoting equality of opportunity in the exercise of their functions, including procurement, as part of the public sector equality duty (PSED). Additionally, Wales and Scotland have introduced specific duties to include equality in procurement under the PSED.

The Scottish and Welsh governments have also enacted the socio-economic duty of the Equality Act 2010, which does not apply in England. The Fairer Scotland Duty came into force in April 2018 and places a requirement on particular public bodies in Scotland to have ‘due regard’ to how they can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. A similar duty was placed on public bodies in Wales in 2021.

The Buying Social Justice project therefore applies a broad definition of equality, that includes the protected characteristics covered by the Equality Act 2010, but also extends to socio-economic inequality and its intersections with existing protected categories. In this way it is concerned with a variety of aspects of fair and decent work, including: reducing occupational segregation to achieve a more diverse workforce; the creation of safe and inclusive workplaces by eliminating discrimination and harassment and providing equal opportunities for progression; equal pay between women and men; fair pay (the real Living Wage); employee voice and collective representation; security of pay, working time and contractual arrangements; and flexible and family friendly working practices (Mamode 2023).

In this way we understand the achievement of ‘social justice’ through procurement as encompassing objectives that seek the fairer distribution of wealth, health, resources, power, opportunity, and privilege in society. Social justice is about creating a future based on equality and fairness for all, including economic, social, and political rights. It also includes taking steps to address historic injustices and inequalities. One of the findings of our research is that social justice, social value, community benefits, fairness and equality are all connected to the practice of social procurement, but confusion over these objectives and concepts can sometimes limit their application. This report uses social procurement as a broad term that encompasses the diversity of terminology in use in practice for procurement that aims to achieve social, environmental and equality objectives, such as socially-responsible, sustainable, inclusive or progressive procurement, among others. Section 4.1 shows the variety of terms for social procurement policies in the organisations responding to the survey.

1.3 Research methods

The study focuses on the procurement practices of three types of public bodies: local authorities (LAs); housing associations (HAs); and higher education institutions (HEIs), plus a major infrastructure project (HS2) and a transport authority that has been proactive in the use of social procurement (Transport for London).

Mixed methods were used to investigate the inclusion of equality aims within public procurement, comprising: an international literature review; expert interviews; a survey of procurement practice in the three types of public bodies; case studies; and practitioner workshops in England, Wales and Scotland.

An international literature review examined academic and policy documents on the use of social procurement for equality in employment in the UK and other countries where social procurement has been adopted through legislation or policy (see Chapter 2).

Expert interviews were carried out with 33 key experts: from commissioning organisations and their representative bodies covering local authorities, housing associations and higher education institutions; policy makers; representatives of construction contractors; framework providers; equality experts with an interest in procurement; procurement and social value consultants and legal experts; and civil society organisations, including trade unions. The interviewees included experts in Scottish, Welsh, English and UK-wide procurement and equality practice.

A survey of procurement officers in local authorities, housing associations and higher education institutions across England, Wales and Scotland was conducted to establish the extent of the inclusion of employment equality objectives within public procurement, as well as some indications of the challenges and outcomes of using procurement for social ends. A total of 109 responses were received from local authorities, housing associations, higher education institutions and others.

A total of nine case studies were conducted to examine evidence of good practice in the adoption of measures to foster employment equality in public procurement. These covered transport and infrastructure bodies (the High Speed 2 rail project and Transport for London), local authorities (Cardiff Council, Glasgow City Region Deal, Islington Council); housing associations (Eildon HA, Scotland; Poplar HARCA, London; RHA, Wales) and a higher education institution (University of the West of England).

Three collaborative workshops were held in Pontypridd, Wales, Edinburgh, Scotland and Birmingham, England bringing together procurement and equality specialists in each nation to hear about and discuss the initial findings of the research and hear presentations from members of the Project Advisory Board and other experts. The workshops were part of the action research component of the methodology, bringing together procurement and equality officers to discuss good practice and challenges, thereby learning from one another, as well as from the research results. The workshops also formed part of the project data collection, with notes made of round table discussions that feed into the data analysis and toolkit produced by the project (see appendix 2 for reports of the three workshops).

A Project Advisory Board supported the research throughout, made up of 14 academic and practitioner experts in the fields of equality, procurement and construction. Members provided advice and guidance on the research methods and instruments, assisted with expert interviews, distribution of the survey, access to case studies, participated in the collaborative workshops and commented on project outputs.

The [Buying Social Justice Through Procurement](#) project received funding from the UKRI Economic and Social Research Council (grant number ES/V014226) from October 2021 to October 2023. The Principal Investigator was Professor Tessa Wright, Queen Mary University of London, with Co-Investigators Professor Hazel Conley, University of the West of England and Dr Katharina Sarter, University of Warwick (at the University of South Wales until April 2022). The Post-doctoral Research Associate was Dr Joyce Mamode, Queen Mary University of London.

1.4 Outline of the report

In chapter 2 the report examines international evidence on the use of public procurement to achieve social and equality objectives, drawing primarily on academic literature, but also policy documents where relevant. Chapter 3 outlines the legal and policy framework for public procurement and equality in the three nations of Great Britain – England, Scotland and Wales – that are the focus of this research, highlighting the divergence between the three nations following devolution. In chapter 4 the empirical data from the survey of procurement officers is presented, aiming to answer the first research question about the extent of the inclusion of social and equality objectives within the public procurement activities of local authorities, housing associations and universities in the three nations. Interviews with a range of experts were undertaken to establish what were the most significant barriers and enablers to the effective inclusion of equality and social aims through procurement. Analysis of these interviews is presented thematically in chapter 5, which also examines data collected from participant presentations and discussions from the collaborative workshops held in England, Scotland and Wales.

One of the aims of the research was to find evidence of good practice in the inclusion of employment equality objectives in public procurement. Nine case studies were undertaken to explore such practice in the different parts of the public sector included in the research, across the three nations. The full case studies are contained in appendix 5. Chapter 6 outlines the rationale for the selection of the case studies and the methods adopted, and provides a comparative discussion of the good practice identified in the case studies, as well as some of the challenges, under the headings of political and leadership commitment, the ‘golden thread’, collaboration and partnership, and supplier engagement.

Chapter 7 focuses on guidance and support available to assist in incorporating equality aspects into procurement. It first examines views on the sources of advice, information and training in this area, based on findings from the procurement officer survey and the expert interviews. It then introduces the interactive resource developed by this research project, based on the research findings, to support procurement officers in this work: [Buying social justice through procurement: an equality and diversity toolkit](#). The chapter presents the six good practice principles contained in toolkit, which have been identified as increasing the chance of effectively using procurement to ‘buy social justice’. These principles were developed from the research findings presented in this report, based on analysis of the procurement officer survey, the expert interviews, the collaborative workshops and the case studies.

The concluding chapter summarises how the research has sought to answer the three questions set out above, drawing on the various methods of data collection. This report does not present recommendations for how to incorporate equality objectives within public procurement processes – as the free to download toolkit offers guidance on how to do this across the procurement cycle. However, we offer some final reflections on future directions for procurement for social justice, considering the opportunities and risks that we foresee, based on the extensive evidence collected and analysed during this research project.

2. Evidence of the use of public procurement to advance equality

Academic scholarship on social procurement as a means to advance employment equality has been fairly limited to date. One strand has focused on legal questions of equality and procurement linkages (Barnard 2016; McCrudden 2007; 2012; Medina-Arnáiz 2010; Sarter 2015), including calls to embrace human rights obligations within sustainable procurement (Martin-Ortega and Methven O'Brien 2019). Some earlier work examined the use of public procurement – under its previous guise of contract compliance – to address race equality (Duncan and Mortimer 2007; Erridge 2007; Orton and Ratcliffe 2005; 2004). More recent studies have centred on promoting employment standards throughout supply chains, particularly in response to privatisation and outsourcing of public services (Grimshaw et al. 2018; Jaehrling et al. 2018; Koukiadaki 2014; Sack and Sarter 2018; Howe 2011; Sarter and Benjamin 2023; Sack and Sarter 2022; Sarter 2022). However there has been a lack of empirical investigation of procurement practice in relation to equality generally, although there are some indications that the UK's public sector equality duty has been effective in making this linkage (McCrudden 2012; Wright and Conley 2020) and employers have begun to employ positive action in procurement to reduce gender segregation in apprenticeships (Davies 2018).

2.1 A multi-level framework

Public procurement is embedded in a complex multi-level framework, comprising international, regional, national and in some countries sub-national laws. Whereas at international level, attempts to regulate public procurement emerged after the Second World War, it was not until the 1960s that negotiation for international regulation of public procurement started. Eventually, these led to the conclusion of 1979 Tokyo Round Government Procurement Code, which entered into force in the early 1980s (Anderson and Arrowsmith 2011). The Code, as well as the subsequent Government Procurement Agreement (GPA), includes non-discrimination among tenderers and transparency as cornerstones of public procurement.

Further, regulation that centres on social aspects of public procurement exists at international level. Since 1949, ILO Convention 94, the Labour Clauses (Public Contracts) Convention, requires signatory states to adopt minimum standards relating to wages and working conditions. In the wake of increased globalisation and growing importance of sustainability, public procurement and its potential to foster social aims has attracted increasing attention. A range of international initiatives seek to promote human rights in global supply chains and to promote social and/or environmental goals and sustainability in and through public purchasing. This includes most importantly the UN's Guiding Principles on Business and Human Rights (UNGPs), which provides an international framework, as well as the 2030 Sustainable Development Agenda, and further policy initiatives at international and regional level (Martin-Ortega 2018; Methven O'Brien, Vander Meulen, and Mehra 2016).

2.2 The EU

At regional level, the European Union has one of the oldest and most comprehensive frameworks for public procurement. While specific regulation of public procurement did not emerge until later, the four freedoms², and here particularly the free movement of goods and the freedom to provide services, laid down core principles of non-discrimination regarding the movement of goods and

² These consist of the free movement of goods, the free movement of capital, the freedom to establish and provide services and the free movement of people.

services (cf. Arrowsmith 2009, 254f). Secondary law, most importantly in the form of Directives, complements these general rules (Bovis 1998). Since its inception, non-discrimination of tenderers and transparency are crucial pillars of the European public procurement regime. However, as the European Court of Justice highlighted (e.g. Case C-31/87 Gebroeders Beentjes BV vs. State of the Netherlands; Case C-225/98 Commission vs. French Republic (Nord-Pas-de-Calais)), this does not impede the inclusion of social aspects such as stipulations on the employment of long-term unemployed individuals in the performance of the contract. Since the early 2000s, social aspects have increasingly entered into European public procurement law and adjacent guidance (Barnard 2016; Morettini 2011; Sarter 2015). Thereby, social aspects can be an integral part of public procurement as long as they do not interfere with the principles of public procurement. Most importantly, social aspects may not counteract non-discrimination and transparency and are clearly stated in the invitation for tender and linked to the subject matter of the contract (Dischendorfer 2004; Morettini 2011; Sarter 2015). It is within this general context, that the member states of the European Union define their domestic procurement laws and that procurement practice takes place in the EU.

The following section reviews the evidence of the use of public procurement to advance equality from the UK, and other countries where the policy has been adopted through legislation or policy, namely Germany, Spain, Australia, South Africa, and the United States.

2.3 The UK

Northern Ireland was the first part of the UK to place a duty on public authorities to consider equality, and the government linked this to its procurement practice. The need for equality between the different communities in Northern Ireland was a key feature of the Good Friday/Belfast Agreement, following decades of violent conflict, that was codified in the Northern Ireland Act 1998. The higher rate of unemployment experienced by Catholics was the focus of the Unemployment Pilot Project from 2002 in which seven devolved government departments required contractors for construction works and services to include plans in their bids for employing those registered as unemployed for at least three months (Erridge 2007; McCrudden 2011). The project integrated socio-economic goals (addressing areas of unemployment) with legislation requiring the promotion of equality of opportunity (on religious grounds). The perceived success of the proactive legislation in Northern Ireland prompted the use of similar legislation, including procurement, to confront institutional discrimination in the rest of the UK through the public sector equality duty (McCrudden 2011) (see chapter 3).

In the aftermath of the referendum that set the UK on the path to leaving the European Union (Brexit), the question arose as to what impact leaving the EU and its regulatory framework would have on public procurement and its regulation in the UK. Negative implications of Brexit were anticipated for the construction industry in the UK (Charlson 2021a; Ramiah, Pham, and Moosa 2017). Among others, the UK construction industry has been argued to be particularly affected by tariffs and non-tariff barriers instigated as a result of Brexit (Charlson 2021b). Access to global supply chains is of particular importance to the UK construction industry, which must adapt to new requirements post-Brexit. Further, provisions relating to ‘a level playing field’, post-Brexit immigration policies, the recognition of professional qualifications and product standards have been highlighted as particular concerns (Charlson 2021a). However, the exact impact of Brexit – as well overall as for the construction industry – depended on political choices.

This project was conducted during the time of post-Brexit policy change. Initial assessments of the impact that Brexit would have on public procurement law and policy in the UK differed strongly,

from a shift towards a “lighter-touch and more commercially-oriented” (Elliotis 2018, 91) model to considerations that Brexit would theoretically open the opportunity to strengthen social and environmental goals, which however may not automatically result in a strengthening of public procurement’s social dimension (Dunne 2017; Morphet 2021; Yukis and Bowsher 2016). Morphet (2021: 246) in particular expected that the use of public procurement for creating public value in the UK will in the future largely be based on external obligations and frameworks: “the provision of public value through competition and environmental obligations that will continue to be required based on UN and WTO treaties. The public value elements of the SDGs, the GPA and the WTO trade and environmental treaty will remain, although the opportunity to call the government to account for breaches in their observation by UK citizens will be limited by the prevailing model of UK law.”

The resulting Public Procurement Act, expected to enter into force in 2024, retains the requirement that award criteria must be linked to the subject matter of the contract and specifies that award criteria must be specific, understandable and measurable and a proportionate way for assessment of tenders (23.2). It furthermore references strategic priorities to be outlined in a national procurement policy statement and for Wales in a Wales procurement policy statement, which the respective governments may publish. A short guide addressed to senior leaders praises the reform for establishing a “a simpler and more flexible commercial system” and “opening up public procurement to new entrants such as small businesses and social enterprises” (Government Commercial Function 2023). In addition to leading to broader policy changes, it was thought that Brexit may impact policy coherence and divergence within the UK itself. In this vein, Elliotis (2018: 100-101) argued that in light of political differences between the different nations of the UK, “more national freedom is likely to produce greater divergence between the rules applying in the different UK jurisdictions [...], especially in view of the strong political pressure outside England to use procurement as a tool to promote local industry and social policies.” Clear legal and policy differences have already developed in the last few years, as chapter 3 shows. As the unifying effects of the European regulatory framework ceases, Dawar (2018; 2017) assumed that “centrifugal forces” within this devolved policy area will result in different rules in different parts in the UK. Whether and in how far the trend of internal divergence continues and intensifies remains to be seen in the future.

2.4 Germany

In Germany, legislative responsibility for public procurement is shared between the federal level and the federal states (Länder). National law sets the overarching framework sub-national laws have to comply with and takes precedence over sub-national regulation. At national level, § 97 para 3 the Anti-Trust Act (Gesetz gegen Wettbewerbsbeschränkungen, GWB) opens the opportunity to include social aspects in public procurement. As a result, several federal states have introduced public procurement laws that explicitly reference social aspects (Sack and Sarter 2018; Sarter 2020; Sack et al. 2016)³. Thereby, it has been argued, that “sub-national public procurement laws may act as a substitute for legislation that does not have support at federal level.” (Sack and Sarter, 2018: 684)

Since the 1990s, several federal states have passed public procurement laws and associated regulation that seeks to leverage public procurement for fostering gender equality (Sarter, 2020). Individual Länder follow different approaches and include a range of aspects relating to equality. These include most importantly gender equality, the employment of long-term unemployed and of

³ While Sack et al. (2016) provide a comprehensive overview of social aspects in public procurement in Germany, various legislative changes have occurred at sub-national level since.

individuals with disabilities and integration. Focusing on gender equality, Sack et al (2016) showcase that public procurement laws refer to a range of different aspects, including anti-discrimination, equal pay, the promotion of equal opportunities (*Gleichstellung*) and dedicated measures for the advancement of women (*Frauenförderung*)⁴ as well as fostering family-friendly workplaces and the reconciliation of work and family life.

2.5 Spain

In 2019 public procurement amounted to 20% of GDP in the Spanish economy (Bernal, San-Jose, and Retolaza 2019). Legislation in Spain allows for the inclusion of social considerations in public procurement underpinned by European Directives. Mendoza Jimenez et al (2019) note that the transposition of EU directives is a heterogeneous process and “[c]ountries such as the UK or Finland followed the basics of European law, while others like Spain or Portugal included a wider framework regarding social and environmental matters” (p.2).

In Spain Law 30/2007, of 30th October, on Public Sector Contracts (LCSP) transposed Directive 2004/18/EC (Medina-Arnáiz 2010, 544) and in 2018 Law 9/2017 of 8 November on Public Service Contracts transposed Directive 2014/24/EU1 (Bernal et al. 2019). Bernal et al. (2019) consider the vision to be primarily one of equality for contractors (transparency, best value, protecting groups at risk of exclusion to tender) but with some scope for the inclusion of wider social values. However, in a search of literature on public procurement the authors highlight that the terms social or equality appear very little. Bernal et al. (2019) argue that environmental sustainability has been the largest focus of socially beneficial procurement and other social criteria have featured less. Mendoza Jimenez et al. (2019) similarly note that, while there is considerable focus on equality in the Spanish legislation, a lack of clarity, particularly in relation to social objectives (as opposed to environmental objectives) have hindered their implementation in practice. Medina-Arnaiz (2010) argues that although Spanish law incorporates proposals to promote the achievement of social objectives through public contracting, this has met with some scepticism by centre-right governments as potentially having ‘undesirable effects’ because it might lead to less suitable and efficient tenders.

Medina-Arnaiz (2010) specifically examines the inclusion of gender equality provisions in public procurement in Spain, advocating a form of gender mainstreaming in all stages of the procurement process (see also Callerstig 2014 on Sweden). The author notes that at the selection stage tenderers are excluded from the process if they have a conviction in relation to breaches of workers’ rights or have been fined for professional misconduct relating to breaches of equality, non-discrimination and social matters.

“All conduct that violates the principle of equal treatment and opportunities for men and women in matters of employment is included among the behaviour that leads to an exclusion from participation in a tendering procedure due to an infraction of gender equality regulations” (Medina-Arnáiz 2010, 549).

⁴ In the German context, different concepts relate to distinct approaches to promoting gender equality. *Gleichberechtigung* refers to equal rights, *Gleichstellung* to measures that foster equal living situations and *Frauenförderung* relates to the women's empowerment or advancement. Referring to different (or all) of these aspects, public procurement laws integrate anti-discrimination, measures to foster equal living situations as well as the advancement of women.

However, Medina-Arnaiz claims that in practice, these sanctions are very limited because public authorities are not aware of breaches that contractors may have been found guilty of.

Medina-Arnaiz notes that, once eligibility to tender has been established, the only deciding factor is 'economic advantageousness', which may not only focus on price and social clauses, in particular gender equality, can be inserted after the tender award has been made. Gender equality criterion can act as 'tie breaker' points in relation to the awarding of contracts, although in practice this is limited because it depends on all other aspects of the tenders being equal, which is rarely the case. It also seems, from the examples given by Medina-Arnaiz, that there is more leverage when the contract included the provision of good/services that directly relate to women's equality (e.g. provision of domestic violence services).

2.6 Australia

The Australian federal state has adopted two separate procurement approaches for indigenous populations and for gender equality. Like the South African emphasis on empowerment through small business opportunities, Australia's Indigenous Procurement Policy sets a target to increase contracts from indigenous-owned businesses (Wright, Conley, and Sarter forthcoming; McSorley 2017). The Indigenous Procurement Policy (IPP), introduced in 2015, set a target that three per cent of all procurement should be from indigenous-owned businesses by 2020, with no minimum threshold value for contracts (McSorley 2017).

The Australian federal state implemented a different strategy for gender equality. The Workplace Gender Equality Procurement Principles require employers to demonstrate compliance with the Workplace Gender Equality Act 2012 in order to compete for government contracts worth at least \$80,000 AUS (approximately \$60,000 US). The Act promotes equality in the workplace by requiring private sector employers to report on various gender equality indicators to the Workplace Gender Equality Agency (WGEA). The WGEA must issue a letter of compliance in order for the employer to enter into a government contract (Oxenbridge and Galea 2020). McSorley (2017) argues that the 'nudge' mechanisms used in procurement policy on gender equality are a softer approach than the use of targets set for indigenous Australian businesses. Assessments of the gender equality policies so far suggest that the main effect has been in "naming and shaming" non-compliant contractors, and argue that more needs to be done to ensure enforcement and proactive engagement with equality issues by companies (McSorley 2017; Galea et al. 2018).

A further mechanism adopted by the federal government is to urge organisations seeking the Employer of Choice for Gender Equality (EOCGE) citation (seen as a coveted award) to have procurement guidelines that encourage gender equality across their supply chain. To gain the citation, applicants must have: (1) gender equality procurement guidelines that ensure (for example) that suppliers are compliant with the Workplace Gender Equality Act, (2) have a gender equality policy, or (3) have conducted a gender pay gap analysis (Oxenbridge and Galea 2020).

Procurement is also used at state level, for example the Victoria and New South Wales governments established a construction industry cultural taskforce with aims including using public procurement to encourage family-friendly working hours and greater employment diversity (Galea et al. 2019). A further example in Victoria is a target for employment of public housing tenants on some public housing projects, which, since 2003 has created ongoing employment opportunities for hundreds of tenants (Barraket, Keast, and Furneaux 2016, 40).

2.7 South Africa

South Africa provides the most authoritative legal framework by including human rights, equality and procurement obligations in its Constitution and supporting legislation (Quinot 2019). Specifically highlighting section 217 of the 1996 Constitution, Bolton (2006) notes “[a] substantive conception of equality therefore means that affording preferential treatment in the award of government contracts is not unconstitutional because affirmative action, and thus affirmative procurement, has been integrated into the right to equality” (p.198). Providing equality may require the reparation of past discrimination that continues to carry a legacy.

Reconstruction, reconciliation and ‘healing the past’ are central to the constitution. Thereby, South Africa places public procurement at the heart of its strategy to redress racial disadvantage following the apartheid period, linked to a policy of Broad-Based Black Economic Empowerment (B-BBEE) that seeks to strengthen small businesses that are majority owned by black people. It also enshrines an intersectional approach that recognises the interconnections between socio-economic, racial and gender inequality by setting specific targets for businesses owned by black women, by black young people and by black disabled people (Wright, Conley, and Sarter forthcoming).

However, Helmrich (2014) highlights that public procurement policy in South Africa has not been without criticism, which has usually fallen into two camps – the policy is ineffective (does not achieve the desired goals) or it is inefficient (the costs are too high). Helmrich (2014) distinguishes between equality and poverty alleviation, arguing that these are not always the same thing and that affirmative action was not necessarily meant to help the poor. In a critical analysis of B-BBEE, Helmrich argues that equality of opportunity in this case might only be available to Black elites because the contracting process relies heavily on networks and past performance – something that limits the majority of Black-owned business in South Africa from winning public contracts. Furthermore, both Helmrich (2014) and Bolton (2006) argue that price continues to be the dominant factor in awarding contracts and point to the potential for fraud and corruption to enter the system.

2.8 The United States

In the 1960s the US federal government first adopted affirmative action measures to ensure equal employment opportunities for racial minorities through regulations on government contracting. In 1965 an Executive Order was signed by President Johnson that prohibited discrimination in government contracting and requiring affirmative action for minorities working on federally-supported construction projects (Eisenberg, 2004: 193). Following the gains made as a result of civil rights campaigns to address race discrimination in employment, in the 1970s the feminist movement took up the campaign for affirmative action to improve women’s access to better paid occupations as a way of addressing women’s poverty and increasing their economic independence. Unionised construction work was seen as providing opportunities for a living wage (Moccio, 2009: 61). However there was resistance to the entrance of female apprentices and feminist groups resorted to legal action to seek employment targets for women in construction. Their demands were settled out of court and in April 1978 President Jimmy Carter issued affirmative action regulations. covering construction contractors and subcontractors with federal contracts in excess of \$10,000 with specific goals for hiring women in the trades (Eisenberg, 2004: 193; Moccio, 2009: 62). Initial goals were set for women’s employment in the construction industry of 3.1%, rising to 6.9% female participation by 1981. The goals are based on a percentage of the total hours of employment, so the 6.9% refers to women’s employment hours, rather than the proportion of women employed (Price 2002). Additionally, government goals were set in 1978 requiring that women should be enrolled in

apprenticeships in numbers equal to half their proportion in the labour force, which would have amounted to 20-25% of apprentices in each trade being female (Eisenberg, 2004: 193).

The gains made by women in construction as a result of affirmative action measures were limited to particular projects or schemes where there was a positive political climate, and, importantly, where funding for support programmes was maintained. Eisenberg (2004: 189) states that the tradeswomen who entered during the late 1970s “won a beachhead that has held ever since” – achieving just over 2% participation in the construction trades – but have failed to achieve the critical mass of 10 to 12% that could have exerted pressure for change to the gendered culture and practices within the industry.

In 1981 President Reagan stated his opposition to affirmative action and cut the funding to the federal training programme, which had supported the outreach projects for women in the trades, reducing the effectiveness of affirmative action measures (Eisenberg, 2004; Moccio, 2009). While some funds were restored under Clinton’s administration, increasing women’s participation in construction has not been a priority for any administrations since Carter (Eisenberg, 2004: 189).

An examination of three case studies of affirmative action measures in US highway construction by Price (2002) found progress in meeting the federal goal of 6.9 per cent, although none quite achieved this target. The construction of Boston’s Central Artery (1991–98) achieved a total of 4.8 per cent of hours worked by women; on Los Angeles’ Century Freeway (1989–92) 6.4 per cent of hours were worked by women and on the Oakland Cypress Freeway (1993–98) women’s hours reached 6.7%. Price (2004) argues that in the LA Century Freeway case, the well-funded Women’s Employment Program, with experienced multi-racial leaders and backed by judicial consent decree, was able to use affirmative action to increase women’s employment in construction. In 1986 less than 1 per cent of all work was performed by women, but by 1993 women’s share of employment had risen to 8.2 per cent.

The goal of 6.9% of hours to be worked by women persists for federally-funded construction projects, although with little official monitoring. In the City of Boston, Massachusetts, all municipal and private projects are expected to provide 12% women’s hours (PGTI 2018, 7). To try and enforce these commitments, the Policy Group on Tradeswomen’s Issues (PGTI) was created in 2008 as a regional collaboration of tradeswomen, political leaders, representatives from state and federal government agencies, union and contractor representatives, and community-based organizations to identify interventions to get women into training and jobs in the trades and support their retention. This model of sustained external monitoring has been very effective in achieving results, according to Moir and Skidmore (2021, 196), who assert that with public oversight, “industry ‘insiders’ could no longer agree not to comply”. They note that the 6.9% target set by EO 11246 had never been enforced by the federal agency responsible. Yet women now comprise 10% of all union building trade apprentices in Massachusetts, making it “among the highest figures in the country, tripling the national average and representing a two-fold increase since 2012” (PGTI 2021).

3. The legal and policy framework for public procurement and equality in Great Britain

Having considered the use of public procurement to advance equality in an international context, the report now turns to the specific geographic focus of this research project, namely the three nations within the UK that make up Great Britain: England; Scotland and Wales. As noted in the previous section, it has been suggested that one of the potential impacts of Brexit over the medium term may be to further accentuate pre-existing trends towards divergence in the legislative and policy frameworks that influence public procurement practices. In England, for example, there has been less legislative and political encouragement at the national level to use public procurement for progressive social objectives than there has been in Scotland and Wales. Nevertheless, in all three nations there has been a greater legal and policy encouragement to include considerations of socio-economic inequalities rather than equality 'strands' such as gender, race or disability. The legislative and policy frameworks that influence public procurement practice in England Scotland and Wales are considered in greater detail below.

3.1 England

In England, public authorities are enabled, but not necessarily encouraged, to include equality outcomes in their public procurement activities by two key pieces of legislation: the Public Sector Equality Duty (PSED) and the Public Services (Social Value) Act. The PSED also applies in Scotland and Wales, although with some differences, as shown below.

The first of these, the PSED, is set out in Section 149 of the UK Equality Act (2010). It provides a basis for pro-active public authorities to include equality obligations in their procurements but does not explicitly include a duty to do so. The PSED duties require these authorities to have 'due regard' in the 'exercise of their functions' to: eliminating unlawful discrimination, harassment and victimisation; promoting equality of opportunity, and fostering good relations in relation to 'persons who share a relevant protected characteristic and persons who do not share it'. The relevant protected characteristics are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex and sexual orientation. Although the PSED does not include a specific duty to consider equality interventions in procurement activities, it does enable a public authority to do so, if it has chosen to prioritise such outcomes.

The second piece of legislation of relevance in England is the Public Services (Social Value) Act 2012, commonly referred to as the Social Value Act. This places some specific duties on English (and some Welsh⁵) public authorities that could be seen as an indirect encouragement to including equality outcomes in their procurement. The Social Value Act requires public authorities to consider how the procurement of services could be used to improve the economic, social and environmental well-being of the area for which it is being commissioned and enables public authorities to specify social or community benefits into their procurements. However, the Act is limited in its coverage from legal perspective. It only applies to services and framework agreements over certain financial thresholds; it does not cover goods and works and does not specifically refer to equality. Nevertheless, it has been argued that the requirements of the Social Value Act can be used in a

⁵ Although the Social Value Act applies in Wales it does not apply to procurement by authorities which exercise functions that are wholly or mainly devolved in Wales.

range of contexts to promote the inclusion of equality outcomes in public procurement activities (Wright 2015).

Indeed, post-pandemic guidance from the Crown Commercial Services (CCS) on the implementation of social value principles within Central Government procurement activities specifically encourages the adoption of social value objectives that would help to tackle inequalities in the employability, skills and pay of contracted workforces, help reduce the disability employment gap and improve community integration, through collaborating with users and communities in the co-design and delivery of contracts (Crown Commercial Service 2020). Whilst this guidance is aimed at central government activities, many public authorities use CCS derived principles to guide their own procurement strategies, policies and procedures

These enabling aspects of legislation, together with central government procurement guidance documents have encouraged some regional and local authorities in England to proactively develop progressive public procurement strategies. Of particular note have been the strategic approaches to using procurement for community wealth building in London, Manchester and Preston (Brown and Jones 2021; CLES 2017).

3.2 Scotland

In Scotland socio-economic inequalities, community benefits and sustainability have been prioritised, however these priorities have been pursued through formal legislative and national policy priorities, rather than the local strategic decisions that are influential in England.

Scotland took the opportunity afforded through devolution to introduce the Fairer Scotland Duty in 2018, which enacts the socio-economic duty of the Equality Act 2010. This requires Scottish public bodies to pay 'due regard' to actively considering how best to reduce inequalities of outcome related to socio-economic disadvantage in their strategic decision making. Socio-economic disadvantage (SED) is defined as:

'living on a low income compared to others in Scotland, with little or no accumulated wealth, leading to greater material deprivation, restricting the ability to access basic goods and services. Socio-economic disadvantage can be experienced in both places and communities of interest, leading to further negative outcomes such as social exclusion.' (Scottish Government 2021)

The Fairer Scotland Duty is supported by guidance issued by the Scottish government that the public bodies covered by the Duty should take account of (Scottish Government 2023b). Whilst that guidance does acknowledge an association between SED and the Equality Act protected characteristics, it highlights these characteristics as part of a broader grouping of 'communities of interest', made up of people who share an experience such as homelessness or an identity, such as being a lone parent, potentially downplaying their importance as a consideration in strategic decision making.

As well as broadening the focus of its public authorities as far as equality outcomes are concerned beyond the protected characteristics of the Equality Act to include general socio-economic inequalities, the Scottish Government has also been notably proactive in its encouragement of a focus on community benefits in public procurement activities. The Procurement Reform (Scotland) Act 2014, which came into force in 2016, introduced a sustainable procurement duty that requires

public authorities to consider how procurement can ‘improve the economic, social and environmental wellbeing of the authority’s area’. The 2014 Act includes a specific duty to consider including community benefit requirements in procurements worth £4 million or more. It also introduced a focus on the diversity of contractors by requiring Scottish public authorities to consider how to ‘facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses’ in the process of procurement.

In addition to legislation requiring social considerations in procurement, the Scottish Government has adopted a ‘Fair Work First’ policy which aims to drive high quality work across the Scottish labour market by applying fair work criteria to grants, other funding and public contracts being awarded by and across the public sector. This encourages employers to adopt fair working practices, which it identifies as: payment of the real Living Wage; provision of channels for effective workers’ voice, such as trade union recognition; investment in workforce development; no inappropriate use of zero hours contracts; action to tackle the gender pay gap and to create a more diverse and inclusive workplace; flexible and family-friendly working practices for all workers; and opposition to the use of fire and rehire practice. Since October 2021, companies bidding to win Scottish Government contracts must pay at least the real Living Wage where it is a proportionate and relevant requirement.

The establishment of the Fair Work Convention is a further indication of the Scottish Government’s commitment to fair work. It is funded by the Scottish Government, but independent of it, to advocate for fair work and to make recommendations for change. It brings together employers, trade unions and academic experts and has undertaken inquiries into work in social care (2019) and construction (2022) and is currently investigating the hospitality industry. The Convention’s report on the construction sector emphasised that “public sector procurement has the potential to play a key role in shaping the industry and is responsible for around 50% of construction spend in Scotland” (Fair Work Convention 2022, 3).

3.3 Wales

The devolved government in Wales has also worked to promote sustainability and a broader concept of equality, which includes socio-economic inequality. Section 18 of the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 sets explicit requirements for public procurement. It states that when a procurement procedure is based on the most economically advantageous tender an authority “must have due regard to whether the award criteria should include considerations relevant to its performance of the general duty.” Likewise, when contract performance conditions are to be included, it “must have due regard to whether the conditions should include considerations relevant to its performance of the general duty.”

Further, Wales enacted a socio-economic duty in 2021, entitled A More Equal Wales. It imposes an obligation on the public sector to ‘have due regard’ to the impact of decisions on socio-economic inequality. Focussing on equality of outcome, the Statutory Guidance to the socio-economic duty explicitly mentions public procurement as examples for strategic decisions to which this duty applies.

In addition to these regulations which explicitly relate to public procurement, public purchasing is influenced by broader legislation, most importantly the Well-Being of Future Generations (Wales) Act 2015. It prescribes the principle of sustainable development as a general principle for public bodies in Wales. It sets out seven well-being goals, among which a prosperous Wales, a more equal Wales and a Wales of cohesive communities. In addition to the seven well-being goals, which are to

be included as an integrated set, it outlines five ways working, including collaboration and involvement.

The Welsh Government has used its procurement policy to promote fair employment for several years, introducing a Code of Practice on Ethical Employment in Supply Chains in 2016 (Welsh Government 2016) that it expects all organisations that win contracts from the Welsh Government to sign up to. This covers modern slavery; blacklisting; false self-employment; the unfair use of zero hours contracts; and payment of the Living Wage.

This agenda has been taken further by the recently passed Social Partnership and Public Procurement (Wales) Act 2023 which builds on previous legislation and policy by bringing together four principles: social partnership; socially-responsible public procurement; fair work; and sustainable development. It places certain public bodies under a duty to consider socially-responsible public procurement practices, which means they will need to set objectives in relation to well-being goals that they must take reasonable steps to meet when carrying out procurement, and to publish a procurement strategy. Certain public bodies are also required to ensure that socially-responsible outcomes are pursued through contract clauses which flow through whole supply chains for large construction projects, and to ensure that these are monitored. The Act also creates a statutory Social Partnership Council, an advisory body representing employers and workers through trade unions.

4. The extent of public procurement used to address equality

4.1 Survey respondents and their organisations

A survey was distributed to procurement officers in local government, housing associations and universities throughout England, Scotland and Wales between August 2022 and July 2023. The survey asked questions about the types of social and equality criteria that are included in all stages of procurement, from tendering and bid evaluation to management of the contract and monitoring, as well as views on the effectiveness of these practices. The survey was distributed via the Buying Social Justice project website for completion online, and circulated through networks of the Higher Education Purchasing Association, the Local Government Association, Procurement for Housing and others. The survey was also promoted through social media channels, targeted to public sector procurement specialists.

A total of 109 responses were received from local authorities, housing associations, higher education institutions and others, as shown in table 4.1.

Table 4.1

	England	Scotland	Wales	England and Scotland	England, Scotland and Wales	Total
Local authority	30	9	6	0	0	45
Housing association	12	1	5	1	0	19
Higher education institution	21	7	1	0	0	29
Other	12	0	1	1	2	16
Total	75	17	13	2	2	109

The majority of respondents undertook procurement as their sole role (76%) and the procurement of construction projects was included in their responsibilities for most (78%). The rest were responsible for the procurement of both goods and services.

Over half of respondents (59) were in organisations which had a sustainable procurement policy, while almost half (49) had a social or socially-responsible procurement policy, and 52 had a policy on social value. A community benefits policy was in place in 29 organisations, while only five had a gender-responsive procurement policy. Dedicated community benefit policies were more common in Scotland (53%) than Wales (39%) and England (20%). However, this may also be aligned with a more consistent use of the term community benefits in Scotland than in England and Wales, where community benefits may be subsumed under the term social value. When looking at the percentage of respondents who stated that their organisation had a dedicated social value policy, these were most common in England (52%), followed by Wales (31%) and Scotland (24%). However, these social value policies partially overlap with community benefit policies as respondents could indicate that their organisation had more than one of these policies.

Typically, organisations represented within the survey had a procurement spend of between £100 million to £500 million (34% of responses), with local authority respondents most commonly reporting an annual spend of over £500 million, while universities were most commonly reporting an annual spend of between £10 and £50 million.

4.2 Maturity of procurement practice

Respondents were asked to rate their organisation's maturity in relation to procurement practice, with most local authority and higher education respondents believing their organisations to be mature, while housing associations typically saw themselves as developing their practice in this area. The overwhelming majority of respondents who rated their organisation as a 'leader' in terms of procurement practice worked for a local authority.

Table 4.2

	local authority	housing association	higher education institution	Other	Total	%
minimum (lowest)	0	0	1	0	1	1.0
developing (lower middle)	13	14	9	5	41	39.0
mature (upper middle)	18	4	17	6	45	42.9
leader (highest)	12	1	2	3	18	17.1
	43	19	29	14	105	100.0

4.3 Drivers of social procurement

Respondents were asked to select which factors were the most important in driving the inclusion of social aspects in procurement policy. Organisation values were considered the most important (selected by 70 respondents), followed by legislation and regulation, selected as important by 59 respondents. For 40 respondents, organisational reputation was important. However, when asked about procurement practice - rather than policy - organisation values and legislation and regulation were rated as equally important (70 and 69 respondents each). Unsurprisingly the Public Contract Regulations 2015 were considered the most important for procurement practice (75 respondents), while the Public Services (Social Value) Act 2012 was a significant factor for 47 (mostly in England, where the Act primarily applies), followed by the specific equality duties (35) and the socio-economic duty (17).

For just over a quarter (26%), Section 106 requirements of the Town and Country Planning Act affected their procurement practice, although a greater proportion (33%) answered that they did not know. This may be because the planning process, through which Section 106 requirements are determined, is typically quite separate from procurement activity and occurs before contracts are awarded. It was interesting to note that, despite these legal requirements originating from within local authorities, more than twice the number of local authority respondents reported that Section 106 considerations did not affect their procurement practice (12) as said it did (5). Conversely, twice as many respondents from housing associations said it did affect their practice (6) as said it did not (3), perhaps reflecting the level of building or renovation works that some housing associations undertake.

When respondents were given the opportunity to say in their own words what they viewed as the aims of procurement, of the 58 who provided a response, only 9 stated that "value for money" was the sole purpose. The majority replied that value for money plus social aspects were the objectives of procurement. This response from a university in England expressed the view of many: "To achieve 'best value' from the use of public funds. Value being taken in the broadest sense meaning social, ethical, economic and environmental factors." A respondent from a local authority in Scotland also

emphasised quality and innovation: “To demonstrate best value for the public and ensure that the funds we spend are spent with ethical, innovative and high-quality suppliers and contractors.” A housing association in Wales linked procurement to the organisational purpose “to deliver political aims and objectives fairly and to build the type of society that we want”, while an English local authority connected it to specific goals: “Value for money, maximising public pound whilst also incorporating local, national and global priorities for example, Real Living Wage, Good Employment Charter, Social Value, net carbon zero, business diversity and inequality etc.”

We conclude from these responses that the ideas of social value and achieving wider social objectives from purchasing are becoming embedded within the practice of many public bodies.

4.4 Employment and equality commitments

Four-fifths of respondents said that their organisations were Living Wage Employers (of the 86 that replied to this question). Of these, 39% were from local authorities, 28% were from higher education institutions and 22% were from housing associations (12% were from other types of organisation). Typically, a quarter to a third had signed up to other good work or equality charters or accreditation standards, as shown in table 4.3. For most of these charters, the response by type of organisation followed a similar pattern to that of the Living Wage. The one exception was the Unite Construction Charter, which only local authority respondents reported being signed up to.

Table 4.3

Scheme	% yes
Good Work Standard, People Matter Charter or other on employment conditions	23
Two Ticks (disability certification)	27
Race Equality Charter or Race at Work Charter	36
Stonewall Diversity Champion	30
Unite Construction Charter	10

In response to a general question about which equality areas were considered in procurement, the most common was disability, mentioned by 50 respondents, followed by socio-economic inequality (48), race and sex (41 each), religion and belief and sexual orientation (38 each), gender reassignment (34), pregnancy and maternity (33) and marriage and civil partnership (30). However, we do not have details of whether this was in relation to questions of compliance with equality legislation or included any form of positive action.

4.5 Information, guidance and training

Respondents from local authorities were most likely to have received training on incorporating social or equality considerations into procurement in the previous three years, with 19% respondents saying that they had (of 79 who replied to this question, or 15 out of 29 local authorities), compared to 11% among higher education respondents (9 out of 25) and 6% among housing associations (5 out of 16).

All respondents who had received training, apart from one, found it useful (rating it at least 3 on a scale from 1 to 5, with 1 being not useful and 5 very useful). The responses indicated that procurement specialists do work with others on social procurement, both internally and externally. Working with internal Corporate Social Responsibility (CSR)/sustainability and EDI teams was most

often mentioned (by 46 and 43 respondents respectively). Trade unions and civil society organisations were the least frequently mentioned, by just 10 and 5 respondents each. Overall, the more mature an organisation considered itself to be in terms of procurement practice, the more frequent were mentions of collaborating with external stakeholders, such as trade unions and civil society organisations. Respondents from less mature organisations mentioned collaborating with external framework organisations and professional buying organisations more frequently relative to all the forms of collaboration they reported.

4.6 Pre-qualification, tendering and award

Standard equalities pre-qualification questions were used by most organisations where a response was provided (69% or 52 out of 75), with the majority saying they were used always or most of the time.

In evaluations of tenders, the weighting for social aspects was usually either below 10% (42% of responses) or between 10 and 20% (41%). Only 8% said this was typically weighted at 20% or more. Weighting was always given to equalities issues according to 16% of respondents, while 17% said it was never given a weighting or hardly ever, according to 24% of respondents. Respondents from organisations rated at the highest level of maturity (leader) most commonly reported that they always weighted for equality issues. In contrast, those who came from an organisation identified as 'developing' in their procurement maturity most commonly reported that they hardly ever gave weighting to equality issues.

Specific performance conditions related to equalities were hardly ever or never included, according to 26% and 22% of respondents respectively. A further 13% of respondents said they were always included, while another 13% said they were included most of the time, and sometimes included for 13%. It was those respondents with the higher levels of maturity (leader and mature) who most commonly reported that they always included specific equality-related performance conditions.

4.7 Monitoring and reporting

Most organisations monitor the social aspects of contracts when included (69% of respondents reported that they do), although 16% reported that the organisation does not monitor and another 15% do not know, perhaps indicating that the responsibility lies elsewhere. Similar proportions reported that equality aspects were monitored when included in contracts. Monitoring was equally likely to be carried out by procurement staff (28 responses) as by contract managers (26 responses), and for a smaller number by other departments (11) or the contractor (10).

The survey asked an open question on what respondents thought were important factors in the inclusion of social and equality considerations in procurement. A few commented on the need to do more on monitoring, as expressed by this respondent from a local authority in England: "I think we need to strengthen on the following through of monitoring and pushing for the delivery of actions promised during the procurement process once the contract is issued and moves to day-to-day contract management."

Similarly, a response from another organisation in England noted: "The biggest issue I encounter in the delivery of social value is the failure to invest in dedicated end-to-end delivery. It is common for an organisation to include things in procurement processes but very uncommon to see that through into contract delivery. Often this is due to a hands-off of responsibility and a lack of dedicated end-to-end management."

4.8 Barriers and enablers to including equalities issues in procurement

Respondents were asked to identify and rate the importance of a list of barriers to effectively integrating equalities issues in procurement. Lack of knowledge was considered to be the most significant barrier, rated as very important or the most important by 39% of respondents, followed by lack of financial viability (37%) and the availability of suitable suppliers that fulfil the requirements (35%). A lack of commitment from management and a lack of support from top management were both thought to be very or most important by 26% of respondents.

A couple of respondents commented that for many contracts it was difficult to identify the relevance of equalities issues, beyond compliance with equality legislation.

On the other hand, having support from management was considered to be the most important enabling factor for integrating equalities issues in procurement, rated as very important or the most important by 61% of respondents, followed by management commitment (59%). Also important were the provision of training and guidance, both rated as very or most important by 56% of respondents. Organisational culture was considered to be very important by 52%, while collaboration with internal and external experts and organisations was selected as very or most important by less than half of respondents (43%).

While two fifths of respondents agreed or strongly agreed (40%) that their procurement activities were delivering the equality outcomes they set out to achieve, there was also a substantial proportion who neither agreed nor disagreed (34%), indicating some uncertainty about outcomes. A further 18% believed that the equality outcomes were not being achieved, with 9% answering that they did not know.

In response to an open question about other important factors in including social and equality considerations in procurement, a respondent from a university in England highlighted the pressures that may be a barrier: "Facing the current (and future) imperatives for procurement (increasing costs, fixed revenues, availability problems, continuity of supply, sustainability etc.) social and equality considerations are less of an immediate priority."

Another respondent from a GB-wide executive agency of government identified several barriers and support needs: "Not enough training available in relation to forming and implementing social value into procurement and contract management, not enough support and awareness and still seen too much as a tick box exercise rather than an integral and essential part of the evaluation and contract management process. Needs professionalism, knowledge and subject matter experts / specialisms in social value and sustainability to help guide and provide support to procurement professionals and help to manage and monitor performance."

5. Effective practice of procurement to advance equality

This chapter analyses interviews with those with relevant expertise in the objectives of the research (primarily procurement and equality experts, civil society bodies and contractor representatives – see appendix 1) to understand what they perceive to be the most significant barriers and enablers to the effective inclusion of equality and social aims through procurement. It therefore delves more deeply into the factors identified in the procurement officer survey that both frustrate and support the inclusion of equality and social aims in their procurement activity. The analysis also draws on data collected during the collaborative workshops held in England, Scotland and Wales, where the researchers presented initial findings to a small audience of public sector procurement and equality practitioners and experts and discussed their responses to the findings at round tables.

5.1 Barriers

5.1.1 Knowledge and expertise

In the survey of procurement officers, lack of knowledge was considered to be the most significant barrier to the inclusion of social or equality aspects in procurement. The question of expertise also arose in many expert interviews, both in relation to lack of in-depth understanding by procurement officers of equality issues, as well as lack of knowledge of procurement among EDI professionals and others keen to ensure social justice. For example, a trade union interviewee raised the challenge that “procurement is seen as hugely technical and quite inaccessible to some. [...] I don't think it's [...] an area that people are particularly confident around.”

Some interviewees expressed a view that not all public bodies know what to ask for in terms of equality requirements or objectives and therefore might consider it “a bit too difficult” and therefore “put that away for now.”

Lack of expertise or confidence to consider equality was not limited to the specification of requirements, but also extended to evaluation. A legal expert believed:

“Commissioners, when they ask an equality, diversity and inclusion question, don't have the skills or the knowledge to actually evaluate it properly. [...] I think that there is that evaluation piece as well, that might be preventing ED&I from being taken forward to its fullest extent.”

An EDI expert interviewee also perceived a lack of expertise among those assessing bids:

“So you could get back a whole range of equality, different quality in the submissions, and if it's judged by the procurement team, most of them tell us that they don't know the difference between a good ‘un and a bad ‘un, and there is not the capacity in the EDI, usually the one and only EDI manager, to read every tender that comes in.”

The increase in legislation affecting social procurement also requires the development of expertise, and it was noted that guidance may be lagging behind the legislation. In Wales, an equality expert highlighted in relation to implementing the Well-being for Future Generations Act:

“I don't think they necessarily have been given the understanding or the skills to think about how they need to mainstream equality into that stuff. I think the sheer complexity of the duties and requirements in Wales that touch on procurement doesn't help. [...] And so I think it in some respects it almost feels that we're almost setting procurement officers up to fail because we haven't made it easy for them to understand what they should be thinking about or considering. So in terms of legislation, policy [...] I would say that needs to be backed up with proper resourcing and training so that the people working in that space understand it.”

Another EDI expert believed that progress was also being limited by lack of procurement expertise among diversity and inclusion professionals:

“[It's] a problem with the diversity professionals, so this isn't a procurement people problem. It is a diversity professional's problem. Because it's not a standard part of a diversity professionals' experience, it's becoming more now, but it still isn't a core part of it [...] So they just don't know technically what to do.”

5.1.2 Resources and capacity

Expert interviewees, particularly those representing umbrella bodies for procurement practitioners, were very aware of the constraints on those undertaking procurement. Public bodies such as local authorities and housing associations are on the front-line of global and national crises, as expressed by this local government interviewee from England:

“We've had Brexit, now we've got Ukraine and Gazprom and supply shortages, Carillion, you know broke down, and so, you know, or PPE, we just seem to be working in crises all the time and so things that ought to be done, you know, perhaps not being given the attention. Things like this [equality], which are not a crisis but need to be, it's the right thing to do. But it's not a crisis in the same way as trying to find homes for, you know, people just coming out of a war zone [...] It's just capacity I think'.”

An expert with knowledge of local authorities across Britain observed that “the smaller local authorities simply don't have the capacity, or haven't created the capacity, to exploit this [equality].”

Others referred to the cuts in funding faced by public bodies in recent years, as expressed by a Welsh local government respondent here, although not confined to Wales:

“So we’re perilously thin in terms of procurement in Wales. [...] So we are lacking that human resource to do a lot of that work and a lot of that is a function of austerity. And the fall out since austerity. So we’re going back to 2008, really.”

A trade union interviewee in Scotland also highlighted the shortage of resources:

“If you’re going to do something properly, you have to be prepared to invest in the resources and I think sometimes the Scottish Government in particular, that’s where they fall down. They’ve got quite high aspirations at times and it’s easy to write a policy document. Making it actually deliver is the hard part. [...] You’ve got to be prepared to invest some hard cash into delivering some of these and then really monitor and follow it up and be quite hard-headed about it.”

The workshops held as part of the research in England, Scotland and Wales strongly echoed this view that those working in public bodies felt that they had inadequate resources to implement the procurement practices that they believed were socially necessary. In Wales and Scotland especially, there was no shortage of political will or intention to use procurement to benefit communities, evident through a strong enabling and encouraging legislative framework. Yet practitioners struggled to meet multiple demands with limited staff numbers and competing demands on their time. A further challenge was the ability to retain procurement staff in the public sector, with a growing demand from the private sector looking in particular for social value expertise and able to offer higher salaries.

5.1.3. Clarity of requirement

Interviewees approaching procurement from different angles had a common view on the need for clarity from the client or commissioning body on what they were asking for.

A Scottish local government interviewee highlighted the importance of clarity of expectations for community benefits from purchasers:

“You need to be very clear about what your community benefits are. I’ll give you a very simple example. If you put in your statement that you would like them to provide a bus to take the annual old folk on an outing, then you may not get any response and the simple reason for that is because you have not described, do you want to take them in a bus from Manchester to Blackpool or do you want to take the bus from Manchester to Croatia? There’s a big difference. So they’re not going to commit to something until they actually know.

He added that such clarity of expectation should be proportionate, also in relation to apprenticeships:

“If you’re going to get a million pounds, I don’t think it’s unreasonable to say that you could take somebody on for four years and pay them £13,000 a year or

whatever that number would be. So I think you need to be very clear about what it is at whatever value.”

Although clarity of ask was mentioned by several interviewees as important, another view, expressed by an interviewee responsible for university procurement, was that leaving it up to contractors to say what they can do in terms of social value, rather than specifying, often results in them offering more in order to win a contract. She had found that if you are specific about the demand, they tend to only do what they are asked and no more. One example was of a furniture contract where the supplier offered a rebate every year to put into a community fund that they could spend on local projects, which had amassed to a fund worth £100,000.

However a contractor interviewee believed that lack of clarity from the purchaser could lead to frustration during the delivery phase:

“We’ve found it so often with clients not understanding what they want or need and that then becomes a frustration for everyone, because if we’re reporting on things that don’t seem important, then why would the site team be invested? It’s just another report that doesn’t seem to yield anything, no real reason for doing it.”

A perspective from a civil society organisation that works with contractors to increase diversity in construction was that public purchasers could afford to be bold:

“We work with all the different boroughs in London and some of them are really good at specifying social value to their contractors [...] and others are awful. I had one conversation with a borough representative who said, ‘Oh well, if we ask the contractors, you know, to put in all this social value, they’re not going to want to work with us.’ But the thing is companies expect it now. They expect to be asked these questions and I think the commissioning organisations need to be upfront and push a bit harder.”

5.1.4 Cost

The procurement officer survey found that lack of financial viability – or concern about increased costs – was the second most important barrier to social or equality-oriented procurement.

One expert interviewee from the housing association sector in Wales outlined the perennial conflict between “commissioning and finance”:

“There’s always somebody behind the scenes who’s keeping an eye on, you know, what that means financially. And I say that obviously I would add to that, now the worsening economic conditions which again would put more pressure to

go in and lowest price rather than a much longer term understanding of what value is.”

An interviewee with legal expertise in procurement believed there was a misguided perception that social value comes without a cost:

“This approach whereby people assume that they get their social value for free, out of the contractor and it's never for free. So, it's either out of the contractor's profit or you pay for it. There's no kind of virtuous cycle where contractors, you know, give it up for free. So, you are paying for it.”

A Scottish trade union interviewee agreed that costs needed to be built in:

“It comes back to money, costs, ‘cost is king’ procurement, you know. [...] There needs to be a step back taken where the social value aspects are pushed up the political agenda, and that really driven through all public procurement. Until we create that cushion of space of putting enough money into these contracts to enable these things to be delivered, whether it's equalities, whether it's fair work, whether it's environmental and local economic development, without putting the right amount of cash in, you're not going to deliver it, it's going to go to the most economic bidder every time. And that leads to disaster often because people promise things they cannot deliver.”

5.1.5 Contract management and delivery

As with the procurement officer survey respondents, some expert interviewees highlighted that delivery of social commitments in contracts sometimes fell short, either through lack of monitoring by the client or lack of capacity or willingness on the part of the supplier. In relation to construction, some also commented on the lack of capacity in the sector, which is facing skills and labour shortages, particularly in some parts of the country.

An interviewee from a contractor with many tier 1 contracts⁶ in the public sector commented on the problems that could sometimes arise in meeting labour or skills targets through the supply chain:

“Your project manager's disengaged. They're not, you know, they're not understanding the reason why, you get the question: ‘Right, we've got these targets, but what's gonna happen if we don't achieve them, like nothing? It doesn't matter.’ So you get that attitude occasionally. Then if you get that they're unwilling to then pass that down to the supply chain because they don't necessarily believe in it.”

⁶ Also known as main contracts, where firms often subcontract to tier 2 or 3 contractors

Additionally, smaller suppliers may not have systems in place to collect the data required by larger contractors, particularly on workforce demographics. As noted by an interviewee from a large infrastructure organisation, levels of declaration of such information are low:

“Levels of declaration go up when people have, you know, the values of diversity data explained to them. But there's a lot of pushback against diversity monitoring. So levels of declaration are low. [...] When we've dug into why are they low, because actually some people are nervous about declaring their protected characteristics, in case they are victimized on it, or harassed in any way as a result.”

There is a risk of client requirements or targets becoming seen as a “tick-box exercise” that must be met on paper, but without tangible results. However, one university procurement expert noted the value of ticking boxes as an initial stage: “you need to start with ticking boxes sometimes, otherwise it’s not even on the agenda.”

Monitoring may be more challenging for smaller organisations, as recognised by a procurement expert from the housing sector:

“Not necessarily a smaller but potentially a more medium-sized housing association where it might just be a tick box exercise still. And not monitored very well in terms of actual delivery of contracted, social value outcomes as well. And I think that's still a major challenge for a lot of public sector bodies, not just housing associations or local authorities. It's easy enough to ask your suppliers to say what they're going to do, and then to manage the outcomes and delivery of that social value activity is typically more challenging and has been less successful to a degree at times. [...] Monitoring is the challenge, and probably one of the barriers to wider adoption of social procurement at this mid to low level value of contracts.”

5.2 Enabling factors

Interviewees were asked to suggest the elements that resulted in successful social and equality outcomes from procurement. These could be categorised as external to the organisation, such as legislation or national policy, and internal organisational policy and processes, as well as collaboration and networking, which could be with external organisations and peers, or across departments and teams within the same organisation. These factors are discussed here under the headings of legislation, collaboration and networks, creating the ‘golden thread’ and the measurement of social value.

5.2.1 Legislation

Although procurement activity must comply with legislation, in particular the Public Contracts Regulations, as evident in the survey responses, the legislation itself was not highlighted in interviews as a very significant enabling factor for social procurement, with some pointing out that

the law primarily contains requirements to 'consider' or have 'due regard to' social value or equality, rather than penalties for not complying. However, a different perspective came across in the workshops in Wales and Scotland, where public sector participants were very aware of the requirements from the Welsh and Scottish governments, for example on promoting fair work, the wellbeing of current and future generations and tackling socio-economic inequalities. In Wales the language of wellbeing, stemming from the legislation, has become quite well embedded within procurement, and public authorities must set wellbeing objectives for their organisations.

The Public Services (Social Value) Act 2012 has been influential in getting social value onto the agenda of procurement practitioners, particularly in England, but also to some extent in Wales and to a lesser degree in Scotland, where the Act does not apply, but where consideration of community benefits is a requirement of the Procurement Reform (Scotland) Act 2014. However, it was felt that social value was given a considerable boost in England by the government's Social Value Model, published in 2020. An interviewee from an infrastructure organisation that is covered by the model said:

"The publication of the government social value model really defined, to a large extent defines, what social value means. So it actually enables people to implement the Public Services (Social Value) Act much better than they were doing before because it gives some boundaries to it. It says this is, these are the themes, these are the outcomes. This is how you can measure it. It really makes it material, makes it concrete."

Although the model must be followed in contracting by government departments and its agencies, it has a far wider influence across the public sector.

Additionally, a social value expert interviewee believed that the social value legislation was driving change among suppliers:

"I do think the Social Value Act is, and how we're, the way we're implementing it, I think we're in the middle of a transformation of our supply chain, without a shadow of a doubt. Transformation in terms of culture and business. I mean if I look back five years where we started, even some of the small businesses, big businesses, they are now as a result of the leadership that the public sector has shown in buying, they are now employing social value directors. They're employing people who are looking at the whole business to drive change."

As previously noted, another important legal facilitator of social requirements in procurement is Section 106 of the Town and Country Planning Act. According to an expert in sustainable procurement in construction supply chains:

"Section 106 agreements are the biggest driver, in my view, of community benefits in a local area. If you ask most tier two organizations and beneath where do they get compelled to do social value, it's when they are doing the fit out on a

new office block and [main contractor] have won that contract and they will have committed to in the, they would have committed to the developer [...] they will have got a section 106 agreement which says you will have 3% apprentices on this site, you will you know have X number of community visits you will do. Then that tier one contractor will pass that requirement down to their tier twos and say we now want you to employ X number of people on this site who are who are local, X number of people who are apprentices and we will want you to spend X with the local community etcetera.”

Although Section 106 agreements are made at the planning stage of a development, before procurement starts, these commitments then become part of the procurement process, where targets for apprenticeships etc. are included in the procurement exercise (see Islington case study for an example).

The legislation on modern slavery, which applies only to private sector organisations, was also mentioned as influential by some, and modern slavery statements are starting to be adopted by local authorities (see Cardiff case study). A local government procurement expert observed that supplier practice had changed:

“It's been really interesting to see the massive jump in profile of the modern slavery agenda in my time working on this. It's gone from a really niche area that no one really talked about and very few people kind of knew a lot about to now, you know, it's front and centre and partly that's legislation, with modern slavery statements. But partly I think that's a kind of a real understanding on behalf of these companies of the huge reputational impact this can have on them and they take it very seriously now.”

5.2.2 Collaboration and networks

Collaboration was highlighted as a key factor for successful outcomes and took a variety of forms. The existence of networks of procurement practitioners in higher education, local authorities and social housing providers indicates that collaboration and sharing of good practice is important to support procurement activities. This was reiterated in many of the responses in expert interviews about what was effective in assisting the inclusion of equality and social aims. This was in contrast to the findings of the procurement officer survey, where collaboration and networking was selected as the most important enabling factor by less than half of respondents (see 4.8).

At a sectoral level, a transport infrastructure skills strategy group, established by the Department for Transport that shared data and good practice on the diversity agenda was thought to be “a really strong driver for collaboration.” Although the group had a three-year lifespan to deliver a strategy, it was felt that an ongoing network would be a helpful way of sharing learning.

In Wales in local government particularly, knowledge has been expanded through the national social

value task force Wales (NSVT Wales)⁷, according to a Welsh expert:

“We've just pulled together people who are interested in the subject, to try and educate each other. I think in that respect it's been very strong. In fact, the education has been really quick. It's about understanding as well what other organizations in Wales are doing to meet these challenges. So I think as a community of practice, it's been great.”

One of the benefits of such networks is building confidence to try out new things, as a Welsh government interviewee explained:

“Part of it is being able to risk, we're going to try, and if it doesn't work, then that's OK, but we really tried and there have to be lessons learned that we then build on. [...] Being able to support each other and learn from organisations.”

Peer to peer learning was considered by some to be more powerful than government guidance or advice. As a government equality body expert said:

“Local authorities will listen to each other before they'll listen to me. [...] But if you know [name] Council can say, we've done this and it worked. That's far more persuasive than me coming in.”

Collaboration with external partners such as trade unions is enshrined in the Social Partnership and Public Procurement Act passed by the Welsh parliament in the summer of 2023, which established the Social Partnership Council, made up of equal numbers of members representing Welsh Government, the trade union movement and employer organisations. This body will discuss all aspects of public procurement, as described by a Welsh trade union interviewee:

“The fact that you will have trade unions in there discussing it, debating it, putting information in there, signing things off, highlighting things, arguing things you know, these won't be pleasant conversations, a lot of them will be very tough. I think is a real mark of the difference between Wales and what's happening at UK government level.”

However, as the Act only recently came into force, the impact of these provision remains to be seen. Some interviewees believe that trade unions represent an important means of monitoring actions and outcomes of commitments made in contracts (see section 5.2.3).

Other civil society organisations were also important sources of insights and expertise. For example, some public authorities and large contractors have worked with Women into Construction to support their objectives of addressing the under-representation of women in the construction workforce. The group offers employment and skills preparation for women wanting to enter the sector and can act as a broker between contractors and women interested in job or work placement

⁷ A similar taskforce exists at UK level.

opportunities. An interviewee from Women into Construction said that close working relationships with contractors was key:

“Support from the top, so support from the main construction manager who contacted all the supply chain on our behalf and asked them to work directly with us, running programmes on site to support women and supporting them into work placements and jobs on the site.”

Lack of co-ordination or communication between procurement and EDI experts was mentioned as a common barrier to the incorporation of equality into procurement processes. On the other hand, where collaboration did take place, this was an effective enabler of outcomes, according to a procurement specialist in Scotland:

“Where equality is well meshed with the procurement process, even good individual personal relationships if you like, between procurement and equality colleagues, equality and diversity, they'll often deliver the best outcomes because they've thought about these things early enough.”

5.2.3 Creating the 'golden thread'

Many experts stressed the importance of consistency, continuity and clarity throughout the procurement stages, from setting objectives, contracting and award, and contracts management and delivery. This is known as the 'golden thread' woven throughout the procurement process.

This needs to come from the top of the organisation, and is more likely to be successful where social procurement is seen as a mechanism to meet organisational strategic goals, as a social value expert observed:

“Having a policy, essentially a social value policy that links social value to procurement and also to planning, because then it becomes the policy of the organization and then the officers have to do it.”

Lack of clarity in client requirements was seen as a barrier to effective social procurement, therefore in order to achieve successful outcomes, clear demands are essential. Alongside this, the importance of consistency of demands for contractors was highlighted by one local authority purchaser, which produced better data for clients:

“The biggest message I've had from suppliers in all of my time working on this is a plea for consistency from the clients. So, we're all trying to do the same thing more or less, but asking for it slightly different ways and every bid they do, we've all got slightly different ways of capturing the metrics and this sort of thing. I completely understand that that's time consuming and inefficient from their point of view. So, one thing we did was standardised what metrics we were

asking for. Then we added some extras in, but within the same formatting. So actually, it made it easier [...] we got better results because we got better, more information back as suppliers were doing it for all of us. And it's the leverage too, the ones that are not always playing ball, you know they know it's not just us. If they want to do any public sector work, they're going to be asked for this stuff. So that's the strong message as well."

Clarity can also include being open about costs from the outset, according to a procurement legal expert:

"So how do you get it delivered? Part of it, in my view, is that you ensure that they price for it up front. Because then you can see that the price you're paying includes all of your asks. Now, contractors don't often like doing that because they think it cuts across their competitiveness, but they need to do that because otherwise they're not going to do it."

A consistent thread from the tendering process through into contract award is also necessary, from a legal viewpoint:

"You need to convert tender promises into contractual conditions to provide a bridge between tender proposals and what the bidders are actually going to deliver and when they're going to do it. So, you take your construction programme and indicate on which month you're going to deliver what social value ask, and then give us a method statement as to, on a detailed basis, how you're going to deliver it. And all of that is trying to get some sort of contractual rigour into that social value promise, and then that's backed up by a contractual condition that says thou shalt deliver this in accordance with the timetable and the plan."

Processes for monitoring delivery and reporting lines of responsibility can also be incorporated into the contract to ensure outcomes are achieved. An advisor on procurement to housing associations said:

"At the start of any process, we would ensure that they put in a clause in any procurement contract to say this is what our expectation is, this is what social value is, this is what our expectation of you is and this is how we're going to review that. And I see that that's something that, anecdotally, we're seeing increasing."

This helps to create the 'golden thread' throughout the procurement process, as a procurement specialist based in Scotland explained:

“The evaluation of the tender and then the monitoring ought to kind of be part of the whole suite. We call it the golden thread from the early stages specification through the supplier selection into the contract itself and contract monitoring. So what should be happening is [...] the equality reporting lines, the climate change reporting that's going on and the procurement annual reporting process should all be, not just aligned, but instead of being in silos, should be much more coordinated. [...] So the procurement annual reporting template will include things around, at the moment, SME engagement, third sector engagement, but much less on the equality agenda per se. And that scenario that I would like to see developing [...] about community benefits and equality and fair work coalescing more in the future.”

The mechanisms and systems for data collection and reporting are important (see Glasgow case study for an example). But before that there may be a need to educate contract managers about the importance of data collection on equality and social measure and why it is being done.

“Once the contract's being signed, it then gets handed over to somebody, whether it's the supply chain managers or the commercial people or project managers. They need to be educated and they need to hold to account the companies for the promises that they've made and help them become better.”

A local authority procurement manager with long experience of procurement for employment and equality outcomes explained the mechanisms that were successful for them:

“The supplier skills team hive off the contract management of the skills and employment requirements and essentially manage that. So, it's kind of centralizing the contract management of that requirement [...] that's specific to skills and employment. But that's quite successful. The contract requires a designated skills employment manager, doesn't have to have that job title, but someone with responsibility within the supplier organisation. And then there's quite frequent, relatively open channels of communication, catch ups. So, they are obligated to provide quarterly reporting against the outcomes they're committed to achieving.”

Trade union experts interviewed pointed to the role of union representatives 'on the ground' in monitoring contractual commitments. As a Welsh union equality expert expressed it:

“I think before anyone's awarded a contract, there's got to be a clear understanding that that will be reviewed, there's got to be some process to review whether that is being delivered on. And the biggest sign of that will be to

speak to the unions that are in there or the trade union officials to say, is this working as you feel it should be working? They're the first to know, they're the workers on the ground. Because the employers going to say yeah, everything's great. They've signed the dotted line haven't they, and been awarded that contract and beyond that, you know, what accountability is there?"

5.2.4 Measuring social value

A number of tools have been developed to assist practitioners in measuring social value commitments and we found mixed views about their value. The two main systems mentioned by interviewees were the TOMs (Themes, Outcomes and Measures) run by the Social Value Portal and the Housing Associations' Charitable Trust (HACT) Social Value Bank. Both give a monetary value to commitments included in bids – whether these are numbers of apprenticeships or training hours, school and college engagement etc. – which are used in two primary ways: to provide a standard value that can be compared in assessment of bids and in monitoring promises made by contractors to check against delivery.

The TOMs framework had been in operation for seven years at the time of our expert interview, and was undergoing a revision to reduce and simplify its 55 categories to 40 to make it easier to use. It was the main tool in use by local authorities in England and a version had been developed for use in Wales, that mapped its categories against the Wellbeing of Future Generations priority themes.

An interviewee from an organisation running procurement frameworks for use by local authorities found the TOMs useful for data collection and monitoring:

"So my team collect and collate all that information [on each of TOMs categories] every month, so we require our partners to report on that every month and we collect and collate that data and then it goes over to our team and framework managers, and we have a dedicated framework manager for each partner to monitor that data and make sure that partners are delivering what they said they would and that they're meeting those performance measures."

According to an interviewee involved in the development of the HACT tool, it was helping housing associations to more systematically account for what they were already doing.

"People are using it more and more. So when we started the project [...] only 35% of SFHA [Scottish Federation of Housing Associations] members had ever measured the impact that they made. [...] Finishing the project that was up to 67% or 68%, so from around one third to two thirds now measure the impact they had and that was directly because of the work that we've done on that across Scotland. [...] Now what I tried to help them understand was actually these are things that you're considering anyway. You're just not considering them around this topic. So for every procurement you'll be thinking what do our

community need? And actually just documenting that. Using social value as a performance metric, you've got other performance metrics you'll be measuring. [...] having an understanding that this is a methodologically sound way to do it.”

For one interviewee from an organisation supporting supply chains, the principle of standard measures was valuable, although he expressed a view of several that one system would be preferable.

“I love the concept of monetisation. I get at the end of the day that people always say I want to actually understand in pound notes what the value of this actually is. But if we're going to do it, surely what we need to do is have one organisation who has got some really robust monetised values that everybody uses, so we don't compete then on which monetisation values we should use which should give us different figures and therefore show us better responses. We compete instead upon actually what we're doing for the communities which we're seeking to serve and improve. As opposed to like playing with the numbers.”

The TOMs can only be used by organisations that subscribe to use the Social Value Portal platform, and a small fee is charged to the winning contractor for using the evaluation and contract management service. It was developed initially for use by local authorities in England, and although there is now a tailored version for use in Wales, it has been quite “controversial”, according to an interviewee from the Welsh housing association sector. Some of this related to concerns about its development as a commercial product.

The Scottish Government has taken a different approach to measurement and have chosen not to monetise social value and community benefits, as this interviewee explained:

“We opted not to monetise because we do not want people just to go for low hanging fruit, we want we want people to get recognition for doing the difficult thing. That people need more support [to do].”

The emphasis in Scotland is on the impact achieved rather than monetisation. Speaking at the National Social Value conference, organised by the Social Value Portal, in April 2022, Peter Reekie, Chief Executive Officer at Scottish Futures Trust, said:

“The Scottish approach is not strongly aligned with monetising community benefits as our framework is very strongly linked to national performance framework with a set of outcomes which link through to the UN Sustainable development Goals. We generally therefore refer to social impact rather than social value.”

6. Evidence of good practice in using procurement for equality

This chapter draws out some key themes from case studies that support effective equality outcomes in procurement practice. The case studies are each presented in full in appendix 5 and are available on the project website.

The chapter first outlines the rationale for the selection of the nine case studies and explains the data collection methods employed. The subsequent sections examine key features of the case studies in achieving good practice, highlighting national and sectoral commonalities and differences. The evidence of good practice is discussed under the headings of political and leadership commitment, the 'golden thread', collaboration and partnership, and supplier engagement.

6.1 Selection and methods

Nine case studies were selected as examples of good practice in using public procurement to advance employment and equality goals in different types of public sector organisations – transport and infrastructure bodies, local authorities, housing associations and universities – covering England, Scotland and Wales.

The case study organisations are named in order to publicly share the good practice we identified, with the permission of the case study participants, to whom we are very grateful for agreeing to take part in this research through interviews, focus groups and provision of documents.

Transport/infrastructure	
High Speed Two (HS2)	England
Transport for London (TfL)	England
Local authorities	
Islington Council	England
Cardiff Council	Wales
Glasgow City Region City Deal	Scotland
Housing associations	
Poplar HARCA	England
RHA	Wales
Eildon	Scotland
Universities	
University of the West of England (UWE Bristol)	England

Organisations were selected and invited to take part based on a number of factors. They had often been brought to our attention in expert interviews carried out in the first phase of the research, or had completed the procurement officer survey indicating good practice and a willingness to be contacted to discuss this further. The initial list was discussed with the project advisory board, who made further suggestions for inclusion. Inevitably some of our selected organisations did not feel able to take part, either due to lack of time or a view that they did not have sufficient good practice to highlight at that stage. We had hoped to include universities in Wales and Scotland, but unfortunately those that we approached did not feel able to participate, primarily due to a belief that they were still in the early stages of their procurement journey. However, we have representatives from the higher education sector among the expert interviews, including

procurement specialists, so we believe that the issues and concerns for procurement in universities are covered in the research, and complement the evidence from the case study from England.

In all case studies we carried out interviews, mostly online although in some cases in person at the organisation's premises. Some interviews were conducted with one person, but quite often two or three people attended together. In a few cases focus groups were held. The roles of interviewees varied depending on the organisation, but typically included senior managers, heads of procurement, others involved in the procurement function, those with responsibility for community benefits or social value, and representatives of contractors working for the public body, often with responsibility for equality and diversity or social value. The contractor perspective was valuable in understanding how the demands made by the public sector commissioning bodies were put into practice and whether these resulted in changes in practice within the private sector firms.

The case studies also included analysis of documents related to procurement and equality policies, strategy and outcomes, both publicly available on the organisation's website and internal documents provided by the participants.

6.2 Political and leadership commitment

All of the case study organisations were driven by a political commitment to improving conditions for their communities – whether borough residents, tenants or students. Not surprisingly, the case study organisations in Wales and Scotland were more likely to be driven by legislative demands than those in England, where the legislation on social procurement is less well developed (see chapter x). Cardiff Council has to respond to the Wellbeing of Future Generations (Wales) Act 2015 in setting its procurement strategy, and while housing associations are not covered by this legislation, the RHA feels its influence, for example in the requirements of some government funding applications. Similarly in Scotland, the Procurement Reform (Scotland) Act 2014 requires public bodies to consider gaining additional community benefits from their contracting, which prompted housing association Eildon to develop their own community benefits strategy and to employ a community benefits officer, jointly funded with a local building contractor, to support this.

While English and some Welsh public bodies are required by the Public Services (Social Value) Act 2012 to consider how the services they procure can improve the economic, social and environmental wellbeing of their area, some universities consider themselves to be 'out of scope' of the Act, because of their funding model. However UWE Bristol has decided to act as though it were covered and to adopt social value principles in its procurement strategy. The UN Sustainable Development Goals also underpin the UWE sustainable procurement strategy, urging action to address goals including on sustainable production and consumption, gender equality, and inclusive and sustainable growth and employment.

Some of the case study organisations made an explicit connection between their equality, diversity and inclusion (EDI) policies and their procurement strategies, clearly perceiving procurement as one of the levers at their disposal to progress organisational EDI goals. HS2 provided a very clear example of this, with EDI and employment and skills objectives central to the aims of the project from the start. Indeed, part of the justification for spending many billions of pounds of public money were the employment and training opportunities that would arise from the construction of the rail project. The project was initiated at a time of skills and labour shortages in construction and business case arguments about the need to recruit a more diverse workforce were accepted, with targets for women and ethnic diversity at HS2 Ltd set at the beginning, along with benchmarks for the supply

chain to aim for. HS2 publishes regular reports on employment, including a range of equality characteristics, employed centrally and in the supply chain.

Also Islington Council and Glasgow City Region had an explicit commitment to using their procurement activities as a means to achieve EDI goals. Islington includes as one measure of success for its progressive procurement strategy “an increase in the employment of Islington residents, including those with the greatest barriers to work i.e. long term unemployed, people with disabilities, black, Asian and minority ethnic (BAME) and women.” The construction employment team has an ambitious internal target of 25% of all jobs on construction sites in the borough to be filled by women. Glasgow City Region Deal’s Sustainable Procurement Strategy outlines the priority groups (based on indices of deprivation) that should be the focus of community benefits commitments in contracts. These include the homeless, (long-term) unemployed, people with disabilities, single parents, female returners, individuals from an ethnic minority, and members of an under-represented gender.

Political commitment to the use of procurement as a strategy for change also included addressing poverty and other aspects of disadvantage. Islington established a Fairness Commission in 2010 co-chaired by Professor Richard Wilkinson, author of the widely-read book on inequality, *The Spirit Level* (Pickett and Wilkinson 2009). The report of the Commission made recommendations on payment of the living wage, job opportunities for local residents, housing and health, among others. Support for the real Living Wage (which is a voluntary minimum wage higher than the legal National Living Wage) is a commitment of several case study organisations that are accredited Living Wage employers: Cardiff Council, Glasgow City Region Deal, Eildon, TfL and UWE. Accreditation requires payment of the Living Wage to their own staff, as well as encouraging suppliers through procurement processes to pay it. Supported by the Council, Cardiff gained Living Wage City status in 2019, resulting in an overall reduction of jobs paying below the real Living Wage from 42,000 (20.7%) in 2017 to 24,000 (11.6%) by 2021, according to ONS statistics.

Such measures are part of a commitment to supporting the local economy, expressed in Islington through the strategy of community wealth building (one of the most widely known examples being the ‘Preston model’ adopted by Preston Council (Brown and Jones 2021), but also applied in other local authorities in England, Wales and Scotland). Eildon also sees itself as a “community anchor”, in the language of community wealth building, through its position as a major employer in the Scottish Borders, with the capacity to use its spending to benefit the community. A similar approach applies in Cardiff, where the procurement strategy supports the principles of the Foundational Economy - the services and products on which every citizen relies, particularly health and care services, food, housing, energy, construction and tourism. RHA’s procurement approach also makes reference to supporting the foundational economy and community investment. In common with the English and Scottish housing association case studies, it emphasised the importance of both their own tenants and the wider communities in which they were based. For all three housing associations, the commitment to improving the lives of those in the local communities motivated all their work, but was also prominent in their procurement strategies.

Equality and diversity leadership can take many forms, often through senior ‘champions’ who lead on the issues to signal institutional commitment. At RHA the majority of its construction team, as well as its Director of Development and Regeneration, are women, providing visible role models in a male-dominated sector.

6.3 The 'golden thread' in practice

One of the factors that contributed to the successful outcomes of the case studies was a clear link between organisational equality and social justice objectives and the use of procurement practices as a strategy to achieve this. However, this also required the 'golden thread', discussed above, throughout all stages of the specification, tendering and award, and contract management and monitoring processes to ensure that these objectives were met. Several of the case study participants explained how this was put into practice within their organisations, for example by having clear mechanisms for ensuring these aspects were consistently included in specification of requirements across different departments involved in purchasing. An example in Islington was the informal establishment among officers of a cross-departmental social value operations group to identify needs under five social value themes, that could be included at the tendering stage. This has improved the quality of bids and saved time on bids being rejected for inadequately addressing social value.

A responsible procurement checklist has been developed at UWE Bristol for departments planning any purchase to systematically consider the environmental, social and economic aspects of their plans, highlighting opportunities for employment, training or engaging with students. An EDI checklist is also given to potential suppliers, listing 15 questions about their EDI approach and policies. In some cases, the responses were scored as part of the tender process, but other times it was used as information for improvement in later work with the contractor, if successful.

One valuable aspect of the partnership approach of the Glasgow City Region Deal is that the local authority members have received training and support to carry out equality impact assessments on projects that they are developing to ensure that equality aspects are considered at the specification stage. They also ask their contractors to carry out equality impact assessments, becoming a contract clause. When assessing the social and equality aspects of bids, RHA draws on its network of subject champions, which includes staff trained in EDI issues.

TfL systematically includes Strategic Labour Needs and Training (SLNT) requirements in tenders, consisting of a sliding scale of requirements depending on the value of a contract. These have included targets for apprenticeships, as well as ambitions to increase the proportions of women and racialised minorities gaining apprenticeships. Suppliers must submit an initial plan to deliver SLNT 'outputs' at a scale relevant to the value of the contract.

Poplar HARCA, like RHA, ensures that residents and the local community are involved in the design of new housing projects, including the social value aspects (see below). They also make it very clear in the tendering process that contractors must include genuine and deliverable social value contributions, which they have found to be an effective means of filtering out bidders not committed to delivering this.

Consistency of practice across public authorities was identified in many case studies as a means of assisting suppliers to engage and deliver intended outcomes. In two of our cases this had become part of the organisational structure. At Glasgow City Region Deal, comprising eight local authorities, shared systems and tools, such as buyers' and suppliers' guides, supported member organisations to ensure consistent procurement practices. Cardiff Council had taken on the management of the procurement function for three nearby local authorities to support them in meeting the objectives of the Welsh government around procurement and to align systems and practices across authorities.

To ensure effective outcomes, contract management and monitoring is important, as highlighted in chapter 5. The case study organisations had various mechanisms in place to monitor delivery against

social and equality objectives. Good data collection systems are important, especially on large projects involving many partners or suppliers. Glasgow City Region Deal collates extensive data on community benefits expected and achieved across its member authorities through the Cenefits system. This allows reporting of outcomes benefitting the priority groups established by the City Deal. On the HS2 project, a skills, employment and education implementation plan is expected from the contractor at the start, containing annual anticipated outputs. Progress against these is monitored quarterly, based on reports submitted by the contractor. A system has been developed so that data can be reviewed “at the touch of a button”. Employment results for each equality target group are then published annually on the HS2 website. At UWE Bristol Key Performance Indicators (KPIs) on equality and social value are included in the monitoring process. However, under the continuous improvement approach described by UWE’s Director of Procurement, contractors are encouraged to go beyond simply meeting their KPIs, to introduce further EDI improvements.

Among smaller organisations monitoring was also important, despite more limited resources. RHA was in the process of creating a dedicated social value officer post to improve the co-ordination of and reporting on its social value activities.

6.4 Collaboration and partnership

Engagement and collaboration with a range of partners, including the local community, was a key success factor for social procurement outcomes among the case studies.

This included effective systems for internal organisational collaboration across departments and teams, as part of the golden thread outlined above. It also involves external engagement with the local community and with sectoral or professional networks.

The community benefits strategy developed by Eildon involves collaboration with Community Councils to consider the impact of their housing developments on the local community, not only their current or potential tenants. Such meetings have been used to develop requirements for community benefits to be included in contracts for large developments. Poplar HARCA has used similar mechanisms to engage with the local community about its major redevelopment schemes, drawing up lists of priorities for social value under themes, which were then mapped onto the themes for social value outcomes used in the Housing Associations Charitable Trust (HACT) Social Value Bank. Priority outcomes selected by residents included employment opportunities, apprenticeships and training. RHA has found it very helpful to get the views of tenants in the evaluation of social value aspects in bids, drawing on their expert knowledge of their communities and needs. One example of this was the Big Shed project, which converted a derelict building in Tonypany into mixed-use facility with educational space and apartments, including for adults with learning disabilities.

The Islington case study showed very close involvement between the community group, the Community Plan for Holloway (CP4H), and councillors and officers over the redevelopment of the former Holloway women’s prison site. Islington had a strategy of using planning requirements – in the form of Section 106 agreements – to ensure that developers contributed benefits to the local community, including jobs and training. CP4H successfully lobbied councillors to include a requirement in the Section 106 agreement for lead developer of the Holloway site to make “genuine efforts” to ensure that at least 30% of the promised apprentices on the site would be women. We believe that it is unusual for a community group to be so closely involved in the agreement of Section 106 clauses. Only one apprenticeship has been filled so far – by a woman – and CP4H continues to work with the developer and Islington to monitor progress.

Islington and CP4H also had an international partnership through supporting a delegation of tradeswomen from North America who visited London in June 2022 to showcase their success in increasing the numbers of women in the building trades through persistent campaigning and monitoring. The 50-strong delegation, hosted by the University of Westminster, was welcomed by Islington Council and had a tour of the Holloway prison site. The visit raised the profile of opportunities for women in the building trades and highlighted that several of the North American tradeswomen had experience of the criminal justice system, which linked to a CP4H demand that opportunities on the Holloway site could also be offered to women who had experience of the prison system.

Most of the case study participants were members of sector or professional networks that supported procurement practice. TfL had found it beneficial to be involved in a Department of Transport initiative to develop skills within the transport and infrastructure sectors, bringing together many organisations facing shared skills and labour challenges. As a result of participation in this initiative, TfL adopted the Strategic Labour Needs and Training approach that they use in tenders to identify priority groups (described above). TfL also works with other London public authorities through the informal London Responsible Procurement Network, which provides an opportunity to discuss common challenges and share good practice. There are also several networks for procurement practitioners in higher education covering different parts of the UK.

6.5 Supplier engagement

Case study organisations had many ways of working effectively with suppliers. For a project as large as HS2, there are several main contractors, working in joint venture partnerships, each with its own supply chain. The employment and equality and diversity specialists from the main contractors meet together in a forum organised quarterly by HS2 to allow sharing of problems and best practice in overcoming them. An example given was the sharing of methods used to try and increase the completion rate of equality monitoring data by staff in the supply chain. They believed that there was evidence of culture change on EDI issues in the sector, including greater understanding of the reasons for collecting equality data. HS2 also require suppliers to gain a recognised equality and diversity accreditation and encourages main contractors to support their supply chain to do the same.

TfL promotes change in the work culture within construction in several ways. It has a dedicated team of staff who work with suppliers to support the delivery of employment outcomes they have committed to in contracts. Furthermore, it supports the Supply Chain Sustainability School's Fairness, Inclusion and Respect programme, which offers training and events aimed at helping suppliers improve their EDI practice. It also encourages contractors to follow the Considerate Contractors code of practice, and has several examples listed on the Considerate Contractors scheme best practice resource hub, including an initiative to promote LGBT+ allyship on construction sites, run with the help of the TfL LGBT+ staff network group.

A TfL supplier referred to their involvement, at TfL's request, with its Steps into Work programme, helping young adults with autism. The supplier offered some work placements to students and was hugely impressed by their commitment and dedication, in the process raising awareness of the abilities of people with this particular form of disability.

The housing association case studies also had successful working relationships with local contractors. At Eildon, a partnership with a major local building firm had involved jointly funding a three-year post dedicated to increasing the community benefits provided through their developments. At

Poplar HARCA the main building contractor for a major regeneration scheme included in their bid a 'super profit clause', meaning that if profits exceed expectations, then eight percent of the 'super profit' would go back into a fund for Poplar HARCA to invest local community projects.

In the UWE Bristol case study, a construction contractor who had worked closely with the university procurement team told us that they believed that UWE's expectations of equality and diversity had helped them develop their own practice in this area. Similarly, the developer engaged to manage the Holloway project at Islington said that Islington's ambition for a minimum of 30% women apprentices was unique in their experience, and they believed that the ambitious target was achievable.

Taken together with the views noted above from equality and diversity managers at HS2 contractors about evidence of sectoral cultural change and the examples from TfL about initiatives raising awareness of disability and LGBT+ allyship in construction, our case studies suggest that where public bodies and projects have clear and ambitious equality aims, these can influence practice in the private sector for the better.

7. Guidance and support

7.1 Research findings

Respondents to the procurement officer survey were asked about availability of advice and information on incorporating equality aspects into procurement. Although most who responded knew where they could get information on social and equality considerations in procurement both inside their organisation and externally, around a quarter did not know where to go for such information. Those who had access to information and advice accessed this through formal and informal sources.

When asked to specify what sources they found most useful in assisting the inclusion of social and equality considerations in their work, respondents mentioned a range of government, sectoral and personal resources. For example, government guidance was cited, in particular the Scottish Government's sustainable procurement information and Welsh Government guidance. Advice aimed at their sector included the Local Government Association's Sustainable Procurement Toolkit, the Housing Associations' Charitable Trust (HACT) social value resources and the Social Value Portal. A few named the Supply Chain Sustainability School resources, available online. Several mentioned that they used practical case studies from other organisations, and others sought advice from colleagues, such as "speaking to our EDI lead."

In open comments, some indicated that they would like more specific good practice examples on equality aspects, for example this local authority respondent from Scotland:

"We routinely seek social requirements in our procurement through community benefits and scoring a Fair Work First question as standard, but in terms of equality concerns I think it would be good to have some good practice examples which will help to formulate the thinking of how this could be rolled out more widely or [...] to target certain contract areas."

Similarly, an expert interviewee with experience of building social procurement capacity believed that increasing confidence through demonstrating evidence of good practice was key:

"Procurement will be sometimes nervous about going too far, too fast. And that's where the cases and examples come in because they have the confidence then of, if it's worked somewhere, it's more likely to work for me."

She also believed that this was related to promoting successful outcomes more widely:

"Use people's networks to advertise the fact that this has been happening; 'look at the good job we did'. So that people are able to see that it happens, it can happen routinely and it could happen a bit more. [...] You've got an outcome. And then they feel confident enough to go and do another one."

Another expert interviewee warned, though, of the danger of the "too shiny" case study, ones that are "too glossy, and they don't tell you how to do it."

An interviewee from an organisation providing information and training on sustainability in supply chains in the built environment believed that:

“Better education amongst procurement and commercial people is absolutely a must. You've got to give them the tools to do the job. It's unfair for a procurement director just to say ‘we need to do this, let's roll it out’, if you don't give them tools to do the job.”

A practical example of educating the supply chain was implemented as HS2, in the form of a short diversity monitoring animated film, less than two minutes long. According to an expert interviewee it was cost effective and has been used by 10,000 companies in the HS2 supply chain and adopted by Highways England and in the railways.

As indicated in the evidence from the case studies in the previous chapter, collaboration and partnership – within the organisation, across the sector and with wider stakeholders – were important aspects of information sharing and effective practice.

7.2 Equality and diversity in procurement toolkit

To address some of the issues raised in the previous section and to showcase the good practice revealed by the research, in particular the organisational case studies, the project has produced a toolkit: [Buying social justice through procurement: an equality and diversity toolkit](#)

The toolkit is intended to support individuals in the public sector in their efforts to advance social justice through their procurement activity, with a focus on equality, diversity and inclusion. Although it draws from this research conducted with local authorities, housing associations and universities, we believe it can provide valuable insights for a broad spectrum of public organisations. It aims to complement the existing guidance and frameworks on procurement and social value developed for the public sector.

The toolkit has been developed from the findings of this research with a focus on employment in the white, male-dominated construction and infrastructure sector, however it highlights principles that also apply to the purchasing of goods and services and so should be of use to those undertaking different forms of procurement.

It is also hoped that the principles outlined in the toolkit, based on public sector experiences of procurement, will offer valuable insights to other organisations and businesses in the private and third sectors. There is a growing need for organisations to prove their economic and social governance (ESG) credentials to clients, investors and employees. Additionally, the toolkit may be useful for businesses and third sector organisations wishing to work with the public sector and align with its social justice objectives.

The toolkit identifies the ‘golden thread’, highlighted throughout the research, needed in order to achieve social justice through procurement. It has been designed as an interactive document that allows readers to click through the five stages of procurement: 1. Preparing to procure; 2. Writing the specification; 3. Selecting suppliers; 4. Tendering and assessing; and 5. Contracting and monitoring.

Each section includes key points to consider in relation to social and equality objectives at each stage of the procurement process, with illustrative examples from the nine case studies and other sources.

The toolkit contains a glossary of equality terms, a summary of the legal context for social procurement in England, Wales and Scotland and a list of further resources. Six good practice principles are identified that should increase the chance of effectively using procurement to 'buy social justice'. These principles were developed from the research findings presented in this report, based on analysis of the procurement officer survey, the expert interviews, the collaborative workshops and the case studies.

7.2.1 Good practice principles

Collaboration and partnership working

Collaboration with others in many forms emerged strongly from the case studies as a contributor to successful practice. Having good working relationships within the organisation helped to streamline the requirements included in tendering and contracts to meet genuine needs, and allowed sharing of what works and what is less effective.

The housing association case studies demonstrated various mechanisms for engaging with their communities, especially their tenants, but also in the locality. Local authorities also have as their purpose the provision of services to the local community, and procurement was a strategy for improving conditions for their populations, linked to tackling inequality, disadvantage and low pay, in our case studies. In universities, procurement can provide opportunities for students, for example work placements on university building projects.

Collaboration with civil society organisations can provide expertise on unmet need and inequalities in communities, as well as support in preparing under-represented groups for work and training opportunities, such as the work of Women into Construction. Trade unions were mentioned by expert interviewees as offering valuable knowledge on organisational practice and could be enlisted to help with monitoring the outcomes of social value and community benefits commitments.

The case studies offered many examples of cross-sectoral networks and collaborative initiatives which were shown to influence the practice of organisations through sharing knowledge and good practice.

Supplier engagement

Strong and effective relationships with suppliers are essential at all stages of procurement, from engaging the market, supporting SMEs and businesses led by women or minorities to access opportunities, and in the delivery of the contract. Engagement through 'meet the buyer' events, webinars, online support and regular updates can all be beneficial.

Early engagement is key to encouraging open and transparent conversations regarding progress on equality objectives. Contractors will be required to report on their progress against outcomes, as well as that of their supply chain on larger projects. Having a specified person responsible for reporting to the client was commonly a requirement of case study organisations.

Our case studies indicated evidence of cultural change in the construction sector relating to equality and diversity attitudes and norms, prompted by the clear direction set by public purchasing bodies. It is important to showcase evidence of successful outcomes and positive changes in working practices, which can be done through industry EDI awards, for example.

Strategic alignment

The research findings pointed to the importance of aligning organisational aims with delivery through public procurement practice. To ensure that there is a 'golden thread' throughout

organisational policies and practices related to procurement, the aim should be to hardwire social justice issues into:

- organisational strategies
- corporate business plans
- procurement strategies and policies
- programme and project plans
- operational delivery requirements and reporting.

EDI strategies and policies should also incorporate procurement as a key lever for delivering outcomes.

This report and the toolkit demonstrate how equality can be a consideration throughout all stages of the procurement process from preparing to procure, writing the specification, selecting suppliers, tendering and assessing, and contracting and monitoring.

Consistency

Procurement officers and expert interviewees highlighted the importance of clarity and consistency of requirements placed on suppliers. But procurement practitioners also needed clarity from the top of the organisation in terms of their aims and expectations from procurement.

Public bodies can increase their chances of successfully delivering social justice by working together to develop more consistent and standardised definitions, criteria, outcome measures and data collection tools. Consistency can help raise standards and capabilities across the supply chain, while allowing for flexibility, continuous improvement and opportunities to innovate.

There are many ways in which procuring organisations may share practice and standardise processes, in addition to the formal partnerships established in two of our case studies. The use of procurement frameworks created for that sector a common way of ensuring that standardised assessments of potential contractors have taken place.

Resourcing

There are many points in the procurement journey where procurement and equality teams need to work closely together to pool their different but equally important subject matter expertise. Their time is limited and without management or leadership support they are unlikely to be able to give individual contracts the time and attention they need. Internal sharing of good practice helps to increase skill levels over time, ultimately reducing the amount of time needed for any one contract.

The research showed that appointing a social value or community benefits manager, or 'champion' as part of another role, can be an effective way of supporting positive outcomes. Increasingly larger contractors are employing social value specialists to manage these aspects of contract delivery and engagement with the community.

Senior leadership commitment

Consistent throughout all parts of the research was a finding that to effectively prioritise social justice issues in procurement, public sector bodies require strong and ongoing leadership commitment. This must begin at the top – at the political level in local authorities, for example – and

be consistently emphasised throughout the organisation, connecting to business and commercial objectives.

Both senior management and political leadership need to ensure that sufficient time and resources are given to the procurement function and to support equality and diversity work, as well as for contract management and monitoring, so that social justice can genuinely be a 'golden thread' running through the procurement process.

8. Conclusions

8.1 Summary of findings

This research project was the first to systematically examine how public procurement is used in Great Britain to advance employment equality objectives, and what makes for effective practice. The project had three research questions, which it sought to answer using mixed methods – a survey of procurement officers, interviews with selected experts and good practice case studies. The results of the findings from this data collection have been presented in chapters 4, 5 and 6. Additionally chapter 2 discussed research evidence from an international review of literature on how public procurement is being used for social and equality goals. Chapter 3 outlined the different legal and policy frameworks that have developed for social procurement in England, Scotland and Wales. This chapter summarises the findings of the research in response to each research question.

8.1.1 The extent of the use of procurement to address equality

The first question asked to what extent are social and equality objectives included within the public procurement of construction works in England, Wales and Scotland? And what types of employment equality requirements are included within tendering and contracts?

The survey of procurement officers (see chapter 4) sought to identify whether social and equality concerns were being considered within procurement practices. The relatively low response to the survey of procurement officers (109 responses), which was circulated widely within local government, housing associations and universities in England, Scotland and Wales, may suggest that social and equality objectives are not incorporated very extensively within public procurement in the sectors that are the focus of the research. However, there may be other explanations for the limited response. One may be the challenge of ensuring that the survey reached the most suitable person to complete it. Although the survey was circulated through relevant networks in the three sectors, we cannot be certain that it always reached those with responsibility for procurement, especially given the high turnover of public procurement staff identified by the research. A further difficulty is that procurement officers are very busy and face many demands on their limited resources, with some public sector organisations struggling to retain or recruit staff in the face of private sector competition for expertise. Therefore, we cannot conclude that the fairly small response rate on its own indicates limited activity on social and equality requirements in procurement.

Of the responses we received, 60 (55%) reported that they considered at least one equality area (from the list provided) in their procurement work. Disability was the most commonly selected equality strand, followed by socio-economic inequality, and then race and sex. However, the response to this question do not indicate whether this consideration was in relation to questions of compliance with equality legislation or included any form of positive action.

We know that four fifths of organisations where respondents to the survey worked were Living Wage employers. This requires them to encourage suppliers to pay the Living Wage and to ask about this in their procurement processes, which is an indication that socio-economic inequality is being tackled to a considerable extent through procurement across the parts of the public sector we examined.

8.1.2 Legal and policy contexts in England, Scotland and Wales

A second question for the research was how the divergent legal frameworks and policy contexts in England, Wales and Scotland influence a) the inclusion and b) the effectiveness of social and equality requirements in public procurement.

Chapter 3 outlined the distinct legal and policy frameworks that have developed in relation to public procurement in England, Scotland and Wales, enabled by devolution. This has resulted in weaker legislative and policy support for the inclusion of equality objectives in public procurement in England compared to Scotland and Wales. While the Public Sector Equality Duty provides a basis for proactive regional and local authorities to include equality obligations in their procurement activities, there is no specific duty requiring public authorities in England to consider their procurement award criteria and contract conditions in order to better perform the general equality duty, as in Scotland and Wales.

Scotland and Wales have introduced legislation and policy to tackle socio-economic inequality. The Fairer Scotland Duty requires public bodies to actively consider how best to reduce inequalities of outcome related to socio-economic disadvantage in their strategic decision making, and similar legislation has been enacted in Wales, entitled A More Equal Wales. Promoting equality, including socio-economic equality is furthermore part of the Goals outlined by the Well-being of Future Generations (Wales) Act. The Governments of both Scotland and Wales are actively using procurement policy to pursue a fair work agenda, that aims to improve pay, job security, employee voice and equality.

In our research, the expert interviews, case studies and the collaborative workshops revealed that these distinctive legislative and policy contexts affected the practice of social procurement in the three nations.

In Wales, the legislation was shown in the case studies and expert interviews to be a driver for procurement to incorporate social objectives around well-being and fair work, and also for tackling modern slavery in supply chains. This is evident in the case study of Cardiff Council, which encourages all contractors to audit their supply chains to eliminate the risk of modern slavery. The Welsh government's policy of promoting community benefits through procurement was also influential for the RHA, which promotes community investment through contracting, contributing to the organisation's goals "by assisting our tenants and communities to thrive". However expert interviews and the collaborative workshop held in Wales showed that although the public sector was supportive of the policy approach to social procurement, in practice both the volume and the complexity of the legislation, coupled with resource constraints, meant that procurement officers struggled to incorporate equality dimensions into their work. The workshop was held just as the Social Partnership and Public Procurement (Wales) Act 2023 passed into law in May 2023, and participants were eagerly waiting the government guidance in order to understand how to implement it in practice.

Trade union expert interviewees from Wales had been involved in the process of consultation on the new Act, which put into law the social partnership approach that had been adopted by the Welsh government since around 2010. As shown in chapter 5, Welsh trade union interviewees believed that the Welsh government's openness towards working with trade unions on procurement and fair work set it apart from the rest of the UK. The legislation will provide opportunities for trade unions to scrutinise the annual procurement reports submitted by public authorities.

The Scottish Government also takes a “social partnership approach” to working with trade unions, although this is not embedded in legislation. According to a Scottish trade union interviewee, the Fair Work Convention (see chapter 3) is evidence of this approach. The Convention has developed a Fair Work Framework (Fair Work Convention 2016) based on the five dimensions of effective voice, opportunity, security, fulfilment and respect. In a similar vein, the Scottish Government has adopted a Fair Work First policy, described in chapter 3. Despite the clear commitment to improving work conditions and opportunities by the Scottish Government, our interviews revealed two areas of concern about its implementation: a lack of understanding of what ‘fair work’ includes and whether the resources are in place to deliver the objectives.

A high-level commitment to using procurement to address ‘strand’ based inequality in employment, on the basis of gender, ethnicity and disability for example, was evident in the interview with a member of the Scottish government and in the presentation at the collaborative workshop held in Scotland. However, the association between fair work and tackling equality may be less evident among procurement practitioners. A Scottish trade union interviewee noted the importance of equality as a dimension of fair work, but commented on the range of understandings demonstrated by participants in the fair work in construction inquiry, at meetings she attended as a member of the inquiry:

“The actual commissioners and the people that do the procurement from a range of different public agencies and organisations, they were all asking different questions. They all had a different idea about what fair work actually was. Some of them were asking lots of equalities questions, others weren't asking any. And some were just asking do you pay the living wage? And if you did, then you tick the box to be a Fair Work Employer. Others were much more on the ball and asking, ‘Do you have representative structures for your workers?’ ‘Do you have a trade union?’ ‘Do you recognize the collective bargaining?’ But the variety of different questions and different levels was huge. There was no common approach.”

The second issue raised was the need for the Scottish Government to focus more on delivering their objectives for public procurement. A Scottish trade union interviewee pointed out that the government was “doing a bit of work just now to sort of set up units that are going to drive this through all the other areas and fair work is a key part of that” but added that: “One of the big problems is resources... the Scottish Government in particular [...] they've got quite high aspirations at times and it's easy to write a policy document. Making it actually deliver is the hard part.”

However expert interviewees believed that the fair work guidance produced by the Scottish Government clearly defined the expectations on employers, although they thought more work was needed on monitoring employer practices.

An independent review of Scotland’s use of sustainable procurement between 2002 and 2022, commissioned by the Scottish Government, concluded that Scotland appeared to be leading the way in the UK in many areas, including its strong commitment to the sustainable procurement agenda, the support and tools available on its dedicated website, accompanied by ongoing training and

engagement, and the sharing of best practice and outcomes through the publication of case studies, commissioned research, and annual reports (Scottish Government 2023a).

Although the legislative and policy framework for social procurement is weaker in England than in Scotland and Wales (see chapter 3), the research has shown evidence of good practice where there is political or senior leadership commitment, as in the case studies of University of the West of England (interestingly we were unable to find universities in Wales or Scotland who wanted to showcase good practice in using procurement for equality aims), housing association Poplar HARCA, Islington Council, Transport for London and HS2. Chapter 5 also highlighted the influence of the Social Value Model, which applies to contracting by government departments and its agencies, more widely across the public sector. Furthermore, it was believed by some expert interviewees that the social value legislation was driving change among suppliers, in part motivated by a desire to win public sector contracts.

A clear difference between Scotland on the one hand and England and Wales on the other was in the approach to monetising social impact and social value. The Scottish Government's approach of not monetising impact was generally supported by the public sector in Scotland, with a belief that the complexity of social impact was too difficult to capture by means of a calculated figure (Scottish Government 2023a). However, our research found that some Scottish housing associations took a different approach and many were using the HACT Social Value bank to provide a standard value comparable across bids and to monitor promises made by contractors to check against delivery (see chapter 5). The tool was also used by housing associations in England and Wales.

In England and Wales the TOMs (Themes, Outcomes and Measures) framework had been in operation for seven years and was the main tool in use by local authorities in England and a version had been developed for use in Wales, that mapped its categories against the Well-being of Future Generations priority themes.

8.1.3 Outcomes

A third question for the research asked what the outcomes of including social and equality requirements in public procurement for employment are and how are these monitored and evaluated. We were also interested to know who the key actors are for ensuring effective outcomes that go beyond legal compliance.

The case studies, discussed in chapter 6 and presented in full in appendix 5, highlight the varied outcomes of using procurement to advance equality aims.

One of the aims of the HS2 project was to increase employment opportunities for under-represented groups on the project, consisting primarily of its construction workforce. HS2 set targets for increasing the diversity of the workforce employed directly by HS2 Ltd and was encouraging action on diversity in the supply chain by publishing industry benchmarks and monitoring supplier progress against these. Data was regularly collected by HS2 and published. By 2022 the supply chain for the HS2 programme was 22% women, 18% BAME, 5% disabled and 2% LGBT+, including Tier 1 joint ventures and sub-contractor workforces. Similarly, TfL has developed good reporting mechanisms for recording outcomes as a result of its responsible procurement programme and its report for 2021 showed that 1,027 jobs had been created through its Supplier Skills programme, of whom 48% were BAME, 33% women and 45% previously workless. At Islington Council Section 106 agreements were used to require apprenticeships for local residents and for the Holloway prison redevelopment there was a requirement that the developer made 'genuine efforts' to ensure that 30% of the apprenticeships went to women. As the project is still in the demolition phase, it is too

early to tell whether this will be achieved. However, the council's construction employment team recorded that 12% of jobs on construction sites across the borough were filled by women in 2022, of which 80% were in the building trades, significantly above the national average of 2% of women in the building trades.

The Glasgow City Region Deal captures community benefits outcomes for the projects funded through the Deal, with a focus on priority groups it has been identified for employment and training opportunities, including homeless, unemployed, ex-offenders, people with disabilities, single parents, individuals from an ethnic minority, and members of an under-represented gender, among others. Its 2022-23 annual report showed 309 jobs and apprenticeships had been achieved, with 171 for those from priority groups.

In addition to increasing job opportunities, TfL also used its procurement strategy to encourage culture change amongst suppliers. The case study showed some evidence of internalisation of TfL's EDI values and desired outcomes among suppliers, but also a clear business motivation for their activities. Through its policy of inclusive procurement, HS2 also wanted to change the culture of the construction sector to make it more welcoming to women, ethnic minorities, disabled workers and others under-represented in the sector. Our discussions with equality and diversity managers at HS2 contractors suggested that this culture change was happening, for example in terms of increased collection rates for diversity monitoring data, greater willingness of smaller contractors to discuss equality issues and challenges, and increased numbers gaining EDI accreditations.

The housing association case studies demonstrated many community benefits outcomes from their procurement practices. Poplar HARCA ensured that their housing developments and the construction of a youth centre provided job opportunities for local people, many of whom are from an Asian heritage and under-represented in construction. The Eildon and RHA case studies also showed how community benefits were achieved through strong relationships with local contractors, that included apprenticeship opportunities and awareness raising of construction opportunities for under-represented groups. Students were one focus for placements on construction projects being undertaken by the University of the West of England, with under-represented groups gaining opportunities they might not otherwise have had. The university and the contractor also sought benefits for disadvantaged groups in the wider community around Bristol.

Payment of the real Living Wage by contractors was an objective for many of the public authorities completing the survey, as well as many of the case study organisations. Cardiff Council was a leading organisation in Cardiff achieving Living Wage City status in 2019, which resulted in an estimated reduction of jobs in the city paying below the real Living Wage from 42,000 (20.7%) in 2017 to 24,000 (11.6%) by 2021. While Eildon encouraged its contractors to pay the real Living Wage, it had also ensured this level of pay to all its home care staff by bringing their employment in-house, thus addressing low pay in the care sector, dominated by female workers.

Despite the evidence of outcomes shown here, the research consistently found evidence of the challenge of monitoring and measuring the outcomes of social and sustainable procurement policies, also noted in the review of Scottish procurement policy (Scottish Government 2023a). Many of our expert interviewees and participants in the collaborative workshops in all three nations reported that while progress had been made on the inclusion of social and equality objectives in procurement, monitoring of outcomes was often inadequate.

A variety of actors need to be engaged at the different stages of the procurement process to ensure the "golden thread" of social and equality objectives are achieved (see chapter 6). The research has shown the importance of collaboration within organisations, for example between equality and

procurement teams, and with contract managers who are responsible for delivery. Some of the case studies provide examples of internal networks to facilitate this process (See Islington and Cardiff), while external collaboration and sharing of good practice within a sector can be very valuable (see TfL and Glasgow City Region Deal). Strong relationships with suppliers are also key to successful outcomes, as demonstrated in many of the case studies and expert interviews.

8.2 Risks and opportunities

The research has highlighted many factors that both enable and act as barriers to successfully incorporating equality aims within public procurement. Chapter 7 described six good practice principles that are identified in the toolkit produced by the project [Buying social justice through procurement: an equality and diversity toolkit](#).

This section discusses some risks and opportunities for the future of socially responsible or sustainable procurement that emerged from the research.

8.2.1 Fair work and equality agendas

Opportunities:

The ‘fair work’ agendas being promoted in Scotland and Wales provide a welcome acknowledgement of the socio-economic inequalities that exist in both nations, adopting public procurement policy as a means of creating a more ‘inclusive’ form of economic growth that distributes benefits more evenly than UK-wide policy delivers, as shown in chapter 3. The frameworks for fair work in Scotland and Wales are similar, emphasising principles of effective voice, security, fulfilment, respect and opportunity (in Scotland), with the addition in Wales of an explicit reference to equality and inclusion being ‘integral’ (Mamode 2023). The policy frameworks in Scotland and Wales acknowledge the particular barriers faced by some groups not covered by the Equality Act 2010, and there exists a commitment from those at senior levels to address longstanding inequalities on the basis of gender, ethnicity, disability and other protected characteristics.

Risks:

Despite the commitment from senior levels to the importance of equality, our research has shown that addressing these issues may not have high priority when policy turns to practice in relation to public procurement activities. This report has shown that procurement processes often require suppliers to pay – or work towards paying – the real Living Wage, producing welcome uplifts to income levels. While such increases often benefit women and racialised groups who are disproportionately represented in low-paid jobs, low pay is not the only inequality these groups face. In the light of a focus on fair work, addressing additional inequalities experienced by these groups may not be an explicit strategy and disaggregated data may not be collected, potentially hampering future progress on fostering equality.

8.2.2 Zero-carbon construction and equality

Opportunities:

The construction sector is facing major changes in employment, training and production processes as it responds to climate change demands. This provides opportunities for new forms of employment, potentially free from pre-existing gender stereotypes. It has also been argued that raising standards in construction training and working conditions through new technologically-innovative roles based on zero-carbon construction techniques can offer attractive careers for

women that overcome negative features of the sector such as inflexible and hazardous working conditions, long working hours and a male-dominated culture and environment (Clarke and Sahin-Dikmen 2021). Furthermore, skills shortages in trades such as plumbing and especially heat pump installation, can provide opportunities for women to enter the building trades (Baraniuk 2023).

The Eildon case study in this research showed the link between organisational decarbonisation and net-zero objectives, addressing skills shortages and improving service quality, through the creation of an in-house team to install heat pumps and electric boilers. While this example shows the possibility of setting goals to address under-represented groups, such as women, ethnic minorities or disabled workers through a model of direct employment, this could also be an objective of specifications in the procurement process that link zero-carbon construction goals to employment opportunities.

Risks:

This research has shown the multiple demands placed on the procurement function and the limited resources available to procurement officers to perform their roles. Inevitably this means that the most pressing demands will be prioritised, whether short-term imperatives deriving from a global pandemic or the cost-of-living crisis or longer-term pressures such as meeting climate change objectives. Our research has shown that sustainable procurement is now a more inclusive term that goes beyond 'green' or climate change agendas to encompass a breadth of social and economic aims. However, we noted a tendency to see procurement activities addressing climate change as distinct from those that tackle inequality.

8.2.3 The Social Partnership and Public Procurement (Wales) Act 2023

Opportunities:

The Act that came into force in Wales in May 2023 significantly strengthens the potential of public procurement to achieve results through a duty placed on certain public bodies to consider socially-responsible public procurement practices, to ensure that socially-responsible outcomes are pursued through contract clauses which flow through whole supply chains for large construction projects, and to ensure that these are monitored. The duty builds on previous legislation such as the Well-being of Future Generations Act but goes further in setting requirements for "prescribed contracts" (construction contracts worth at least £2 million and outsourcing services contracts). In designing and awarding these contracts, public authorities must consider whether the contract should include public works clauses. Welsh ministers must publish model works clauses for major construction contracts, with proposed improvements under the categories of payment, employment, compliance, training, subcontracting and environment. The improvement for the employment category is "Providing employment opportunities to younger people, older people, the long term unemployed, people with disabilities or people who may otherwise be disadvantaged (for example because of their race, religion or belief, sex, gender identity or sexual orientation.)"⁸

The inclusion of such clauses provides a significant opportunity for large public construction and infrastructure projects to address inequalities in the workforce on the basis of protected equality characteristics and those facing socio-economic disadvantage. Furthermore, the legislation requires public authorities to take reasonable steps to ensure that the obligations in the social public works clauses are implemented by subcontractors and for the contractor to monitor such implementation.

⁸ [Social Partnership and Public Procurement \(Wales\) Act 2023 \(legislation.gov.uk\)](https://legislation.gov.uk/ukpga/2023/10/section/27), section 27

This goes some way to addressing the concerns about lack of enforcement and monitoring identified by this research. The guidance accompanying the legislation is still awaited.

The Social Partnership and Public Procurement (Wales) Act 2023 has been described as “a landmark piece of legislation” by Wales TUC (Perry 2023), creating a Social Partnership Duty on public bodies to set well-being objectives in consultation with recognised trade unions. The Act creates a new role for unions as statutory advisors on the Social Partnership Council. The Social Partnership Council must establish a public procurement subgroup, giving trade unions a say in the operation of the socially responsible public procurement duty and means of monitoring the implementation of fair work through public contracting. The Welsh Act goes further than the other nations of the UK in giving trade unions a statutory role in the establishment and operation of procurement as a policy lever for social justice and offers significant opportunities for unions to develop their activity on fair work and equality.

Risks:

The Social Partnership and Procurement Act, whilst offering substantial opportunities, adds another layer of requirements on public authorities. In the context of successive rounds of cuts to local authority budgets over several years, as well as other parts of the public sector, procurement officers and interviewees reported significant pressure on resources affecting their capacity to perform their roles effectively, as well as restricting their ability to undertake additional activities. These pressures may, in theory, drive efforts to gain additional benefits from the private sector from existing public spending (Conley, 2023). However, the research showed clearly that for such benefits to be realised, careful consideration is needed at all stages of the procurement cycle, from specifying requirements, to tendering and award, through to contract management and monitoring.

The research also identified recruitment and retention challenges for public sector organisations for procurement and social values professionals. Respondents reported on the difficulties of keeping staff and filling positions in the face of higher salaries being offered by the private sector.

While the good practice case studies in the research show positive outcomes being achieved despite such pressures, as well as strong collaborative networks to support and share good practice, limited budgets and resources, combined with staff shortages, will restrict the capacity of smaller organisations or those less mature in their procurement practice to introduce new strategies for social procurement. There was also a clear plea from, particularly Welsh procurement specialists, for there to be sufficient time and resources to accompany legislative reform.

8.2.4 The role of trade unions

Opportunities:

As seen above, the Social Partnership and Procurement Act gives trade unions in Wales an important new formal social partnership role and a strong position to influence public procurement practice to improve rights and conditions for workers. Although unions in the other nations do not have a statutory role in relation to procurement, this research has identified opportunities for trade unions in all three nations at various levels to contribute to the procurement process as a lever to improve working conditions in difficult to organise sectors such as construction, including pre-procurement scoping of requirements and monitoring of practices on the ground. The TUC is promoting public procurement as a means of improving employment conditions through the adoption of employment charters (TUC 2022). This report and the [Buying Social Justice Through Procurement: equality and diversity toolkit](#) should support trade unions in both the public and private sectors to understand

how public procurement can be a mechanism for promoting good employment and equality in the workplace.

Risks:

It has already been noted that public authorities are facing constraints from many years of cuts to their budgets, which has meant that public sector unions have been at the forefront of fighting redundancies and supporting members' campaigns for pay rises that address the rapidly rising cost of living. The focus has often been on keeping jobs in-house in the face of outsourcing of services. However there is growing awareness of the importance of public procurement for improving employment conditions, although greater knowledge and support for this work is still needed.

8.2.5 Apprenticeships

Opportunities:

Our research indicated that providing opportunities for apprentices was a popular social value initiative amongst public authorities and their contractors. A challenge highlighted by several organisations wanting to include apprenticeships in their community benefits, social value or section 106 commitments from contractors is the length of employment needed in order to offer a meaningful apprenticeship. One way of addressing this is through the shared apprenticeship schemes in operation in some area. The RHA, for example, encouraged its contractors to use the shared apprenticeship programme, Y Prentis, sponsored by the Construction Industry Training Board (CITB) and the Welsh Government, that employs apprentices and rotates them throughout different placements within construction companies (CITB, no date). A similar scheme in Scotland, Shared Apprentice Limited, was set up in 2015 as a not-for-profit organisation to support local construction employers to take on apprentices by Angus Council, Dundee and Angus College, the CITB and local construction companies (Scottish Government 2023a Appendix 2). At Islington Council the construction employment team was in discussions with other London local authorities to create something similar.

Such shared apprenticeship initiatives help to overcome a major obstacle to achieving employment objectives on the many smaller construction projects that local authorities and housing associations deliver. The schemes could be further developed to specify goals for numbers of apprentices being taken up by groups under-represented in construction employment, following the example set by Islington Council for women working on building projects in the borough (see case study).

Risks:

The shared apprenticeship schemes are not operational in all areas and may not be well known. A certain level of commitment is also needed to take part in such a voluntary scheme. A further potential risk in relation to apprenticeship schemes is that, historically apprenticeships were white and male dominated, and where there is a lack of EDI monitoring, the opportunities may not be evenly distributed amongst those with protected characteristics. The inclusion of apprenticeships is often considered an end in itself, without consideration of targeting them at under-represented groups.

8.2.6 The Procurement Act 2023

The Procurement Act was passed by the UK Parliament in 2023. Its general scope applies to all contracting authorities in England, Wales and Northern Ireland, but not to Scotland, which will retain its own procurement regulations in respect of devolved Scottish authorities. The detail will be enacted through secondary legislation which is likely to be laid early in 2024 for the new regime to go

live by October 2024. In the meantime the following potential opportunities and risks are drawn from the information available on Gov.uk⁹.

Opportunities:

The government aims for the legislation are:

- creating a simpler and more flexible commercial system that better meets the country's needs while remaining compliant with international obligations;
- opening up public procurement to new entrants such as small businesses and social enterprises so that they can compete for and win more public contracts ([further details here](#));
- taking tougher action on underperforming suppliers and excluding suppliers who pose unacceptable risks;
- embedding transparency throughout the commercial lifecycle so that the spending of taxpayers' money can be properly scrutinised.

In addition to these aims, the government is encouraging senior leaders to become involved in the procurement process and to appoint procurement champions, which we have identified in our research as key enablers to successfully embedding social value and equality into procurement contracts.

Risks:

There is currently no focus in the available information on the Procurement Act (2023) on its role in relation to social value or equality, diversity and inclusion. The focus appears to be on cost and efficiency, perhaps marking a reversion to a narrower conceptualisation of value. While the strategic priorities in the procurement policy statements may address this, such provisions would however not form part of the original legislation. The Procurement Act applies in Wales but is significantly different from the Social Partnership and Public Procurement (Wales) Act (2023), which is likely to cause some tensions in policy objectives for public procurement teams in Welsh public authorities. There is, as yet, no indication of where the resources to implement the changes required by the Act at a time when, as we note above, procurement teams in public authorities are stretched to the limit and are failing to retain experienced staff.

⁹ <https://www.gov.uk/government/publications/procurement-act-2023-short-guides/the-procurement-act-2023-a-short-guide-for-senior-leaders-html>

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10. Appendices

Appendix 1: Expert interviews

Actor type		Nation				Sector		
		<i>England</i>	<i>Scotland</i>	<i>Wales</i>	<i>GB</i>	<i>not for profit</i>	<i>public</i>	<i>private</i>
Procurement expert	18	4	3	2	9	2	8	8
Trade union expert	8	2	2	2	1	8		
Equality expert	5	1	1	2	1	3	1	1
Construction or delivery expert	1	1				1		
Policy expert	1			1			1	
<i>sub total</i>		<i>8</i>	<i>6</i>	<i>7</i>	<i>11</i>	<i>14</i>	<i>10</i>	<i>9</i>

Total **33**

Appendix 2: Collaborative workshops

As part of the research methodology, three collaborative workshops were held in England, Scotland and Wales. The reports of each workshop are published on the project website, with links here.

[Strong legislative framework for social procurement in Wales welcomed, but further resources needed](#) 30 May 2023

[Findings of research welcomed at workshop in England](#) 8 June 2023

[“Golden thread” of equality throughout procurement process is key to success, hears Scottish workshop](#) 26 June 2023

Appendix 3: Publications

The buying social justice project website has a list of [resources](#) including publications by the project team. The key publications so far from the research are:

Wright T., Conley, H. and Sarter, E.K. (forthcoming 2024) 'Using public procurement to promote equality in employment: assessment of the evidence from Australia, South Africa and the UK', in Forson, Healy, Öztürk and Tatli (eds) *Handbook on Inequalities at Work*, Edward Elgar Publishing.

Wright, T. (2023) [Using Procurement to Promote Workforce Diversity](#), Buildings & Cities, Commentaries, 22 August.

Blog:

Mamode, J. (2023) [From 'good work' to 'fair work': how Scotland and Wales may be leading the way in equality](#), 30 March

Oswald, C. (2023) [Investment and equality - lessons from Scotland](#), 21 February

Conley, H. (2023) [A three-nations perspective on creating social value from procurement in the face of public spending cuts](#), 13 January

Appendix 4: Survey of procurement officers

Buying Social Justice survey

Welcome to the Buying Social Justice Through Procurement survey

This survey is aimed at procurement specialists and is conducted as part of the 'Buying Social Justice Through Procurement' project. The project explores the use of social procurement by public bodies to promote equality in the UK construction industry. You can read more about the wider project on our [website](#). This survey should take no more than 10 - 15 mins to complete. You do not need to complete all questions, and your responses will be anonymised in any future publications that use the survey findings. To help you to decide whether you want to participate, please take a couple of minutes to read the [information for participants](#). This explains more about why the research is being done, what completing the survey will involve and how we will be handling the information you provide.

Consent Form: Buying Social Justice Through Procurement survey

Thank you for reading the participant information about this survey. If you are happy to participate, please could you confirm your decision below after reading through the following statements that summarise the key points in the participant information. You might find it useful to refer back to the [information for participants](#) as you do this. If you want to ask the research team any questions before making your decision, please feel free to contact us by email at: info@buyingsocialjustice.org.uk. Indicating your willingness to participate at this point still leaves you free to withdraw your participation at a later stage.

- ☐ I have read the Participant Information Sheet and have had the opportunity to consider the information, ask questions and have had any questions answered satisfactorily.
- ☐ I understand that my participation is voluntary and that I am free to stop taking part in the survey at any time without giving any reason and without my rights being affected.
- ☐ I understand that my data will be securely stored on Queen Mary University of London SharePoint system and in accordance with the data protection guidelines of Queen Mary University of London for no longer than 5 years after the end of the project. My response will be stored in anonymised form, separately from any personal data.
- ☐ I understand that I can request withdrawal and destruction of the information I have provided at any time prior to publication.
- ☐ I understand that following publication I will not be able to request withdrawal of the information I have provided. I understand that the information collected during the project may be used to support other research in the future, and it may be shared in anonymised form with other researchers.

☐ I agree to take part in the above study.

☐ I don't want to participate in the survey

Skip To: Q1 If I agree to take part in the above study.

Skip To: Q55 If I don't want to participate in the survey

Skip To: Q55 If Consent Form: Buying Social Justice Through Procurement survey Thank you for reading the participant information. I agree to take part in the above study.

Q1 Where did you hear about this survey?

- ☐ I received a link direct from the Local Government Association
- ☐ I received a link direct from Scotland Excel
- ☐ I received a link direct from Procurement for Housing
- ☐ I received a link direct from the Higher Education Procurement Association
- ☐ I heard about the survey through LinkedIn
- ☐ I heard about the survey through Twitter
- ☐ Other (please specify) _____

Q2 Are you involved in public procurement in your organisation?

- ☐ yes
- ☐ no

Skip To: Q56 If Are you involved in public procurement in your organisation? = no

Q3 Is your organisation...

- ☐ a local authority?
- ☐ a housing association?
- ☐ a higher education institution?
- ☐ other (please specify)

Q4 Where is your organisation situated?
Please tick all that apply.

- ☐ England
- ☐ Scotland
- ☐ Wales
- ☐ Other (please specify)

Q5 How much does your organisation spend on public procurement each year?

- ☐ up to £10 million
- ☐ £10 million or more, but less than £50 million
- ☐ £50 million or more, but less than £100 million
- ☐ £100 million or more, but less than £500 million
- ☐ £500 million or more
- ☐ don't know

Q6 In terms of procurement maturity, how would you rate your organisation?

- ☐ minimum (lowest)
- ☐ developing (lower middle)
- ☐ mature (upper middle)
- ☐ leader (highest)
- ☐ don't know

Q7 Do your job responsibilities include the following procurement activities for your organisation?

Please tick all that apply

- ☐ defining procurement policy
- ☐ defining category strategy
- ☐ writing specifications
- ☐ designing procurement procedures
- ☐ carrying out procurement procedures, including evaluation of bids
- ☐ monitoring contract performance, including data analysis
- ☐ strategic supplier relation management
- ☐ market management

Q8 Is procurement your sole role?

- ☐ yes
- ☐ no

Display This Question:

If Is procurement your sole role? = no

Q9 Approximately what proportion of your role is related to procurement?

- ☐ up to 25%
- ☐ more than 25% but less than 50%
- ☐ more than 50% but less than 75%
- ☐ more than 75%

Q10 Do your procurement responsibilities include the procurement of construction works?

- ☐ yes
- ☐ no

Display This Question:

If Do your procurement responsibilities include the procurement of construction works? = no

Q11 Do you procure...?

- ☐ services
- ☐ goods
- ☐ utilities
- ☐ a mix of the above

Q12 In your view, what is the aim of public procurement?

Q13 Does your organisation have a policy on the following?

Please select all that apply

- ☐ public procurement
- ☐ social procurement
- ☐ socially responsible procurement
- ☐ social value
- ☐ sustainable procurement
- ☐ gender-responsive public procurement
- ☐ community benefits
- ☐ other (please identify)
- ☐ don't know

Display This Question:

If Do your job responsibilities include the following procurement activities for your organisation?P... = defining procurement policy

Or Do your job responsibilities include the following procurement activities for your organisation?P... = defining category strategy

Or Do your job responsibilities include the following procurement activities for your organisation?P... = market management

Q14 Other than budgetary factors, what are the most important factors driving the inclusion of social aspects in procurement *policy* in your organisation?
Please tick all that apply

- ☐ legislation and regulation
- ☐ organisational values (i.e. organisational commitment to certain goals and principles such as providing value to community and fair work)
- ☐ organisational reputation
- ☐ other (please specify)
- ☐ don't know

Q15 Please let tell us more about your organisation...

	Yes	No	Don't know
Is your organisation a Living Wage Employer?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Has your organisation signed up to the Good Work Standard, the People Matter Charter or another scheme relating to employment conditions?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Has your organisation signed up to the 'Two Ticks' disability scheme?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Has your organisation signed up to the Race Equality Charter or the Race at Work Charter?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Is your organisation a Stonewall Diversity Champion?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Has your organisation signed up to the Unite Construction Charter?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q16 Which equality areas do you consider in procurement?
Please tick all that apply

- ☐ age
- ☐ disability
- ☐ gender reassignment
- ☐ marriage and civil partnership
- ☐ pregnancy and maternity
- ☐ race
- ☐ religion or belief
- ☐ sex
- ☐ sexual orientation
- ☐ socio-economic inequality
- ☐ other (please specify)
- ☐ no equality areas considered

Q17 Other than budgetary factors, what do you think are the most important factors influencing procurement *practice* in your organisation?
Please tick all that apply

- ☐ legislation or regulation
- ☐ organisational values (i.e. commitment to certain goals and principles such as providing value to community and fair work)
- ☐ personal values
- ☐ organisational reputation
- ☐ other (please specify)

Q18 Which of the following are particularly important for your procurement practices (the way you do your job)?
Please tick all that apply.

- ☐ Public Contracts Regulations 2015
- ☐ Public Services (Social Value) Act 2012
- ☐ specific equality duties (e.g. Public Sector Equalities Duty, Scottish or Welsh Equality Duties)
- ☐ Socio-economic Duty
- ☐ Wellbeing of Future Generations (Wales) Act 2015
- ☐ Fairer Scotland Duty
- ☐ Social Services and Wellbeing (Wales) Act 2014
- ☐ Local Government Act 1988
- ☐ Other (please specify) _____
- ☐ Don't know

Q19 Do Section 106 requirements (of the Town and Country Planning Act) affect your procurement practices?

- ☐ yes
- ☐ no
- ☐ don't know

Display This Question:

If Do Section 106 requirements (of the Town and Country Planning Act) affect your procurement practices... = yes

Q20 Please describe how

Q21 Do you know where you can access information and advice on social and equality considerations in procurement?

- ☐ yes, within my organisation
- ☐ yes, from external organisations
- ☐ yes, both within my organisation and externally
- ☐ no, I do not know

Display This Question:

If Do you know where you can access information and advice on social and equality considerations in... = yes, within my organisation

Or Do you know where you can access information and advice on social and equality considerations in... = yes, both within my organisation and externally

Q22 Thinking of the information and advice you access from within your organisation, is this a formally designated point of contact (that is someone whose responsibility is to provide advice on social and equality considerations in public procurement)?

- ☐ yes, formal
- ☐ no, informal
- ☐ don't know

Display This Question:

If Do you know where you can access information and advice on social and equality considerations in... = yes, from external organisations

Or Do you know where you can access information and advice on social and equality considerations in... = yes, both within my organisation and externally

Q23 Thinking of the information and advice you access externally to your organisation, is this a formal collaboration?

- ☐ yes, formal
- ☐ no, informal
- ☐ don't know

Q24 Have you received any training specifically on incorporating social or equality considerations into procurement over the last three years?

- ☐ yes
- ☐ no
- ☐ don't know

Display This Question:

If Have you received any training specifically on incorporating social or equality considerations in... = yes

Q25 On a scale from 1 to 5 with 1 being the lowest and 5 the highest, please rate how useful you found the training you received.

	1 (not useful)	2	3	4	5 (very useful)
The training I received was...	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q26 Which sources of advice or guidance do you find most useful in considering social and equality aspects in your procurement work?

Q27 Which external organisations or internal teams do you or your team work with on social procurement?

Please select all that apply

- ☐ equality and diversity specialists inside the organisation
- ☐ sustainability or CSR team (or similar) inside the organisation
- ☐ trade unions
- ☐ civil society/consultative groups
- ☐ finance/budget teams inside the organisation
- ☐ organisations offering framework agreements
- ☐ professional buying organisations
- ☐ other (please specify)
- ☐ none

Q28 Does your organisation use standard equalities pre-qualification questions services (this includes frameworks) ?

- ☐ yes
- ☐ no
- ☐ don't know

Display This Question:

If Does your organisation use standard equalities pre-qualification questions services (this include...
= yes

Q29 How often does your organisation use standard equalities pre-qualification questions or services (including frameworks)?

- ☐ always
- ☐ most of the time
- ☐ sometimes
- ☐ hardly
- ☐ never
- ☐ don't know

Display This Question:

If How often does your organisation use standard equalities pre-qualification questions or services...
= never

Q33 In general, does your organisation monitor social aspects of contracts where they apply?

- ☐ yes
- ☐ no
- ☐ don't know
- ☐ not applicable

Display This Question:

If In general, does your organisation monitor social aspects of contracts where they apply? = yes

Q34 Does your organisation monitor equality aspects specifically if they apply?

- ☐ yes
- ☐ no
- ☐ don't know
- ☐ not applicable

Display This Question:

If In general, does your organisation monitor social aspects of contracts where they apply? = yes

Q30 What level of weighting is typically associated with social aspects in your organisation's procurement evaluations?

- ☐ none
- ☐ less than 10%
- ☐ between 10% and 20%
- ☐ 20% or more
- ☐ don't know

Q31 How often, if at all, do you give a specific weighting to *equalities* issues in the selection and award process?

- ☐ always
- ☐ most of the time
- ☐ sometimes
- ☐ hardly ever
- ☐ never
- ☐ don't know

Q32 How often do your organisation's contracts include specific *performance conditions* in relation to equalities?

- ☐ always
- ☐ most of the time
- ☐ sometimes
- ☐ hardly ever
- ☐ never
- ☐ don't know

Q35 Who carries out the monitoring?

Please select all that apply.

- ☐ procurement staff
- ☐ equality staff
- ☐ other department in organisation (please specify)
- ☐ contract manager
- ☐ contractor(s)
- ☐ don't know

Q36 What are the main **barriers** you encounter to effectively integrating equalities issues in procurement?
Please indicate all that apply and rate their importance as a barrier

	slightly important barrier	somewhat important barrier	important barrier	very important barrier	the most important barrier
lack of knowledge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
lack of financial viability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
organisational culture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
availability of suitable suppliers that fulfil the requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
lack of commitment of management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
lack of support from top management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
other (please specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q37 What are the main **enablers** you encounter for integrating equalities issues in procurement?
Please indicate all that apply and rate their importance as an enabler

	slightly important enabler	somewhat important enabler	important enabler	very important enabler	the most important enabler
training	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
guidance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
collaboration with internal and external experts and organisations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
organisational culture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
support from management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
commitment of management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
other (please specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q38 Overall, to what extent would you agree that your procurement activities are delivering the equality outcomes they set out to achieve?

- ☐ strongly agree
☐ agree
☐ neither agree or disagree
☐ disagree
☐ strongly disagree
☐ don't know

Q39 Please give the reason for your answer

Q40 **Final thoughts:**

Please tell us anything else that you think is important about the consideration of social and equality concerns in procurement:

Q62 A last few questions about you and where you work...

Q41 Department/team:

Q42 Organisation name:

Q43 Approximately how many employees does your organisation have?

- ☐ 0-99
☐ 100-249
☐ 250-4999
☐ 5000 or more

Q44 Length of time in current position (approx)

Q45 Length of time working in procurement (approx)

Q46 Do you identify as... ?

- ☐ male
- ☐ female
- ☐ other (please specify) _____
- ☐ prefer not to answer

Q47 Do you identify as...?

- ☐ heterosexual/straight
- ☐ gay or lesbian
- ☐ bisexual
- ☐ other (please specify) _____
- ☐ prefer not to answer

Q48 Do you consider yourself to have a disability?

- ☐ yes
- ☐ no
- ☐ prefer not to answer

Q49 Which of the following best describes your ethnic identity?

- ☐ White, White British or another White identity
- ☐ Black, Black British or another Black identity
- ☐ Asian, Asian British or another Asian identity
- ☐ Mixed identity or heritage
- ☐ other (please specify) _____
- ☐ prefer not to answer

Display This Question:

If Consent Form: Buying Social Justice Through Procurement survey Thank you for reading the partic... = *I don't want to participate in the survey*

Or Consent Form: Buying Social Justice Through Procurement survey Thank you for reading the partic... != **I agree to take part in the above study.**

Q55 Thank you for your interest in our survey, we have noted your decision not to participate. We would still like to keep you informed about the Buying Social Justice project including the project outputs. If you would like to join our mailing list to receive updates, please provide your name, email address and organisation name below. Alternatively you can sign up to our mailing list through our [website](#).

- ☐ Name _____
- ☐ email address _____
- ☐ Organisation _____

Display This Question:

If Are you involved in public procurement in your organisation? = no

Q56 Thank you for your interest in our survey. As you have indicated that you do not carry out public procurement activities in your organisation, you are not eligible to participate. However, we would like to keep you informed about the Buying Social Justice project including the project outputs. If you would like to join our mailing list to receive updates, please provide your name, email address and organisation name below. Alternatively you can sign up to our mailing list through our [website](#).

- ☐ Name _____
- ☐ email address _____
- ☐ Organisation _____

Appendix 5: Case studies

Cardiff Council: promoting Fair Work through supply chains

Background to the organisation

Cardiff Council is the largest unitary authority in Wales, employing over 15,000 staff including in schools, and delivering a range of statutory and discretionary public services directly through its own workforce and through over 8,000 private and third sector organisations.

Its five-year plan Stronger Fairer Greener makes tackling poverty and inequality its priorities, alongside responding to the climate emergency. The Administration's vision for a Stronger Cardiff includes "an economy creating and sustaining well-paid jobs", a Fairer Cardiff is "where the opportunities of living in Cardiff can be enjoyed by everyone, whatever their background, where those suffering the effects of poverty are protected and supported, where a fair day's work receives a fair day's pay, and where every citizen is valued", while a Greener Cardiff "takes a lead on responding to the climate emergency" through its One Planet Cardiff programme, which nurtures biodiversity and supports high-quality open spaces connected by convenient, accessible, safe sustainable transport.

In 2012 the Council started paying all staff the real Living Wage and in 2015 became a Living Wage accredited organisation, encouraging all suppliers and contractors to pay the real Living Wage. It played a key role in Cardiff achieving Living Wage City status in 2019, resulting in a reduction of jobs in Cardiff paying below the real Living Wage from 42,000 (20.7%) in 2017 to 24,000 (11.6%) by 2021, according to ONS statistics. Since 2012 an estimated additional £65 million has gone into the Cardiff economy as a result of worker pay uplifts to the real Living Wage.¹⁰

In March 2017 Cardiff Council was the first public body to sign the Welsh Government's Code of Practice: Ethical Employment in Supply Chains, and in 2019 it became the first local authority in Wales to publish a Modern Slavery Statement, and has provided training on eradicating modern slavery to over 3,800 staff. Its Statement on Modern Slavery and Human Trafficking for the year April 2023 to March 2024 sets out the actions taken and future plans for eradicating modern slavery from its supply chains. Cardiff's Modern Slavery Statement has been recommended as an example of strong statement from a local authority in the LocalGov Bulletin.¹¹ These are required for private sector organisations but not public bodies currently.

The high-risk sectors for modern slavery include agriculture, leisure, hospitality, catering, cleaning, clothing, construction and manufacturing, however for the majority of these areas the council provides the service in-house, utilises national frameworks and/or local suppliers. Therefore it considers risk of modern slavery among direct suppliers to be low. Nevertheless, throughout the tendering process, direct suppliers are made aware of the council's commitment to tackle modern slavery and human trafficking and their obligations as a supplier.

Equality policy

The Council's Equality & Inclusion Strategy 2020-2024 sets out four strategic equality objectives: to develop and deliver services which are responsive to Cardiff's inequality gap (almost a third of

¹⁰ Cardiff Council Living Wage Case Study <https://www.gov.wales/sites/default/files/publications/2023-09/cardiff-council-living-wage-case-study.pdf>

¹¹ Jimenez, Gabriella. 2023. 'Shedding Light on Modern Slavery Statements'. LocalGov. 10 August 2023. <https://www.localgov.co.uk/Shedding-light-on-modern-slavery-statements/57721>.

residents experience material deprivation, and a high percentage of children live in workless and low-income households); to lead the way on equality and inclusion in Wales; to ensure Cardiff is accessible to everyone who is living, visiting or working in the city; and to build an inclusive and representative organisation.

In addition to complying with its Public Sector Equality Duty to those with protected characteristics, the strategy includes an aspiration to reduce inequalities of outcome which result from socioeconomic disadvantage, reflecting the implementation of Socioeconomic Duty of the Equality Act 2010 (which took effect in March 2021 in Wales). The strategy therefore identifies the steps being taken by the council to reduce socioeconomic inequalities, seen as particularly critical for recovery from the COVID pandemic which had disproportionate effects on ethnic minority and lower-income groups. The equality strategy also makes reference to Cardiff's Well-being Plan, which it is required to produce to comply with the Well-being of Future Generations (Wales) Act 2015. One of the achievements of the first plan 2018-2023 was helping to lift people out of poverty through Living Wage City status, and an increase in the number of organisations becoming accredited Living Wage employers.

Under the objective to build an inclusive and representative organisation, the strategy contains a section on Socially Responsible Procurement, with the aim to "spread these values through responsible procurement, working with the supply chain to ensure a commitment to equality, diversity and inclusion." The specific actions under this section on supporting the local economy, increasing community benefits from tenders over £1 million, and continuing to report and monitor action on the council's Modern Slavery Statement are stated as relevant to the following groups: those from low-income households, those who experience long-term unemployment, those who are underrepresented in the local economy, and victims of modern slavery.

Procurement policy

Procurement is seen as key to achieving its Stronger Fairer Greener vision, set out in the Socially Responsible Procurement Strategy 2022-27, by maximising the social impact of the Council's spending and setting an example as a Fair Work employer.

The strategy outlines the following procurement objectives:

- Contributing to the council's aim to be a Carbon Neutral City by 2030.
- Making procurement spend more accessible to local small businesses and third sector.
- Improving Fair Work and safeguarding practices adopted by suppliers.
- Increasing community benefits and social value delivered by suppliers.
- Securing value for money and managing demand.
- Ensuring legal compliance and robust and transparent governance.
- Promoting innovative and best practice solutions.

The objective of improving Fair Work and safeguarding has a stated aim that: "The Council and its suppliers and contractors actively promote equality of opportunity and safeguard and promote the rights of children, young people and vulnerable adults."

The council's strategy is informed by the Welsh Government's legislative requirements, such as the Well-being of Future Generations (Wales) Act 2015, the specific procurement duty of the Equality Act 2010 and the new Social Partnership and Public Procurement (Wales) Act 2023.

Cardiff first introduced a sustainable procurement policy 12 years ago, and the Head of Procurement believes that the developing legislation is “not what started us on the journey, but I think it will help and support us to continue on the journey that we're already on.” While Welsh Government legislation has been influential in shaping the procurement strategy of Cardiff, he believes that there is also recognition from the council’s political leadership of the importance of procurement as a lever for change:

“I don't feel we've needed legislation to drive the agenda, because we've recognised this is where value comes from. And part of the driver has been trying to position procurement as a strategic vehicle and a lever for change. If all we want to do is just make sure the processes are compliant where's the sense of achievement? If you talk to our Leader, the first thing he is going to talk about will be the work we've done around living wage, the work we're doing around social value, about the work we're now starting to do around carbon. It's not going to be, you do a really good job of being compliant with the rules and the regulations.”

This political commitment translates into support and resources for the procurement function, which is aligned with the organisation’s priorities. As the Head of Procurement noted, the politicians “can see the value of what we do, and without that, we wouldn't have been able to continue to invest in developing our service.”

The Council additionally manages the procurement function for three nearby local authorities, Monmouthshire, Torfaen and the Vale of Glamorgan. The Head of Procurement believes that Wales’s policy agenda has resulted in a shift in approach towards delivering wider procurement goals among these local authorities:

“Historically, driving cashable savings was seen as the only real value driver within procurement. With all three authorities the primary driver is the wider policy agenda, and legislative agenda, and how we deliver that so fair work, social value, climate and decarb, that's the primary driver for working with us and how we embed those added value requirements within our procurement activity. It shows that those priorities are increasingly acknowledged by senior management within those organisations.”

Work is ongoing on aligning procurement policies and practices across the four authorities. The procurement team supports delivery of spending of over £1 billion a year across the four authorities (Cardiff’s procurement spend in 2021/22 was over £560 million, including £113 million on buildings and estates). The strategic development of procurement policy is managed by a team of three, while procurement activity across the four authorities is done through five category teams with a total of 27 staff.

Procurement stages

Specifying requirements and pre-tendering

For some construction procurements Cardiff uses one of the frameworks that it hosts, the South East Wales construction framework and the South East Wales Highways construction framework, in which suppliers have undergone the pre-qualification process, including questions on equalities aspects, among other things.

Increasingly it is taking the approach of making some social aspects a standard requirement of the contract, rather than as added social value which is scored in the tendering process. The procurement strategy team now recommend that workforce equality and diversity training is a standard requirement, included in the pre-qualification terms and conditions, or sometimes in the specification as a requirement of the contract. Similarly, they have been revising their approach to modern slavery audits. Previously the conduct of a modern slavery audit by contractors would have been awarded points under the assessment framework, but the procurement strategy team has reassessed this and is starting to require an audit as a standard part of the qualification process.

The council expects all suppliers who tender for contracts worth over £1 million to be a signatory to the Welsh Government's Code of Practice: Ethical Employment in Supply Chains, and the question is posed directly in Pre-Qualification Questionnaires (PQQs). It is also encouraged in all other tenders.

As construction has been identified as a high-risk sector for modern slavery, the council is testing out a self-assessment questionnaire for use by construction suppliers to ensure compliance with its modern slavery statement and to ensure they have examined their own supply chains. In addition to questions about their own modern slavery statement and practices, there are questions on compliance with employment law, including: pay and benefits; the promotion of equal opportunities for all staff regardless of age, gender, disability, religion, race and sexual orientation; the avoidance of inappropriate use of zero-hours contracts; the provision of flexible working arrangements to carers and for family-friendly working; trade union recognition and representation; and payment of the real Living Wage.

Tendering, evaluation and contract award

Since 2020 the Council has been piloting use of the Welsh National TOMs (Themes, Outcomes, Measures) Social Value Measurement Framework. Using a combination of quantitative measures and qualitative responses, this allows bidders' promises of community benefits and social value to be evaluated in the award process.

For a large tender for a school building project, the senior strategy and development officer worked with the head teacher and school governors at an early stage, as well as the local community, to put together a priority list of suggestions that contractors might include as social value they could deliver. Commitments that they chose to submit were evaluated using the TOMs, giving a quantitative value to allow comparison across bids.

The evaluation also includes a qualitative element to ensure that whatever the bidder is promising is achievable. For example, promises in relation to employment would be assessed in terms of where they are going to find people and how this will be achieved. Bidders are also required to provide a delivery plan, including elements such as who within the organisation will be responsible for delivery, how they will engage with community organisations, and a timeline.

Although the council's use of the TOMs is being treated as a pilot, they have used it for around fifty projects and have generated social value commitments worth about £8 million. How the framework

is working is being reviewed, which has involved questions about what should be included as part of the TOMs evaluation, and what should instead be made a contract requirement. The inclusion of standard requirements would avoid bidders “gaming” the system by achieving high scores for something that the council believes they should do anyway, such as modern slavery audits or equality and diversity training, as noted above.

Typically the weighting for social aspects in assessing tenders is 10%, although in a recent large housing regeneration scheme, there was an initial push for 30% for social value, but in the end 15% was agreed.

Ongoing work is taking place on aligning tendering processes across the four local authorities and between teams within the same authority. The intention is that for bidders to any of the four authorities, “the ask is going to be broadly the same.”

One objective of the procurement strategy is making procurement spend more accessible to local small businesses and the third sector. The strategy notes that in 2021/22 the council’s spend with SMEs was 54.2% of the total and spending with suppliers within Cardiff was 53.2% and a further 14.6% within the wider Cardiff region. In practical terms, this means ensuring that tendering requirements do not deter smaller organisations, and one initiative of the council is to pay the for Living Wage accreditation fees for three years for SMEs, in the hope that this will encourage more companies to become accredited and “put a bit more peer pressure on others to do the same.”

Contract management and monitoring

In order to improve oversight of existing contracts and better plan delivery of contract renewals and new requirements, the council has established a Contract Forward Plan and Contract Register. It claims that use of the TOMs brings improvements in monitoring and reporting on delivery.

To support suppliers in delivering promised outcomes, a social value delivery group has been established which brings together key teams from across the council, with a particular focus on supporting the work and priorities of the council’s Into Work Service and Cardiff Commitment programme to create training and employment opportunities and positively impact on the lives of children and young people.

The senior strategy and development officer said they support suppliers in giving:

“Ideas of what they can do, how they can do it, but also signposting them to the right services. We have a social value delivery group that we’ve set up as part of our social value work that comprises contract managers and those services, such as Into Work and the beneficiaries of the commitments. So the service areas that can benefit from this social value and also the contract managers [...] of bigger programmes, like the schools programme and housing programmes.”

Good practice highlights

Cardiff Council has a well-established Socially Responsible Procurement Strategy which is seen as key to achieving its Stronger Fairer Greener vision of a local and regional economy that supports well paid and secure employment and takes a lead on responding to the climate emergency.

Key highlights of good practice are:

- Alignment of procurement strategy with the organisation's strategic objectives and vision.
- Strong political leadership for using procurement to meet the council's objectives for supporting the local economy and fair work.
- Adequate resourcing for procurement strategy development, to support the council's day-to-day procurement activities.
- Active commitment to the eradication of modern slavery and human trafficking in supply chains, by focusing on high-risk sectors such as construction and the introduction of a modern slavery self-assessment questionnaire for use by potential suppliers.
- Visible and genuine commitment to payment of the real Living Wage by suppliers through encouragement in the tendering process and incentives such as payment of Living Wage accreditation fees for SMEs.
- Partnership working across four local authorities to align socially responsible procurement strategy to meet the Welsh Government's procurement policy aims, through sharing and developing good practice.
- Inclusion of a commitment to reduce socioeconomic inequalities, as well as promoting equality for groups protected under the Equality Act 2010, in the Equality and Inclusion strategy.
- Creation of a social value delivery group to bring together teams across the council to support consistency in delivery and provide support to suppliers.

Eildon Housing Association: building in-house capacity

Background to the organisation

Eildon is a housing and social care organisation operating in the Scottish Borders, a predominantly rural region to the South of Edinburgh. It began providing housing and care in the community 50 years ago and now provides the majority of new affordable homes in the Scottish Borders. It has around 3,000 homes, offering rented accommodation and supported housing. It has developed its traditional supported housing to also provide “extra care” housing services, in which care is delivered by onsite staff 24 hours a day, tailored to meet the assessed needs of residents. It has an ambitious strategy to develop a further 800 homes over the next five to 10 years, although this is being regularly reviewed in the light of the rapidly rising building costs affecting all construction projects, rising costs of borrowing and the scarcity of contractors operating in the rural area of the Borders.

The organisation sees itself as a “community anchor” within the region, and a significant local employer, currently of around 250 staff. The majority of these are care staff, who are directly employed to provide care to residents in extra care housing.

In addition to building new homes, Eildon’s five-year strategy includes investing in the energy efficiency of its properties and reducing carbon emissions to support the transition to a zero-carbon economy; developing high quality older peoples’ housing and care services; and expanding its care and repair service, which offers adaptations for private and social housing in the Borders to support people living at home independently. Providing quality housing is part of the organisation’s ethos, which it intends to maintain despite the challenges facing construction projects.

A commitment to transition to a net zero-carbon economy also informs its development plans, with all new homes planned to have zero emissions at point of use, as well as reduction of carbon emissions from existing homes, including the replacement of gas boilers. However this raises further challenges, as local supplier capacity is insufficient, which Eildon is addressing through building its internal skilled workforce (see below).

Procurement policy

Eildon is required by the Procurement Reform (Scotland) Act 2014 (as a public organisation with an estimated annual regulated spend of £5 million or more) to prepare an annual report for the Scottish government on its procurements of supplies or services worth over £50,000 and of public works over £2 million. This is supported by an annually updated procurement strategy. Its largest regulated procurements are for new housing developments and for repairs and maintenance contracts.

Beyond its legal obligations, as an organisation of scale in the locality, Eildon sees its purchasing capacity as contributing to community wealth building, a policy currently supported and being considered for legislation by the Scottish Government. This entails ensuring that their spending benefits the local community as well as their residents. As a social enterprise and a charity, the CEO wants to ensure that the organisation achieves:

“the best value, both social as well as economic value, out of that investment for the places and the communities that we operate in. So it's really just trying to be responsible. It's trying to have the biggest impact we can and if we can direct some of that spending power to help people more fully participate in the

economy and the creation of wealth and the enjoyment of wealth, then we see that as being a really positive thing for us as an organisation.”

Procurement practice

Community benefits

Eildon took an innovative approach to community benefits with the creation of a three-year position of Community Benefits Officer in 2018, funded jointly between Eildon and a major local building contractor. The aim was to increase activity on community benefits by both organisations, and improve compliance with Scottish Government procurement regulations, which require procurements with a contract value of over £4 million to include community benefits, typically training and apprenticeships or other improvements beyond the main purpose of the contract. Eildon took the approach of looking for community benefits on all projects, regardless of value, and to leave a lasting legacy for the community beyond the building itself.

The contractor had become increasingly aware of the need to demonstrate and report on the community benefits that it would deliver when tendering for contracts with organisations such as Eildon, as the former Community Benefits officer observed:

“Contractors had to show the community benefits of a project. So you know, how many apprenticeships are on site, what sort of upskilling could be done in terms of wider construction opportunity awareness for future careers [...] What the benefits are for the community in terms of local trades, local suppliers. So all of those things can be [included in] a points system. They have to get a certain amount of points in order to win a bid, with a focus on more than just the build with the wider community benefits.”

The firm ran a four-year apprenticeship programme for building trades, including placements on Eildon’s housing developments. The former Community Benefits Officer had been involved in campaigns to raise awareness of and recruit for opportunities in construction work and noted that a key thread of this activity was to “try and push the different roles for girls”. However she acknowledged the challenges involved, referring to visits to schools which aimed to:

“showcase what they [girls] could do, and where we did have female site managers or joiners, then we would do some case studies to put out to the wider audience to showcase jobs that were out there for girls as well. It's a hard area to get girls into as we found their interest was more the design side rather than the trades. But it was showing people what was out there and gave them something to think about.”

Sessions were also held at a local college featuring a senior woman in a construction role at the contractor to raise awareness of opportunities in the sector. While it is hard to measure the effect of this activity, Eildon’s CEO believed that it was worthwhile and that it “at least laid the foundations and planted the seed, created some materials that we can revisit and try and reinforce in the years ahead.”

The community benefits partnership work included engagement with the Borders regional group of Developing the Young Workforce (DYW), Scotland's youth employment programme. DYW Borders, Eildon and the contractor worked together to produce a kit, 'construction in a box', to take into primary schools to demonstrate the different roles in construction, including building materials, books, hard hats and high-vis clothing to use in hands on activities. This was well received by pupils and teachers and the aim was to roll this out across all primary schools in the Borders.

Other priority groups for work placement opportunities through the partnership between Eildon and the contractor were young people with disabilities, those leaving care and homeless people, working with charities such as Barnardos and the Cyrenians.

In deciding on what community benefits to include in contracts for large developments, Eildon liaises with local residents through Community Councils to find out what are their key needs. In addition to employment and training elements, benefits provided to the communities surrounding housing developments have included renovation of a war memorial, donation of goal posts to a primary school and the supply of spring bulbs for planters.

The former Community Benefits Officer believed that having a dedicated role working in partnership with the contractor was successful in achieving many additional benefits for communities and gave a clear focus to Eildon's activity on community benefits. Although funding for the dedicated role ended, Eildon is continuing to develop its approach to the inclusion of community benefits in its procurement and expects to see community benefits from a wider range of contracts than those required under the legislation. The CEO wants to ensure that this goes further than "the PR end of community benefits, some of the nice to have, some of the baubles, some of the easy-to-delivers". The updated strategy builds in a more systematic demand for employment impacts such as apprenticeships and training opportunities on larger projects, with requirements that can be scaled down as appropriate for smaller types of procurement.

Eildon is a member of the Scottish Procurement Alliance, the Scottish arm of the LHC Procurement Group, a not-for-profit organisation which provides frameworks accessible to public sector members. They have a community benefit fund, through which any surplus generated during the year is redistributed back to members, which has been used to support Eildon's food poverty work.

Fair work

Eildon has been a Living Wage employer for a number of years. Payment of the real Living Wage is part of the Scottish Government's Fair Work First agenda, which also includes: channels for effective workers' voice, such as trade union recognition; investment in workforce development; no inappropriate use of zero-hours contracts; action to tackle the gender pay gap and create a more diverse and inclusive workplace; flexible and family-friendly working practices for all workers; and opposition to the use of fire-and-rehire practices. In order to qualify for government housing grants, Eildon is expected provide a statement on how it meets the Fair Work First criteria as an organisation and in their procurement. Over the last six months Fair Work criteria have been included in the assessment and scoring methodology for award of contracts funded by grants. It is worth around 5% of the score for the quality submission.

Accreditation as a Living Wage employer is dependent on their contractors also demonstrating that they are working towards being Living Wage employers. This has involved the HR manager checking up with contractors to ensure that they are paying the Living Wage. In general, Eildon's management believes that this demand has not caused problems for construction contractors, however it has presented some organisational challenges in relation to social care staff, where wages are generally

lower, in reducing differentials between pay for more junior posts and their supervisors, creating some inflationary pressures.

Equality and diversity

Eildon's management is confident that it has strong corporate equality, diversity and inclusion (EDI) policies in relation to its staff. It is a member of WISH, the network for women working in social housing, which supports gender equality, by encouraging new and existing female talent to remain in the sector.

However there is a recognition that there is more to be done to explicitly incorporate equality and diversity aims within its procurement practice. The organisation plans to increase EDI training and awareness and is reviewing how EDI policies relate to procurement strategy. This will help to meet the Scottish Government's Scottish Social Housing Charter expectations on social landlords to address human rights and equality issues, strengthened following the Grenfell Tower fire in 2017 that revealed serious shortcomings in the protections afforded to social housing tenants. Annual assurance statements submitted to the Scottish Housing Regulator by social landlords need to ensure that equalities and human rights issues are considered.

Building capacity in-house

Eildon has faced some difficulties in attracting contractors to the Borders to undertake housing renovation work, as well as varied experience of quality of delivery. In order to build self-reliance, it took a decision to recruit an in-house Home Improvement Team (HIT) to undertake the renovation of kitchens and bathrooms. Employment of a small team of tradespeople gives Eildon greater self-reliance and control over quality of the service provided to residents, as well as cost benefits to the organisation and secure, fairly-paid employment.

According to the Director of Property, the benefits of direct employment have been felt by the organisation and the staff, who:

“enjoy the security, the pension and the camaraderie, the access to training. You know, the access to being part of a much larger organisation that supports them. So I think that's when these things work. The HIT are a genuinely, closely-knit group of tradespeople that really want to deliver the best job we can.”

A further post was created for an electrician in response to a shortage of suitably qualified sub-contractors to undertake electrical inspections as required by the Scottish Housing Quality Standard. The recruitment of an in-house electrician makes sense for the organisation, according to the CEO:

“That's only an extra job, but it's an extra job in response to a requirement that's real for us. And it means that rather than scrabbling around trying to retender electrical inspection work [...] where we can we'll try to either recruit someone with that skill and ability or if they're not available we'll try and recruit someone with the capacity to do that, train them up and then retain them to do that work directly for us.”

The model of direct employment of tradespeople is one they are hoping to expand, possibly to create a DLO (Direct Labour Organisation), in order to meet decarbonisation and net-zero objectives,

as well as the phasing out of gas boilers. Through training their own staff to install heat pumps or electric boilers, they hope to avoid the shortage of installers locally, meet climate change targets and expand decent local employment. Such a model could be extended to include apprenticeships in time, and would allow the organisation to address under-represented groups, such as women, ethnic minorities or disabled workers, in their recruitment strategy.

The Director of Property was enthusiastic about the future:

“Our HIT has a really, really good foundation that we could grow, because in the future it isn't going to be gas boilers that we're servicing and replacing, it's going to be a heat pump or an electric boiler or a technology that is still in the prototype phase. [...] So having the HIT is a real opportunity. And if we pair that with a DLO in the future, then we'll be a really good self-sustaining business that holds its own destiny in its hands.”

Eildon has also taken a strategic decision to employ all care staff directly to provide extra care housing services, with care provided by onsite staff 24 hours a day. To ensure a quality service to tenants, and recognising the reputational damage from using an external care provider that did not meet their quality standards, the organisation decided to employ care staff directly and have greater control over standards of service provision. Eildon's CEO believes that the 'extra care' housing model is the future.

“I think it is the missing link in [...] why too many people get separated in later life and put into nursing care or residential care. Why too many people present at general hospitals when they don't really need to, when they can have care and support provided to them in a better, more independent setting. So we see it as [...] a crucial missing link in that continuum of health and social care.”

If this proves to be the case, Eildon's strategy of directly employing care staff may become more widespread among housing and social care providers, offering employment paid at the real Living Wage and helping to tackle low pay in the care sector and address gender pay inequality. In line with the sector generally, around 95% of Eildon's care staff are women.

Good practice highlights

Eildon's purpose as a housing and social care organisation rooted in its community in the Scottish Borders, with an ethos of providing quality local homes, means that it is committed to maximising the opportunities provided by community benefits and wishes to go beyond simply meeting the requirements of Scottish procurement regulations. It sees itself as a “community anchor” within the region, and a significant local employer, and aims to ensure that its spending provides wider benefits to the communities in which it is situated. It acknowledges that there is more to be done to incorporate equality and diversity aims within its procurement practice, which is being addressed in its updated strategy.

As a major home-builder in the area, Eildon is committed to the transition to a net zero-carbon economy in the building of new homes, as well as a reduction of carbon emissions from existing homes. This aligns with its strategy of direct employment of a skilled trades workforce – although

still small currently – which could be expanded and trained to deliver low-carbon energy installations.

Key highlights of good practice:

- The appointment of a dedicated Community Benefits Officer, in a partnership between Eildon and one of its major contractors, gave a clear focus and provided resources to achieve substantial community benefits on Eildon's housing developments.
- Through partnership with a major construction firm, awareness-raising activity emphasised opportunities for girls and women in construction jobs, which was received positively in schools and colleges.
- Building strong relationships with a range of organisations at local, regional and national level has enhanced Eildon's capacity to achieve community benefits, for example with local schools and the FE College, Community Councils and the Scottish Procurement Alliance.
- Accreditation as a Living Wage employer means that all Eildon staff are paid the real Living Wage. As Eildon directly employs substantial numbers of care staff, this addresses low pay in the care sector and the gender pay gap, as the sector is dominated by female workers. Contractors working for Eildon must demonstrate that they are, or are working towards being, Living Wage employers.
- Direct employment of a small team of in-house tradespeople in the Home Improvement Team has improved the quality of renovations provided to residents, given Eildon greater self-reliance and financial benefits, and provided secure, fairly-paid employment in the area. The model could be expanded to include apprenticeships, which could be targeted at under-represented groups, such as women, ethnic minorities or disabled workers.

Glasgow City Region Deal: Fostering Alignment and Collaboration to Promote Equality

Background to the organisation

In Scotland, City Region Deals are funding arrangements between the UK Government, the Scottish Government and local partners with the aim of boosting the regional economy and creating new job opportunities by promoting inclusive growth and attracting investment. Signed in 2014, the Glasgow City Region Deal, which includes a £1.13 billion Infrastructure Fund, is the largest City Deal in Scotland and among the largest in the UK. It brings together eight local authorities from the west of Scotland, namely Glasgow City, East Dunbartonshire, East Renfrewshire, Inverclyde, North Lanarkshire, Renfrewshire, South Lanarkshire, and West Dunbartonshire. The Deal funds are disbursed by the Glasgow City Region Programme Management Office (PMO). The PMO does not carry out procurement itself but provides leadership, guidance and support to the authorities receiving the Infrastructure Fund and delivering projects in their local areas.

The City Region Deal sets out to deliver about 26 projects relating to infrastructure employability and skills and growth, over a period of 20 years. One example is a collaborative project between Renfrewshire Council, the Scottish Government and Scottish Enterprise to create an *Advanced Manufacturing Innovation District Scotland* (AMIDS). The development of the AMIDS has been underpinned by City Deal investment. Funding through the Glasgow Region City Deal <https://www.renfrewshire.gov.uk/article/2091/Glasgow-Airport-Investment-Area> has delivered the enabling infrastructure, better connecting AMIDS to nearby commercial centres and enhancing walking and cycling provision, while further City Deal funding is creating improved connections between the district and the wider Glasgow City Region through the first opening road bridge over the River Clyde at Renfrew <https://www.renfrewshire.gov.uk/article/2092/Clyde-Waterfront-and-Renfrew-Riverside>. Aiming to boost local and regional economic growth, AMIDS includes research facilities, such as the *National Manufacturing Institute Scotland* (NMIS) and a *Medicines Manufacturing Innovation Centre*, in Renfrewshire, located close to Glasgow Airport. Another project is the redevelopment of Motherwell Rail Station.¹² In addition to infrastructure projects, Glasgow City Region Deal furthermore facilitated three Innovation and Business Growth projects, a medical technology incubation facility in North Lanarkshire, *MediCity Scotland*, a project in Glasgow to support start-up SMEs, *Tontine*, and a project that aims to transfer scientific advances into economic benefits and for patients, the *Imaging Centre of Excellence*.¹³ Further projects tackle work and employment, such as *Working Matters*, which supported health-related benefit recipients in Glasgow into employment, or *Youth Gateway*, a programme that supported young people in the City Region into employment.¹⁴ It also provides economic intelligence and research to support the partner organisations in achieving their goals.

Glasgow City Region Deal, furthermore, places high importance on equality impact assessments. The individual authorities carry out equality impact assessments for their projects and also ask their contractors to conduct them. In addition to using the existing impact assessments, supported by the Health Foundation, the project *Economies for Healthier Lives* seeks to integrate a focus on health

¹² A summary of the infrastructure projects can be found here: <https://glasgowcityregion.co.uk/city-deal/projects/infrastructure/>

¹³ A description of these project can be found here: <https://glasgowcityregion.co.uk/city-deal/projects/innovation-business-growth/>

¹⁴ An outline of work and employment related programs can be found here: <https://glasgowcityregion.co.uk/city-deal/projects/skills-employment/>

inequalities by developing a Capital Health Inequalities Impact Assessment Tool (CHIIA). Co-produced with stakeholders, including a community panel, this tool has the aim of reducing health inequalities in the Glasgow City Region.

Collaboration and alignment

As part of the City Deal Infrastructure Funds management arrangements work is carried out to further improve and align practices in the member organisations. The [City Deal Procurement Strategy 2015-2020](#) set out strategic objectives, which include governance, partnership working, fostering a unified approach, shared policies, the creation of shared tender documents, and promoting sustainable development. The strategy highlights the importance of aligning practices and collaboration, which “should allow us to procure the best at the best price, leading to better value and better opportunities for local business and residents, and ultimately to assist in driving greater regional economic growth.” (p. 3) In a similar vein, the subsequent Glasgow City Region’s [Sustainable Procurement Strategy](#) outlines three focus areas in relation to their work on public procurement: alignment and consistency, information gathering and distribution, and networking and engagement.

Its procurement structure facilitates sharing of good practices and experiences and exchange between the member authorities, and Scottish Government, regional anchor institutions and the Supplier Development Programme. The Supplier Development Programme is a joint project by the Scottish Government, local authorities and other public bodies that provides support to SMEs, which are based in Scotland, relating to tendering free of charge. Glasgow City Region is furthermore placing importance on engaging with stakeholders.

A Procurement Support Group has been established to offer an opportunity for exchanging good practice and experience and provides guidance and support to member authorities and beyond. It includes members from all partner organisations and meets regularly. The Group has sub-groups dedicated to different topics, one of which includes community benefits. A sub-group on advancing equalities examines practices to promote access to training and qualifications for disadvantaged groups in relation to construction. Glasgow City Region’s community benefit menu, which outlines central priorities, has been developed in consultation with stakeholders such as the Scottish Government and the Construction Industry Training Board (CITB). Specific contact points, often a single point of contact, exist in the different authorities to assist suppliers with community benefits.

The approach to collaboration and exchange is based on an idea to “drive progress through the groups because it's all about [...] stakeholder management, buy-in, communication and also knowledge sharing in terms of their expertise and reaching that common approach to get best practice and the highest standards we possibly can.” (Legacy Officer)

In addition to fostering collaboration, the City Region Deal partners are working towards the establishment of shared practices and transparent information. Glasgow City Region PMO has issued dedicated guides for suppliers and buyers. To ensure coherent implementation of the sustainable public procurement strategy a detailed Buyers Guide has been developed. The guide outlines how to include community benefits and highlights the importance that targeting priority groups has within the approach of the Glasgow City Region Deal. It further covers how to include fair work practices in procurement, showing how to include fair work questions in tender documents and how to evaluate responses. The guidance also covers the requirement to include community benefits and contains a Community Benefit Menu giving details of the priority groups for whom outcomes are expected.

Likewise, the [Sustainable Procurement Suppliers Guide](#) includes information about procurement process and community benefits targeted at suppliers.

Community benefits in the City Region Deal

The *City Deal Community Benefits Strategy 2015 to 2020* commits to developing a consistent approach in relation to community benefits and outlines core principles, including the development of a framework for integrating community benefits in public contracts and ensuring compliance with legal requirements. In terms of procedures, it highlights that community benefits can be integrated contractually (either as an evaluated part or as mandatory) or as voluntary benefits offered by the supplier, which are not part of consideration of contract awards. Voluntary community benefits will, as it states, “be adopted to encourage suppliers delivering on more than one City Deal contract to offer additional community benefits as a consequence of the aggregate level of City Deal spend with that supplier.” (p. 6)

Acknowledging community benefits as “a key component in maximising social, economic and environmental benefits within the City Deal programme” (p. 3), the [City Deal Community Benefits Strategy 2015 to 2020](#) defined community benefits as “contractual requirements which deliver wider benefits in addition to the core purpose of the contract” (p. 6) and provided examples for such benefits, including but not limited to targeted employment, training and vocational training, initiatives to develop supply chains, and equality, diversity and inclusion(EDI).

The subsequent Sustainable Procurement Strategy, which followed the Community Benefits Procurement Strategy, furthermore outlines that within Community Benefits and employment-related clauses, a focus is set on predefined priority groups, which the Procurement Support Group were involved in defining. These include homeless, (long-term) unemployed, care experienced people, ex-offenders, ex-services personnel, individuals with experience of substance misuse, people with disabilities (including learning disabilities), mental health issues and/or neurological conditions, parents, parents of three or more children with a disability, single parents, mothers with at least one child under the age of one and/or of less than 25 years of age, female returners, people over 50 years of age, individuals affected by an attainment gap and those not in employment, education or training (NEET), individuals from an ethnic minority, and members of an under-represented gender. Priority groups are the focus of requirements relating to employment and training opportunities and certain community benefits are reserved to them. This information on key priorities is also contained in the Sustainable Procurement Suppliers Guide and attached to the invitation for tenders.

Glasgow City Region member authorities engage with suppliers and aim to support them in delivering community benefits. The Suppliers Guide also includes contact information for community benefit support for the individual member authorities and a link to Employability Scotland. Another approach that is prominent in the City Region Deal Region is the development of Community Wish Lists. Community Wish Lists are digital applications, websites, that allow members of the community to add specific ‘wishes’ to improve their community. Based on this input from communities, wish lists aim to identify particular aspects that communities would like to see addressed and that can serve as a guide for suppliers, who may choose to address specific points from the wish list as part of their contract bid.

Assuring that community benefit requirements are monitored is a key component of good practice. In the framework of the Glasgow City Region Deal, this is facilitated through a shared system for monitoring and reporting that gathers information pertaining to community benefits that are part of the contracts (Sustainable Public Procurement Policy). To facilitate monitoring and reporting and align existing practices, Glasgow City Region Deal develops a shared monitoring and reporting

framework, including standardised reporting templates and a dedicated IT system, Cenefits, which facilitates capturing community benefits included in contracts as well as monitoring and reporting on their delivery throughout the programme.

Community benefit outcomes

Glasgow City Region regularly reports on performance, including regular reporting on community benefit achievements. According to the [Glasgow City Region Annual Performance Report 2022/2023](#) by the end of March 2023, 1,733 community benefits were secured, including 870 skills and training (496 of which were delivered at the date of the report) and 222 vocational training opportunities (of which 185 delivered), 309 jobs and apprenticeships (184 delivered), and a total of £152,000 for community projects (£97,100 delivered).

The Annual Performance Report provides a more detailed breakdown, most importantly it details different measures and provides the number of specific Community Benefits for members of priority groups. It shows that individuals from the priority groups accounted for the majority of beneficiaries of community benefits relating to recruitment and employment practices. Among the 309 secured community benefits in the category targeted recruitment and employment, 171 went to individuals from priority groups. More specifically 83 new entrants and 31 new graduate entrants were from priority groups and 57 new start apprentices. [08] Among the 184 recruitment and employment related community benefits that had already been realised at this point, 107 came from priority groups (56 new entrants, 20 new entrant graduates and 31 new apprentices). Further secured community benefits included 396 work experience placements, 190 careers events and 34 taster session, 187 workplace visits, 56 mentoring and enterprise programmes, 6 volunteering opportunities for priority groups, and 1 training programme.

Good practice highlights

Key highlights of good practice identified are:

- A dedicated approach to collaboration and exchange across public bodies and with stakeholders. A particularly positive approach is the Procurement Support Group, which makes space for regular exchange.
- Use of Equality Impact Assessments and development of a tool for assessing the impact of projects on health inequalities.
- A focus on priority groups who have been identified as those facing particular disadvantage, whether in employment or other areas, as a way of targeting equality action, for example by prioritising ethnic minorities, an underrepresented gender, single parents, among other groups, in assessing community benefit contributions.
- Standardisation and transparency, including the development of shared practices across local authority boundaries to facilitate the implementation and reduce the burdens placed on bidders and suppliers.
- The availability and standardised sharing of information on community benefits and the provision of contact information, which lessens burdens for suppliers.
- The development of Community Wish List to align community benefit opportunities with local needs.
- Regular reporting on community benefits realised through procurement.

- The development of a shared IT system for monitoring and reporting, including of community benefits.
- Publicly available reporting on how many recruitment and employment related community benefits benefitted individuals from priority groups.

Inclusive procurement at High Speed 2

Background to the organisation

“We are drawing people into the workforce that may never have considered a career in construction or transport before; people from BAME backgrounds, women, disabled people and those who are unemployed.” Mark Thurston, CEO HS2 Ltd¹⁵

Equality, diversity and inclusion (EDI) concerns have been integral to the High Speed 2 (HS2) rail project from its start. The multi-billion pound project to build a high-speed rail line from London to Birmingham (originally the North West, but the northern leg of the project was cancelled in October 2023) involves huge amounts of government investment and has an objective to create opportunities for skills and employment. The construction of the line is being managed by HS2 Ltd, a company set up by the Department for Transport with the Secretary of State as its sole shareholder. By January 2023 HS2 Ltd and its supply chain had a workforce of nearly 30,000 people across 350 sites, with an anticipated workforce of 34,000 at its peak. There is a target to create over 2,000 apprenticeships, and over 1,000 had been achieved by January 2023. HS2 Ltd has let contracts to several joint ventures – collaborations between main, or Tier 1, contractors – to build the tunnel, track, station and rail engineering infrastructure. The Tier 1 companies then subcontract other companies (Tiers 2 and 3 etc) to provide labour and other services through the supply chain.

To ensure this significant demand for labour is met, a Skills, Employment and Education (SEE) strategy was published in 2018, updated regularly to reflect changes in the programme and the construction sector. The SEE staff team actively supports the supply chain to meet the skills, employment and education objectives of the programme, and all contracts above a certain value, duration and type are required to deliver SEE outputs. The procurement process is key in setting expectations and encouraging practices that meet HS2's objectives.

Former Head of EDI Mark Lomas highlighted the link between the aims of the HS2 project and EDI:

‘We’re dealing with public money on this huge programme over many years. It’s more than just building a railway. HS2 will deliver a number of strategic benefits including more accessible travel, skills and employment across different areas of the UK. Part of the ability to embed equality, diversity and inclusion, or EDI, in the supply chain goes hand in hand with some of the strategic problems in the sector.’¹⁶

The UK construction sector is facing significant skills and labour shortages, therefore widening the recruitment pool to include under-represented groups can be a solution.

¹⁵ Building the skills to deliver HS2: Phase One and Phase 2, August 2021, p.2

¹⁶ Mildon, T. ‘Inclusive Procurement at HS2 | LinkedIn’, 11 May 2020.
<https://www.linkedin.com/pulse/inclusive-procurement-hs2-toby-mildon/>

Equality, Diversity and Inclusion policy

HS2 has set targets for the workforce employed directly by HS2 Ltd of 40% for women – with 37% reached by 2022 – and 23% for black, Asian or minority ethnic (BAME) employees, which had reached 22% by 2022.

Explicit targets are not set for the supply chain, but they are encouraged to exceed industry benchmarks on workforce diversity¹⁷. By 2022 the supply chain for the HS2 programme was 22% women, 18% BAME, 5% disabled and 2% LGBT+, including both Tier 1 JV and sub-contractor workforces.

The HS2 Equality, Diversity and Inclusion Policy, signed by the CEO in August 2022, explicitly applies to “all workers including employees, consultants, temporary workers, agency staff, secondees and other third parties working on behalf of HS2 Ltd. It applies to the Board of HS2 Ltd in the discharge of their duties. It also applies to suppliers, sub-contractors and agencies in our supply chain.”

It includes a statement on procurement and supply chain diversity, requiring all contractors directly and indirectly supplying works and services to comply with the policy. Furthermore it requires contractors “to make available the resources to comply with this policy and to deliver the relevant scope of services and Works Information, in the delivery of services they are providing.” It adds that failure to comply “may result in contractors being excluded from future tendering opportunities with HS2 or removed from the HS2 Ltd approved list of suppliers.”

Senior leadership commitment to advancing EDI objectives throughout the HS2 project features in its policies. Former Head of EDI Mark Lomas believes that HS2 leadership “is engaged in the professional and personal development aspects. That means being comfortable with diversity, understanding change and the wider strategic picture in our sector. Knowing that no-one loses when there’s increased inclusion. With many construction jobs and a skills shortage, diversity is not a threat, it’s a benefit.”¹⁸

Inclusive procurement

HS2 describes its approach to procurement as ‘inclusive procurement’ in which EDI principles are embedded throughout the supply chain, aiming “to change the diversity and culture of the industry.” Therefore EDI considerations are included in all stages of the procurement process, from pre-qualification questionnaires, invitations to tender and contract mobilisation, and contract management, including detailed data reporting to ensure policy compliance. Additionally contractors are required to gain accreditation through an externally-verified EDI standard.

The EDI annual report 2021-22 says: “Across our programme, we have set contractual performance measures that cover: policies and procedures; recruitment; workforce monitoring and reporting; supplier diversity; training; and a requirement to obtain an externally-verified EDI standard. As part of our governance and assurance process, we hold our Tier 1 suppliers to account on their performance and they, in turn, do the same for their sub-contractors.”¹⁹

¹⁷ Benchmarks are taken from the HS2 direct workforce, the Office for National Statistics’ Labour Force Survey 2019 data on construction workers, Engineering UK’s Women in Engineering report 2021 report; and the Mayor of London’s 2020 report, Supporting diversity and inclusion in the infrastructure sector (HS2 Equality, Diversity and Inclusion Annual Report 2021-2022, p.23).

¹⁸ Mildon, T. ‘Inclusive Procurement at HS2 | LinkedIn’, 11 May 2020.

¹⁹ HS2 Equality, Diversity and Inclusion Annual Report 2021-22, p.23.

Procurement stages

Specifying requirements and pre-tendering

Due to the scale of the HS2 project, large numbers of people undertake procurement functions for a range of works and services across the organisation. To ensure alignment with HS2's EDI and employment and skills goals, a toolkit has been developed for use by procurement teams to identify where EDI is relevant. This is embedded into all major procurements, whether for rolling stock or major civil engineering works, so that all procurement leads follow the same process. Where EDI is flagged up, contact is made with the EDI and SEE teams to discuss the specific requirements for that procurement.

A standard set of requirements is included in the works information provided to potential bidders, asking them to specify how they will meet performance measures in relation to the supply chain, which requires the supply chain to submit regular returns covering a range of EDI areas such as:

- EDI-related policies;
- data on EDI-related staff training and development;
- diversity within the workforce;
- diversity of applicants through the recruiting process;
- diversity of supply chain ownership;
- spend with diverse suppliers; and
- whether the organisation has recently attained any externally verified EDI accreditations.

Contracts over £10 million also have skills, employment and education requirements. Below that amount it is not considered worthwhile to build in such requirements, and for shorter contracts it is not possible to require apprenticeships, for example. For large contracts, bidders are expected to specify what they will deliver on skills and employment, including who they will engage with and expected outputs in terms of employment, apprenticeships and other training activities. These promises typically then become part of the contract.

Before bidders may submit tenders they are asked to complete a pre-qualification questionnaire (PQQ), including questions about whether the bidder has faced a tribunal case, received a compliance notice from the Equality and Human Rights Commission or whether there have been cases of discrimination. In cases where the response is yes, and the organisation has taken no action as a result, then the potential bidder is excluded from bidding.

Tendering, evaluation and contract award

The weighting given to EDI and employment and skills criteria in assessment of bids varies according to the contract, but is typically around 3% to 5% of the overall bid for employment and skills, and proportional to the risk for EDI criteria. For example, contracts for lifts and escalators which have a high impact on access for people have a higher EDI weighting than a contract for track laying.

Although a small proportion of the overall score, HS2 intends to send a strong message to prospective bidders that scores for EDI and employment criteria can make the difference between winning or losing a contract: as one HS2 interviewee said "one to two per cent can make a huge difference to winning or losing, coming first or second in a bid." This gives bidders a clear incentive to take EDI criteria seriously. From the perspective of a contractor bidding as part of a joint venture, the HS2 EDI requirements proved more challenging for those corporate partners with less prior EDI experience, when trying to align responses in the tender on EDI-related issues.

As highlighted above, successful Tier 1 contractors are incentivised to feed their EDI-related contractual commitments with HS2 through their supply chains. When going through the tendering process for Tier 2 and 3 contracts, the ‘works information’ requirements that have become part of their contracts with HS2 are included in questions for the subcontractors. Weightings given to EDI aspects vary between main contractors.

Contract management and monitoring

Once the contract has been awarded, the SEE legacy managers, who were involved in the tendering process, have a “mobilization session” to start building a relationship with the designated person responsible for liaising with HS2 on employment and skills outcomes. It is a requirement from HS2 that main contractors provide designated contacts for EDI and SEE. The SEE team first expects to see the contractor’s SEE implementation plan, which is broken down with annual expected outputs. Once in progress, performance against the implementation plan is monitored quarterly, based on reports submitted by contractors. This allows the legacy managers to track progress against targets and provide support and suggestions where there are problems or pinch points. Significant collaboration takes place between EDI and SEE teams at the mobilisation stage to inform suppliers at the outset of the expectations for reporting. For EDI objectives, reporting is every six months as it takes longer to achieve the desired changes in EDI practice and outcomes.

Former head of EDI Mark Lomas believed that effective data collection mechanisms had been established by HS2:

“The data is collated and at the touch of a button, EDI performance can be seen across the entire HS2 programme. Reports can be produced by overall contract, contract area, gender, ethnicity, disability and whether people have attained their EDI verification. [...] The performance data and monitoring drive a continual improvement cycle.”²⁰

The data collected is used by HS2 to identify problem areas. For example, the detailed data collated at every stage of the recruitment process across the supply chain enabled them to see that the barriers to recruitment were occurring not at the application stage but at the selection (short-listing) stage. This information allowed HS2 to provide their suppliers with ideas on how to make their selection methods fairer. A further action of HS2 was to create a short animated film on diversity monitoring, circulated to every supplier in the supply chain was given. According to an EDI interviewee, it was money well spent: “it cost us around 10 grand to produce it. And it’s used by 10,000 companies in our supply chain.”

For some of the EDI managers at the main contractors however, the data reporting process still felt cumbersome and they would have liked a single reporting system where sub-contractors – who may be working on contracts for more than one main contractor – could complete their data returns directly. There were also concerns among main contractors about the quality of the data collected. Although contractors are not set targets for the recruitment of under-represented groups, there is an expectation that suppliers should aim to meet or exceed the industry benchmarks set out above. However collecting data on characteristics such as disability is particularly challenging, as noted by one EDI manager: “It’s an industry where people won’t self-declare generally because of the consequences or the view of it being quite a masculine, big, burly environment.” There was a

²⁰ Mildon, T. ‘Inclusive Procurement at HS2 | LinkedIn’, 11 May 2020.

significant difference between recorded disability figures at the main contractors of 8% and the figure of less than 1% when the sub-contractors were included.

Another main contractor runs annual self-identification campaigns to improve the accuracy of data collection. It uses advocates to explain to the workforce across the site the rationale for collecting data on perceived sensitive categories such as disability. This resulted in a higher proportion of those reporting a disability at 3%, although there was still reticence from many who ticked 'Prefer not to say'.

Culture change

The HS2 project – and much of the construction sector – recognises that increasing diversity in the workforce is not only about awareness raising and recruitment strategies, but also about tackling workplace cultures that can be unwelcoming to under-represented groups. The HS2 main contractors employ EDI experts for whom this is part of their daily work. An area of good practice on the HS2 project is mechanisms for communication and information sharing among EDI and employment and skills professionals. A contractors' forum of EDI and SEE experts at the main contractors is organised quarterly by HS2 to allow sharing of problems and best practice in overcoming them. Additionally EDI leads told us that they have established additional informal channels they use to share challenges and responses.

EDI practitioners believed that there was evidence of culture change on EDI issues in the sector, with supply chain organisations more willing to engage. An example was given of an event organised to mark Black History Month in October 2022 where suppliers came together to discuss race: "something that is not spoken a lot about in the industry. But by bringing together labour suppliers and HS2, you've got those two ends of the spectrum. That was seen as a success, because you've got different opinions."

HS2 requires Tier 1 contractors to gain an EDI accreditation, although does not specify which scheme they should apply for. This is then encouraged for contractors further down the supply chain. Generally it is felt that the push for accreditation has resulted in positive outcomes. One HS2 EDI manager had observed the celebrations as one main contractor achieved their Clear Assured Gold status, noting:

"Yes it's in contract, and yes it's gone through procurement, but it's really taken life in terms of culture and buy in. You had the MD of that organization on the stage talking to his people very knowledgeably about their commitment around EDI. So that gives you a sense of [how] it's real in terms of what's being driven out."

One main contractor EDI professional explained how the requirement changed their practice:

"Through that accreditation process what you find as you work through each level, is you're actually being challenged at each step to go that little bit further. So transitioning at work, for example, was one of the requirements to achieve gold accreditation, which we just completed last year, so that then becomes the imperative. It's not HS2 saying you have to do this, but actually in order to achieve that accreditation, if you're going to push the boundaries then you need

to have these things in place. [...] We might have done it at some point, but it might have been in five years' time, whereas actually we're doing it now, because we know it's required as part of our accreditation."

Another EDI lead described the changes they observed as "like a ripple effect [...] I'm definitely starting to see more of our suppliers stepping up to EDI events or talking more openly about the challenges that they face".

Good practice highlights

The HS2 project benefits from substantial public spending and can therefore expect bidders to show significant interest in winning contracts and meeting client requirements. However it is clear that EDI priorities were central to the HS2 project design and objectives from the start, supported by senior leadership. This stemmed in part from a recognition that skills shortages in the construction sector required a more inclusive approach to recruitment, as well as a desire to "to change the diversity and culture of the industry." The HS2 project was able to draw on the good practice in EDI established in previous large infrastructure projects such as the London Olympics and Crossrail²¹.

The publication of EDI annual reports and regular progress on skills and employment objectives provides clear evidence of greater workforce diversity than average for the construction sector, although some goals – such as increasing the numbers of disabled workers – are proving harder to achieve. There remain challenges in collecting reliable data from companies further down the supply chain.

Key highlights of good practice that supported EDI outcomes are:

- Senior leadership commitment to EDI from the start of the project, linked to strategic objectives identified in the original business case for the project, and supported in practice;
- Standardised processes for those involved in procurement to consider EDI and SEE requirements at the start and to work with expert teams;
- Clear expectations in tender documents about EDI expectations and reporting standards, throughout the supply chain;
- Regular and meaningful reporting of results to HS2, which are published;
- Communication and engagement with the supply chain: clear expectations about reporting and providing support to resolve issues identified through data collection;
- Requirement to have a designated EDI and/or employment and skills contact at the contractor organisation;
- Collaboration between those responsible for EDI and/or employment at main contractors;
- Requirement for EDI accreditation by main contractors and encouragement to achieve this through the supply chain.

²¹ Thrush, C. and Martins, I. 'Lessons Learned from the London 2012 Games Construction Project: Targeted Approaches to Equality and Inclusion'. London: Olympic Delivery Authority, 2011; Pascutto, N. 'Crossrail Learning Legacy: Equality & Diversity Strategy'. Crossrail, 27 September 2016. <https://learninglegacy.crossrail.co.uk/documents/equality-diversity-strategy/>.

Islington council: opportunities for women in the Holloway redevelopment

Background to the organisation

Islington Council in North London established a Fairness Commission which reported in 2011, that identified ‘two Islington’s’, in which some of the wealthiest people in the country live in the borough, alongside high levels of income inequality, with incomes for the richest 10% of households likely to be over 10 times that of the poorest 10%. It also has the fourth highest rate of child poverty. The Commission was co-chaired by Professor Richard Wilkinson, one of the authors of the influential book on inequality, *The Spirit Level*. The report of the Commission made many recommendations, including on payment of the Living Wage, job opportunities for local residents, housing and health.

The council spends £650 million a year with almost 6,000 providers. Although much of this spend is predetermined, and the council passes the money on to other organisations, about half is directly commissioned by Islington. The council is keen to use this spending to support community wealth building, which it sees as a community-led model for economic development, based on “a commitment to creating an inclusive and socially just local economy, with local people at its heart – no matter what their background.”

The community wealth building programme, which began in May 2020, is linked to its progressive procurement strategy, which aims to ensure that the council’s spending “has the maximum positive impact for Islington people, especially the most disadvantaged. We want to make sure as much as possible is spent within Islington, and that the council’s purchasing decisions support Islington people through creating employment, skills training and other opportunities.”²² Additionally, it wants to support local businesses, particularly small businesses, to successfully bid for council contracts. It has set two measures of performance against these objectives: an increase in the employment of Islington residents, including those with the greatest barriers to work i.e. long-term unemployed, people with disabilities, black, Asian and minority ethnic (BAME) and women; and an increase in expenditure with Islington-based businesses, including social enterprises and co-operatives.

Using the planning process

The council uses its planning powers to support its commitments to improving opportunities for the local community. On all large developments in the borough, Section 106 agreements (a provision of the Town and Country Planning Act 1990) are made between the local authority and the developer that require construction job opportunities for local residents, including work placements at the London Living Wage, working with the council’s employment service, and training, including apprenticeships, based on one trainee per 20 residential units in the development, together with financial or other contributions to mitigate the impact of the development on the local community.

The borough covers parts of central London and has many large construction projects. For some time, the construction employment team has had an ambitious target that 25% of all jobs on construction sites are filled by women. The team indicated that this reached 12% in 2022, of which 80% were in the building trades, significantly above the national average of 2% of women in the building trades.

²² <https://democracy.islington.gov.uk/documents/s23016/Progressive%20Procurement%20Strategy%202020-27%20-%20strategy%20document.pdf>, p.3

Redevelopment of the Holloway prison site

Holloway Prison, the largest women's prison in Europe, was closed in 2016 and the women moved to prisons outside London. In March 2019 Peabody Housing Association bought the site, which is the largest development in the borough for over 30 years. The redevelopment includes 985 flats, of which 42% will be homes at council-equivalent rents. Demolition started in October 2022.

Community Plan for Holloway

Campaign group the [Community Plan for Holloway](#) (CP4H) was established to maximise local benefits from the redevelopment, following consultation with women affected by the closure carried out by the [Centre for Crime and Justice Studies](#). The campaign was particularly keen to ensure that the project recognised Holloway's 164-year history and legacy as a provider of joined-up support for women within the criminal justice system and when leaving it. It campaigned for the site to include a 'women's building' offering support services for local women, as well as opportunities for women's employment in the construction workforce.

CP4H describes itself as a loose coalition that informs local people and increases opportunities for local opinion to shape how the Holloway development benefits the community. It has been built through a series of well-attended public meetings and has successfully raised funds to employ three part-time community organisers. It has a board of voluntary trustees, representing Islington political parties and local groups.

It has two main strands to its campaign: one demanding affordable, quality social housing and community amenities on the site and a second lobbying for a legacy of service provision for the women of the borough, through the women's building and opportunities for women's employment in the construction workforce. The campaign operates through a series of working groups on themes such as social housing, employment and training, the women's building, co-housing and monitoring the progress of the development. The groups draw on the expertise of local residents, including some with knowledge of construction sector employment and training.

Targets for women's employment

The CP4H employment and training working group drew up a document that set out demands for training and employment commitments to be included in the Section 106 agreement with Peabody that met the council's climate emergency targets, its planning commitments for local employment contained in the council's Section 106 Supplementary Planning Document²³ and reflected the historical legacy of the site with respect to women. The document highlighted the council's equality and diversity aims to make Islington a fairer place, arguing that the redevelopment provided an opportunity to increase the representation of women, BAME and disabled people in the construction workforce and challenge its overwhelmingly white male-dominated character. They lobbied councillors to include a requirement in the Section 106 agreement that at least 30% of those employed on site should be women and at least 50% of trainees.

Local councillors saw this as a positive way of meeting council objectives and opened the doors for CP4H to work with officers with expertise in drawing up Section 106 requirements. CP4H held regular meetings with council officers in the construction employment service, who were also keen

²³ <https://www.islington.gov.uk/~media/sharepoint-lists/public-records/planningandbuildingcontrol/publicity/publicconsultation/20162017/20161215planningobligationss106spddecember2016.pdf>

to ensure benefits for local employment and to address the under-representation of women in construction jobs. CP4H also had discussions with a local further education college with a large-scale construction facility, the College of North East London (CONEL), and a member of CONEL teaching staff joined the meetings. In line with Islington's planning policy, the Section 106 agreement committed Peabody to make 'reasonable endeavours' to ensure that 51 or more construction apprentices were employed at the development. The agreement stated that the apprentices must be Islington residents, recruited through the Council's jobs service and paid the real Living Wage. The collaboration with CP4H also resulted in the agreement containing a clause that supported the council's objective to improve opportunities for women in construction, committing Peabody to a clause that: 'genuine efforts must be made to ensure that not less than 30% of the apprenticeships are provided to women'. CP4H believes that it is unusual for the community to be so involved in how Section 106 requirements are agreed.

An interviewee from the principal contractor London Square believed that Islington's ambition for a minimum of 30% women apprentices on the Holloway project was unique: "We've never worked with any local authority who's had that ambition. I think this is really unique to Islington. I think they want this."

The commitment and experience of council officers to improving opportunities and conditions for women in construction is vital to ensuring that this ambition is achieved. An interviewee from the council's construction employment service said:

"There is no reason why I couldn't get all 51 apprenticeships to go to women other than I don't have enough women. For every one job you need at least five or six candidates. So we're talking about 350 in total [...] over five years. So that's the great thing, we can see them coming months away, but they are time limited, so if we don't have the women ready to go in place and keen to work there, we will have to fill them. [...] But in the meantime, we're meeting loads and loads and loads of women, which is great, and word of mouth is the most powerful form of advertising still."

Tradeswomen Building Bridges delegation

Islington officers and councillors also supported a visit by a delegation of tradeswomen from North America in June 2022 as members of [Tradeswomen Building Bridges](#) who came to London to show how they had succeeded in increasing the numbers of women in the building trades through persistent campaigning and monitoring.

The delegation was hosted by the University of Westminster and organisers had been closely involved with CP4H before the visit, so that the Holloway Prison development was a strong focus of interest. The 50-strong delegation met many of the campaigners during their stay and had a tour of the Holloway prison site, as well as networking with UK tradeswomen, visiting colleges and construction sites, events at the University of Westminster and receptions at Islington Town Hall and at the Houses of Parliament hosted by the Chartered Institute of Building and local MP Emily Thornberry. CP4H organised two "Holloway days" for the delegates, with talks, film screenings and a community picnic in a local park with speakers including the council's Girls and Women's Champion, Saiqa Pandor, and MP Emily Thornberry. One of the CP4H workers commented on the importance of

the visit in raising the profile of opportunities for women in the building trades and the links to the Holloway campaign:

“Amazingly significant, you know, providing those role models was just so valuable in terms of translating sometimes what is quite a technical field into something that is, communicates so effectively how construction jobs can be [...] such positive opportunities for women. And the other aspect is around diversity, which has also been really important for Community Plan for Holloway and for the community, making sure that not only women have access to these opportunities, but that we have women of diverse backgrounds and that these opportunities are offered to women who may have been in prison as well. Those are all really strong themes coming through from community members that they really support the apprenticeships and training, they want London Square to make sure that they're offering them to women who face these difficulties and building further on that link around legacy for the women of Holloway. [...] A good portion of the Tradeswomen Building Bridges [...] are women who have been in the criminal justice system. And they talk about how construction has offered them the opportunity to rebuild lives and to have, you know, really secure jobs, good incomes.”

This comment draws attention to the need to be aware of intersecting inequalities, for example in the ways that women may be disadvantaged due to factors other than gender, such as ethnicity, class or through having been in prison.

Putting commitments into practice

As the Holloway development is currently at the demolition stage, most contracts for building work have not yet been let. The principal contractor, property development firm London Square, has however started to run courses to get women interested in potential jobs. These have included a once-weekly Women in Build course for 12 weeks from March to June 2023, introducing participants to construction trades, including some practical skill sessions, the green skills agenda and health and safety. Everyone who completed the course remains on their contact list to be notified of vacancies. So far, one participant has signed up to a full-time level 2 carpentry course at college as a result.

London Square is working with Islington, who are managing the recruitment of apprentices centrally. The council works with candidates to ensure that they have health and safety and construction site work certification, as well as discussing needs such as flexible working to accommodate caring responsibilities, before referring their applications to London Square. To date, an assistant site supervisor apprenticeship has been filled by a woman, from among applicants referred by Islington. In this case, all the applications put forward were from women. This is viewed as a form of positive action needed to meet the apprenticeship target, but will not exclude men from the many other jobs and apprenticeships on site.

Islington's employment service also has an important role in supporting women once recruited:

“It's not like any woman can't do any of these jobs. It simply is not true anymore. [...] I think really the industry needs to be dragged into the 21st century and we need to be able to get women and for them to enjoy their job. And all that sort of banter and, you know, making an excuse of it, it just isn't ok anymore, is it? Treat people with respect and that's it, end of. So anyway, that's a bit of a mission for us. [...] We want to put women in teams and build welfare around them and we're going to come on site and read the riot act to the supply chain and say, this is what this is, zero tolerance.”

London Square's sustainability manager engages with potential contractors over the commitment to women's employment, informing interested contractors at the tender stage of the ambition to employ women on site.

“So at the tender stage, at the presentations when they're tendering for those packages, the contractor will be obliged to tell us, these are the roles that I can create. These are the number of jobs and then this is how we're going to support more women on site.”

CP4H will continue to work closely with Islington and the developer throughout the procurement and contract management process to support and monitor the achievement of its Section 106 commitments to the employment of women apprentices.

However, despite a detailed consultation process, progress on the women's building has been disappointing for CP4H, with current plans only offering a 'floor' for women's services rather than the hoped-for building. CP4H continues to work on plans for this space and to promote the legacy of Holloway's women as part of the plans for the whole site, and would like to see a women's building built by and for women.

Procurement and social value

Islington's progressive procurement strategy includes a commitment to embed social value in its financial planning and commissioning activities, creating an organisational culture “of being social value pioneers”. This involves providing training and resources for managers and close work with the council's Inclusive Economy service and at all levels of council decision making. The social value delivery framework means:

- “including explicit outcomes, particularly more jobs, apprenticeships and work experience opportunities, in all procurement activity, with a weighting of at least 20% of the overall scoring and evaluation
- working with supply partners who pay their staff a living wage and actively develop and support their career progression.”²⁴

Having a weighting for social value of 20% is at the upper end of usual practice for local authorities (according to our survey). The strategy notes that “all tenders will include social value in

²⁴ <https://democracy.islington.gov.uk/documents/s23016/Progressive%20Procurement%20Strategy%202020-27%20-%20strategy%20document.pdf>, p.4

specifications, terms and/or evaluation criteria and weighted as at least 20% as part of tender scoring. Only in exceptional circumstances will a minimum of 5% (per National Strategy) be accepted and commissioners will be required to provide a robust justification.”²⁵

In order to ensure that social value promises provide genuine benefits for the community, officers have created a social value operations group based on the five themes of: youth, employment, economics, green and communities. This brings together people working on each of these themes to consider what they need when projects and services are being commissioned. The interviewee from the construction employment service explained that bidders often offer school visits, but having the group allows the responsible officer to say “we’re saturated with school visits. We don’t need that. What we need is learning disabilities in this Community Centre, so we can be specific to the ward and the theme that we need”. He added that the group is “proving to be incredibly useful and effective on both sides” as it also provides contractors with contact names within the council who will be responsible for ensuring delivery of social value commitments. By consulting with this group to understand community needs at early stages of the commissioning process, this can result in better quality bids and save time on bids being rejected by the procurement panel for inadequately addressing social value.

Social value commitments assessed in bids are additional to mandatory requirements that bidders must meet in order to win a contract with the council. It defines a series of “mandatory ethical requirements” for the council and contractors. It states that:

“These are non-negotiable and currently include:

- paying the London Living Wage, and ensuring the supply chain does likewise
- no blacklisting of trade union members
- safeguards against modern slavery
- care providers sign up to UNISON’s Ethical Care Charter
- not specifying, purchasing or using products that damage the environment in cases where a reasonable alternative is available.”²⁶

The procurement strategy lists among its achievements: helping over 4,000 people into work, including apprenticeships, and being the first council to sign up to the trade union UNISON’s Ethical Care Charter, which sets minimum standards to protect the dignity and quality of life for people who need homecare.

It also lists among the achievements of the procurement strategy as bringing council services back in house in education, housing repairs and waste management. Thus in-sourcing where appropriate, instead of procuring services externally, is considered part of the progressive procurement strategy.

Good practice highlights

This case study has highlighted how Islington has used its procurement policy to achieve its ambitious equality and fairness objectives for the residents of the borough. The case study focuses in particular on the example of the Holloway prison site redevelopment, showing how well-organised community pressure was able to build relationships with councillors and officers to put

²⁵ *ibid*, p.36

²⁶ *ibid*, p.39

into effect the council's commitments to equality and diversity, local employment and social value, using the tools of Section 106 agreements and the progressive procurement strategy.

Although the Holloway redevelopment is not yet complete, CP4H continues to work with the council to monitor progress on targets for women apprentices.

Key highlights of good practice illustrated by this case are:

- Firm equality and diversity policy commitments to improving opportunities for the local community, linked to a progressive procurement strategy and community wealth building agenda.
- Effective lobbying by an informed local community campaign, emphasising council commitments to equality and diversity and local employment, and the legacy of Holloway women's prison.
- Councillor and council officer active engagement with informed local community campaigners at early stages of the Section 106 agreement and ongoing monitoring of agreed targets, including with developers.
- Council officer expertise and resources for construction employment and the local area, and commitment to equality and diversity goals, was instrumental in agreeing the target of 30% women apprentices and in its implementation.
- A high-profile visit from North American tradeswomen, supported by the council, raised awareness of women's successful employment in the building trades.
- An awareness of intersectional inequalities in Islington and in construction employment, together with the raised profile of the needs of those who have been in the criminal justice system, may widen employment and training opportunities on the Holloway redevelopment.
- An initiative of council officers in establishing a cross-departmental social value group to build meaningful and needed social value into the commissioning process.
- Commitment to a weighting for social value of 20% for most tender assessments.
- Use of positive recruitment strategies by the council to ensure that the CVs of suitably qualified women candidates are put forward.

Poplar HARCA: Community-focused procurement partnerships

Background to the organisation

Poplar HARCA (Housing and Regeneration Community Association) owns and manages over 10,000 homes within the London Borough of Tower Hamlets. The housing association was created in 1988 as part of a large-scale stock transfer of 2,100 properties from the London Borough of Tower Hamlets. It was one of the earliest of the so-called 'transfer housing associations' created to enable private finance to be accessed to fund social housing regeneration. Such regeneration was and is much needed in the area in which Poplar HARCA operates. The ward of Poplar, where most of its properties are located, is the 40th most deprived out of the 633 London wards.

The origins of Poplar HARCA are of relevance to its good practice public procurement activities today. The relatively new transfer housing associations differ in a number of ways from older, more traditional housing associations, some of whose origins can be traced back to the 19th Century. The transfer housing associations tend to have a more distinctly local focus, strong commitment to tenant participation in their governance and are more likely to engage in 'functional diversification' into community facilities in addition to their direct housing provision.²⁷ Examples of all these features can be found in the way that Poplar HARCA works in partnership with the construction sector to deliver improvements to the local area for the people who live in it.

Poplar HARCA has a broad definition of its organisational purpose, encompassing the development of homes and places within its local community, but also committing to do this "with social justice at our core."²⁸ In support of this, the association invests around £4 million a year in community initiatives which are partly funded through the social value elements of its development-related procurements and delivered through its Communities and Neighbourhoods Directorate (CaN). The services offered by CaN help local people to access work and training, support initiatives to promote health and wellbeing and provide opportunities for young people to develop their creative skills. Its community initiatives are also open to residents of adjacent boroughs such as Hackney and Newham.

Poplar HARCA's Director of Communities and Neighbourhoods explained how the involvement of tenants and residents is a core principle upon which the housing association was founded and continues to operate, right up to Board level.

"Our early board structure was one third residents, one third local authority and one third independents, and that has developed over the years to a resident majority board and then a community majority board where, in essence, for every position on the board [...] we look for our own residents first. If we can't fill those positions, we can't fill that area of expertise, we then look more widely within Tower Hamlets and then, if that wasn't available within Tower Hamlets, we would look more widely round London or nationally to find those individuals. So, there's a really strong residents' heart to the organisation and governance.

²⁷ Maturing Assets: The evolution of stock transfer housing associations by Hal Pawson and Cathie Fancy. 2003. The Policy Press, Bristol for the Joseph Rowntree Foundation.

²⁸ [Creating Opportunities Together: A Strategy for 2021 – 26. Poplar HARCA. 2021](#)

Also, the involvement of residents in the plans around what we're going to do for their homes and their estates meant that there were really closely involved at estate level as well."

Equality, Diversity and Inclusion (EDI) policy

Poplar HARCA also seeks to represent the local community amongst its own employees as the main focus of its EDI policy. Tower Hamlets, as well as being a relatively economically deprived borough is also one of the most ethnically diverse in London. Forty-four per cent of its population identify with an Asian heritage, and just over a third of the population (35%) identify as being of Bangladeshi heritage.²⁹ However, Poplar HARCA's EDI objectives³⁰ have a broader focus than ethnicity, also covering what it terms 'multi-variate' diversity which includes considerations of age, faith and belief, sexual orientation, gender identity, parental and caring responsibilities and disadvantages related to socio-economic and educational background.

Key EDI objectives for the organisation include making recruitment as open as possible to encourage applicant diversity, ensuring existing staff have opportunities for training and development, and internal succession planning that aims to 'mitigate access barriers' for under-represented groups within the senior levels of the organisation. There is evidence that these objectives are bearing fruit - a quarter of Poplar HARCA's senior management and five of its 12 Board members are women. A quarter of its senior staff are from an ethnic minority, although that is not representative of the highly diverse local community. Poplar HARCA is seeking to address this, and one of the actions that the organisation committed to in 2021 as part of its EDI 'Roadmap'^v is to 'identify succession pathways across the business and mitigate access barriers' to enable more internal career progression.

Poplar HARCA's EDI Roadmap also includes commitments to encouraging greater diversity within their supply chains. These supplier-oriented EDI activities include seeking to engage with local SME traders and contractors and aiming to use local community organisations to deliver some of the interventions that the social value elements of their tendering requirements help to fund.

The organisation does not have a dedicated EDI team, but considerations of under-representation of, and opportunities for, disadvantaged and marginalised groups are embedded throughout its activities. Poplar HARCA includes EDI targets in its bids for funding which are subsequently reflected in key performance indicators for a variety of teams within the organisation when those bids are successful. Those teams include the Development team, who lead on procurement activities and the Employment and Training team, who sit within the CaN Directorate and whose role is to deliver initiatives aimed at improving the employability of local residents.

Procurement policy

Poplar HARCA has secured funding for a £2.5 billion programme of regeneration to develop new education, health, faith and community spaces, as well as much needed affordable housing for local people, and requires a considerable procurement programme to enable its delivery. Poplar HARCA's procurement policies cannot be easily linked back to a single policy, as it has been mainly through the development of collaborative relationships rather than written guidance that

²⁹ England and Wales Census 2021 - TS021: Ethnic Group: Population by ethnicity and local authority. <https://www.nomisweb.co.uk/> Accessed 13.09.2023

³⁰ [Poplar HARCA Equality, Diversity & Inclusion: Creating Opportunities Together \(2021- 2022\)](#)

they have sought to bring a community focus to their procurement activities. Many people who work for Poplar HARCA share a deep commitment to the local community, often with a previous history of either local authority, youth or community work. Efforts have been made to encourage a similar commitment amongst the procurement specialists, whether internal or external, on projects ranging from small contracts for repairs through medium-sized construction projects, such as the building of a youth centre, to large-scale regeneration projects such as the Teviot estate.

The CaN director spoke of how Poplar HARCA's internal procurement specialists were persuaded, in part, to begin to include social value considerations in their work by a growing awareness of such issues amongst potential suppliers. He explained:

“So as an example, we're procuring a service and that might be for a repair service, it might be gas servicing or something like that. We would be looking for additional benefit that we could get from that contractor, whether it's apprenticeships or other opportunities or whether it's funding towards our activities that happen in the area. Often the difficulty is that the person who's procuring that service, just sort of thinks, well, all they're going to do is they're just going to add more money onto the contract value and they're not going to be very good at doing it because it's not their area of interest. So I'm reluctant to go down that path because it's adding to my time. It's asking them to do something they're not confident in [...] I think what's been really helpful is that the firms themselves have become more and more interested in highlighting their work and linking it much more to their core offer. So I think that in a way, our [procurement] staff have been the hardest to convince because they're the ones who are thinking, you know, I'm the custodian of doing this good service. And so I don't want to distract my contractors. Actually, the contractors are going, we can do a better service and give you a lot more of this. And we're interested in it, and we've got some great examples of things we can do.”

External procurement specialists work with Poplar HARCA on a consultancy basis on larger-scale regeneration projects and are brought in from both the private, built environment sector and the not-for-profit social housing sector. In both cases they have brought specific expertise that has helped Poplar HARCA reflect its social justice ethos at each stage of the procurement process.

Procurement stages

Specifying requirements and pre-tendering

Poplar HARCA's innovative approach to procurement, particularly for its large-scale projects, is evident from the specification phase. Within the CaN Directorate, the Resident Engagement Support Team (REST) play a crucial role in ensuring that residents are involved at the early stages of drawing up a plan for a redevelopment. The detail of this stakeholder involvement is determined by relevance to the project being planned. For example, when designing the specifications for the Spotlight Youth Centre, a group of young people, representing those who would later use that

centre, were involved. For the regeneration of the Teviot Estate, the Poplar HARCA Youth Empowerment Board also contributed, via a co-design workshop, but so did all the residents of the existing estate who would be affected by the redevelopment. Local residents were invited to visit other large-scale regeneration schemes to help inform potential design ideas for the new estate and were asked to contribute to setting the priorities for the project's social value aspects. There was also a grassroots exercise which involved CaN staff engaging in 'unstructured conversations' with over 300 residents in the locality and asking for their views on the proposed development and the priorities they had for improvements to the area. Approximately 200 suggestions were gathered, themed into four broad areas; community, home, streets and parks, and prioritised by creating a value tree³¹.

The Housing Association Charitable Trust (HACT) assisted Poplar HARCA with this process, on a consultancy basis, helping to gather and analyse stakeholder views to produce a list of themes. The HACT consultant mapped the themes onto 12 of the 88 possible social value outcomes set out in HACT's UK Social Value Bank.

The 12 outcomes identified as relevant for the Teviot project included full-time employment; apprenticeships and general training, as well as access to the internet and good overall health. Interestingly, the employment, apprenticeships and training aspirations of residents were for a broad range of opportunities, broader than just traditional manual labour construction jobs. This reflected the more general negative perception of site-based roles in construction in the local community. The Assistant Director, Employment and Training explained:

"We generally don't have a huge number of people coming through our door saying we want to work in the construction industry [...] The profile of people we work with here is mainly Bangladeshi women [...] they're more likely to want to go into care or health or education as they usually have caring responsibilities, childcare, multiple children needing to be dropped off to school, picked up. So the timings of the [construction] sector, the kind of culture of the sector, isn't really somewhere they would want to be."

Local residents who were interested in employment in the construction sector tended to be more interested in administrative roles, or roles in architectural design and planning that would be supporting the redevelopment of their area. This interest in professional roles associated with regeneration and development projects echoed the preferences expressed by young people consulted over the development of Poplar HARCA's Spotlight Youth Centre some years before. As the Assistant Director for Employment and Training recalled:

"When we were building our Youth Centre [...] we actually made it a requirement from the construction company that they would take two management trainees from us, and we would recruit the people ourselves [...] We managed to get two people from the local community. One was female, one was male, and the

³¹ [Creating a Value Tree](#)

female was from the Bangladeshi community, and it was quite interesting because at that time there weren't many Bangladeshi young females coming forward to work in construction and wanting to have a career in construction and do a management traineeship."

For the much larger Teviot Regeneration project, however, the desired employment and community outcomes were more complex and were summarised on a spreadsheet that formed the basis upon which the social value element of the tender documents were presented to prospective bidders.

Tendering, evaluation and contract award

The commitment that Poplar HARCA has towards generating social value for the communities they serve and a desire to work in partnership to deliver their regeneration projects sends a powerful message to prospective bidders about the factors that will be important for winning the work they are tendering for. The Teviot project's Invitation to Tender (ITT) emphasised the importance of the 'close and strong community spirit' that already existed on the Teviot estate, as well as the priority that was given to elements other than just cost (with the evaluation clearly weighted 75% in favour of quality and just 25% in relation to cost). The messaging to prospective bidders was even more emphatic in its prioritisation of the social value elements of the tender requirements, including a statement from Poplar HARCA on its commitment to "generating social value for the Teviot Estate and its residents".

The tender documents also made clear to bidders that they would be expected to deliver, not just promise to deliver, the social value elements of their bid just as much as other aspects of the requirements, and that financial penalties would be applied if their social value commitments were not delivered. The specialist private sector consultant who also worked with Poplar HARCA on the procurement stages of the project noted that this helped identify bidders who were serious about social value and those who were not:

"That was the bit that the first stage of the tender process, lots of the contractors went oh, we don't really like that. And we turned around and went well, that's not negotiable. Poplar HARCA want this and either offer us some social value that you're actually going to deliver, and you're prepared to sign up to the penalty if you don't do it, or you know you're not really welcome to be a partner. So that was the bit that was really, really key and quite unique."

For prospective bidders who were serious about delivering social value, they were asked to detail the 'added value' that they would bring if they were to be successful in their bids. The successful bidder not only proposed a considerable social value element in their bid, but also offered to bring an element of profit sharing to the joint venture partnership being offered by Poplar HARCA. The Teviot Project Director explained that "if the LLP [Limited Liability Partnership] does very, very well and delivers a profit over the margin agreed, then there's what's called a super profit clause, which actually means eight percent of the super profit then has to go back into the social value pot or comes back to Poplar HARCA to invest further in social value in the community."

The procurement consultant on the Teviot project said, of the winning bid:

“It was an inspired offer [...] on top of their social value offer within their financial model that they submitted to us, they set what their profit level is for becoming your joint venture partner [...] If they made more profit, they were then going to give a percentage of that back, which was quite fantastic really because it incentivises everybody within the organisation or within the regeneration to want to make a profit to therefore be able to give more back to the social value.”

The Teviot LLP has created a ‘Community Chest’ fund through which the social value fund promised as part of the winning bid is distributed to local community projects who contribute to local economic development, including but not exclusively through employment and training opportunities and support for local supply chains.

Contract management and monitoring

The partnership approach and stakeholder involvement that characterises the early stages of procurement within Poplar HARCA continues into contract management and monitoring of the joint venture’s social value objectives. A social value board is a key element of the partnership company’s governance structure, and it brings together resident representatives with representation from the Poplar HARCA CaN Directorate and the Social Value manager from the chosen contractor. HACT also provides an assurance function, overseeing the delivery and measurement of the project’s social value strategy and plan. Should any shortfall in the delivery be identified by HACT, the contractor’s Social Value Manager would be required to prepare and present an action plan to Poplar HARCA and HACT within 20 working days or face financial penalties. Alongside the social value board is a social value resident steering group, which aims to ensure that residents have an input to the community-oriented elements of delivery throughout the 15-year period of the project.

Good practice highlights

The Poplar HARCA Employment and Training team play a noteworthy role in helping to develop local residents’ skills and aspirations and linking them to available job opportunities, including those created through Poplar HARCA’s ambitious regeneration programme. The team offers one-to-one support to residents from employment coaches who work with individuals to put together an agreed action plan for their training and development. That plan might include training courses, help with CV writing, job application forms or interview preparations. For some the help might be in the form of volunteering to help build confidence and general work skills. Sometimes they provide signposting to initiatives being run by other voluntary sector organisations, such as Women into Construction.

As a result of these activities, in 2022-2023 Poplar HARCA helped place 290 local people into jobs, enabled 1,215 to achieve at least one qualification and gifted 145 laptops with data to eligible trainees and jobseekers, 100 of whom are over 50’s³². It has also delivered a programme of community initiatives which, during 2022- 2023, included provision for:

- 2 community cafes serving low-cost nutritious meals, five days a week to local residents
- 7,134 people attending in-person health & well-being sessions at Poplar HARCA Community Centres

³² We do Things Differently. Poplar HARCA Communities and Neighbourhoods Annual Report (2023)

- setting up the Poplar Boat Club and enabling 18 women, the majority of whom are from an ethnic minority background, to take up paddle sport for the first time
- enabling weekly sessions for 20 Asian women, playing in two football teams.

For Poplar HARCA, its EDI objectives, focused on enhancing opportunities for the ethnically diverse community it serves, sit at the heart of all it does, including its procurement activities. Where it seeks to enhance employability, this is done with individual needs, aspirations and preferences in mind, rather than being solely centred on the labour requirements of contractors.

Another important feature of this case study is that it provides an example of what a relatively small organisation like Poplar HARCA can achieve through seeking partnerships with other organisations that align to its values, with each organisation contributing to the area of the procurement process where it has particular expertise.

Other notable features include:

- The maintenance of a 'golden thread' of social justice objectives from the initial procurement requirements through to the monitoring of outcomes.
- The involvement of stakeholders as a second 'golden thread running through their regeneration projects, starting with decisions to go ahead with the redevelopment through design phases, and also incorporating sustainability features.
- The contribution made by Poplar HARCA through its delivery of individual employability and general life skills interventions aimed at the employment preferences of the ethnically diverse community it serves.
- The clear message to potential bidders that their social value commitments have to be genuine and deliverable within the timescale. Bidders are also encouraged to make innovative offers that would enhance social value outcomes for local residents.
- A conceptualisation of social value that encompasses a broad range of community-oriented outcomes delivering direct and indirect employment opportunities created through the funding of local community initiatives.

RHA: Community involvement and organisational collaboration

Background to the organisation

RHA is a housing association in the South Wales Valleys, which was founded in the context of the Welsh miners strikes. It employs about 80 staff, provides about 2,200 homes and acts as a commercial landlord. The majority of RHA's internal construction team, as well as its Director of Development and Regeneration are female, creating visibility of women and potential role models in a male-dominated sector. Based in Rhondda Cynon Taff, RHA operates in an environment shaped by experiences of disadvantage, exclusion and deprivation. Embedded in this context and founded against that background of poor housing conditions, social justice has been a core concern of RHA since its inception. This commitment is grounded in the perception that providing housing is not just about "placing someone in a property" but, as the Head of Communities and Enterprise stated, needs to account for "how tenants live in that property, how they engage with their wider community." True to this commitment, RHA is engaged in the local community and town regeneration projects, and it provides a range of support for tenants.

Its *Equality, Diversity and Inclusion Strategy* sees the commitment to these values as a core underpinning principle of strategies, decisions, actions, and values in every part of the organisation and the responsibility of each member of the organisation, including "all employees, contractors, volunteers and Board members" (p. 4). The Strategy identifies five focus areas: leadership, governance, the working environment, the tenant experience, and the natural environment. To promote equality, RHA provides training for its staff on equalities. To foster a deeper understanding of different lived experiences among its staff, RHA invites individuals from different walks of life to share insights into their lived experiences with the team of the organisation. As part of a commitment to promote issues such as sustainability and equality, RHA has established a network of champions, employees who are particularly passionate about certain causes (e.g., promoting equality) and receive additional training.

RHA, furthermore, has a commitment to *Community Investment* (featured under the heading 'Giving Back'). For RHA, community investment means "that when we tender for construction, services or supplies contracts, each contract must contribute to our strategic goals by assisting our tenants and communities to thrive" (p. 3). RHA further commits to leveraging its position and its investments to "support local business and projects, offering employment, training and skills initiatives that tackle poverty, exclusion and inequality" (p. 5). The strategy explicitly draws on and is guided by the Welsh Government's Guidance on *Community Benefits Delivering Maximum Value for the Welsh Pound*, the *Wellbeing of Future Generations Act*, and the *Good Economy – Affordable Housing* economic and social governance (ESG) criteria. It aims to integrate social value in all operations. With particular reference to procurement, the Community Investment Strategy states that Community Benefits and the Foundational Economy, as part of its commitment to supporting the local economy, are central to the purchasing of works and services. It references the Welsh Government's Guide [*Community Benefits Helping Suppliers Deliver Maximum Value for the Welsh Pound*](#), which states that "[t]he inclusion of 'community benefits' or 'social requirements' in public sector procurement is designed to ensure that wider social and economic issues are taken into account when tendering construction, service or supplies contracts." The Annex of the Procurement Policy defines the Foundational Economy as "[t]he activities which provide the essential goods and services for everyday life, regardless of the social status of consumers. These include, infrastructures, utilities, food processing, retailing and distribution, health, education and welfare" (p. 15). Based on an approach that centres collaboration, the Community Investment Strategy outlines that social value is

to be delivered in cooperation with contractors, external partners, tenants and members of the broader community.

Likewise, RHA's *Procurement Policy* features a pledge "to ensuring that resources are used in the most efficient and effective way – obtaining the maximum benefit for RHA and its stakeholders, not simply in terms of cost/price but also qualitatively in respect of the wider social aims and objectives that add value to RHA's activities and improve the wellbeing of our employees, tenants and the wider community" (p. 4). Thereby, RHA commits to leveraging procurement to support the local economy, foster local communities and sustainability.

Procurement stages

Specifying requirements and pre-tendering

RHA's *Procurement Policy*, when deciding on the particular specifications of the object of purchase, requires that those undertaking the procurement take into account RHA's commitments in relation to Modern Slavery and Human Trafficking, the Foundational Economy and the promotion of the local economy, sustainability, community benefits, the Living Wage, and equality, diversity and inclusion, as well as health and safety, data protection and IT security standards and compatibility. RHA's policies also place importance on including lived experiences. The *Community Investment Strategy* for instance states that:

"[t]o deliver social value we know we must listen to and understand the needs of our tenants and communities. This requires knowledge that is gained through building personal relationships. To build relationships and ensure we are delivering the right kind of social value, we will carry out consultation with tenants and residents and use this insight to direct our work. We will also use the insight and knowledge we have from our work in communities, to identify those that would benefit from community investment work, focusing our resources most effectively" (p. 6).

True to its commitment to collaboration, involvement and the inclusion of lived experiences, RHA includes the voices of tenants and the broader community in the process leading to the development of an invitation for tender. Particularly in relation to bigger community projects, such as the Big Shed, the needs of the community and desired areas of improvement are assessed through consultation. The Big Shed, which is a major project linked to community benefits, involves the conversion of a derelict building in the centre of Tonypandy into a mixed-use building, which features an educational facility as well as apartments, including several for adults with learning disabilities. Additionally, the voices of tenants are included at different stages of the procurement process whenever feasible and appropriate. The involvement of tenants is channelled through specific tenant groups.

Tendering, evaluation and contract award

RHA integrates social value and community benefits in all of its tenders. Depending on the size and value of the contract, the specific requirements differ.

Overall, community benefits are achieved via three routes: the [Can-Do-Toolkit](#), a community benefit payment and the Menu of Options. The Can-Do-Toolkit is an externally developed resource launched

by the Chartered Institute of Housing Cymru's i2i project and aimed at social landlords. It comprises toolkits for including social value and employment-related aspects in particular in public procurement. Targeted recruitment and training, measured in person weeks, are core features of this approach. The *Can Do Toolkit Targeted Recruitment and Training for social landlords Model Material* defines "[p]erson-week is the equivalent to one person being employed for five days either on the development site or on other sites (with the agreement of the Employer)" (p. 7). Thus RHA places importance on creating long-term perspectives and routes for progression as part of community benefits. One aspect of this is the use of a shared apprenticeship scheme, which enables contract overarching apprenticeships.

Building on and adding to the requirements set by the Can-Do-Toolkit, RHA furthermore requires a community benefit payment, which is used to finance measures that promote positive change for tenants and the wider community, for instance for community projects or regeneration projects such as the Big Shed project.

In addition, RHA uses a Menu of Options, which is based on the Welsh Government's Guide for Community Benefits, from which contractors can select a number of further contributions to community benefits. These include, for instance, targeted recruitment and training, targeted work placements, providing interview training for people who are not in education, employment or training (NEET), events in schools which aim to raise awareness of employment opportunities in the sector the contractor operates in or supporting community initiatives.

Social value and community benefits as part of bids are scored in the evaluation. When evaluating social value aspects, RHA places importance on incorporating internal and external subject expertise. Internally, RHA draws on networks of subject champions. Based on a particular commitment to specific issues (e.g., fostering equality or sustainability), individual members of staff can volunteer to receive additional training beyond the general training offered to all staff and subsequently act as champions of their particular issue, including for the evaluation of bids:

"We split the evaluation up so we've got, as you would expect, an evaluation based on price that we pay in per unit comparatively with different contractors. [...] And then for all those different sorts of component parts of the social value evaluation, we get the members of staff, who have extra training and expertise in those areas to evaluate... if a prospective contractor submits the ED&I policy, I wouldn't be involved in reviewing that and neither would the technical team, it would be the members of staff who have the appropriate expertise. And the same if somebody submits the environmental policy, our environmental champions get involved in evaluation." (Procurement Business Partner)

In addition to internal champions, where possible and appropriate, tenants are involved as external experts in the evaluation of the social value part of the bids for individual projects, a feature that was perceived as highly beneficial by the Head of Communities and Enterprise:

"I think that's really important, to have tenants who help us score the Community Benefits, targeted commitment and training aspect. You've got our equality and diversity champions who look at the equality and diversity commitment in the

bid, to ensure what they commit to they deliver. It's a fairer way to score and it is a big commitment from RHA." (Head of Communities and Enterprise)

RHA has Codes of Conducts, which providers are asked to adhere to. This includes a Code of Conduct which outlines expected behaviours such as punctuality, as well as a guide *Working with Compassion*, which has been developed with the Samaritans.

Contract management and monitoring

The procurement policy includes commitments to contract management, including the monitoring of all key performance targets, at least yearly reviews of checks undertaken before the award of the contract, and formal contract management meetings with contractor at least once a year.

RHA engages with its contractors during the delivery of the contract. While RHA reports on community benefits, it has however identified monitoring and reporting as an area of improvement and a field where practices could be aligned across the organisation. Currently, RHA is undertaking proactive steps to improve its practices in these areas. This involves collaboration with external partners to develop internal knowledge and skills relating to monitoring, measuring and reporting of social value further and increase consistency across the organisation. To support the existing work on social value, and monitoring of it, RHA is furthermore seeking to create a dedicated Social Value Officer post.

"So actually, in our new structure that we just pulling together at the moment, we included a designated Social Value Officer because at the minute [...] it's not very coordinated. So, I think this is definitively for us an area of improvement, the will is 100% there, but we haven't been amazing at documenting what we're doing and reporting on it." (Director of Development and Regeneration)

Good practice highlights

RHA has a strong commitment to social justice, collaboration and involvement, which is reflected in its work. Some key highlights of good practice are:

- The use of a shared apprenticeship scheme for training opportunities created through community benefits. This scheme ensures that apprenticeships can be completed on different projects and enables RHA to include apprenticeships also in shorter contracts.
- Valuing of knowledge about equality and the inclusion of passionate and trained internal subject champions in evaluating the social value parts of bids.
- A female-led construction team creating visibility and role models in a male-dominated sector.
- A strong embeddedness in the community and a commitment to promoting positive change in their communities.
- A collaborative approach with strong engagement with external partners.
- Training activities on equality for all members of staff, which include among others training on lived experiences.

- A commitment to and practice of involving tenants at various stages of the procurement process.
- A continuous improvement approach, which builds on scrutiny of existing practices and brings in external knowledge to improve practices.

Sustained commitment to responsible procurement at TfL

Background to the organisation

Transport for London (TfL) is the integrated public transport authority for the Greater London area, with responsibility for London's buses, Underground and Overground rail systems, the Docklands Light Railway, the Croydon tram, Victoria Coach Station and London River Services. It also has responsibility for London's strategic road network, its traffic light system and its road user charging schemes (the congestion charge and the charging associated with its Ultra Low Emission zone).

As one of a group of public bodies overseen by the Greater London Authority (GLA) that also includes the London Fire Brigade and London Development Corporation, TfL's strategic direction is set by the elected Mayor through the Mayor's Transport Strategy. All Mayoral statutory strategies are required, under the GLA Act 1999³³ to have due regard to the three cross-cutting themes of sustainable development, health and equality of opportunity. The inclusion of the latter has ensured that all three Mayor's Transport Strategies published to date have included clear objectives aimed at supporting the social and economic aspirations of London's diverse population as well as improving and integrating their transport options. All three strategies have also recognised that equality of opportunity-related outcomes can be pursued through the strategic use of procurement.

As the GLA's Head of Responsible Procurement explained:

"Responsible procurement is an area where the Mayor has a direct lever over the actions of the businesses fulfilling contracts for the GLA Group, compared to other policy areas which may be focused more on influencing the activity and behaviour of businesses, groups or individuals in London. We are able to ensure that suppliers consider and contribute to the social economic and environmental sustainability of the city as a condition of doing business with us."

The influence that the Mayor is able to exert through strategic procurement extends beyond the GLA 'family' through the London Partnership Board (formerly the London Recovery Board), which is co-chaired by the Mayor and the Chair of London Councils, who represent the 33 London local authorities. Procurement is seen as an important avenue through which social aspects of the nine 'missions' the Board has set itself can be delivered.

The Board convenes the London Anchor Institutions Network, which also includes representatives from the London Chambers of Commerce and Industry, NHS London, a number of London-based universities and the TUC (London and the Southeast). All members of the Network have signed up to the London Anchor Institutions' Charter³⁴ which pledges all signatories to work with one another in support of maximising employment opportunities for marginalised groups and narrowing social, economic and health inequalities. The GLA and TfL are also co-signatories to this charter and are members of the Network. A key workstream of the Network is its procurement working group, leveraging collective spend to improve the diversity of members' supply chains.

Procurement specialists across the London boroughs and other public bodies also come together three or four times a year through the informal London Responsible Procurement Network. This

³³ Greater London Authority Act 1999. Section 33.

³⁴ London Anchor Institutions Charter, 2021

network creates opportunities to discuss common challenges as well as suggested good practice. It also enables ad hoc communication outside of meetings for the exchange of advice.

EDI policy and practice

TfL has always had a strong focus on integrating EDI objectives into its plans for improving transport provision in London, reflecting that original specific duty contained within the GLA Act. The most recent iteration of its EDI objectives, published in 2021³⁵ sets a total of 13 objectives for the organisations. Of these two are directly relevant to its use of procurement to progress EDI-related employment initiatives through procurement. These, and its other 11 objectives, are all set out in the context of the organisation's Public Sector Equality Duty to not only eliminate discrimination, harassment and victimisation, but to 'advance equality of opportunity between those who share a protected characteristic and those who do not'.

Objective 7, 'Inclusive partners, suppliers and industry', commits TfL to encouraging its suppliers to recruit workforces that 'truly reflect London's diversity through industry collaboration and make sure that inclusion is part of the contractual requirements for all ... suppliers'. It also refers to removing the barriers to SMEs and diverse businesses participating in procurement, with TfL committing to 'take action to ensure our procurement processes are accessible and inclusive to London's diverse businesses'.

Although Objective 13, 'Future Skills Agenda', is mainly focused on TfL's own 'talent pipeline', it commits the organisation to extending the reach of the employability and outreach programmes detailed to support their supply chain in the delivery of aspects of Objective 7 as well. Those programmes include: a Routes into Work programme, specific 12-week employability interventions, Steps into Work (helping neurodiverse people into work) and work with schools in the most deprived areas of London.

TfL's approach to procurement

Alongside the day-to-day operation of the complex transport systems described above, TfL is tasked with overseeing the development and delivery of a range of construction-related projects in London, for example, the current £1.3 million programme of renewals of London Overground equipment³⁶. TfL also delivers one off, multi-billion major infrastructure projects such as Crossrail, now operating as the Elizabeth Line. TfL's procurement activities thus represent a considerable proportion of overall procurement activity by value within the GLA family. So, whilst Responsible Procurement (RP) is a GLA-wide policy, TfL is the functional body that has been most involved in delivering GLA-wide procurement objectives.

The most recent iteration of the RP policy, updated in 2021³⁷, sets out five key themes of which the first three are of direct relevance to equality, diversity and inclusion objectives: improving supply chain diversity; embedding fair and inclusive employment practices; and enabling skills, training and employment opportunities. The policy is supported by an implementation plan³⁸, within which a key EDI-related employment target is to deliver, across the GLA family, 500 supply-chain apprenticeship starts per annum, with the additional proviso that these should reflect London's diversity.

³⁵ Our Equality Objectives. TfL 2021

³⁶ TfL investment programme report Q3. 2022-23 p. 60

³⁷ The GLA Group Responsible Procurement Policy, March 2021

³⁸ Responsible Procurement: GLA Group Implementation Plan 2022-2024

The implementation of the RP policy as a whole is overseen across the GLA ‘family’ by a small core team of specialists, the Central RP Team. Amongst this team are a number of Responsible Procurement (RP) Managers who support and encourage the local procurement teams to reflect the RP policy in their work. TfL have established a Supplier Skills Team (SST) who organisationally sit within TfL structures, formally report to the Head of the GLA Group Central RP Team. The SST play a key role in working with suppliers to support the delivery of employment outcomes they have committed to within the contracts they have been awarded.

Procurement stages

Specifying requirements and pre-tendering

The RP approach adopted by TfL seeks to integrate equality and social considerations into procurement processes right from the start of the approvals process and justifies this approach by emphasising the link between RP and the responsible use of public money. As the RP Manager assigned to TfL explained:

“At the individual project level, the RP team have developed a checklist that the TfL procurement specialists have to complete as part of the initial approvals process for any procurement over a particular threshold value. This helps to encourage commercial managers, who lead the progress of an individual procurement project to consider RP issues early on in their timetables.”

The checklist asks a series of questions based on the themes set out in the RP policy, including EDI and skills, based around two principles: relevance and proportionality. The questions determine what RP elements to include, based on the nature of the procurement including contract length and the type of employment it might generate. The commercial manager is directed to contact the appropriate RP specialist depending on their answers.

As well as seeking to influence commercial managers at the very earliest stages of the procurement process, clear messages are sent to potential suppliers about TfL’s expectations in respect of RP objectives. A suppliers’ guide³⁹ outlines the tendering process and its activities in engaging with potential suppliers through events and newsletters, which represents an attempt to encourage a greater diversity of bidders. The guide also makes clear that EDI is an important priority for TfL and that the organisation is looking both for a diverse supplier base and for EDI commitments from its suppliers that mirror TfL EDI values and goals.

At the pre-tendering Supplier’s Questionnaire (SQ) stage, TfL mandates questions for potential bidders about some basic requirements such as paying the London Living Wage, but it is at the tender stage that the Strategic Labour Needs and Training (SLNT) requirements are discussed in detail.

Tendering, evaluation and contract award

TfL’s SLNT requirements consist of a sliding scale of requirements depending on the value of a contract. These requirements have been developed over a number of years by TfL, informed in part by their earlier involvement in a Department of Transport initiative, the Transport Infrastructure Skills Strategy (TISS) and the associated Strategic Transport Apprenticeship Taskforce (STAT),

³⁹ Supplier guide: Everything you need to know about being a TfL supplier

convened to deliver its ambitious targets. These included creating 30,000 apprenticeships by 2020, over half of them expected to be at the 'operative' level, which includes construction workers. Alongside the overall targets were specific ambitions to increase the proportions of women and racialised minorities gaining access to apprenticeships in the relevant skills shortage areas. The lessons learned from participating in STAT continue to contribute to TfL's bespoke approach to specifying SLNT outcomes from its suppliers in their Invitations to Tender.

Suppliers are asked to submit, as part of their tender, an initial plan to deliver SLNT 'outputs' at a scale relevant to the value of the contract. For example, for a construction-related contract worth £30 million, the supplier would be required to submit a delivery plan for 10 SLNT outputs, of which 75% should be targeted at TfL-defined priority groups, all underpinned by baseline objectives to increase the proportion of women and racialised minorities.

The definition of units of output are tapered, so for example a level 2 or 3 apprenticeship is valued at 1 output, as is the creation of one job start, or 10 days of a work placement, targeted at underrepresented groups (women or racialised minorities), and where the placement is contributing to a social mobility objective.

At present individuals are considered to benefit from a social mobility improvement if they are in one of the following categories (although this list is always under review):

- Qualified for free school meals
- Offender or ex-offender
- Homeless
- Care leavers
- Single parent
- Care responsibilities
- Refugee status

As these requirements are complex and specialist, a Supplier Skills Manager evaluates this part of the eventual bids. TfL has been evaluating the SLNT elements of tenders on pass/fail basis as the aim was to encourage potential suppliers to develop plans of sufficient quality, rather than rank the different submissions, but they will be moving to a scoring approach in the future.

It is after contract award, through the processes of contract management and monitoring that the SST does the most important part of their role; supporting the delivery of the plans that have been included in successful bids.

Contract management and monitoring

A requirement of suppliers' SLNT delivery plans is that they identify a specific person in their organisation who will be dealing with the Supplier Skills Manager (SSM) allocated to that contract. SSMs deal with that individual to agree a final implementation plan (taking into account any adjustments to the contract that may have taken place post award). Part of the support with implementation involves helping to connect them with TfL's own initiatives such as recruitment fairs and other pre-employment interventions and those offered by other organisations, such as schools, charities representing ex-offenders, or running niche employability initiatives.

As one of the Supplier Skills Managers described this aspect of their role:

"We go and look and work with other organisations, like charitable organisations, prisons, youth centres, that sort of employability organisations, ...to encourage

them to interact with our suppliers, so it helps our suppliers to fulfil the criteria.
So, we're sort of like matchmakers."

This outreach work helps to bridge the gap between what TfL is asking suppliers to deliver in terms of bringing under-represented groups into the construction industry and individuals within those groups who might not be ready and/or yet persuaded to consider working in construction, engineering or transport.

The commitments from a supplier in the final SLNT plan form part of their contract and as such are regularly monitored and reported on as part of the contract management process. This involves both formal quarterly reporting through a bespoke spreadsheet provided to the Tier 1 contractor and less formal 'open channels of communication' in the form of regular catch ups with a member of the SST team.

Outcomes achieved

TfL's RP policy and its accompanying supplier skills development work have produced measurable outcomes, both in terms of numbers of individuals given some form of employment-related support and in more qualitative terms in helping to encourage a degree of culture change amongst suppliers.

The GLA Head of RP noted:

"When the [SST] team was first established, a long time ago, a lot of the work was after the contracts were let, actually working with suppliers to establish these programmes. A lot of them, let's say for apprenticeships specifically, they either weren't doing apprenticeships or there was a dormant programme, so a lot of the work for with the team... was doing that. Now that's not the case... they not all equal and some of them work harder at this than others, but I think it's understood and think generally they're embracing it for the most part."

Amongst the 'keen' suppliers, there is evidence of some internalisation of TfL's EDI values and desired outcomes, but also a clear business motivation to their activities as well. As one of the supplier's Social Value managers explained:

"There's a culture within the [principal supplier's] business which stems from [our chief executive] all the way down that basically says we need to work with and respect the communities that we're impacting and that includes creating opportunities and raising aspirations for those communities that we're working in. But there's also an economic kind of understanding that the more we do this stuff, well, the more we can create case studies that highlight that we really are very thoughtful about this stuff then the better placed we are to win work."

There is also some evidence to suggest that the RP approach is influencing Tier 1 suppliers to effectively cascade the requirements that have been given to them down their own supply chains. As a TfL Supplier's Social Value Manager told the project:

“At pre-tender stage, with our supply chain, we sit down and we talk through the kind of commitments, obligations, ambitions that we have around social value and then looking at the value of their contract, work out what we would expect from them. And then that’s embedded into their contracts... So, part of my job is then going and managing supply chain partners too.”

The outcomes of the RP policy across the GLA are reported to the GLA-wide Collaborative Procurement Board. Occasional public reports and case study collections are also made available on an ad hoc basis. A section of such outcomes, taken from the most recent Responsible Procurement Report⁴⁰ is included below:

- 783 supply chain apprenticeship starts (target 500),
- 1027 jobs created through TfL’s Supplier Skills programme (48% BAME 33% Women and 45% previously workless)
- 21 GLA group suppliers working through accreditation to the Good Work Standard
- 4, 694 supply chain workers received a pay uplift from the annual review of the real London Living Wage rate.

These figures are brought to life in the more recent Case Study⁴¹ report covering 2022 to 2023. Amongst case studies situated in the different parts of the GLA is included TfL’s work in funding the Supply Chain Sustainability School’s Fairness, Inclusion and Respect programme. This offers training resource and notice of events aimed at helping suppliers improve their EDI practices. During 2022 TfL suppliers accessed 582 of the programme’s online resources and 138 individuals attended training sessions. TfL suppliers were also given the opportunity to attend a free ‘inclusive recruitment’ session during which actors demonstrated the biases and barriers that those with protected characteristics often experience during the recruitment process.

Encouraging the construction industry to expand their diversity and inclusion horizons

TfL’s partnership approach with its construction contractors creates some opportunities to positively encourage progressive culture change outside of the procurement process itself. A good example of this is the informal influence that TfL’s Steps into Work programme has had on the construction managers who have come into contact with its participants. The programme is a partnership with the Shaw Trust, an organisation supporting people into the workplace, especially those with complex needs. Individuals on the year-long programme undertake three different work placements with designated TfL placement managers and buddies. One of those placements is regularly provided by TfL’s Construction Advisory and Innovation Manager (CAIM) who liaises with construction project managers over ‘considerate constructor’ issues, including those around accessibility. By engaging with local communities, including representatives of the disabled community, the CAIM is able to highlight the kinds of barriers that construction works can create for disabled people if their needs are not considered as part of the design process.

Alongside carrying out these duties as a Steps into Work placement manager, the CAIM often has a Steps into Work participant accompany him on visits to construction sites. The participant is encouraged to interact with site teams and get involved with the work. This gives the contractor

⁴⁰ The GLA Group Responsible Procurement Report, March 2021

⁴¹ GLA Responsible Procurement Case Studies 22-23.

staff they meet practical affirmation of the possibilities of opening up more job opportunities within the construction sector to disabled people. TfL's CAIM said:

"From my perspective, it's important we engage more with communities and value people. My role is to raise awareness of the barriers to access people experience whether at temporary traffic management, development-related works or access to employment, for example the Steps into Work programme. I have written numerous articles on platforms such as LinkedIn highlighting that making reasonable adjustments isn't difficult. We are all different and all have different approaches to work that help us to deliver the quality outcome as required. It's making people try and stand back and say, I didn't think of employing somebody like that. Could I? What do I need to do? It's not that hard a reasonable adjustment."

The TfL supplier interviewed for the research confirmed that TfL's support for the programme, and staff advocacy for the benefits of such initiatives (in this case through another member of staff, not the CAIM), had managed to persuade his company to follow suit. He explained: "One of the projects [TfL] asked us to be involved in was a programme called 'Steps into Work'. ... we created some work placements for students who were on that programme. And they were fabulous, to be honest. We were blown away by their commitment and dedication."

The influence of the practical role-modelling activities engaged in by the CAIM and others within TfL extend to LGBT+ equality issues as well. TfL encourages its contractors to follow the Considerate Constructors Scheme (CCS) code of practice,⁴² giving them the opportunity to draw attention, under the code's Value the Workforce section, to a requirement to "actively encourage supporting an inclusive and diverse workplace" and to "proactively supporting safe working, mental and physical wellbeing at work". The CCS collates [a Best Practice resource hub](#) and many of TfL's 52 entries are linked to these aspects of the code, amongst them an initiative to promote LGBT+ allyship on construction sites. This initiative was run with the help of the TfL LGBT+ staff network group. The entry explains the important role that allies can play in creating an inclusive environment on site by "actively supporting colleagues, taking appropriate action against inappropriate behaviour and using inclusive ways to challenge behaviour."⁴³

As the CAIM reflected:

"People [...] within the industry [...] will often say 'I didn't realise that! You're highlighting so many impacts and potential issues I never thought about. Once this new way of approaching work is embedded, the aspiration is that constructors will all be more considerate.'"

⁴² Code of Considerate Practice. Considerate Constructure Scheme, September 2022

⁴³ The importance of LGBT, LTBT Allies and industry Support. CCS Best Practice Hub. September 2018

Good practice highlights

TfL's implementation of the broader GLA Responsible Procurement policy has yielded measurable outcomes in terms of numbers of individuals who have benefited as well as an increasing awareness of EDI issues amongst suppliers.

Key highlights of good practice that support these outcomes include:

- The opportunities taken to collaborate across both public and private at senior leadership level as well as amongst the procurement teams of public sector organisations to share advice and experience;
- The explicit recognition in its EDI policy documents of the potential for procurement to help deliver EDI objectives;
- The facilitation of internal 'cross-border knowledge' through encouraging staff to be mobile across organisational boundaries, with some members of the Central RP team having previously worked both in the specialist procurement roles and in the SST. This has enabled the internal sharing of good practice in relation to internal skills development initiatives so lessons can be used to advise and support suppliers endeavouring to fulfil their SLNT related contractual commitments;
- A focus on partnership working with suppliers on the one hand and enabling organisations, often in the public or third sector, on the other. This facilitated by regular meetings and reporting of progress in respect of the former and in outreach work and a culture of collaboration and networking in respect of the latter;
- Sector level strategic view of skills shortages and how they might be tackled.

TfL's embedded organisational values on EDI encourage staff across the organisation to promote awareness of a range of equality issues through the operational work they do day-to-day. This awareness of equality amongst TfL staff is itself a factor that sits alongside its responsible procurement commitments and reinforces the encouragement for contractors to demonstrate more progressive EDI employment practices.

Some key highlights of the ways in which this reinforcement takes place include:

- TfL's role modelling of the provision of inclusive employment opportunities through its Steps into Work programme;
- The use of the Considerate Contractors Scheme code of practice to seek to encourage more inclusive workplace cultures on contractors' sites;
- The promotion of examples of good practice amongst TfL contractors through LinkedIn to further encourage culture change within the construction industry.

University of the West of England: Leading HEI Social Value

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 policies⁴⁴ 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

⁴⁴ <https://www.uwe.ac.uk/about/values-vision-strategy/equality-diversity-and-inclusivity/policies>

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.”⁴⁵ 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 strategy⁴⁶, 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.⁴⁷ 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.”

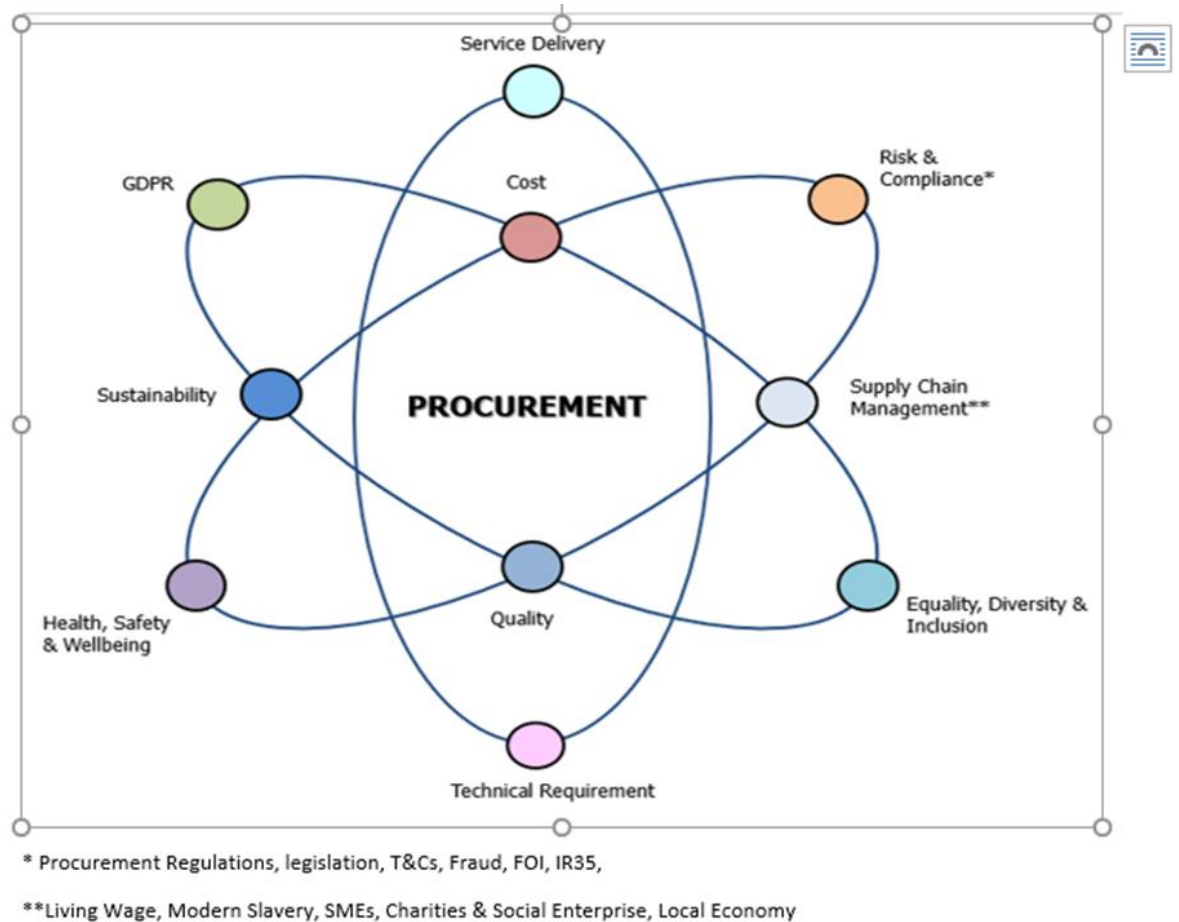
(Transforming Futures: Climate Action and Sustainability Strategy, p.8).

⁴⁵ UN Greenhouse Gas Protocol <https://www.unglobalcompact.org/scope-3-emissions/>

⁴⁶ Responsible Procurement Strategy (ESG) Infographic PDF

⁴⁷ UWE Draft Responsible Procurement Policy - approved October 2021

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.⁴⁸

Procurement stages

UWE policy on sustainable procurement uses the UN Sustainable Development Goals (SDGs) and the

⁴⁸ Procurement Annual after Governors Presentation 2022 Power Point.

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 Consortium⁴⁹ 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.⁵⁰

UWE has developed a 'responsible procurement checklist'⁵¹ 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 checklist⁵², 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.

⁴⁹ UKUPC SDG Questions

⁵⁰ Contract Management Guidance

⁵¹ UWE Responsible Procurement Checklist

⁵² Equality and Diversity Questionnaire v2021-01

The procurement team can also use the SUPC and LUPC Responsible Procurement Assessment Tool⁵³ 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).⁵⁴ (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.”

⁵³ Responsible_Procurement_Assessment_Tool_v1_SUPC

⁵⁴ Master Commodity Coding List_incl_Packaging 2021.xls

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 template⁵⁵ 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',⁵⁶ 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 team⁵⁷ 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

⁵⁵ UWE Review Sept 21 PDF

⁵⁶ UWE Supplier Code of Conduct PDF

⁵⁷ UWE KPI Report

contractors through reports they have registered in relation to legal requirements such as the Gender Pay Gap reporting regulations.⁵⁸

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;

⁵⁸ <https://tiscreport.org/>

- A developmental rather than judgemental approach to supplier improvement;
- Equality and social value mainstreamed into all policies, processes and procurement stages.