



# **D2N2 Procurement Charter**

---

**For Economic, Social & Environmental Impact**

---

July 2015



## **D2N2 Procurement Charter**

### **For Economic, Social & Environmental Impact**

#### **Foreword**

D2N2 is the Local Enterprise Partnership for Derby, Derbyshire, Nottingham and Nottinghamshire. Our vision is a more prosperous, better connected, increasingly resilient and competitive economy. Our purpose is to support and encourage economic growth in the D2N2 region. Our ambition is to be one of the most respected LEPs, known for our professionalism and effectiveness and our target is to support the creation of 55,000 private sector jobs in D2N2 by 2023.

With significant funding coming through the LEP for economic activity, it is our ambition to maximise the benefits to our businesses and communities through all of these funding streams.

Through the Growth Deal funding we are committed to this Charter setting out how we wish to raise standards using the principles of the Public Services (Social Value) Act 2012, optimising the economic, social and environmental outcomes that can be generated.

This means ensuring that the economic spend on public sector led projects has the maximum impact across Derby, Derbyshire, Nottingham and Nottinghamshire. It also means that private sector led development must recognise that achieving a viable profit return must be done in a way that recognises the benefits of local people learning from the experience of employment, and skills acquisition through the delivery of projects. It also requires finding ways for small and medium sized businesses to readily lock into the opportunities from construction and regeneration initiatives within the area.

The D2N2 Sector Development Action Plan for Construction sets out a number of recommendations to enable a vibrant construction sector in D2N2, in which procurement opportunities are joined up and accessible, the expectations of workforce and skills availability are consistent and clear, and the training provision to supply this is relevant and available.

Training and skills providers have committed through the D2N2 Provider Charter to help deliver the D2N2 LEP Skills for Growth Strategy and to ensure that their organisational activities are consistent with and in the spirit of the activities set out in that charter.

This Charter completes a virtual cycle of collaboration within the construction and regeneration sectors by establishing the common principles by which land and infrastructure development in the D2N2 area will be advanced to maximise the economic and social outcomes through such projects, recognising that a vibrant economy and integrated local communities are mutually dependent.



For every Growth Deal funded project we expect those businesses, local authorities and other public sector bodies engaged to implement specific actions that they have agreed, in accordance with this Charter. They will agree to the commitments set out in this Charter as the platform for a stronger local economy that benefits all, and not just the few.

## **Introduction**

To achieve the ambitions of the D2N2 Strategic Economic Plan the infrastructure and conditions that will support business enterprise and employment growth need to be created. Essential to this is a local economy that:

- ensures our people are properly prepared for work;
- enables employers to access the skilled workers they need;
- supports people, including our most disadvantaged individuals, to develop their skills and employability and so to gain, retain and enhance employment and earnings;
- empowers and includes a stronger and more diverse supply chain of SMEs able to work with prime contractors and developers as well as directly engaging where appropriate in projects;
- demonstrates a shared understanding of what is good in delivering environmental sustainability.

This Charter demonstrates a commitment from business and public sector bodies working within D2N2 to align their construction, infrastructure and development projects to match employer need and demand with the aim of creating a sustainable market for skills and development and supply chain integration within the area that:

- continually adapts to drive enterprise and growth;
- produces high quality training provision;
- creates more opportunities for young people; is less reliant on central government intervention;
- deepens engagement between businesses and training providers.

This approach is essential to realising the ambitions set out in the D2N2 Skills for Growth Strategy and the target of creating 55,000 new jobs in D2N2 by 2023.

The D2N2 Skills for Growth Strategy will inform and support those with a keen interest and determination to go faster in improving the competitiveness of their business and sector growth area and seek to combat poverty and workless-ness through early intervention and



new flagship initiatives. Raising ambition and aspiration are both vital to the success of our local economy. To help achieve this, six key priorities for action have been identified, set within the context of the 'D2N2 Skills for Growth Strategy.

- Priority 1: Develop sector growth agreements to make explicit ownership and shared responsibilities for investment, ICT, labour market intelligence and impact measures;
- Priority 2: Improve business leadership, management skills and training needs analysis to help increase productivity and performance;
- Priority 3: Promote and develop apprenticeships and traineeships to achieve higher level skills and improve social mobility;
- Priority 4: Foster enterprise and the characteristics of entrepreneurial behaviour, career adaptability and resilience;
- Priority 5: Raise the visibility of and access to career insights and specialist careers support for young people and adults to raise aspirations, participation, retention and achievement in learning and work; and;
- Priority 6: Promote graduate recruitment and facilitate graduate retention in the region.

The D2N2 Social Inclusion Framework prioritises five priority thematic groups:

- Older long term unemployed people who are now experiencing additional barriers to work;
- Younger people including 'hidden NEETs', with an emphasis on helping young people navigate current, complex provision;
- Women 'returners' embracing a range of women facing different aspects of social exclusion;
- People with multiple and complex needs and;
- The financially excluded, both in and out of work.



In this connection it is recognised that a number of cross-cutting challenges and opportunities need to be considered in the development of programmes for these priority groups, namely:

- Health and wellbeing;
- Rural inclusion;
- Asset Based Community Development and local infrastructure;
- Involving and supporting business to stimulate employment opportunities for excluded group; and;
- Softer outcomes.

It also draws out the need for mentors or navigators especially for the young people in the priority groups and the need for digital inclusion.

### **Optimising Economic and Social Impact**

The Public Services (Social Value) Act 2012 has galvanised many contracting authorities to embed better practice in pre-procurement market engagement and procurement practice. Good practice has accelerated, particularly within local authorities and housing associations, in embedding social, economic and environmental outcomes in procurements not only of services but of works and supplies of goods contracts as well. The recent review by Lord Young of the Act specifically encourages commissioners to identify their social value priorities and to write social value outcomes into their specifications, balancing a clear requirement with encouraging innovation. The Lord Young Review also recommends that social value should form part of the quality weighting; “The amount of weighting specifically given to social value, within the overall quality evaluation, should be made clear.”

Private sector-led investment can also recognise the benefits of building in sustainability into projects, with a view to stimulating a vibrant local economy that creates a spiral upwards of economic and social benefits.

### **Opportunities**

Consequently all future Growth Deal funded projects and other initiatives supported by D2N2 will identify a model, through a pro forma statement, setting out the criteria and ratio for opportunities against the following impact inputs:

- Advanced health and safety training for subcontractors
- Apprentices starts – advanced
- Apprentices starts – higher
- Apprentices starts - intermediate



- Apprenticeship placements
- BME
- College and university engagement events
- Construction activities in schools (in-line with the D2N2 Employability Framework)
- Curriculum support events
- Development and up-skilling events
- Employability events
- English and maths up-skilling
- Females into the sector
- Graduate job start
- Graduate placements
- Leadership and management
- Leadership and management training for subcontractors
- Mentoring and navigation
- New Entrants into the sector
- New jobs for returners to the construction sector
- NVQ starts and completions
- Professional, technical and higher Qualifications (sector / employer led)
- Projects / outreach to support the community and or education sector
- Reduction rate of reoffending
- Sector based academies (unemployed recruits) or employer-led employment training
- STEM
- Supervisor training for subcontractors
- Supporting, influencing and enabling the supply chain
- Tackling digital exclusion
- Traineeship Learners
- Training plans for subcontractors
- University/college enrolments
- Work experience placement (14-16 years)
- Work experience placement (16 plus years)
- Traineeship Learners
- Training plans for subcontractors
- University/college enrolments
- Work experience placement (14-16 years)
- Work experience placement (16 plus years)



There is an expectation for all activities to meet the requirements of the **D2N2 Employability Framework**, whereby employability is part of a coherent career development and work related programme in schools, delivered in partnership with education, employers, and careers professionals. The ambition is for all young people in the D2N2 area to have opportunities to:

1. Invest in themselves, recognise their own strengths and values, and take responsibility for developing their work readiness skills and behaviours. Self-motivated.
2. Have the tools and skills required to present themselves to a future employer. Self-assured.
3. Have high aspirations for themselves. Aspirational.
4. Understand the opportunities available to them locally and beyond and make realistic choices. Informed.
5. Have experiences of work that is rewarding and fulfilling. Experienced.
6. Achieve qualifications valued by employers. Achieving.
7. Understand that employers want people who will work hard and are accountable for their actions. Accountable.
8. Understand that employers want young people who can listen and learn from their successes and their mistakes, and keep going. Resilient.
9. Work creatively to achieve their potential and that of the business. Entrepreneurial.
10. Have effective communication and co-working skills. Co-operative.



## **Ways of working**

Local authorities and other public bodies have specific commitments that can provide a strong foundation for a strong socially integrated local economy. These commitments include:

1. Identify what their social value priorities are.
2. Understand the scope within the Public Contracts Regulations 2015 for embedding social characteristics in public procurement.
3. Identify what kinds of outcomes are important for any specific contract.
4. Identify how to enhance value for money through embedding social value outcomes in the contract.
5. Find out what the market could feasibly provide, by properly engaging in effective market engagement.
6. Think about whether the procurement process excludes certain providers, and what to do to avoid this.
7. Write social value outcomes into the service specification, balancing clear requirements with encouraging innovation.
8. Clearly communicate to bidders how social value offers should be articulated.
9. Select a successful bidder through the procurement process, using criteria that reflect the entire specification.
10. Manage the contract, measuring the social value that providers/contractors deliver and enforcing contractual commitments.



Equally the business sector can engage with the public sector by responding to their commissioning requirements and participating readily in pre-procurement engagement and consultation activity, but also can adopt economic and social requirements in their own projects. Contractors, developers and other providers can:

1. Understand the needs of the local area and contracting authorities' priorities.
2. Think about how social value can be incorporated into their core business or can be a natural adjunct to it, rather than forming an unrelated 'add-on'.
3. Identify their social value offer and think about how it is relevant to the types of contract they will be bidding for.
4. Articulate their social value offer – quantify the value for money they will provide and make the case for their social value offer being a way of commissioning to navigate cost savings pressures.
5. Use social value as a route to commissioners and commissioning decisions – helping them understand the full range of innovation their bidders can provide, ensuring services are well designed for all stakeholders, and ensuring the procurement process does not exclude certain types of provider.
6. Avail themselves of the opportunities from better engaging in delivering skills and employment and an effective strong supply chain.

All parties consent to sharing learning with each other and capturing good practice in case studies that can be used to promote better practice on an ongoing basis.

## **Review**

This Charter will be reviewed in 2017, taking into account lessons learnt from its first two years, in order to ensure that the commitments made and good practice developed are adopted with enthusiasm and vigour.