



Business Values and Corporate Behaviour: Summit

Speakers

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(Chair and Facilitator)**

Katja Hall

**Director of Corporate Affairs,
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The BSA, in collaboration with Trowers & Hamlins LLP, organised a Summit in June 2021 on business values and corporate behaviour, involving speakers from the public and private sectors.

The discussion updated on best practice in these areas, building on the BSA event in summer 2020. It also looked at evolving client expectations as seen in the public procurement process and elsewhere. We were joined by some 50 participants from the private and VCSE sectors.

Amardeep Gill from Trowers & Hamlins LLP opened the discussion, setting out the backdrop in terms of social, economic and demographic changes; evolution of public policy; and issues such as climate change and sustainability.

Lindsay Maguire provided an update from the Cabinet Office. Lindsay focused on the recently published National Procurement Policy Statement (NPPS), setting it against the context of central government objectives and reforms such as the Procurement Policy Notes on social value and Net Zero.

Procurement was an important driver of change, making a positive impact on society. The aim was to encourage collaboration in delivering a positive impact - both between sectors and between public authorities in a particular place.

Under the NPPS there were three national priorities for contracting authorities to take into account, alongside any local priorities, in their procurement activities: creating new businesses, jobs and skills; tackling climate change and reducing waste; and improving supplier diversity, innovation and resilience.

These priorities went in tandem with developing commercial and procurement capability, including through benchmarking, skills development and best practice sharing; Green Paper reforms including transparency and pipeline publication; and the Cabinet Office Playbooks.

Suppliers were urged to consider how social value could be embedded in tenders and contracts, and to lend support to the overarching principles of the NPPS.

Participants raised a variety of issues in discussion, including the balance in practice between lowest cost and quality and wider value, including social value, in procurement decisions. The key was proportionality and balance.

Rebecca Rees spoke next. Rebecca carried forward the discussion on public sector expectations on social value. It was clear there were great benefits in commissioners adopting a corporate, organisation-wide, social value policy, reflecting strategic priorities and desired outcomes, which was then applied proportionately to individual tenders. Contract management was also key.

There was a variety of models and measurements. Consistency was valued by some suppliers, but it was also important to encourage a diverse supplier base, and to make sure social benefit could be a differentiator between suppliers; over-prescription and uniformity could militate against both these objectives.

Rebecca put social value into five categories: ESG requirements; the SME agenda; diversity and inclusion in the relevant supplier; wider wellbeing and treatment of employees; and broader corporate behaviour, including prompt payment and modern slavery policies. Increasingly there were also requirements on business preparedness, which needed to be demonstrated in practice as well as theory.

Requirements often differed between sectors. In capital works, there was a huge focus on apprenticeships; in consultancy contracts, the focus was again on upskilling.

Katja Hall was the first of two speakers from a supplier perspective.

Katja focused on what ‘purpose-led’ had meant for Capita, and the journey it had taken. The ‘purpose’ had been summarised as creating better outcomes for all stakeholders. In all the measures introduced as part of Capita’s transformation journey, the purpose-led approach had arguably been the biggest catalyst for change. Crucially, it had been developed with employees.

Implementation of these agreed principles was key. Two employees had been appointed as Directors on the Board. Everyone was now paid at least the real living wage. Both these moves were part of being a responsible business and also increased the success of the business; the two goals went together. Progress had also been made on mental health and wellbeing, and on D&I, both of which were rightly issues of current focus. Katja also highlighted national priorities such as digital inclusion and Net Zero.

Procurement was indeed a key tool, in both delivery and design of contracts.

Finally, Katja outlined progress being made on the SME agenda, and Capita’s work developing partnerships based on the principle of fairness, as seen for example in prompt payment; the terms of the Code were being exceeded by Capita.

Caroline Bostock focused on a local and devolved government perspective, representing a service provider working with GMCA and other bodies.

The GM Good Employment Charter for example set out principles of equality, fair pay and good employee involvement, and Caroline set out the commitments Maximus and others had made and the corporate behaviours this was driving in practice.

There had been a big shift in local and devolved commissioning behaviour, away from lowest price and towards more ethical and inclusive commissioning and a focus on social value.

Caroline also talked about the journey many providers had been on. Maximus’s Community Partnership Network was an example of a great vehicle for engaging local VCSE and SME organisations, now an important objective in many areas, and it was being applied in a variety of services and geographic areas.

The presentations were followed by discussion on a range of issues.

The first question related to the general trend towards purpose-led businesses, the challenges and issues involved, and the impact of ‘purpose’ on employee involvement and wellbeing. Enabling and demonstrating honesty and authenticity was key. This was a big priority for many businesses, and an important part of internal communications.

In response to a question on the variety of local Charters, the view was that, while there may be advantages of simplicity in their coalescing together, the principles of devolution and localism meant they would likely continue to be focused on the specific requirements of the individual places. Whether or not signing them was a formal bid requirement, they did demonstrate a very clear direction of travel for the area concerned.

In relation to procurement mechanisms more widely, it was encouraging to hear a focus on proportionality and also on collaboration. Some believed some aspects of social value had cost implications, so needed to feature in pricing documents as well as quality mechanisms if like was going to be compared with like. Collaboration between public sector agencies may assist with some aspects of social value where there were implications beyond the length of the contract, for example employment of apprenticeships, and transparency in pipeline publication would also facilitate this.

Amardeep Gill closed by summarising the discussion and thanking all the speakers and participants. These issues would continue to be a priority for all sectors and would be considered further, including in BSA meetings, going forward.