

Embedding ESG in Higher Education

ESG and HE Governance – Smita Jamdar

ESG and procurement : Social Value – Uddalak Datta

November 2021



Embedding ESG in HE Governance

- What do we mean by ESG?
- Relationship with sustainability
- Legal and commercial risk
- Alignment with other sector initiatives
- How to make it happen

What do we mean by ESG

- Environmental, social and governance issues
- Own and others
- Investment, procurement, partnerships
- Stakeholders: students, staff, taxpayers/public, regulators, donors, alumni

Sustainability sits at the heart of governance responsibilities

- Broad and evolving concept
- Constitutional
- Charity law
- HE Code of Governance
- Regulatory Framework
- Culture and values



UKUPC

UK Universities Purchasing Consortia



Embedding ESG helps to manage legal and commercial risks

- Reputational
- Student pressures – recruitment, retention, belonging and pride
- Compliance
- Strategic delivery



ESG as a key part of sector/governance initiatives

- Civic mission
- Levelling up
- Defining the value of universities



The “how”

- Board awareness
- Define accountabilities – terms of reference
- Align to strategy, vision and purpose
- Identify baseline and targets
- Reporting and monitoring
- Continuous improvement

Social Value in Procurement

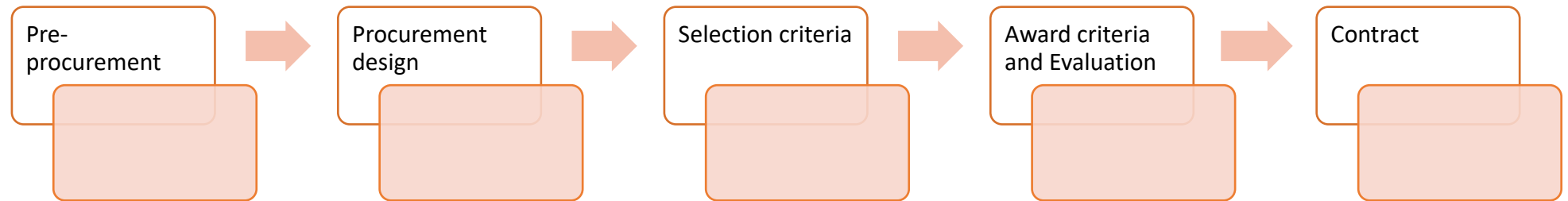
The Public Services (Social Value) Act 2012

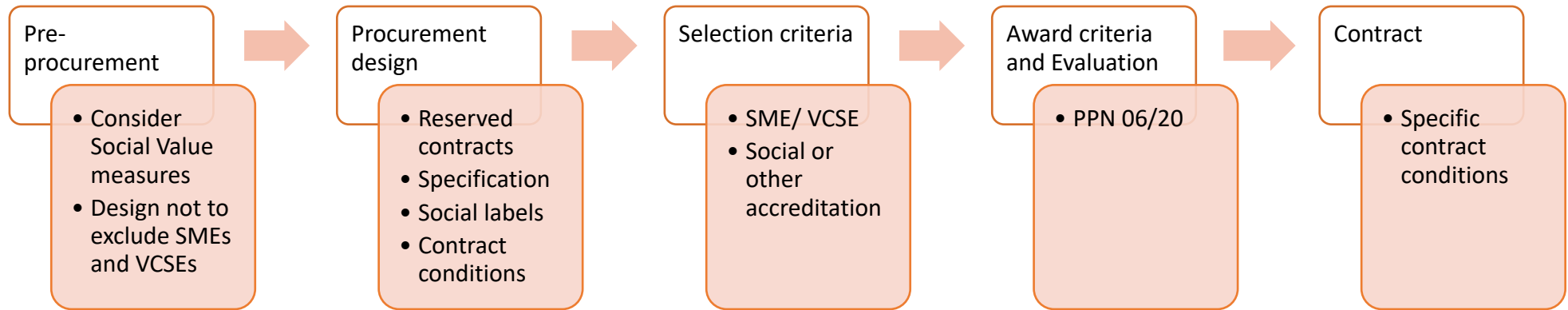
Procurement Guidance PPN 06/20

November 2021



Social Value in Procurement





The Public Services (Social Value) Act 2012

General obligation to consider Social Value:

The authority must consider—

- (a) how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and
- (b) how, in conducting the process of procurement, it might act with a view to securing that improvement.

(section 1(3))



Key Concepts

Relevant authority

Relevant area

Procurement of services (or services together with goods or works)

Relevant and proportionate measures

Procurement design

Consider



Lord Young 2015 Review SHAKESPEARE MARTINEAU on Social Value Act

Scope of Social Value Act for “Services” not for Supplies and Works

Application to “Social and other services” under the lower Services threshold

Under The Public Procurement (Amendments, Repeals and Revocations)
Regulations 2016 (S.I. 2016/275)

Obligation to “consider”, not an obligation to “have regard to” or “implement”

Good Practice Guidance

Measurement Framework

Lord Young 2015 Review SHAKESPEARE MARTINEAU on Social Value Act

Good Practice Guidance

Design procurement to include SMEs and VCSE sector

Include Social Outcomes as part of the Specification

Application at award stage and not selection stage

Contract Management

Measurement Framework

Financial measures (SROI)

Other proxies, incl. Social Value Portal?



UK Universities Purchasing Consortia

PPN 06/20



- 24 September 2020
- In-Scope Organisations
- Five policy themes:
 - Covid-19 recovery;
 - tackling economic inequality;
 - fighting climate change;
 - equal opportunity; and
 - wellbeing
- Minimum 10% of overall score
- Model Evaluation Questions, Model Response Guidance for tenderers, Model Award Criteria and Sub-Criteria and Reporting Metrics



Theme 1: COVID-19 Recovery		Policy Outcome: Help local communities to manage and recover from the impact of COVID-19	
Model Evaluation Question	Model Award Criteria (MAC)	Model Response Guidance for tenderers and evaluators	Reporting Metrics
<p>Using a maximum of [insert number¹] characters to describe the commitment your organisation will make to ensure that opportunities under the contract deliver the Policy Outcome and Award Criteria. Please include:</p> <ul style="list-style-type: none"> your 'Method Statement', stating how you will achieve this and how your commitment meets the Award Criteria, and a timed project plan and process, including how you will implement your commitment and by when. Also, how you will monitor, measure and report on your commitments/the impact of your proposals. You should include but not be limited to: <ul style="list-style-type: none"> timed action plan use of metrics tools/processes used to gather data reporting feedback and improvement transparency how you will influence staff, suppliers, customers and communities through the delivery of the contract to support the Policy Outcome, e.g. engagement, co-design/creation, training and education, partnering/collaborating, volunteering. 	<p>Effective measures to deliver any/all of the following benefits through the contract:</p> <ul style="list-style-type: none"> MAC 1.1: Creation of employment, re-training and other return to work opportunities for those left unemployed by COVID-19, particularly new opportunities in high growth sectors. MAC 1.2: Support for people and communities to manage and recover from the impacts of COVID-19, including those worst affected or who are shielding. MAC 1.3: Support for organisations and businesses to manage and recover from the impacts of COVID-19, including where new ways of working are needed to deliver services. MAC 1.4: Support for the physical and mental health of people affected by COVID-19, including reducing the demand on health and care services. MAC 1.5: Improvements to workplace conditions that support the COVID-19 recovery effort including effective social distancing, remote working, and sustainable travel solutions. 	<p>Model Response Guidance for tenderers and evaluators The award criteria (left) and sub-criteria (below) will be used to evaluate the response</p> <p>Sub-Criteria for MAC 1.1: Employment, re-training, return to work Activities that demonstrate and describe the tenderer's existing or planned:</p> <ul style="list-style-type: none"> Understanding of the employment, skills, re-training and other return to work issues in the sector, as a consequence of COVID-19. Illustrative examples: demographics, skills shortages, new opportunities in high growth sectors, groups under-represented in the workforce (e.g. prison leavers, disabled people), geographic/local community and skills/employment challenges. Development and implementation of recruitment practices and employment conditions, such as the five foundational principles of quality work set out in the Good Work Plan (e.g. fair pay, participation and progression, voice and autonomy), in relation to the contract that will attract good candidates from all backgrounds, minimise turnover of staff and improve productivity. Creation of employment opportunities particularly for those who face barriers to employment, such as prison leavers, and/or who are located in deprived areas, and for people in industries with known skills shortages or in high growth sectors. Support to the contract workforce by providing career advice. Illustrative examples: mentoring, mock interviews, CV advice and careers guidance. Offer of opportunities for work experience or similar activities under the contract. Illustrative examples: work placements, pre-employment courses, paid/unpaid student placements, or paid internships of 6 weeks or more. Support for educational attainment relevant to the contract, including training schemes that address skills gaps and result in recognised qualifications. Delivery of training schemes and programmes to address any identified skills gaps and under-representation in the workforce for the contract (e.g. prison leavers, disabled people). Other activities to support relevant sector related skills growth and sustainability such as delivering the following, in relation to the contract. Illustrative examples: careers talks, curriculum support, literacy support and safety talks. Delivery of apprenticeships, traineeships and T Level industry placement opportunities (Level 2, 3, and 4+) in relation to the contract. Measures to ensure equality and accessibility, without discrimination, to employment and workforce related opportunities on the contract, and promote them so as to be fully accessible. <p>Sub-Criteria for MAC 1.2: Supporting people and community recovery Activities that demonstrate and describe the tenderer's existing or planned:</p> <ul style="list-style-type: none"> Understanding of local demographics, needs and opportunities, especially in the context of COVID-19, including those worst affected or who are shielding. Methods for engaging with people and different parts of the community (including the education system) and how community voice will inform decisions, the strategy and projects. Involvement of local stakeholders and users in design (e.g. design of services, systems, products or buildings), or community-led initiatives. Illustrative examples: including improving transport links; reducing crime; reducing homelessness, poverty and hunger; reducing loneliness; helping with English language proficiency; and helping meaningful social mixing among people with different backgrounds. Flexibility in responsiveness and ability to adapt in approach to the results of any community consultation or engagement. Efforts to gain credibility and make relationships to influence and make change within the local area. Activities taken to raise awareness of or take action to deliver the outcome based on the understanding of the identified community's needs. Illustrative examples: raising awareness (staff, suppliers or community) of how to operate or use services safely; plans for positive actions with people and community groups; improving transport links; reducing crime, reducing homelessness, poverty and hunger; reducing loneliness; helping with English language proficiency; making facilities used in the delivery of the contract available for community groups, education or training; access to community hubs (i.e. community centres, cultural venues, parks, libraries); employee volunteering schemes applicable to the contract workforce. 	<ul style="list-style-type: none"> Number of full-time equivalent (FTE) employment opportunities created under the contract, by UK region, for those who were made redundant due to COVID-19. Number of people-hours spent supporting local community integration, such as volunteering and other community-led initiatives related to COVID-19, under the contract. Percentage of all companies in the supply chain under the contract to have implemented the 6 standards in the Mental Health at Work commitment. Number of companies in the supply chain under the contract to have implemented the 6 standards in the Mental Health at Work commitment.

COVID-19 recovery

Help local communities to manage and recover from the impact of COVID-19

Activities that, in the delivery of the contract:

- Create employment, re-training and other return to work opportunities for those left unemployed by COVID-19, particularly new opportunities in high growth sectors.
- Support people and communities to manage and recover from the impacts of COVID-19, including those worst affected or who are shielding.
- Support organisations and businesses to manage and recover from the impacts of COVID-19, including where new ways of working are needed to deliver services.
- Support the physical and mental health of people affected by COVID-19, including reducing the demand on health and care services.
- Improve workplace conditions that support the COVID-19 recovery effort including effective social distancing, remote working, and sustainable travel solutions.

Tackling economic inequality

Create new businesses, new jobs and new skills

Activities that, in the delivery of the contract:

- Create opportunities for entrepreneurship and help new, small organisations to grow, supporting economic growth and business creation.
- Create employment opportunities particularly for those who face barriers to employment and/or who are located in deprived areas.
- Create employment and training opportunities, particularly for people in industries with known skills shortages or in high growth sectors.
- Support educational attainment relevant to the contract, including training schemes that address skills gaps and result in recognised qualifications.
- Influence staff, suppliers, customers and communities through the delivery of the contract to support employment and skills opportunities in high growth sectors.

Tackling economic inequality

Increase supply chain resilience and capacity

Activities that:

- Create a diverse supply chain to deliver the contract including new businesses and entrepreneurs, start-ups, SMEs, VCSEs and mutuals.
- Support innovation and disruptive technologies throughout the supply chain to deliver lower cost and/or higher quality goods and services.
- Support the development of scalable and future-proofed new methods to modernise delivery and increase productivity.
- Demonstrate collaboration throughout the supply chain, and a fair and responsible approach to working with supply chain partners in delivery of the contract.
- Demonstrate action to identify and manage cyber security risks in the delivery of the contract including in the supply chain.
- Influence staff, suppliers, customers and communities through the delivery of the contract to support resilience and capacity in the supply chain.

Fighting climate change

Effective stewardship of the environment

Activities that:

- Deliver additional environmental benefits in the performance of the contract including working towards net zero greenhouse gas emissions.
- Influence staff, suppliers, customers and communities through the delivery of the contract to support environmental protection and improvement.

Equal opportunity

Reduce the disability employment gap

Activities that:

- Demonstrate action to increase the representation of disabled people in the contract workforce.
- Support disabled people in developing new skills relevant to the contract, including through training schemes that result in recognised qualifications.
- Influence staff, suppliers, customers and communities through the delivery of the contract to support disabled people.

Equal opportunity

Tackle workforce inequality

Activities that:

- Demonstrate action to identify and tackle inequality in employment, skills and pay in the contract workforce.
- Support in-work progression to help people, including those from disadvantaged or minority groups, to move into higher paid work by developing new skills relevant to the contract.
- Demonstrate action to identify and manage the risks of modern slavery in the delivery of the contract, including in the supply chain.

Wellbeing

Improve health and wellbeing

Activities that:

- Demonstrate action to support the health and wellbeing, including physical and mental health, in the contract workforce.
- Influence staff, suppliers, customers and communities through the delivery of the contract to support health and wellbeing, including physical and mental health.

Issues

- 10% weighting?
- Additional burdens on SMEs?
 - Number and detail of questions : bid-writing expertise
 - Questions are relevant for prime contractors
- Are the reporting metrics appropriate?
 - Is the metric meaningful? E.g. environmental metrics
 - Do they meaningfully create social value?
 - “numbers of activities”

Resources

The Public Services (Social Value) Act 2012:

<https://www.legislation.gov.uk/ukpga/2012/3>

<https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources>

Procurement Policy Note 06/20:

<https://www.gov.uk/government/publications/procurement-policy-note-0620-taking-account-of-social-value-in-the-award-of-central-government-contracts>

Uddalak Datta

Shakespeare Martineau LLP

D: 0121 214 0598

M: 07436 543 561

E: uddalak.datta@shma.co.uk



Smita Jamdar

Shakespeare Martineau LLP

D: 0121 214 0332

M: 07909 925 946

E: smita.jamdar@shma.co.uk

