

Business Charter for Social Responsibility - an introduction -

This presentation was originally created to be delivered at the Annual Conference of the Society Of Procurement Officers (SOPO) in Local Government.

This version has been created to inform interested parties about the:

- **background to, and**
- **Intent, and**
- **future direction of**

Solihull MBC's Business Charter for Social Responsibility (BCfSR)

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Business Charter for Social Responsibility

SOPo Conference Workshop – 16 November 2010

Introduction:

This session will describe how Solihull MBC established a successful solution for the delivery of local socio-economic agenda requirements through procurement activities via a low risk and efficient process!

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Background:

In procurement we experience demands from colleagues who want to deliver their agendas (*which continue to evolve*) via procurement activity.

This is not easy for us. We are not the ‘experts’ regarding their agendas – they are.

Also, we have to ensure that the procurement activity is compliant with EU Procurement legislation, and sometimes this makes it difficult to achieve everything our colleagues would ideally like us to put in place.

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For example, our colleagues want us, through our procurement arrangements, to:

Encourage/oblige suppliers to employ local people and train/develop them

Encourage/oblige suppliers to subcontract to local Small & Medium Enterprises (SMEs) and, in turn, encourage/oblige those subcontractors to employ local people and train/develop them

Place contracts with local first sector (Charitable/Voluntary) organisations and encourage/oblige them to employ local people and train/develop them

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More examples of what our colleagues want us, through our procurement arrangements, to do:

Encourage/oblige suppliers to operate environmentally sustainable processes and behaviours in line with Solihull MBC's own policies.

AND

Our colleagues want to know that this is happening, and that it is being monitored / reported!

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In procurement, we know that these agendas are pursuing desirable outcomes and supporting our Solihull MBC Corporate Strategies and Objectives.

We absolutely support these agendas.

However, we were finding it difficult to meet these needs without a considerable drain on our resources.

Why?

Because we are not the experts in their agendas and we are therefore not able to easily keep pace with the evolution of National and Council policies regarding these agendas.

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Therefore, we wanted to find a way to help our colleagues to deliver these outcomes:

- With minimum risk (EU Directives etc)
- Without it becoming onerous for suppliers
- Within a flexible 'system' which can easily adapt to revised agendas

AND

- With minimum effort for procurement people

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We already had in place the National Procurement Concordat for Small and Medium-sized Enterprises, which is a very good statement of Solihull MBC's commitments and is obviously a step in the right direction

BUT

The question for us was: How do we engage with our supply chain so that they adopt these commitments of ours?

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In addition, the Concordat doesn't cover the full agenda.....

SO

**We set out to create our own
Business Charter for Social Responsibility**

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The

Who

What

How

When

phase

(the Why had already been dealt with!)

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Procurement drafted a Charter document, including some ideas for objective measures in each area of agenda focus.

This was submitted to leadership forums and approval was given to proceed along the lines suggested.

We formed a multi-disciplinary team comprising the 'owners' of the various areas of agenda focus.

We jointly worked to further refine the objective measures in each area of agenda focus. We were keen to make these understandable & reasonable to request, as well as achievable and not onerous for suppliers.

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We then identified ten current suppliers with whom we could engage in developing the Business Charter for Social Responsibility (BCfSR).

These were suppliers which we perceived could have a beneficial impact locally if they signed up to the BCfSR. These included our suppliers of services for streetcare, refuse collection, highways, buildings maintenance, mechanical & electrical maintenance, and others.

Following a series of discussions, and with their enthusiastic agreement, we arranged a ‘public launch event’.

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At the launch event, we emphasised that this entire programme was being undertaken with formal endorsement from Solihull MBC's full Cabinet.

To demonstrate commitment from the most senior levels of leadership for our organisation - attendees included:

The Leader of the Council

The Chief Executive

The Director for Commissioning

This event was also attended by a large number of suppliers (represented at Director level) and by colleagues from Solihull MBC. Also invited were representatives from local first sector organisations and the press.

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We introduced the event by explaining that it was arranged in order to:

- **formally sign a number of Business Charters for Social Responsibility**
- **outline the good practice that is already in place**
- **describe how we are going to jointly build on that**
- **further engage with the business community**

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We then described how Solihull MBC views Corporate Social Responsibility (CSR):

>CSR has become a broadly accepted phrase to describe a collection of interrelated disciplines all of which combine to represent an organisation's overall ethos, its personality, philosophy and character, as regards its role in the world in its largest sense.

>CSR is simply good business practice. It embraces how organisations are run and their commitment to all stakeholders.

>Being seen consistently to practise clearly articulated CSR principles in its procurement practices sends an unequivocal message to all stakeholders. This sits at the heart of an organisation's 'reputational capital'.

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Continuing this description of how Solihull MBC views CSR:

>Diversity in business is manifested in many ways. The economy comprises different sectors and industries with firms of varying sizes and legal structures. Finance & resources come from various sources and most firms have a diverse workforce in terms of age, gender race, ethnicity, faith, sexual orientation and so on. This diversity is both natural and enriching.

>Small businesses (SME's including Social Enterprises, Black Minority Enterprises, women and disabled-owned businesses and the first sector) can each help to enhance competition and provide an important source of innovation and new techniques.

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Continuing this description of how Solihull MBC views CSR:

>Appropriate procurement processes can make a significant contribution to sustainable development and resource minimisation by ensuring that suppliers, contractors and the goods and services bought achieve optimum environmental performance.

>Furthermore, procurers have an additional role to play in minimising any reputational risk of social exploitation within the supply chain.

>Procurers, therefore play an integral role in promoting environmental and social awareness in the wider marketplace through the supply community.

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We then summarised our view of CSR as follows:

- Good business practice
- 'Reputational capital'
- Opportunity from diversity
- Procurement policies & processes
- The supply chain

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We then described how Solihull MBC views the BCfSR.

- Building upon the Concordat
- Incorporates the full principles of CSR
- Engages the supply chain
- Secures a 'public' commitment
- Incorporates measures of progress
- Provides for recognition of good progress

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We then explained how signing up to the BCfSR demonstrates our joint (SMBC & Suppliers) commitment to:

- Seek to reduce unemployment and raise the skills level of the local workforce
- Ensure our respective subcontractors understand and work to the spirit of the Charter
- Ensure the way we work does not discriminate any group of people
- Reduce the environmental impacts of business activities
- Ensure the health and safety of employees, residents and visitors
- Ensure the safety of and promote the welfare of children, young people and vulnerable adults
- Act as Corporate Parents to children in care

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Three of the supplier organisations then delivered presentations in which they described their approach to CSR, the tangible business benefits that they have thereby obtained, and their support to Solihull MBC's programme.

This was helpful in convincing other suppliers of the merits of active participation.

Charter documents were then signed with journalists/photographers present and this provided favourable publicity for all organisations involved.

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A few weeks after the Launch Event, we then invited all ten suppliers to participate in an 'Implementation Workshop' which was intended to determine how we, jointly, make this BCfSR programme actually work in practice.

We took this step because:

- Charters had been signed, but they were essentially based on a standard template
- We needed to refine & clarify the requirements regarding areas to be measured *(to ensure understanding, consistency and relevance/applicability to each respective business activity)*
- We needed to establish the baseline position for each area to be measured *(to enable us to identify and recognise progress over time)*

AND

- We needed to establish a fully working process so that we can engage with more suppliers

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We set the objectives for the ‘Implementation Workshop’ as follows:

- 1. Agree the Measures**
 - What they are
 - How they are derived
- 2. Establish the ‘baseline’**
 - Where we are today on the agreed Measures
- 3. Share Good Practice examples**
 - For the benefit of all attendee
- 4. Agree self-reporting of Measures**
 - ‘Owners’
 - Communication channels
- 5. Establish a mutual support network of ‘experts/advisors’**
 - Who’s Who with contact details

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All ten suppliers agreed to participate in the Implementation Workshop and Solihull MBC attendees included Directors.

The desired outcomes were outlined as:

- **All parties agree and understand the process and expected outcomes regarding the areas to be measured.**
- **The Solihull MBC participants have learnt enough to be able to set the process up with new signatories.**
- **We have identified and shared good practice AND have established a mutual support network for the future.**

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The ‘rules’ for the Implementation Workshop allowed participants to be open and constructively critical. The intent was to find a mutually achievable and useful process

Each of the Solihull MBC ‘agenda owners’ took it in turns to chair their section of the workshop so that all areas were covered by the respective ‘experts’

Participation was constructive and energetic and excellent outcomes were achieved

The next step required Solihull MBC to finalise the definitive set of measures (based upon the discussions during the Workshop) and to incorporate these into a self-assessment measurement ‘tool’ for the suppliers

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Following the Implementation Workshop, this self-assessment measurement ‘tool’ was issued to suppliers and they have returned their responses so that we have a ‘baseline position’, against which we can measure future progress.

Many of them are further advanced in some areas than Solihull MBC

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The BCfSR has now entered a new phase:

We, in procurement, have the agreement of the ‘owners’ of each of the areas of focus/measurement that they will now be fully responsible (within their areas) for working with Charter signatories to:

- **Monitor and report progress**
- **Share best practice** (*there is now an established network of ‘experts’ as a result of the workshop*)
- **Further develop the measures as appropriate to meet priorities and as agreed with suppliers (but to keep the measures common)**

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Having established the ‘system’ and responsibilities going forward, we in procurement, are ‘recruiting’ further suppliers as signatories.

We will conduct an annual review of supplier performance (*bearing in mind suppliers will start from different baseline positions, and it is progress that we are seeking*) and arrange a ‘public’ and Council Member level forum for recognition and reward for suppliers as appropriate.

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Conclusion:

This presentation described how Solihull MBC established a successful solution for the delivery of local socio-economic agenda requirements through procurement activities via a risk free and efficient process!

It wasn't easy to set up!

However, it works, and the responsibility for operating the programme and further development is with the appropriate 'owners'.

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