

OPINION

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Social good needs to be part of every company's strategy from now on

Vaughan Allen, CEO, CityCo

It's a commonplace these days that any business with more than a handful of employees should have some awareness of corporate social responsibility.

Many businesses have deep commitments to the local community, to local issues and to how they can improve the environment. Others, of course, have a CSR policy that's more designed to fill up a couple of pages in the annual report, or to provide a useful excuse in the event of any negative publicity.

But CSR policies themselves are being replaced by the notion of social value.

More than giving employees a number of days per year to work with a charity or on a specific project, social value puts the onus on a company to both commit to treating its employees well, and to consider the positive impact the company can have on the local community.

And this is no longer a 'nice to have.' The GM Combined Authority have a Social Value Policy, grounded in the 2012 Public Services (Social Policy) Act which requires local authorities and public bodies to consider the social

good that comes from commissioning of services, before procurement gets underway.

In many areas of local authority procurement, the social value that can be guaranteed by a company registers as a substantial minority of their score. Fail on this point and it probably means you won't get the contract.

A major step on from the idea that developers, say, will pay some Section 106 payments, the Social Value Policy takes into consideration the number of local jobs that will be created or guaranteed, traineeships, how other local businesses are supported, whether the company pays the living wage, and in to concerns about community projects and building capacity in the voluntary sector.

Under this framework, it's increasingly difficult to approach social responsibility as purely a tick-box exercise.

Alongside other legislation around issues such as human trafficking, companies are being urged to take responsibility not just for themselves and for their employees, but for everyone up and down their supply chain and for everyone that comes into



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contact with the company in the wider environment. And even for the environment itself.

Whether this carrot and stick approach is necessary might be open to question, many businesses were taking it upon themselves to pay back into the local community already. But including such issues within procurement processes, and within wider policy, raises the game.

Yet many companies still struggle with the very idea. It's not going to go away, and for local authorities it makes eminent sense - why should they give a contract to a company that has no interest in the citizens the authority exists to support?

Alongside other pieces of legislation, around human trafficking and the Apprenticeship levy amongst others, businesses now have to give much more concerted thought to their impact, but also to how they fit within, or run, their ecosystem.

It's been enlightening to talk to businesses recently about the increasing level of responsibility required all along their supply chain.

With so many sectors, retail or F&B for instance, the supply chain is long

and diverse with suppliers supplying each other way out of sight of the final consumer.

And yet responsibility still exists. Even the companies CityCo represents in the city centre are affected - and it's fair to say that it's been a surprise to many.

Companies need help to work through many of the issues around social value. The likelihood, if not the certainty, is that the idea will grow, and feed in to all sectors.

Something that started with public sector procurement around building or development, feeds into all other services. And companies that are trying to protect their own supply chains because of the legislative framework surrounding them, will need to enforce social value ideas on their suppliers.

Some already do and didn't need the push of legislation to make them do so.

What started in a number of discreet sectors has now spread as an idea, and won't be going away any time soon.

It's important that companies are aware of the implications and are ready to take action; action that will benefit everyone in the short and long term.

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