

SOCIAL PROCUREMENT IN THE WEST

Transforming Spend into Community Prosperity

Part B: Roadmap to Implementation



INTRODUCTION TO ROADMAP

Social Procurement in the West is about changing the lives of residents in Melbourne's western region for the better. It proposes practical ways to leverage the significant investment planned for the region to increase prosperity for all in the West.

Part A of the Report establishes the regional challenges and opportunities identified from research and stakeholder interviews completed and outlines a set of recommendations and a proposed model for a collaborative regional social procurement program, co-designed through engagement with regional stakeholders.

The model (figure 1) recognises the work, policies, investment and on the ground services that are already in place and seeks to build a place-based ecosystem around them to maximise outcomes for the residents of Western Melbourne.

Part B, the Roadmap to Implementation, establishes a pathway to rolling out the Social Procurement in the West Model and recommendations over a three-year period. The Roadmap is built on specific tangible actions based upon the research and stakeholder engagement completed and a structured project plan to effectively deliver upon program objectives.

The roadmap is supported by an indicative budget and a cost benefit analysis (completed by Think Impact).

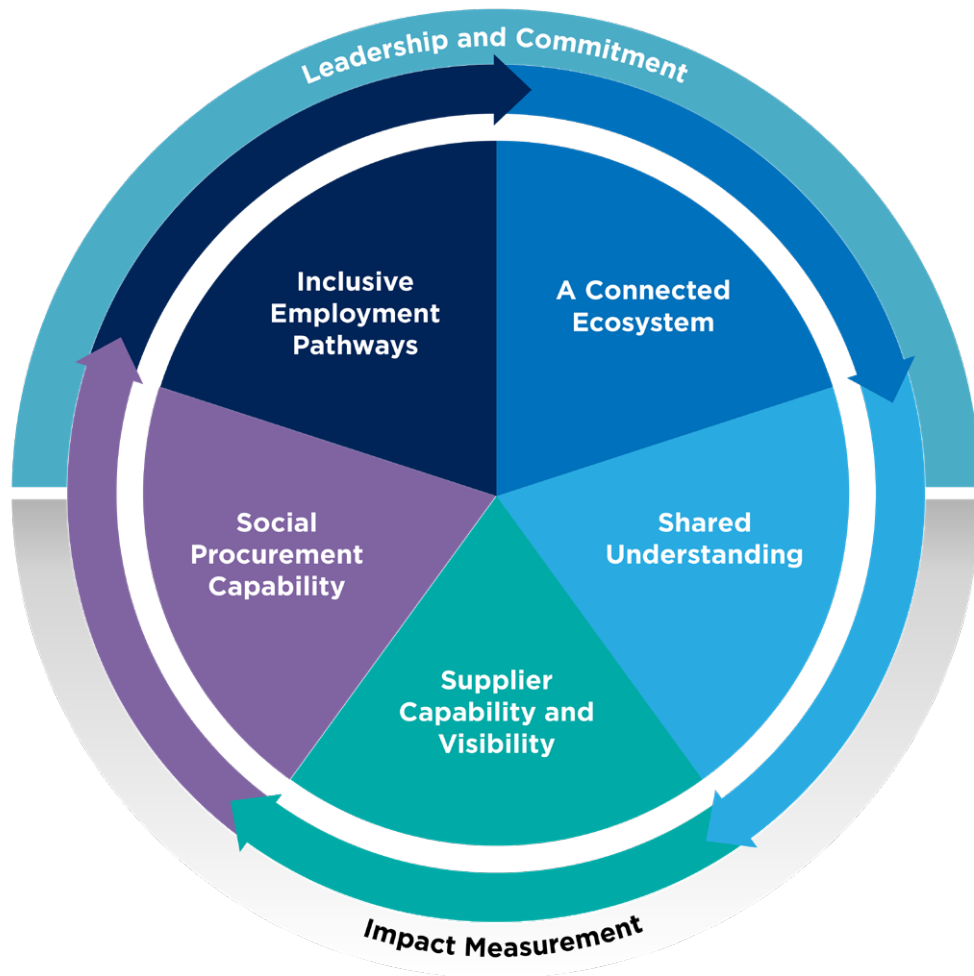


Figure 1.0 Social Procurement in the West collaborative regional model

The cost benefit analysis indicates that the Social Procurement in the West Model has the potential to contribute to over 450 jobs being created for people from the target cohorts over a three-year period.

The analysis further shows that based upon:

\$2.8m

an indicative **three-year budget** to implement the model.

a minimum of only

37 jobs*

would need to be created for priority jobseekers in order for there to be a net social benefit to the region.

* including tax and welfare benefit to government.

ROADMAP TO IMPLEMENTATION

Recommendation 1: Engage a group of ‘anchor’ organisations, led by councils, to develop a shared commitment to local and social procurement and inspire action in the West of Melbourne.

Model Component: Leadership and Commitment				
To succeed, SPW must be led by a ‘Coalition of the Willing’ who lead by example and inspire others to take action and commit to tangible outcomes. While a strong governance structure must be in place to maintain accountability and momentum, it should resist becoming overly bureaucratic and instead enable entrepreneurial practice.				
No	Proposed Actions	Impact	Ease of Implementation	Commencing
1	Develop a formal governance structure for social procurement activities across Western Metropolitan Partnership members and other key stakeholders	High	Medium	Year 1
2	Develop and implement a regional commitment framework with tangible and measurable targets	High	Medium	
3	Develop a formal compact for local members to sign and commit to actions. Seek the commitment of group anchor organisations to the compact, including at least two of the local councils in the region	High	Easy	
4	Identify and establish social procurement leaders across regional stakeholder organisations, with accountability for the delivery of outcomes	Medium	Easy	
5	Support the facilitation of regional projects with organisations that are “social procurement ready” to ensure and showcase early outcomes	High	Medium	

Recommendation 2: Establish a dedicated team and regional digital hub to build and facilitate a connected ecosystem of community industry, government and employment and training providers to catalyse local resources and leverage new investments.

Model Component: Connected Ecosystem				
To catalyse local resources and leverage new investments, SPW needs a dedicated team to build and facilitate a connected ecosystem of community, industry, government and employment and training providers. This can be underpinned by a regional digital hub, which will be a one-stop-shop for information, resources and reporting.				
No	Proposed Actions	Impact	Ease of Implementation	Commencing
6	Develop a 'Hub and Spoke' model with local brokers coordinating activity and working together to achieve impact	High	Medium	Year 1
7	Facilitate a network of organisations in the West of Melbourne with a commitment to delivering social procurement outcomes	High	Easy	
8	Establish a pipeline of current and future projects for the region, maintain and make publicly available	High	Difficult	
9	Establish a forecast of local skills required to service the pipeline of projects and maintain and make publicly available	High	Difficult	Year 2
10	Facilitate networking events across local SMEs, social benefits suppliers, employment providers, prime contractors and local buying organisations	Medium	Easy	Year 1
11	Conduct regional workshops to ensure the community is engaged and consulted on priority social objectives for the region and report back on outcomes	Medium	Easy	
12	Develop a regional social procurement digital hub, providing public one-stop-shop access to: <ul style="list-style-type: none"> Regional shared commitment framework Details of the local social benefit supplier market Socio-economic and demographic data (with a focus on priority cohorts) Procurement and inclusive employment tools (e.g. Refugee Talent) Regional project pipeline and skills forecasts Shared reporting and measurement framework Case studies to demonstrate impact 	High	Easy	Development Year 1 Implementation Year 2

Recommendation 3: Implement a program to educate and train regional stakeholders in social procurement, including the benefits, opportunities, processes and practices.

Model Component: Shared Understanding				
Generating more jobs and economic opportunities for the community in Western Melbourne is widely wanted, however the language of social procurement is new and often inaccessible. Education and engagement for buyers, businesses, councils, employment pathway providers and the community must be comprehensive and ongoing.				
No	Proposed Actions	Impact	Ease of Implementation	Commencing
13	Establish ongoing community and industry engagement practices to set priorities and share opportunities	High	Medium	Year 1
14	Implement a program to train regional stakeholders in social procurement, including the benefits, opportunities, processes and practices required for implementation	High	Easy	
15	Develop an annual supplier briefing program / forum across the region to increase engagement with buyers, increase visibility of opportunities and build supplier capacity	High	Medium	
16	Develop and distribute social procurement and inclusive employment case studies on best practice processes and outcomes to increase awareness and understanding of the opportunities and potential regional benefits	High	Easy	

Recommendation 4: Provide tailored support to social and local suppliers to build capability, increase visibility and become social procurement ready.

Model Component: Supplier Capability and Visibility				
New opportunities, particularly those from major projects, often seem too complex to apply for social benefit suppliers and small to medium enterprises (SMEs). Tailored support needs to be provided to potential suppliers to build capability, increase visibility and become social procurement ready.				
No	Proposed Actions	Impact	Ease of Implementation	Commencing
17	Develop, maintain and publish a database of social benefits suppliers across the region	High	Medium	Year 1
18	Provide local social benefit suppliers and SMEs with access to training, programs and resources to support the development of social procurement readiness and the delivery and reporting of social procurement outcomes	High	Difficult	
19	Support Kinaway and Social Traders to provide brokerage and support to grow the Aboriginal Business and Social Enterprise sector in the West	Medium	Easy	Year 2
20	Connect and support social benefit suppliers to leverage capability building through programs such as The Swinburne Social Studio	Medium	Easy	
21	Implement programs to support local SMEs with the delivery of inclusive employment outcomes, including capacity building and access to job-ready candidates	High	Difficult	

Recommendation 5: Provide specialist social procurement support to buyers operating in the region, including the development of shared social procurement processes and practices.

Model Component: Social Procurement Capability				
Many procurers feel there are too many barriers and regulations in their way to create social impact. Accessible resources, consistent policies, templates, and specialised support are vital to unlocking the potential social value from buyers.				
No	Proposed Actions	Impact	Ease of Implementation	Commencing
22	Establish ongoing community and industry engagement practices to set priorities and share opportunities	High	Difficult	Year 1
23	Implement a program to train regional stakeholders in social procurement, including the benefits, opportunities, processes and practices required for implementation	High	Medium	
24	Develop an annual supplier briefing program / forum across the region to increase engagement with buyers, increase visibility of opportunities and build supplier capacity	High	Easy	

Recommendation 6: Offer trusted brokerage and expertise between employment services and industry to enable sustainable inclusive employment pathways.

Model Component: Inclusive Employment Pathways				
Industry and SMEs often don't know where to start when looking to employ from priority groups. Equally, employment pathway providers struggle to find out about upcoming opportunities for jobseekers and often don't have time to leverage their significant resources to support successful transitions. Creating a trusted, independent connection point between industry and employment pathway providers is essential to successful collaboration and sustainable employment outcomes.				
No	Proposed Actions	Impact	Ease of Implementation	Commencing
25	Provide a local broker to be the touchpoint between industry and employment and training pathway providers	High	Difficult	Year 2
26	Create a regional employment and training pathways working group to share best practice and challenges and leverage opportunities	Medium	Medium	Year 1
27	Work with local stakeholders and State Government 'Big Build' contractors to publish skills requirements and/or job descriptions early	High	Difficult	Year 2
28	Facilitate demand-led employment programs between employment pathway providers and major projects	High	Difficult	
29	Develop an online platform that matches local priority jobseekers to jobs	High	Medium	
30	Develop or identify inclusive employment training and online tools for employers	Medium	Medium	Year 1

Recommendation 7: Use a developmental evaluation approach to continuously learn what works, improve the approach and celebrate outcomes achieved.

Model Component: Impact Measurement				
Reporting on outcomes and celebrating impact builds the momentum of the collaboration across the region and documents key learnings for both the future of the program and establishes best practice for place-based responses to social procurement.				
No	Proposed Actions	Impact	Ease of Implementation	Commencing
31	Develop and implement a formative evaluation framework	High	Difficult	Year 1
32	Develop and implement a regional reporting framework and publicly report on the outcomes and impact achieved under the framework	High	Difficult	
33	Use economic modelling tools to provide regional stakeholders with greater visibility of the economic and employment impacts of procurement decisions on the Western region	Medium	Easy	







PROJECT PLAN

A four-phase plan is proposed for the implementation of the program.

The plan initially focuses on building the foundations of Social Procurement in the West, including establishing a commitment to local and social procurement in the region, then builds to be able to develop and implement sustainable economic and social value through a robust supported framework with a review undertaken post the initial program delivery phase.

The actions identified above have been mapped to each relevant program phase.



Phase 1 – 0 to 6 months Program Commitment and Framework Establishment 	Phase 2 – 6 to 12 months Program Implementation 	Phase 3 – 12 to 36 months Program Delivery 
<ul style="list-style-type: none"> • Develop a formal governance structure • Identify and establish social procurement leaders • Facilitate a network of organisations in the West of Melbourne • Conduct regional workshops to ensure the community is engaged and consulted • Develop and implement a regional commitment framework • Develop a formal compact for local members to sign and commit to actions • Facilitate networking events across local stakeholders • Establish ongoing community and industry engagement practices • Develop and implement a formative evaluation framework • Develop and implement a regional reporting framework 	<ul style="list-style-type: none"> • Implement a 'hub and spoke' model with local brokers coordinating activity • Develop a regional social procurement hub • Use economic modelling tools to provide visibility of the economic and employment impacts • Implement a program to train regional stakeholders in social procurement • Create a regional employment and training pathways working group • Develop and implement common procurement policies, tools and documents • Develop or identify inclusive employment training and online tools for employers • Establish a pipeline of current and future projects for the region • Support the facilitation of regional projects with organisations that are "social procurement ready" • Develop an annual supplier briefing program / forum • Develop, maintain and publish a database of social benefits suppliers 	<ul style="list-style-type: none"> • Offer specialised support to high impact buyers • Leverage the SPW ecosystem to assist State Government departments to fulfill SPF objectives • Develop an online platform that matches local priority jobseekers to jobs • Provide a local broker to be the touchpoint between industry, employment and training providers • Facilitate demand-led employment programs • Establish a forecast of local skills required to service the pipeline of projects • Work with local stakeholders to publish skills requirements and/or job descriptions • Provide local social benefit suppliers and SMEs with access to training, programs and resources • Implement programs to support local SMEs with the delivery of inclusive employment outcomes • Support Kinaway and Social Traders to grow the regional Social Benefits Supplier sector • Connect social benefit suppliers to leverage capability building programs • Develop and distribute social procurement and inclusive employment case studies
	Phase 4 – 36 months Program Review 	<ul style="list-style-type: none"> • Undertake a thorough review of all aspects of the SPW Program

COST BENEFIT ANALYSIS

Think Impact was commissioned by ArcBlue to carry out a high-level cost-benefit analysis to support the Social Procurement in the West Model and recommendations.

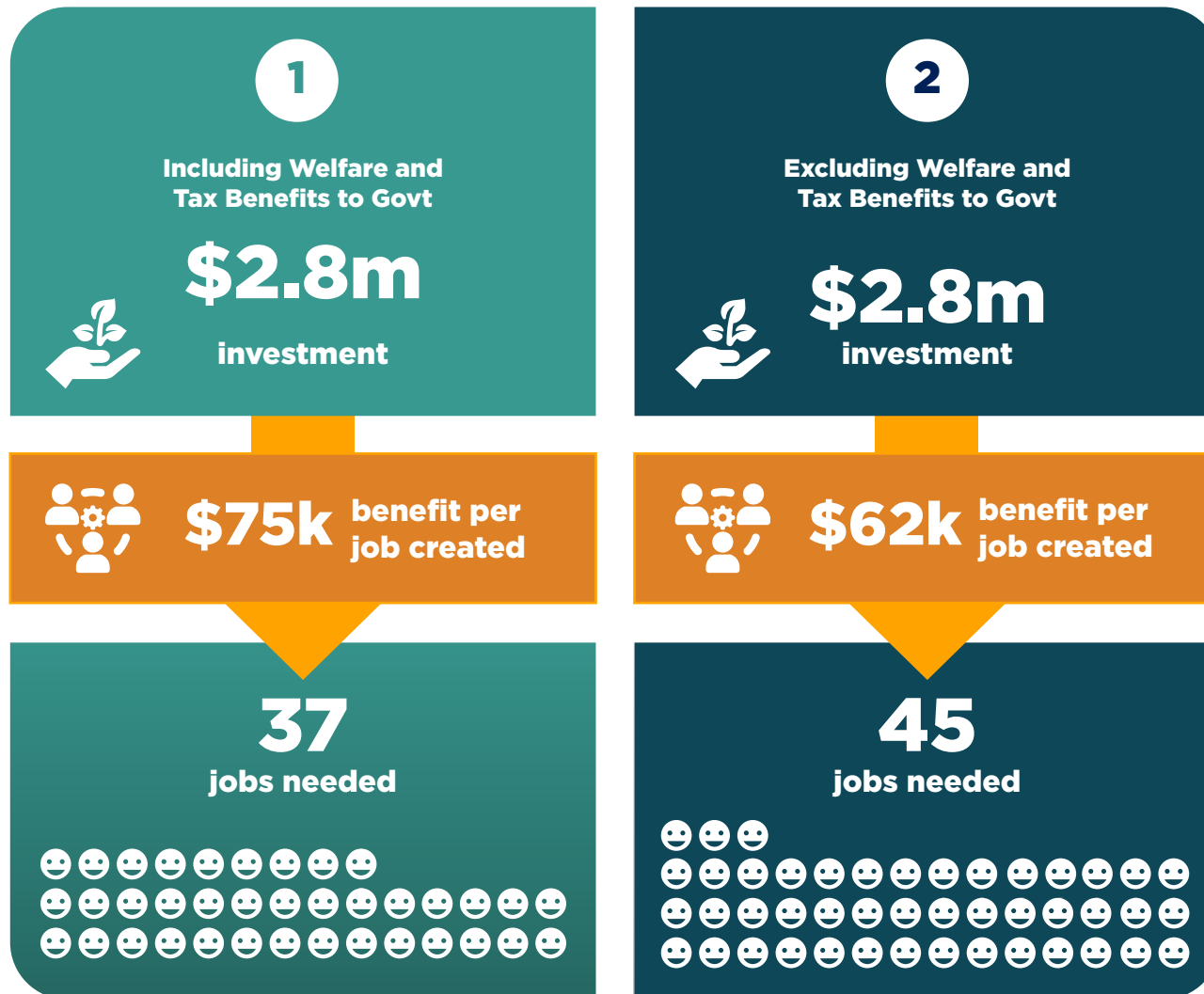
A break-even analysis approach was adopted.

The analysis completed shows that with increased employment and job readiness occurring for priority cohorts (including young people, First Nations people and people from culturally and linguistically diverse backgrounds) significant outcomes are likely to flow to supported employees, their families, state government, federal government, local government, suppliers and the social benefit supplier sector.

The benefit per job is estimated at between \$62,000 and \$75,000. These benefits flow, whether the supported employee is employed by a social enterprise, an Aboriginal business or in an inclusive employment role within a local SME. Therefore the size of the overall benefit is not limited by the number of social enterprises in the region.

The break-even analysis indicates that the Social Procurement in the West Model has the potential to contribute to over 450 jobs being created for people from the target cohorts over a three-year period.

The analysis shows that in order for there to be a net social benefit to the region, the SPW Model would only need to generate a minimum of 38 jobs over three years for supported employees, see Figure 2. The analysis also indicates a break-even point of 45 jobs if the welfare and tax benefits to the federal government are excluded from the calculation.



Acknowledgement of Country

We acknowledge the Ancestors, Elders and families of the Woiwurrung (Wurundjeri), Boonwurrung, Taungurong, Dja Dja Wurrung and the Wathaurung groups who form the Kulin Nation as the traditional owners of the land.

We pay respect to the deep knowledge embedded within the Aboriginal community and their ownership of Country. We acknowledge that the land on which we meet is a place of age old ceremonies of celebration, initiation and renewal and that the Kulin people's living culture has a unique role in the life of this region.

Acknowledgements

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Thank you to the many organisations who have contributed their time, expertise, guidance and insights to enable the development of this model, especially the Project Working Group representatives.

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