

Southend-on-Sea Borough Council

Agenda
Item No.

Report of Chief Executive
to
Cabinet
on
19th June 2018

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Engagement and Reputational Management

Social Value Policy (2018)

Policy & Resources Scrutiny Committee. Cabinet Member: Cllr John Lamb A Part 1 (Public Agenda Item)

1. Purpose of Report

- 1.1 For Cabinet to consider the implementation of the proposed Social Value Policy, to be applied across all Council procurement activities from June 2018.

2. Recommendations

- 2.1 It is recommended that Cabinet;
- 2.2 agree to adopt the Council's Social Value Policy from June 2018 ([Appendix 1](#)),
- 2.3 agree to the aims, objectives and principles stated in the Policy.

3. Background

- 3.1 Southend-on-Sea Borough Council is a large, diverse and complex organisation that spends £120 million on supplies and works contracts every year. Our approach to commissioning services, therefore, has to be well thought out and fully effective if we are to get the best possible outcomes for local people.
- 3.2 The Public Services (Social Value) act was implemented in January 2013, requiring those who commission services to consider how they may also secure wider social, economic and environmental benefits from their commissioning activity. At its heart, the concept of social value asks a simple question: "If £1 is spent on the delivery of services, can that same £1 be used to also produce a wider outcome for the community?". The Act proposes that commissioners should think about how the services they are going to buy, or the way that they are going to buy them, could secure additional benefits for their area before beginning the procurement process.
- 3.3 This concept aligns with the Council's intention to embed an approach to procurement that helps secure long-term benefits and addresses wider issues in the Borough. In doing so we aim to commission services that help deliver

corporate priorities whilst simultaneously reducing pressures in other areas, making more efficient use of expenditure and eliminating the potential for silo working.

3.4 In practice, delivering social value can take many forms. An example could be for the Council to require organisations bidding for contracts to commit to employ a certain number of staff with learning disabilities. This would deliver the following benefits:

- creating work for an individual who may struggle to find regular employment,
- increasing this person's independence and making them feel more socially included, whilst potentially benefitting their mental health,
- reducing stigma towards those with learning disabilities and improving employment opportunities locally for those in a similar situation.

3.5 Other common examples of social value through procurement are working with contractors to increase the skills and knowledge of local people, directly supporting voluntary, community and social enterprises or providing employment and apprenticeships for local young people.

4. Social Value Policy aims and objectives

4.1 The overarching vision of the policy is to deliver wider social, economic and environmental benefits whilst delivering optimal value for money. Our aims are as follows:

- To embed a sustainable procurement procedure, protecting Southend's interests and enhancing the environment.
- To involve local people, organisations and beneficiaries in how we meet the needs of communities via the commissioning cycle.
- To work with, listen to and strengthen our communities and partners to achieve better outcomes for all.
- To promote our local economy and ensure that new, developing and existing enterprise is nurtured and supported.
- To improve the life chances of Southend's residents by working to reduce inequalities and social deprivation across our communities.

4.2 The policy will place a particular focus on capturing social value across the whole organisation, including frontline services, and working with our supply chain to help them understand how they can support the council's social value objectives. To implement this we will seek tangible social value outcomes that can legitimately be included in contract specifications. These must contribute towards achieving timely organisation-wide policy objectives and priorities, such as:

Supporting local enterprise by taking account of the social and economic impacts of buying locally during our procurement and contracting activity, particularly through local supply chains. This will help reduce unemployment, raise the skill level of the local workforce and develop the local economy.

Boosting employment and skills by creating employment, skills and training opportunities for local people (particularly in target areas) and contributing to local skills and economic strategies.

Developing the voluntary, community and social enterprise sector by promoting social inclusion through targeting contract opportunities at voluntary and community groups, social enterprises, other civic society organisations. This includes encouraging community involvement, as well as assisting and facilitating the capacity of these organisations to tender competitively for contracts with the Council and beyond.

Encouraging green and sustainable practice by committing to protect the environment, and built environment, minimising waste and energy consumption and maximising the use of renewables whilst using other resources efficiently.

Promoting public health and wellbeing by contributing to health improvement campaigns and improving health and wellbeing with a focus on reducing inequalities.

Promoting ethical procurement by encouraging corporate social responsibility within our supply chain and contractors.

5. Policy development

- 5.1 The policy has been developed through extensive consultation with council colleagues and peer organisations alongside a review of best practice across the local authority landscape. The aims and principles of the policy, in particular, were tested in April 2018 with key stakeholders, businesses, social entrepreneurs and voluntary sector organisations. This has ensured that the policy takes into account key local considerations.
- 5.2 A further workshop with local voluntary sector organisations is scheduled for 19 June 2018. This will explore the practical aspects of commissioning for social value outcomes, such as how best to encourage small organisations to participate, ensuring procurement processes are streamlined and proportionate and discussions on the benefits of sourcing locally.

6. Implementation

- 6.1 The policy acknowledges that there is no single-approach to creating social value. Overall we aim to extend implementation of the act to secure outcomes from procurement activities;
- with all suppliers and contractors
 - for services, works and goods, and
 - for all tendered contracts.
- 6.2 We will communicate the policy to all internal staff, providers and partners to develop a programme of training and development to improve understanding of social value and our approach and practice. This will include a specific focus on reaching out to specific providers, such as small to medium employers, voluntary sector organisations and community enterprises. We will also seek to build social value commissioning expertise within evaluation panels to develop evaluation criteria and best practice.

7. Evaluation

- 7.1 We will report periodically on the policy's objectives and implementation to a cross-sector group, to include council officers from procurement and performance, alongside representatives from business sector and equality groups. This will provide us with an opportunity to adjust our approach as we learn from current practice, using evidence from surrounding communities in order to analyse how the policy benefits the local economy and wellbeing.
- 7.2 Social Value evaluation is a rapidly evolving field with over 1000 different metrics being deployed worldwide in order to measure outcomes. The council therefore acknowledge that it remains difficult to develop a single, cohesive measurement framework. Instead we aim to develop our understanding of relevant techniques by working with colleagues across the authority and partner organisations to develop best practice. We will continue to adjust our methods as we learn and involve providers and communities in the procurement process.

8. Corporate Implications

- 8.1 Contribution to Council's Vision and Corporate Priorities – social value outcomes that can be included in contract specifications will contribute towards achieving timely organisation-wide policy objectives and priorities
- 8.2 Financial Implications - the policy will secure wider social, economic and environmental benefits from the Council's commissioning activity
- 8.3 Legal Implications – social value will be incorporated into the Council's existing procurement contracting procedures
- 8.4 People Implications - None.
- 8.5 Property Implications - None.
- 8.6 Consultation – Ongoing workshops and discussion with key stakeholders on policy implementation and procurement practice will take place.
- 8.7 Equalities and Diversity Implications - None.
- 8.8 Risk Assessment - Risks will be identified and monitored alongside the development of the Social Value Toolkit.
- 8.9 Value for Money - The Council benchmarks its performance and spend against comparators to ensure that it is providing value for money.
- 8.10 Community Safety Implications - The Council has corporate priorities to 'Create a safe environment across the town for residents, workers and visitors' and to 'Work in partnership with Essex Police and other agencies to tackle crime' and has identified appropriate performance measures and actions.
- 8.11 Environmental Impact - The Council has corporate priorities to 'encourage and enforce high standards of environmental stewardship' and 'continue to promote

the use of green technology and initiatives to benefit the local economy and environment'

9. Background Papers - None.

10. Appendices

10.1 Appendix 1: Social Value Policy 2018.