

Southend-on-Sea Borough Council

Report of Executive Director,
to

Cabinet

on

22nd February 2022

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Agenda
Item No

Social Value Policy (2021)

Relevant Scrutiny Committee(s): Policy & Resources

Cabinet Member: Cllr A Jones

Part 1 (Public Agenda Item)

1. Purpose of Report

For Cabinet to consider the refresh of the Council's Social Value Policy, which has applied across all Council commissioning and procurement activities since June 2018.

2. Recommendations

It is recommended that Cabinet:

1. agree to adopt the refreshed Social Value Policy
2. agree to the aims, objectives and principles stated in the refreshed Policy
3. support enhanced performance monitoring of social value
4. agree that the Commissioning Board act as the collective corporate sponsor for social value.

3. Background

3.1. The Public Services (Social Value) Act 2012, implemented in January 2013, placed a responsibility on relevant public sector organisations to consider social value in service contracts, or where there is a service element in goods or works contracts.

3.2. The Council's 2018 policy implemented a social value approach to commissioning and procurement and aimed to secure long-term benefits and address wider economic, environmental, and social issues in the Borough.

3.3. The 2018 policy was 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 were tested in April 2018 with key stakeholders, businesses, social entrepreneurs, and voluntary sector organisations.

- 3.4.** The Government's Procurement Policy Note 06/20, issued in September 2020, sets out how to take account of social value in the award of central government contracts, outlining social value as distinct from core deliverables within procurement processes. This PPN adds momentum to the already accelerating uptake of social value activities within local government, leading to a far wider and quicker uptake within the private sector, signs of which are already emerging.
- 3.5.** The Social Value Portal suggests that on average, organisations could see a social and local economic added value return of around 24% on contract spend. A number of factors including sector of contract, contract value, geographic location, number of contracts and maturity of market contribute to the wide range of eventual returns.

4. Reasons for Recommendations

4.1. Recommendation 1: agree to adopt the refreshed Social Value Policy and Recommendation 2: agree to the aims, objectives and principles stated in the refreshed Policy

- 4.1.1. The overarching vision of this refreshed Policy has not changed from 2018 – its intention is to continue to deliver wider social, economic, and environmental benefits whilst delivering optimal value for money. However, it is recognised that the 2018 Policy has not been embedded. Not all opportunities to elicit social value are being exploited and it is not possible to demonstrate the added social value our suppliers are contributing to Southend 2050. This paper presents the first stage of a refresh to embed social value, starting with a refreshed Policy.
- 4.1.2. The consideration of social value in commissioning and procurement was introduced by the Social Value Act almost a decade ago. In the years since, the principle of social value has become increasingly embedded across local government.
- 4.1.3. Officers have worked alongside the Social Value Portal to plan for ways to better embed social value practice. The first step in this process is to refresh the Policy. Following steps include enhanced performance monitoring and reporting, and enhanced contract management skills regarding monitoring social value in contracts.
- 4.1.4. This refreshed Policy recognises both the wider context and operational issues previously experienced and has been written to boost the capture of social value across the whole organisation, by realigning the Council's social value objectives to the Southend 2050 programme and making clear the steps that will be taken to further embed a clear and accessible social value approach.

4.2. Recommendation 3: Support enhanced performance monitoring of social value

4.2.1. To drive a culture of continuous improvement and to share best practice and how Social Value has impacted Southend's residents and communities, it will be important to regularly communicate and benchmark the Council's Social Value data via enhanced performance monitoring.

4.2.2. This will be in the form of an annual report for 2022/23 and an internal insight report at the end of the next financial year. These reports will aim to summarise the progress that is being made, the challenges and gaps that remain and to analyse the performance of projects and progress within different sectors.

4.2.3. Enhancing performance monitoring and further developing and implementing a mature Social Value approach will require additional, dedicated resources, to:

- effectively ensure that Social Value is embedded within the Council
- lead the Social Value agenda
- create a main point of contact with external key stakeholders in relation to Social Value and actively try to extend Southend partnerships to maximise Social Value
- deliver enhanced performance reporting and monitoring.

4.3. Recommendation 4: agree that the Commissioning Board acts as the collective corporate sponsor for Social Value creation and delivery

4.3.1. For commissioning and procurement to be successfully used as a tool to achieve the 2050 outcomes, there needs to be greater understanding of the importance of social value and contract management at all levels of the Council. Discussions on, and coordination of, procurement strategy and practice and the setting of social value priorities should not take place in isolation but by collaborating with communities and other relevant stakeholders early.

4.3.2. Agreement that the Commissioning Board acts as the corporate sponsor for Social Value as part of their Terms of Reference to ensure that social value performance is a key part of decision making and to provide oversight of the development and implementation of Social Value.

4.3.3. "...the strategic power of public procurement can only be facilitated by broadening the scope beyond the activity of procurement teams alone. This involves a greater understanding at all levels of local government of the importance of pre-procurement and contract management." (Localis, "True Value: Towards Ethical Public Service Commissioning", 2021)

5. Corporate Implications

5.1. Contribution to the Southend 2050 Road Map

Social value outcomes that can be included in contract specifications will contribute towards achieving the Southend 2050 ambitions and outcomes.

5.2. Financial Implications

The policy will secure wider social, economic, and environmental benefits from the Council's commissioning activity.

5.3. Legal Implications

Social value will be incorporated into the Council's existing procurement contracting procedures.

5.4. People Implications

None.

5.5. Property Implications

None.

5.6. Consultation

Ongoing workshops and discussion with key stakeholders on policy implementation and commissioning and procurement practice will take place.

5.7. Equalities and Diversity Implications

An Equality Analysis has been carried out – see Appendix 2.

5.8. Risk Assessment

Risks will be identified and monitored alongside the development of the Social Value Toolkits.

5.9. Value for Money

The Council benchmarks its performance and spend against comparators to ensure that it is providing value for money. The delivery of social value through the Council's contracts will in of itself maximise value for money by ensuring additional benefits and outcomes are delivered in line with Southend 2050.

5.10. Community Safety Implications

Any community safety social value outcomes included in contract specifications may contribute towards achieving Safe & Well Outcomes 1 ("Residents feel safe and secure in their homes, neighbourhoods and across the borough" and 3 ("We protect and improve the quality of life for everyone in our community, including the vulnerable").

5.11. Environmental Impact

Any environmental social value outcomes included in contract specifications may contribute towards achieving Pride & Joy Outcome 1 (“We act as a sustainable and green city embracing the challenges of the Climate Emergency Declaration made in 2019” and Connected & Smart Outcome 2 (“We are leading the way in making public and private travel smart, clean and green”).

6. Background Papers

Social Value Policy 2018

7. Appendices

Appendix 1: Social Value Policy (2021)

Appendix 2: Social Value Policy Equality Analysis (2022)