

<b>Notice of:</b>	<b>EXECUTIVE</b>
<b>Decision Number:</b>	EX22/2021
<b>Relevant Officer:</b>	Steve Thompson, Director of Resources
<b>Relevant Cabinet Member:</b>	Councillor Ivan Taylor, Deputy Leader of the Council and Cabinet Member for Partnerships and Projects
<b>Date of Meeting:</b>	12 April 2021

## **DELIVERING SOCIAL VALUE IN PUBLIC SERVICE PROCUREMENT – REVIEW OF THE COUNCIL’S SOCIAL VALUE POLICY AND SUPPLIERS CHARTER**

### **1.0 Purpose of the report:**

- 1.1 In 2014, the Executive approved the Social Value Policy, which had been developed in conjunction with the Association of Greater Manchester Authorities. The Policy is supported by a set of arrangements and supporting documents for embedding Social Value in commissioning and procurement by the Council in accordance with the Public Service (Social Value) Act 2012.
- 1.2 In order to improve Social Value delivery the Policy has been updated along with the associated Suppliers Charter. All suppliers are asked to sign the Charter prior to contract award. These arrangements include provisions for evidencing social value considerations in all decisions relating to the commissioning and procurement of services.

### **2.0 Recommendation(s):**

- 2.1 To approve the updated Social Value Policy as attached at Appendix 4a, to the Executive report, with effect until 31 December 2026.
- 2.2 To approve the updated Suppliers Charter as attached at Appendix 4b, to the Executive report, with effect until 31 December 2026.

### 3.0 Reasons for recommendation(s):

3.1 The updated Social Value Policy will provide greater clarity and understanding to Council officers responsible for commissioning supplies and services to maximise delivery from the supply chain through the procurement and contracting process. The Suppliers Charter has been updated to provide prospective suppliers with a user-friendly guide to adopting policy and practice, which aligns with the Council's key principles of embedding good employment, social, environmental and community practices within their organisation.

The updated Social Value Policy includes a key action to develop further measures to evaluate, quantify and report on benefits realisation of Social Value gains for the town using the National TOMs (Themes, Outcomes and Measures) framework to provide a minimum reporting standard for measuring social value. The National TOMs framework has been designed around 5 principal issues, 20 Core Outcomes and 48 Core Measures:

**Themes-** The overarching strategic themes that the council is looking to pursue.

**Outcomes-** The objectives or goals that the council is looking to achieve that will contribute to the Theme.

**Measures-** The measures that will be used to assess whether these Outcomes have been achieved.

Strengthening the social value policy, will deliver key changes including a more focused social value approach; measurable social value indicators aligned with council objectives, greater understanding of what is being delivered, an ability to report on the financial/monetary value of the measures across contracts, and the introduction of regular reports to directorate management teams supported by an annual social value performance report for Corporate Leadership Team/Cabinet.

The Council's experience in incorporating corporate social responsibility obligations into tendering and contracting provides a solid platform to ensure that the Council's statutory obligations to deliver Social Value are not only met but also surpassed.

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| 3.2 | Is the recommendation contrary to a plan or strategy adopted or approved by the Council? | No  |
| 3.3 | Is the recommendation in accordance with the Council's approved budget?                  | Yes |

#### **4.0 Other alternative options to be considered:**

4.1 Without specific action to define requirements, guidance and support, the potential benefits of the Public Services (Social Value Act 2012) may not be realised to their full potential. Public perception of Blackpool Borough Council may be undermined if it is not seen to be fully engaged with requirements of the Act, which is complementary to existing procurement legislation.

#### **5.0 Council priority:**

5.1 The relevant Council priorities are both:

- “The economy: Maximising growth and opportunity across Blackpool”
- “Communities: Creating stronger communities and increasing resilience”

#### **6.0 Background information**

6.1 The Public Services (Social Value) Act 2012 took effect on 31 January 2013 and requires any public body buying or commissioning public services to consider how their local area may benefit by including economic, social or environmental benefits within their procurement process.

6.2 The Social Value Act is designed as a tool for enabling Public Service commissioners to be more innovative in their procurement methods and encouraging more responsive service delivery with the potential of delivering significant community benefits and potential cost savings from its supply chain.

6.3 A review of the Social Value Act by Lord Young (Cabinet Office) was published in February 2015. This review informs that:

- Local Authorities and Housing Associations are making fuller use of the provisions in the Act compared to Central Government and the National Health Services;
- Further work is needed on raising awareness on the supplier side, however there is good awareness from the voluntary sector and growing awareness from big business but less so amongst smaller firms;
- Deriving methods for measuring and quantifying outputs from Social Value gains are important and references examples of successful case studies to base further development on.

6.4 Following approval of the Social Value Policy in 2014, work to establish a framework to embed Social Value into key tendering and contracting documents was undertaken. All prospective suppliers are requested to outline in their tender submissions how they align with the key principles of the Council’s Suppliers Charter and what actions they intend to commit to deliver Social Value throughout the contract term. In 2017, the Executive agreed to introduce a minimum 20% weighting to be applied to evaluation of all Council tenders.

This has led to improved levels of Social Value delivery from suppliers. The updated Policy and Charter will provide further steps to maximise delivery, and monitor/report outputs and outcomes on a regular basis.

- 6.5 In addition to the updated Policy and Charter, the Suppliers Social Value Guide has been refreshed and a new on-line user-friendly version will be introduced and included with tender documents as soon as the policy and charter are launched.
- 6.6 The audit report carried out in November 2019, 'Review of Contract Management and Social Value'; identified that there are inconsistent contract management practices across the Council; and has been acknowledged as a risk area throughout the Council. Updating the Council's key Social Value documents will help to address risk and deliver improved outputs and outcomes. Discussions with other Local Authorities also identified the need for educating internal staff responsible for commissioning and contract management, and suppliers including local small and medium sized enterprises and the voluntary, community and social enterprises.
- 6.7 Does the information submitted include any exempt information? No

**7.0 List of Appendices:**

- 7.1 Appendix 4a - Social Value Policy  
Appendix 4b - Suppliers Charter

**8.0 Financial considerations:**

- 8.1 The proposed arrangements do not in themselves deliver any direct financial gains for the Council. The arrangements implemented fully will act as a means of enabling community engagement, economic value, and sustainable development across the borough. Suppliers will be required to develop local capacity and generally seek to improve the social, environmental and economic wellbeing of the borough and contribute to the Council's priorities and objectives detailed in the Council Plan.
- 8.2 The development of the Blackpool Themes, Outcomes and Measures framework through approval of the revised Social Value Policy and Suppliers Charter will potentially lead to attaching monetary values to deliverables; this area will be further explored to ensure the Council maximises the benefit for the town.

**9.0 Legal considerations:**

9.1 There is a statutory requirement to comply with the Public Services (Social Value) Act 2012.

**10.0 Risk management considerations:**

10.1 As identified in the internal audit report mentioned earlier, poor contract management can lead to non-delivery with suppliers failing to live up to their contractual obligations. This in turn will impact upon the economic recovery to the borough, which is an essential requirement particularly in the recovery period following the Covid-19 pandemic.

10.2 Failure to strengthen arrangements to further embed Social Value into the Council's commissioning and sourcing activities will lead to complacency and a lost opportunity to deliver social, community and environmental benefits across the borough. It is envisaged that the updated policy and charter will support and assist local suppliers to access tendering opportunities advertised by the Council.

**11.0 Equalities considerations:**

11.1 Procurement Regulations require equal treatment of all tenderers throughout the process.

**12.0 Sustainability, climate change and environmental considerations:**

12.1 The updated policy and charter will act as a means of enabling sustainable development, and generally seeks to focus suppliers on setting performance targets that will deliver climate and environmental improvements. This will support the Council's Climate Emergency Strategy through measures incorporated within the Themes, Outcomes and Measures framework, will link suppliers into the Green and Blue Infrastructure Strategy and will act as a lead to build up capacity with local small and medium sized enterprises and voluntary, community and social enterprises.

**13.0 Internal/external consultation undertaken:**

13.1 Internally the Council's Corporate Social Value Group has considered the updated Social Value Policy and Suppliers Charter. Key suppliers on current regeneration and development projects have also been contacted for their views and feedback on the current suite of social value documents and guide.

**14.0 Background papers:**

14.1 None.

**15.0 Key decision information:**

15.1 Is this a key decision? Yes

15.2 If so, Forward Plan reference number: 10/2021

15.3 If a key decision, is the decision required in less than five days? No

15.4 If **yes**, please describe the reason for urgency:

**16.0 Call-in information:**

16.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

16.2 If **yes**, please give reason:

**TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE**

**17.0 Scrutiny Committee Chairman (where appropriate):**

Date informed: 31 March 2021 Date approved: N/A

**18.0 Declarations of interest (if applicable):**

18.1 None.

**19.0 Executive decision:**

19.1 The Executive agreed the recommendations as outlined above namely:

1. To approve the updated Social Value Policy as attached at Appendix 4a, to the Executive report, with effect until 31 December 2026.
2. To approve the updated Suppliers Charter as attached at Appendix 4b, to the Executive report, with effect until 31 December 2026.

**20.0 Date of Decision:**

20.1 12 April 2021

**21.0 Reason(s) for decision:**

21.1 The updated Social Value Policy will provide greater clarity and understanding to Council officers responsible for commissioning supplies and services to maximise delivery from the supply chain through the procurement and contracting process. The Suppliers Charter has been updated to provide prospective suppliers with a user-friendly guide to adopting policy and practice, which aligns with the Council's key principles of embedding good employment, social, environmental and community practices within their organisation.

The updated Social Value Policy includes a key action to develop further measures to evaluate, quantify and report on benefits realisation of Social Value gains for the town using the National TOMs (Themes, Outcomes and Measures) framework to provide a minimum reporting standard for measuring social value. The National TOMs framework has been designed around 5 principal issues, 20 Core Outcomes and 48 Core Measures:

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Strengthening the social value policy, will deliver key changes including a more focused social value approach; measurable social value indicators aligned with council objectives, greater understanding of what is being delivered, an ability to report on the financial/monetary value of the measures across contracts, and the introduction of regular reports to directorate management teams supported by an annual social value performance report for Corporate Leadership Team/Cabinet.

The Council's experience in incorporating corporate social responsibility obligations into tendering and contracting provides a solid platform to ensure that the Council's statutory obligations to deliver Social Value are not only met but also surpassed.

**22.0 Date Decision published:**

22.1 13 April 2021

**23.0 Executive Members in attendance:**

23.1 Councillor L Williams, in the Chair

Councillors Benson, Brookes, Campbell, Farrell, Hobson, Kirkland, Smith and Taylor

**24.0 Call-in:**

24.1

**25.0 Notes:**

25.1