

Committee(s): Community and Health Committee	Date: 17 September 2019
Subject: Social Value Policy	Wards Affected: All
Report of: Kim Anderson, Partnership, Leisure and Funding Manager	Public
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Summary

The Social Value Policy sets out Brentwood Borough Council's approach to social value measurement and management. The Council wants to ensure that the Social Value principles are considered at all stages of the procurement/commissioning cycle to enable the Council to maximise the additional social, economic and environmental benefits that can support our residents. This will ensure that the Council is accountable to its stakeholders, manages its activities to be able to create the social value, enables best practice and reduces our assumptions about the way our activities create value through outcomes to our stakeholders.

Recommendation

Members are asked to:

- **Approve the Council's Social Value Policy and ensure that it is considered as part of the Council's procurement or commissioning processes**

Main Report

Background

1. The Public Services (Social Value) Act came into force on 31 January 2013. It requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits.
2. Before they start the procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or for their stakeholders. The

Act is a tool to help commissioners get more value for money out of procurement. It also encourages commissioners to talk to their local provider market or community to design better services, often finding new and innovative solutions to difficult problems.

3. The Social Value Policy (Appendix 1) sets out the Council's commitment to ensure that Social Value is considered and embedded throughout the whole procurement or commissioning process which enables greater benefit to the community.
4. There are a number of advantages to this methodology. It encourages:
 - a. a diverse base of suppliers
 - b. promotes fair employment practices
 - c. Help meet recruitment and training needs, or offers a range of apprenticeship, training and skills development or employment opportunities
 - d. Broader community benefits by encouraging suppliers to make social contributions to the local area
 - e. Ethical sourcing practices
 - f. Promoting greater environmental sustainability

Issue, Options and Analysis of Options

5. The Public Services (Social Value) Act 2012 sets out how through the procurement or the commissioning process that public sector organisations can achieve additional Value for Money for their residents/stakeholders by ensuring that social value is at every stage of the procurement or commissioning cycle.
6. The Act states that procurement /commissioners should look at the three key areas of additional benefit to the community over and above the direct purchasing of goods, services and outcomes; and that the authority must consider
 - a. How what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area and
 - b. How, in conducting the process of procurement, it might act with a view to securing that improvement.

7. In order to really deliver social value and have it fully embedded and considered, commissioners must move away from just considering the core value service being delivered by a supplier to one that recognizes the overall value of outcomes delivered.
8. The Social Value Policy also aims to provide clarification for staff that are involved in the procurement or commissioning of services, and also for organisations wanting to do business with the Council.
9. It is proposed that the amount of additional social value needs to be relevant to overall value of the contract and that any contract over the OJEU threshold of £4.1m for construction contracts and £181,000 for service contracts is reported directly to the relevant Committee (currently Community and Health Committee). How often this is reported will be down to any agreement and as set out in any KPIs relevant to that contract.
10. It is proposed that on an annual basis that the overall Social Value achieved through contractual arrangements is reported annually to committee so that the Council can gauge the effectiveness of the Social Value Policy and the overall benefits it has brought to Brentwood.
11. The Policy will be subject to regular review especially if there are substantive changes in legislation.

Reasons for Recommendation

12. As part of the Council's Delivery of Value for Money the Social Value Policy allows for Council to identify and maximise the Community benefits for its residents.

References to Corporate Plan

13. The Social Value Policy supports a number of strands in the corporate plan especially supporting Economic Development and Community and Health is supporting priorities for community development.

Implications

Financial Implications

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14. Any additional benefits through the procurement or commissioning processes can provide additional social, economic and environmental benefits to the local community on top of the core value of the contract.
15. Value for money is the over-riding factor that determines public sector procurement decisions. In calculating value for money, it is viewed that it should include social and economic requirements. This policy should be aid in delivering Value for money and be considered alongside the services and department's needs.
16. Once a procurement exercise is concluded, the responsibility for ensuring committed social value benefits are delivered to the officers responsible for contract management of that individual contract. This policy looks to aid them individuals to ensure the social value is reported and therefore achieved.
17. Support on this policy will be provided by internal resources. Which can be met from within existing budgets
18. As social value is extended through procurement the Council will be able to ensure its Values are reflected throughout the supply chain
19. Any cost implications arising from this policy will need to be resourced from existing budgets.

Legal Implications

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20. The recommendation is lawful and within the Council's powers and duties. The Council has duties within an existing legal framework for awarding public services contracts. Under the Public Services (Social Value) Act 2012 ('the Act') the Council must have regard to economic, social and environmental wellbeing when awarding service contracts which exceed the OJEU threshold. This is in line with the Council's statutory best value duty to consider overall value and the requirement to secure continuous improvement in the exercise of its functions.

The Act requires the Council to consider whether to consult as part of the procurement process. Any decision regarding whether to consult or not should be taken fairly reasonably.

Economic Implications

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21. Economic implications are set out within the report.

Background documents

None

Appendices

Appendix A –Social Value Policy