



CABINET – 16 OCTOBER 2018

SOCIAL VALUE POLICY STATEMENT

JOINT REPORT OF THE CHIEF EXECUTIVE AND DIRECTOR OF CORPORATE RESOURCES

PART A

Purpose of the Report

1. The purpose of this report is to seek the Cabinet's approval for the adoption of the County Council's Social Value Policy Statement.

Recommendations

2. The Cabinet is recommended to:
 - a) Approve the Social Value Policy Statement attached as an Appendix to this report;
 - b) Authorise the Chief Executive, in consultation with the Director of Corporate Resources, to review and amend the Social Value Policy Statement on an annual basis to ensure this remains fit for purpose and in line with legislation and good practice.

Reason for Recommendations

3. Under the Public Services (Social Value) Act 2012, the Council must consider wider social, economic and environmental benefits when awarding contracts for services valued above the current EU financial threshold for public procurement. This Policy Statement proposes an approach which goes beyond this statutory requirement in order to secure wider community benefits for the people of Leicestershire.

Timetable for Decisions (including Scrutiny)

4. Subject to the Cabinet's approval, the Policy will take effect immediately. It will be published on the Council's website and reviewed and updated as appropriate on an annual basis to ensure it continues to remain fit for purpose and is in line with legislation and good practice issued from time to time.

Policy Framework and Previous Decisions

5. The Policy supports the Council's ambitions as established in the Strategic Plan, "Working together for the benefit of everyone: Leicestershire County Council's Strategic Plan 2018-22" which was approved by the County Council in December

2017. Application of the Policy will contribute directly to the delivery of all five strategic outcomes.

Resource Implications

6. Social Value offers the opportunity for the Council to maximise its spending power by leveraging additional resources from its suppliers and providers to benefit Leicestershire's communities.
7. Implementation of the Policy will be met through existing resources.
8. The Director of Law and Governance has been consulted on the content of this report.

Circulation under the Local Issues Alert Procedure

9. This report has been circulated to all Members of the County Council.

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PART B

Background

Statutory Framework

10. The Public Services (Social Value) Act 2012 came into force from January 2013, requiring all Contracting Authorities (including both local government and the wider public sector) to consider how social, economic and environmental benefits for their local area could be secured through organisational procurement activity. Specifically, the Act applies to public services (rather than goods or works) and to contracts and frameworks valued above the EU financial threshold for public procurement (currently £181,302).
11. The Act does not define what such social, economic or environmental benefits should be, or how Social Value should be measured. Instead Contracting Authorities are encouraged to use the flexibility of the Act to support the delivery of local strategic priorities and meet local need.

Social Value in Leicestershire

12. The Council has met these statutory requirements since 2013 and is able to demonstrate a range of examples where Social Value has been obtained. It is now proposed that the Council go beyond its statutory requirement in order to secure wider community benefits by:
 - a) Considering Social Value for any contract opportunity (goods, works and/or services) with an indicative value equal to or in excess of £50,000;
 - b) Ensuring procurement activity appropriately evaluates Social Value in the award of its contracts;
 - c) Committing to a new corporate wide metric to measure progress in achieving social value;
 - d) Additional training for staff to help further embed this approach.
13. The consideration of Social Value within lower value contracts is highlighted as good practice by the Cabinet Office within the Procurement Policy Note “The Public Services (Social Value) Act 2012 – advice for commissioners and procurers”, published 20 December 2012.
14. Applied commercially, it has been evidenced that Social Value can secure added value that typically represents 10-20% of the initial contract value.
15. Examples of Social Value offers received from suppliers and providers to date include:
 - a) Free Wi-Fi office spaces offered to voluntary sector workers;
 - b) 50 hours a year website support for the voluntary sector;
 - c) 100 hours management training to voluntary sector providers;
 - d) 25 hours specialist procurement/contract management advice for voluntary sector providers;
 - e) An offer of £10,000 per year over the term of a five year contract to tackle social isolation in Leicestershire.

16. The proposed new Policy Statement will ensure strategically relevant added value is captured during the commissioning, procurement and contract management phases by identifying any activity that is of little or no cost to a supplier/provider, but of high strategic relevance to the County Council.
17. "High Strategic Relevance" is defined in the Policy Statement as activity that supports delivery of the five high level outcomes detailed in "Working together for the benefit of everyone: Leicestershire County Council's Strategic Plan 2018-22".
18. Subject to the Cabinet's approval, supporting guidance notes will be issued to commissioning, procuring and contract management officers to ensure continued compliance with the statutory requirements of the Public Contract Regulations (2015).

Consultation

19. Leicester City Council and Rutland County Council have been engaged to explore the potential for Social Value to be applied in a consistent manner across Leicester, Leicestershire and Rutland. Such consistency will support providers and suppliers with the development of strategically relevant Social Value offers across the Leicester, Leicestershire and Rutland area.
20. The East Midlands Chamber of Commerce, Voluntary Action Leicestershire, the Cooperative and Social Enterprise Development Agency, and the Federation of Small Businesses have also had an opportunity to comment on the Policy Statement. Previous stakeholder comments have shaped the contents of the final version, and additional feedback on this will be taken into account in the delivery of the Policy Statement's requirements.
21. Further, the Policy Statement has been shared with the Eastern Shires Purchasing Organisation (ESPO). Work is developing to ensure that, wherever possible, Social Value is used commercially for both bespoke Leicestershire County Council, as well as national framework, procurement activity.

Equality and Human Rights Implications

22. An Equality and Human Rights Impact Assessment (EHRIA) screening exercise was conducted and concluded that overall the Policy Statement is likely to have a positive impact, advancing equality of opportunity for those with a protected characteristic.

Background Papers

23. Leicestershire County Council Strategic Plan 2018-22:
<https://www.leicestershire.gov.uk/about-the-council/council-plans/the-strategic-plan>
24. Cabinet Office Procurement Policy Note 20th December 2012:
<https://www.gov.uk/government/publications/procurement-policy-note-10-12-the-public-services-social-value-act-2012>

Appendix

Leicestershire County Council Social Value Policy Statement.