

Gloucester City Council

Meeting:	Cabinet	Date:	6 March 2024
Subject:	Social Value Policy Review		
Report Of:	Cabinet Member for Performance and Resources		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	No
Contact Officer:	Ruth Saunders, Corporate Director		
	Email:	ruth.saunders@gloucester.gov.uk	Tel: 396789
Appendices:	1. Gloucester City Council Social Value Policy		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To provide an update on the Review of the Social Value Policy which was adopted in October 2020 and make recommendations.

2.0 Recommendations

- 3.1 Cabinet is asked to **RESOLVE** that:

- (1) the progress made against the aims of the Social Value Policy is noted.
- (2) That the changes to the Social Value Policy and the Gloucester City TOMs are accepted.
- (3) That authority to review and make minor changes and updates to the Social Value Policy (including any changes to the thresholds) as required is delegated to the Corporate Director, in consultation with the Cabinet member for Performance and Resources, with only significant changes requiring Cabinet approval.

3.0 Background and Key Issues

- 3.1 In October 2020, Cabinet adopted the Social Value Policy 2020-2022 for the City Council. To summarise, for procurement activity exceeding £50,000, the City Council would consider where and how social value can be delivered and request bidders to submit details on how they expect to deliver social value through delivery of the contract. Social Value would be given a 10% weighting on assessment on submissions. The policy applied to procurements direct via the Council, and did not apply to framework purchasing.

- 3.2 The City Council has decided that Social Value deliverables should cover the five following areas:
- Promoting local skills and employment (Jobs)
 - Supporting growth of responsible regional business (Business)
 - Creating healthier, safer and more resilient communities (Social)
 - Protecting and improving our environment (Environment)
 - Promoting social innovation (Innovation)
- 3.3 To support suppliers in the bidding process a Social Value Toolkit has been developed as well as the Themes Outcomes and Measures (TOMs) that the Social Value Working group developed locally, supported by the Social Value Portal Team, prior to the adoption of the policy.
- 3.4 The Themes, Outcomes and Measures (TOMs) have been updated to reflect changes to the National TOMs, create more focus on things that Council wants to prioritise and support other work. For example, as a result of a Council Motion, a specific measure in relation to Care Leavers has been added.
- 3.5 There were previously 48 TOMs. 13 new measures have been added to the list, 5 were replaced or combined with other similar measures, and 8 were removed.
- 3.6 A 'Master' and 'Light' version of the TOMs have been created to enable the Council to focus on specific measures which have most impact for smaller contracts, making it easier for bidders. Which TOMs are used is at the Council's discretion and will depend on individual contracts:
- Light** – The light version of the TOMs framework is a curated set of measures designed for smaller contracts. It consists of 15 carefully selected measures allowing for a concise evaluation of the committed or delivered social value.
- Master** – The Master version of the TOMs framework is the preferred solution for the majority of contracts. It consists of 35 measures covering a broad range of Themes and Outcomes, allowing for a comprehensive evaluation of the delivered or committed social value.
- 3.7 For the past three years Officers have worked with the Social Value Portal to measure the delivery of Social Value under our contracts, review processes and look for opportunities for development of the work.
- 3.8 Officers and Managers have received training to help develop understanding of the Social Value Policy and its objectives, as well as support bidders to apply for contract work. Training to those who are managing contracts has also been delivered and these training sessions will be ongoing to ensure new staff have a good understanding of the policy.
- 3.9 The City Council continue to work with the Social Value Portal to ensure consistency of measurement and reporting during the period of embedding this approach in our procurement.

- 3.10 Reporting through the Social Value Portal shows delivery across 14 projects, with a total contract value of £9,063,742. Within these projects we have seen £1,329,130 of social value delivered, demonstrating 14.66% added social value. The highlights are as follows:
- 22,188 car miles saved
 - 54 hours of Careers Support Sessions delivered to young people.
 - £31,357 invested in community support
 - 20 new people employed locally
 - £1,400 spend with the VCS
 - £749,087 spent in the local economy
 - 134 volunteer hours provided to local community projects.
 - 3 weeks of work experience provided for young people.
- 3.11 As part of the Social Value element of the Forum, the contractor has leased a property and have fitted it out to become a Learning Hub and have appointed a Project Coordinator. Their commitment to Social Value was clear though their tender for the contract and this was taken into consideration as part of the process.
- 3.12 In October 2021 ARA carried out a piece of consultancy work to assess the Council progress on the delivery of the Social Value Policy. Its conclusion was that the Council has developed its maturity on the Social Value Maturity Index (SVMI) and has scope to continue this trajectory by delivering its current plans. It recommended reviewing how we can increase the impact of the policy through maximising spending power, hence the completion of this review.
- 3.13 In addition to the current Policy, which only expects Social Value commitments to be made through direct procurements, we will also ensure it is clear that the social value commitment is required during any extension of the contract. Social value should also be considered in purchases from frameworks where possible.

4.0 Social Value Considerations

- 4.1 This report outlines the review of the Social Value Policy, therefore Social Value is at the heart of these recommendations.

5.0 Environmental Implications

- 5.1 Social Value principles promote the protection and improvement of the natural environment, arguing its prioritisation creates a better place to live. A number of TOMs support our environmental and climate change ambitions.

6.0 Alternative Options Considered

- 6.1 We could cease to support the Social Value Policy and work but given the value to our communities, this option has been ruled out.

7.0 Reasons for Recommendations

- 7.1 The Social Value Policy has been reviewed and new measures from the National TOMs have now been included in the Gloucester TOMs.
- 7.2 There are a number of types of procurement which are currently not covered by the policy which includes purchases off a procurement framework (where social value should have already been taken into account) and contract extensions. This means that for a lot of the councils contracting work over the past 2 years, the Policy has not applied so we are now recommending that those types of procurement are included.
- 7.3 As the Social Value Policy has grown in success over the past few years this will now be adopted as a permanent policy with no expiry date, but with review dates, in the same way as other Council Policies.

8.0 Future Work and Conclusions

- 8.1 The Policy will be reviewed every 2 years with interim updates made should there be any significant changes such as changes to legislation.

9.0 Financial Implications

- 9.1 The report provides an update on the Social Value Policy, no direct financial implications within this update report.

10.0 Legal Implications

- 10.1 The Public Services (Social Value) Act 2012 came into force on 31 January 2013. It requires public bodies who commission services to consider how what is proposed to be procured might improve the wider social, economic and environmental wellbeing of the area. This duty only applies to the procurement of services above the threshold for the advertisement of the procurement across the EU. This threshold is currently £214,904 inclusive of VAT. The Council's policy goes beyond the statutory duty as it covers all procurements above £50,000.
- 10.2 Before starting the procurement process for above threshold services contracts, commissioners must 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.
- 10.3 The Public Contracts Regulations 2015 permit social aspects to be evaluated as part of the quality criteria. Any social value aspects must be relevant and proportionate to what is being procured.
- 10.4 The Procurement Act 2023 comes into force in October 2024 and consequential changes to the Social Value Policy will be required. Whilst there is no direct reference to Social Value, the new Act will impose a duty on the Council when conducting above threshold procurements to have regard to the importance of maximising public benefit. One Legal should be consulted on changes to the Policy before implementation of the Procurement Act 2023.

(One Legal have been consulted in the preparation of this report)

11.0 Risk & Opportunity Management Implications

Risk	Impact	Level of impact	Likelihood of impact	Mitigating measures
Risk of suppliers not bidding due to dealing with two portals for bid submission	Reduced number of submissions for Council contract could lead to poor overall quality of options	High	Low	Existing agreement between Social Value Portal Ltd and existing supplier portal infrastructure. Has been used by other LA's to great effect
Risk of suppliers not bidding because of the extra work involved, or perception of this.	Reduced number of submissions for Council contract could lead to poor overall quality of options	High	Low	Existing agreement between Social Value Portal Ltd and existing supplier portal infrastructure. Has been used by other LA's to great effect. Officers will survey bidders for feedback as required.
Issues with winning bidder having to pay a fee for Social Value Portal Ltd.'s services	Issues with contract commencement, may lead to fewer bids being received	High	Low	Social Value Portal Ltd have stated in working with over 50 LA's this has never been an issue. Will be on hand to support if problems arise.
Issues with delivering Social Value with long-term impact of Covid and cost of living not yet understood	May lead to failure to delivery contract, may lead to noncompliance with obligation	High	Medium	Social Value Portal Ltd providing ongoing support with non-delivery. Council will actively support suppliers first hand.

12.0 People Impact Assessment (PIA) and Safeguarding:

12.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact; therefore a full PIA was not required.

13.0 Community Safety Implications

13.1 The delivery of Social Value does ensure "healthier, safer and more resilient communities", and would contribute to crime reduction, the promotion of healthier lifestyles, and giving vulnerable individuals opportunities for independence which can be evidenced through the wide range of TOMs supported by our contracts.

14.0 Staffing & Trade Union Implications

14.1 None.

Background Documents

Appendix 1- Gloucester City Council Social Value Policy amended January 2024

Appendix 2- Gloucester TOMs Amended September 2023