

Report To:	CABINET	Date:	23rd March 2020
Heading:	SOCIAL VALUE POLICY AND INITIATIVES		
Portfolio Holder:	CLLR MATHEW RELF - PORTFOLIO HOLDER FOR PLACE, PLANNING AND REGENERATION		
Ward/s:	ALL		
Key Decision:	No		
Subject To Call-In:	No		

Purpose Of Report

This report sets out the rationale for implementing a Social Value Policy into all activity that the Council undertakes. As well as introducing this policy, the report sets out the methodology for introducing social value reporting to measure activities that are not covered by traditional return on investment analysis. The aim of the Council is to ensure that for every pound that Ashfield spends we will generate at least the same value in social return. The social value return will include aspects such as increased local employment/growth: public health and well-being benefits; community resilience: improved place; joint working around Procurement and legal compliance with the Social Value Act.

Recommendation(s)

- **Cabinet is requested to consider and approve the Council's Social Value Policy**

Reasons For Recommendation

This policy sets out the Council's commitment to social value and the added benefits that can be gained from projects and public procurement, specifically for the social, economic and environmental benefit of local people living in the local area. By understanding value created by projects the Council is able to direct efforts to meet the needs of the local community and achieves the aspirational vision that the Council has for the District.

Alternative Options

The Council may choose not to adopt the proposed strategy. However in doing so will lose the opportunity to highlight and measure the Social Value that is being generated by its activities within the District. Not recommended.

Detailed Information

Introduction

Social value relates to the additional benefits that can be achieved beyond the direct scope of a project or contract. This policy sets out the Council's commitment to social value and the added societal benefits that can be gained from projects and public procurement. It also provides greater transparency in how the Council's decision making complies with the Public Services (Social Value) Act 2012. The Council will be able to outline social value in its reporting on achievements in respect of ambitions that have been set out in the revised corporate plan. This strategy aims to demonstrate the following:

- Residents are supported to be active in their community and have the opportunity for greater social benefits through education, employment and business enterprise
- Residents are socially and digitally included
- Cleaner and environmentally improved places
- Local small and medium sized businesses have access to supply chain opportunities and are supported with business growth opportunities
- To give consideration during tendering, to social value and assess against criteria where appropriate
- To encourage Social Value priorities in partnerships with contractors, local operators and investors

1.0 Background

1.1 The Council is always seeking to provide greater transparency in its decision making and has been developing an approach to demonstrate how added economic, social and environmental well-being can be gained from proposed and procured projects. Implementing and embedding a social value policy at a local level involves making procurement decisions in a new way that ensures wider benefits are considered throughout project development. For instance, this could include requiring contractors to pay a living wage, employing target groups such as young unemployed people, minimising negative impacts on the environment through facilitating new technology.

1.3 This policy sets out the Council's enhanced offer to our residents that goes beyond our statutory functions and assists in providing better measurable outcomes for the Council, residents and businesses.

2.0 Embedding, Monitoring and Reporting

2.1 Social Value has been included as a consideration in the Council's procurement policy and activity where any expression of interest is sought to obtain quotes (invitation to tender). The Nottingham City Procurement team will develop a clear thread between the Council's corporate priorities and the delivery of social value.

2.2 Proposals for Social Value activities can be included in service delivery plans as well as project delivery activities as part of benefits realisation. The benefits identified should demonstrate how the activity meets the Council's priorities and delivers added benefits to the local area.

2.3 To do this the Council will need to access a Social Value Portal. This keeps updated values for social value benefits and offers a standardised solution that allows organisations to measure and manage the contributions that their organisation and partners make to society. It is possible to align the Social Value Portal with the Themes, Outcomes, Measures (TOM) framework. This will ultimately enable social value contributions to be reported and collated against the Council's priorities.

2.4 Over time the Social Value reporting will be managed through the Council's performance management system and reported on each quarter to the Corporate Leadership Team and annually to Council. A Corporate Social Value Scorecard will be used to monitor and report on the performance of the themes set out in the revised corporate plan. Social value rates of returns in regard to projects will be identified prior to project delivery and will be managed post project delivery and reported in line with arrangements set out by project boards.

2.5 Some examples of the potential for reporting anticipated outcomes relates to:

Example 1: The implementation of CCTV cameras along the A38 corridor resulted in benefits in terms of air quality and economic regeneration due to the creation of steady traffic through traffic lights rather than standing traffic. In this instance, a major company was attracted to invest in the district due to shorter travel times to the M1 resulting in 1800 jobs as well as a reduction in NOx emissions. Whilst the company may have located in the area in any event journey times to the M1 was a consideration.

Example 2: The new Kirkby Leisure Centre will provide very directly a broadening of the social value generated for Ashfield residents. The provision of new facilities above and beyond the existing facility will attract a wider audience and create wider value. For instance the social value created by adventure climbing based on 120 people using the facility per week is calculated at an annual budget of £15,000 would create an average person value of £4179 for regular users per year which would amount to a total value of £415,286. For cycling based on 200 participants with an annual budget of £20,000 this would amount to £692,143 per year.

These figures can subsequently be monitored to assess if targets have been met or exceeded to understand the long term success of projects and wider social value achieved.

3.0 Reasons for the decision:

3.1 The local authority does have a legal obligation to consider Social Value ahead of a procurement process. However, the Social Value is a valuable tool in its own right to secure added, benefits for local people, businesses and the environment. As well as this, the Council has set out its ambitions in the revised corporate plan that are not always easy to measure through the traditional return on investment methodology.

When measuring Social Value, the council will consider both soft and hard outcomes. Soft outcomes are things that cannot be directly measured e.g. well-being. Hard Outcomes can be clearly defined, are tangible and more easily measured in figures.

Implications

Corporate Plan:

The Social Value Policy will fully support and articulate the delivery of all the Council Priorities:

- Health and Happiness
- Homes and Housing
- Economic Growth and Place
- Cleaner and Greener
- Safer and Stronger
- Innovate and Improve

Legal:

The adoption of a strategy is consistent with the Council's statutory duties under

- a. The Local Government Act 1999 sets out a general Duty of Best Value for Councils to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness." And
- b. The Public Services (Social Values) Act 2012 (the "Act") in line with its procurement activities. The Act requires the Council, to consider how we can improve the economic, social and environmental well-being of our area through the procurement processes for goods, services and works contracts subject to Public Contract Regulations 2015. Note the legislation does not apply where the Council is using an existing framework.

Finance:

There are no financial implications associated with approving the Social Value Strategy, however the monitoring of outcomes may have financial implications for the Council. Appropriate approvals will be sought when required.

The Council's Commercial Manager will work with the out-sourced Procurement Unit at Nottingham City Council to develop more detailed guidance notes to help officers embed relevant social value requirements within their procurement activities.

Budget Area	Implication
General Fund – Revenue Budget	None.
General Fund – Capital Programme	None.
Housing Revenue Account – Revenue Budget	None.
Housing Revenue Account – Capital Programme	None.

Risk:

Risk	Mitigation
No risks identified.	

Human Resources / Equality and Diversity:

There are no direct human resource implications for the Council. The project management, implementation and monitoring and reporting requirements will be met by existing Council resources.

There are no direct equalities impacts arising from the decisions within this report.

Environmental/Sustainability
(to be completed by the author)

None identified.

Other Implications:

None.

Reason(s) for Urgency (if applicable):

Not applicable

Background Papers

Corporate TOMS (Themes, Outcomes and Measures). Social Value Policy

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