

Cabinet

Monday 11 March 2019

10.00 am Council Chamber, Shire Hall



To: The Members of the Cabinet

Cllr M Chilcott (Vice-Chair), Cllr D Fothergill (Chairman), Cllr D Hall, Cllr D Huxtable, Cllr C Lawrence, Cllr F Nicholson, Cllr F Purbrick and Cllr J Woodman

All Somerset County Council Members are invited to attend meetings of the Cabinet and Scrutiny Committees.

Issued By Scott Wooldridge, Strategic Manager - Governance and Risk and Monitoring Officer
- 1 March 2019

For further information about the meeting, please contact Michael Bryant or Scott Wooldridge or 01823 357628 democraticservices@somerset.gov.uk

Guidance about procedures at the meeting follows the printed agenda.

This meeting will be open to the public and press, subject to the passing of any resolution under Regulation 4 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

This agenda and the attached reports and background papers are available on request prior to the meeting in large print, Braille, audio tape & disc and can be translated into different languages. They can also be accessed via the council's website on www.somerset.gov.uk/agendasandpapers



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AGENDA

- Item Cabinet - 10.00 am Monday 11 March 2019
- 1 **Social Value Policy Refresh** (Pages 3 - 14)
- To consider the report (Appendix 2 to follow)

Decision Report – Cabinet decision

– 11th March 2019

Social Value Policy Statement Refresh

Cabinet Member(s): Cllr David Fothergill – Leader of the Council

Division and Local Member(s): All

Lead Officer: Paula Hewitt / Lead Director for ECI and Director for Commissioning

Author: Vikki Hearn / Strategic Manager, Commissioning Development

Contact Details: 07976692057

	Seen by:	Name	Date
	County Solicitor	Honor Clarke	25.02.19
	Monitoring Officer	Scott Wooldridge	25.02.19
	Corporate Finance	Peter Lewis	
	Human Resources	Chris Squire	25.02.19
	Property	Paula Hewitt / Claire Lovett	05.03.18
	Procurement / ICT	Simon Clifford	25.02.19
	Senior Manager	Paula Hewitt	05.03.18
	Commissioning Development Team	Vikki Hearn	
	Local Member(s)	All	
	Cabinet Member	David Fothergill	
	Opposition Spokesperson	Cllr Jane Lock	
	Relevant Scrutiny Chairman	Cllr Anna Groskop	
Forward Plan Reference:	FP/18/07/05		
Summary:	<p>This Social Value Policy Statement, which outlines how the Council will embed social value and demonstrates Somerset County Council's commitment to delivering social value benefits through our commissioning and procurement arrangements, requires a refresh.</p> <p>The policy set out our agreed Social Value priorities and helps commissioners to identify social value opportunities through commissioning and procurement activity. Included in the background section is a link to the current Social Value Policy statement for comparison.</p>		

<p>Recommendations:</p>	<p>That the Leader of the Council approves:</p> <ol style="list-style-type: none"> 1. The refreshed Social Value Policy Statement. 2. For the statement to be published as a statement of Somerset County Council’s agreed social value priorities
<p>Reasons for Recommendations:</p>	<p>It is a legal requirement (The Public Services (Social Value) Act 2012) for Somerset County Council to have regard to economic, social and environmental well-being in connection with public services contracts; and for connected purposes. The Act requires Local Authorities to consider how the services they commission and procure which are expected to cost more than the thresholds provided for in the Public Contracts Regulations might improve the social, economic and environmental well-being of the area.</p> <p>SCC goes further than the legal minimum and expects social value to be considered as part of the commissioning process every time we buy something (procurement) because we see one of our key roles as helping to ensure value for money (including social value) across whole systems. The Social Value Policy Statement is our public commitment to this and was last updated in 2016. Whilst no major changes are required, and only a few additions are recommended, it is important that we regularly review this document and our commitment.</p>
<p>Links to County Vision, Business Plan and Medium Term Financial Strategy:</p>	<p>The Somerset County Council Business Plan states that to address Somerset’s challenges we will demonstrate Social Value and Value for Money in all that we do.</p>
<p>Consultations and co-production undertaken:</p>	<p>The Strategic Commissioning Group (SCG) have contributed to the suggested changes contained within the refreshed document and are happy with retained priorities, as they remain relevant to the organisation.</p> <p>Our Equalities Officer has also been consulted as part of this. He requested the inclusion of disabled people in the first priority, recognising that they are an historically under-employed group.</p> <p>SCG have been asked to share the document with their teams to ensure there are no wider issues, or opportunities that we have not yet explored as part of this refresh. SCG membership covers the following areas of the organisation:</p> <ul style="list-style-type: none"> • Children’s Commissioning • Adults and Health Commissioning • Public Health • Economies, communities and Infrastructure (ECI) Commissioning • Commercial and Procurement • Insurance • Legal

	<ul style="list-style-type: none"> • Finance • Business Change • ICT • Corporate Affairs and Customer and Communities <p>Briefing sessions have taken place with the Leader of the Council and the Leader of the Opposition. From these conversations and the cabinet pre-agenda meeting the following considerations have been raised:</p> <ul style="list-style-type: none"> • Consider adherence to ISO14001 certification for larger suppliers and construction industry when working with the Council • Consider how can best demonstrate Social Value outcomes and potentially include within the Council’s reporting frameworks • Consider how this Social Value policy aligns to the Social Values considerations within the LEP. <p>These considerations will be picked up as part of the monitoring and implementation of the policy across the organisation.</p>
<p>Financial Implications:</p>	<p>There are no financial implications resulting directly from this policy statement. There may be financial implications and cost savings opportunities on an individual commissioning level as social value requirements and possibilities are explored.</p>
<p>Legal Implications:</p>	<p>Under the provisions of the Public Services (Social Value) Act 2012 (the Act) Somerset County Council is required to consider how the economic, social and environmental well-being of the county might be improved through the procurement of services. This policy statement sets out the Council’s aims in this regard. In particular it seeks to:</p> <ul style="list-style-type: none"> • set out a definition of Social Value • set out the social value priorities for Somerset based on our vision and business plan objectives • describe how Social Value will work in practice <p>To help commissioners to meet these obligations and the commitments contained within the Social Value Policy Statement the Social Values Guidance for commissioners and procurement staff will also be refreshed.</p>
<p>HR Implications:</p>	<p>Training and guidance are consistently required in terms of how social value is recognised by staff, promoted within their roles and the work they commission & procure.</p>
<p>Risk Implications:</p>	<p>There is no risk to the council of having a Social Value Policy Statement, but there could be a risk of not having an up-to-date statement that commissioners can follow as they fulfil the commissioning role and responsibilities.</p>

	Not refreshing this policy could result in a lack of understanding of our social value responsibilities and a lack of focus on the importance of Social Value by commissioners.				
	Likelihood	2	Impact	4	Risk Score 8
Other Implications (including due regard implications):	<p><u>Equalities Implications</u></p> <p>There are no direct equalities implications resulting from this policy refresh.</p> <p>An Equalities Impact Assessment should be completed as part of all commissioning activity within the council. Social Value should be considered within this and can help to manage some of the equality's implications identified.</p> <p><u>Community Safety Implications</u></p> <p>There are no direct community safety implications resulting from this policy refresh.</p> <p>An Impact Assessment should be completed as part of all commissioning activity within the council. Social Value should be considered within this and can help to manage some of the community safety implications identified.</p> <p><u>Sustainability Implications</u></p> <p>There are no direct sustainability implications resulting from this policy refresh.</p> <p>An Impact Assessment should be completed as part of all commissioning activity within the council. Social Value should be considered within this and can help to manage some of the sustainability implications identified.</p> <p><u>Health and Safety Implications</u></p> <p>There are no direct health and safety implications resulting from this policy refresh.</p> <p><u>Privacy Implications</u></p> <p>There are no direct privacy implications resulting from this policy refresh.</p> <p><u>Health and Wellbeing Implications</u></p> <p>There are no direct health and wellbeing implications resulting from this policy refresh.</p> <p>An Impact Assessment should be completed as part of all commissioning activity within the council. Social Value should be considered within this and can help to manage some of the health and wellbeing implications identified.</p>				

Scrutiny comments / recommendation (if any):	Not applicable.
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1. Background

- 1.1. Somerset County Council has had a Social Value Policy Statement in place since 2014. This was refreshed in June 2016. The statement outlines our agreed definition of Social Value, how we intend to embed Social Value and our agreed Social Value priorities. A series of examples will be set out in Appendix 2.
- 1.2. Guidance for commissioners and procurement staff to accompany the statement was produced in 2017 and this will be refreshed once Cabinet agreement has been acquired.

2. Options considered and reasons for rejecting them

- 2.1. Consideration was given to creating a new policy, but the Strategic Commissioning Group (SCG) agreed that, in the whole, the priorities are still relevant to the organisation. Additional priorities have been added at the request of SCG to strengthen the environmental elements of the policy.

3. Background Papers

- 3.1. The current Social Value Policy Statement has been used as the basis for this refresh. This can be accessed [here](#).
- 3.2. The refreshed policy statement is attached.

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Somerset County Council Social Value Policy Statement

1. Summary:

Social value is a case of asking the question: “If £1 is spent on the delivery of services, can that same £1 be used to also produce a wider benefit to the community?” It’s about how we secure wider benefits to society as well as financial value from our contracts. By doing this we hope to get better value for money and benefit the local community, the local environment and/or the local economy. It is different from added value, which is when a provider is able to increase the amount of what they are already providing at no extra cost.

It is a legal requirement (The Public Services (Social Value) Act 2012) for SCC to consider social value in certain circumstances. SCC goes further than the legal minimum and expects social value to be considered every time we buy something (procurement) because we see one of our key roles as helping to ensure value for money (including social value) across whole systems. However, to meet the requirements of the act, only criteria which are relevant to the subject matter of the contract may be considered. Where criteria are used in relation to social value within a contract they must be proportionate. The objective the criteria seek to promote must be within the scope of the aims of the Public Services (Social Value) Act and the criteria should not go further than is necessary to achieve the objective required.

This Social Value Policy Statement outlines how SCC will embed social value and demonstrates the County Council’s commitment to delivering social value benefits through its commissioning and procurement arrangements. The policy builds on existing commissioning and procurement practices and underlying principles of:

- Sustainable Procurement.
- Taking a value for money approach when assessing contracts.
- Considering the most appropriate form of consultation, accounting for requirements of people and organisations being consulted, size of procurement, and likely impact of procurement. Including consulting supply markets, as appropriate, before formal procurement to develop robust and intelligent specifications.

2. A definition of social value:

Somerset County Council recognises that social value is about maximising the impact of public expenditure. Social value is defined as ‘the additional benefit to the community from a commissioning / procurement process over and above the direct purchasing of goods, services and outcomes.’¹

Through thinking about how everything we commission can generate wider benefit for the community, we can achieve added value from our spending through third parties and enable a more joined up approach.

3. How Somerset County Council will embed social value:

- i. SCC commissioners and all those involved in externally sourcing contracts will consider, as part of commissioning and the pre-procurement stage:
 - a. how what is to be procured may improve the social, environmental and economic well-being of a relevant area;
 - b. how they might secure any such improvement; and
 - c. whether there is a need to undertake consultation on these matters.
- ii. It is recognised that there can be no 'one size fits all' model. Under the requirements of the Act consideration needs only be given to 'matters that are relevant to what is proposed to be procured and, in doing so, commissioners must consider the extent to which it is proportionate' and so tailored to reflect the service or goods to be procured.
- iii. It is the role of commissioners to consider, on a contract by contract basis, the potential social value outcomes that could be delivered through the procurement process and the most appropriate procurement strategy to achieve this.
- iv. Commissioners will be expected to evidence that social value has been considered as part of commissioning intention plans, SCC decision making process and any associated impact assessments.
- v. Social value priorities for the commissioned service area should be embedded throughout procurement activity and be clear in adverts and tender specifications. Commissioners will be responsible for agreeing social value criteria, as well as being open and transparent in terms of defining how social value elements will be weighted in the evaluation and decision-making processes.
- vi. As appropriate, local communities should be engaged in shaping / deciding what is important to them, as well as engaging with the market to understand their ideas for how they can contribute to social value.
- vii. The manner in which evidence of social value outcomes are to be provided is not prescribed by the Act or this policy. Dependent on the requirements of each procurement exercise, SCC may choose to specify requirements explicitly within a tender or ask potential providers to come up with their own innovative ideas.
- viii. Applications to provide services from organisations should demonstrate their and, where appropriate, their supply chains', ability to add economic, social and environmental value above and beyond simply providing the tendered service and provide evidence demonstrating this.
- ix. Measures should be put in place to ensure that agreed social value activity is monitored and tracked as part of any contracting arrangements.
- x. To improve transparency, wherever possible and practicable, steps should be taken to enable SCC to report centrally on added social value achieved across the Local Authority through commissioning and procurement arrangements.
- xi. Examples of best practice from both within the Local Authority and other local authorities should be developed to inform future commissioning activity.

4. Social Value Priority Areas for Somerset:

1. Developing employment, skills and training opportunities, particularly for hard to reach/ disabled/target groups
Examples: Providing mentoring support, apprenticeships, work shadowing, volunteer opportunities for individuals not in employment, education and training, children in care and care leavers, armed forces veterans, people with disabilities and long term unemployed. Supporting skills development/progression and better-quality employment.
2. Improving health and wellbeing, maintaining independence and reducing inequalities of local residents and employees
Examples: Setting up employee health and wellbeing schemes, supporting initiatives which encourage individuals and communities to take responsibility for their own health and wellbeing.
3. Helping build community capacity and playing an active role in the local community, especially in those areas and communities with the greatest need
Examples: Allowing community groups to use premises / facilities, allowing employees to volunteer or be trustees, providing specialist pro bono business support to organisations.
4. Creating opportunities for micro-providers, the voluntary sector, small and medium enterprises to be part of supply chains which support Somerset County Council priorities and service delivery.
Examples: Investing in local suppliers, organisations and communities.
5. Actively encouraging and working with partners, suppliers and customers to adopt measures to reduce / cut their use of single use plastics.
Examples: Adopting a no single use plastics policy within a catering contract. Creating community refill initiatives.
6. Reducing air pollution, particularly in urban areas
Examples: Low emission vehicles in fleet; incentivising staff to travel to work on foot, by cycle or on public transport; any diesel vehicles acquired to be Euro6/VI standard.

Updated by:

Vikki Hearn, Strategic Manager, Commissioning Development.
(30 January 2019)

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Appendix 2

Monitoring Social Value within Somerset County Council

We request and collect information about our proposed social value activity through our Commissioning Gateway. Commissioners are required to state the social value to be gained from the activity and the proposed mechanism for monitoring this, to ensure the identified social value will be achieved throughout the life of the contract / service period.

This has highlighted some training requirements across the organisations, which will be addresses as part of this policy statement refresh; and the subsequent refresh of the guidance available for commissioning and procurement staff.

Examples of some of the Social Value we have secured are as follows:

- Economic Outcomes
 - Creating jobs for local people – securing local labour agreements within our contracts.
 - Supporting people furthest from the labour market to maximise their skills and increase their employment opportunities - Work experience and apprenticeships for Care Leavers and those with Special Educational Needs and Disabilities
- Social Outcomes
 - Provide opportunities for community members, including those most vulnerable, to make a valuable contribution – Village / Community Agents and Community Connect
- Environmental Outcomes
 - Efficient use of resources by minimising waste – Single Use Plastics
 - Reductions in the use of energy and fuel consumption in the provision of services – Review of care placements to minimise travel requirements.

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