

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 22 January 2019

TITLE	Social Value Policy – Refresh		
Ward(s)	All		
Author:	Denise Murray Jacqueline Miller	Job title:	Director of Finance Performance & Strategy Development, Procurement
Cabinet lead:	Cllr Craig Cheney in consultation with Cllr Asher Craig	Executive Director lead:	Mike Jackson, Exec. Director Resources
Proposal origin: <i>Scrutiny Member</i>			
Decision maker: Cabinet Member Decision forum: <i>Cabinet</i>			
Purpose of Report:			
1. To seek approval of the revised Social Value Policy and the development and implementation of a measurement toolkit of Bristol social value outcomes.			
Evidence Base:			
Social Value may be defined as a process whereby organisations meet their needs for good, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and economy, whilst minimising damage to the environment.			
In planning and delivering its services, the Council aims to consider the social, economic and environmental impact of its commissioning and procurement activities, maximising opportunities to create and secure additional social benefit, whilst ensuring value for money and whole-life costing.			
More specifically the Council considers Social Value at every stage of the commissioning cycle to ensure that, relevant and proportionate, additional benefit ‘outcomes’ can be offered by suppliers and the supply chain in the delivery and performance of contracts on our behalf. Further development of practice is required to ensure that social value outcomes are embedded in award criteria and performance obligations are clearly defined and effectively monitored in moving forward, and to this effect the 2016 Policy has been reviewed and revised.			
The revised Social Value Policy ensures key Council commitments in relation to Living Wage Accreditation, Modern Slavery and Construction Charters are truly embedded in the Council’s commissioning, procurement and contracting practices.			
<ol style="list-style-type: none"> 1. The Council is accredited by the Living Wage Foundation as a Living Wage Employer, it has paid its own staff no less than the Living Wage since October 2014 and has recently committed to ensuring that employees providing a service to or on our behalf, through contractual arrangements are paid at least this rate also. 2. The Council has recommitted its support to eradicating modern slavery by resigning the Modern Day Slavery Charter, a collection of ten commitments, which aims to commit councils to vetting their supply chains to ensure no instances of modern slavery are taking place. 3. The Council has endorsed the principles set out in the Construction Charter requiring contractors and supply chains to work with the appropriate trade unions, in order to achieve the highest standards in respect of; direct employment status, health and safety, standard of work, apprenticeship training and the implementation of appropriate nationally agreed terms and conditions of employment. 			

The main revisions to the policy seek to:

1. Align principles with the Corporate Strategy and define what Social Value means to the Council;
2. Incorporate broader policy commitments and provide clarity on the aims, objectives and purpose of the policy, to include the integration of social value into the Bristol Local Plan;
3. Introduce for the first time a measurement toolkit to enable us to value the things that matter to us in achieving our priorities and a mechanism to ensure that these are delivered, together with other Social Value vehicles: Social Enterprises; mutual models; and Reserved Contracts;
4. Increase the Social Value weighting in tenders to a starting point of 20% as a standalone value (that may be appropriately adjusted, enabling Social Value to be proportionate and relevant in all contracts), alongside the traditional price/quality split, and an aspiration to spend a target of 40% with micro, small, medium sized businesses and organisations, and the voluntary, community and social enterprise sectors through the supply chain.

Cabinet Member / Officer Recommendations:

That Cabinet:

1. approve the revised Social Value Policy;
2. approve the development and implementation of a measurement toolkit that reflects Bristol’s social value outcomes; and,
3. approve the allocation of up to £20,000 in year one, for the development and implementation of a toolkit to be funded from 2018/19 underspend.

Corporate Strategy alignment:

There is potential for procurement and social value to underpin and support the delivery of all of the themes and principles of the Corporate Strategy in embedding Social Value in all of our commissioned goods, services and works contracts.

City Benefits:

Economic, environmental and social benefits are sought and delivered to the ‘local area’ in a number of ways, the outcomes to be delivered benefit our citywide ‘community’, these take a particular focus on equalities, health and sustainability.

Consultation Details:

The original policy and toolkit were subject to internal officer stakeholder and external open and targeted (SMEs/VCSE) consultation.

The revised draft policy has been reviewed in consultation with the Scrutiny Task & Finish Group and the members participating in this group are in full support of the recommendations of this report.

The draft policy and proposed toolkit have been discussed with key internal stakeholders and sector representatives (to include VOSCUR and The Federation of Small Businesses).

The development of a measurement toolkit is crucial to the successful implementation of this policy, this will be co-designed with the Task & Finish Group and in consultation with key sector stakeholders.

In support of achieving the objectives of the revised policy the next phase of the Task & Finish Group work programme will be to explore how best to engage with SMEs and promote bidding and supply chain opportunities to them.

Revenue Cost	£20k	Source of Revenue Funding	2018/19 underspend
Capital Cost	£N/A	Source of Capital Funding	
One off cost <input checked="" type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice:

This report seeks approval to an amended social value policy to maximise the social value outcomes that can be delivered through our procurement processes. The policy, which will be embedded within contract evaluation criteria, aligns to the Council’s agreed medium term financial plan resourcing principles and accords with the duty of

best value. Whilst contract prices could be impacted by the policy, they are not possible to quantify, and it is anticipated that the value of additional local outcomes will outweigh any additional costs, which will be contained within existing MTFP planning assumptions.

Effective contract management arrangements will need to be put in place to ensure suppliers deliver on tender commitments.

Finance Business Partner: Chris Holme, Interim Head of Finance 26th October 2018

2. Legal Advice:

By virtue of the Public Services (Social Value) Act 2012, the Council is required to consider, in connection with contracts involving services, how what is proposed to be procured might improve the economic, social and environmental well-being of the area, and how, in conducting the procurement process, it might act with a view to securing that improvement. The authority must also consider whether to undertake any consultation as to the matters that fall to be considered under this obligation. Meeting this obligation is however subject to compliance with broader public procurement and related regulations.

Where contracts fall within the scope of the Public Contracts Regulations 2015 any requirements, obligations or criteria relating to social value considerations must ,

- be linked to the subject matter of the contract. (The Council should decide this on a case by case basis)
- not confer an unrestricted freedom of choice on the Council
- be expressly mentioned in the contract documents or the tender notice, and
- comply with the general principles of community law, including the principle of non-discrimination.
- the requirements must not go beyond a proportionate reflection of the Council’s requirements in relation to the particular contract.

Accordingly the social value element for any tender must be tailored to the contract in question, and cannot be, for example a blanket % in tender evaluation. Subject to meeting these requirements, social value – which can include matters relating to employment (such as apprenticeships, employment conditions etc.), environmental/ecological and sustainability issues (e.g. green energy, renewable resources etc.) - may be incorporated in either the specification, award criteria and/or contract terms, in appropriate cases. The proposed toolkit could provide more detailed advice on how to achieve this.

Legal Team Leader: Eric Andrews, Team leader Legal Services 1st November 2018

3. Implications on IT:

IT recognises the wider benefits for the area that can be gained from the inclusion of Social Value in contractual agreements and is supportive of the principle. The nature and range of IT contracts is such that IT Services would suggest that proportionate and appropriate application to a contract is assessed and that implementation of the policy should recognise that. A deeper understanding of the policy and the associated toolkit reveals a structured approach that seeks to reduce what is likely to be some additional complexity within contract development and management.

IT Team Leader: Ian Gale, Head of IT 12th November 2018

4. HR Advice:

No direct HR implications, though as stated in the policy a programme of briefing/training of relevant colleagues will be required in order to ensure the policy is implemented effectively.

HR Partner: James Brereton (People & Culture Manager), 29th October 2018

EDM Sign-off	Resources EDM	10 th October 2018
Cabinet Member sign-off	Cllr Craig Cheney	22 nd October 2018
CLB Sign-off	Corporate Leadership Board	30 th October 2018
For Key Decisions - Mayor’s Office sign-off	Mayor’s Office’	5 th November 2018

Appendix A – Further essential background / detail on the proposal Revised Social Value Policy attached.	YES
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Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	NO
Appendix E – Equalities screening / impact assessment of proposal	NO
Appendix F – Eco-impact screening/ impact assessment of proposal	NO
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Combined Background papers	NO
Appendix J – Exempt Information	NO
Appendix K – HR advice	NO
Appendix L – ICT	NO