

	<h2>Policy and Resources Committee</h2> <h3>30 September 2021</h3>
Title	Social Value Policy 2021-25
Report of	Chairman of Policy and Resources Committee
Wards	All
Status	Public
Urgent	No
Key	Yes
Enclosures	Appendix 1: Social Value Policy 2021-25 Appendix 2: Barnet Social Value Themes Outcomes and Measures (TOMs) 2021
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<h2>Summary</h2>
<p>This report seeks approval on the council's Social Value Policy 2021-25. It determines the council's approach to sourcing goods and services beyond the principles of competition and value-for-money, to ensure social and community benefits are obtained whenever we do business.</p> <p>The Social Value Act places a positive duty on the council when awarding above threshold services contracts, to consider, prior to commencing the award procedure for the contract, how what is being procured might improve the social, economic and environmental well-being of their area. This policy sets out the council's ambition to go beyond the minimum legal requirements to deliver meaningful social value through its supply chain, creating</p>

positive outcomes for the places and people of Barnet. The council considers social value to extend to everything we do, across all services provided to residents and businesses.

The Council currently considers social value at a base scoring weight of 10% in the quality criteria of contract bids, with opportunity at the launch of procurement activity to vary this upwards or downwards to a minimum level of 5%. In this policy we are proposing to raise this base weighting to 20% and set it apart from quality and price. This is recommended by the Social Value Portal - the leading national organisation for social value who have worked with the Local Government Association on a national social value toolkit. and is the level of weighting levied by many of the local authorities across England that have achieved the most success through social value in procurement. There will still be the opportunity to vary the weighting of social value in procurements, in line with the Contract Procedure Rules of the council dependent on the type of goods and/or services being procured to minimise the risk of unintended consequences.

It is to be noted that the council will remain in compliance with all statute and case law surrounding public procurement, and its own Constitution through the CPR, schema of delegations and financial regulations. Selection and award criteria will remain linked to the subject matter of the contract to be awarded.

The council spent £541m through its supply chain in 2019/20, and £1,467m over the three-year period leading up to 31 March 2020. Barnet has around 23,000 registered businesses employing 132,000 people. The borough's local economy is heavily dominated by small and micro-businesses. Our social value outcomes framework will seek to ensure that we nurture this local economy and provide opportunities for local residents to secure training and employment within it.

A toolkit will accompany the Social Value policy and the heart of this will be the themes, outcomes and measures (TOMs). This is included as Appendix 2 and functions as a menu of options that suppliers can select as their social value contribution. It lists a wide range of activities and investment listed structured under the Barnet Plan's four themes and underpinned by two cross cutting priorities: prevention and equalities. These have been developed by the council's pan-departmental Social Value Task Group.

Following the implementation of this policy the council will seek to coproduce the TOMs with a wider audience of stakeholders and review them regularly in consultation with partners and residents. To ensure that all voices are represented, the council will also commit to the creation of a social value panel comprising residents, voluntary community and faith sector (VCFS) representatives, and businesses. The panel will ensure that the social value TOMs are up to date and accurately reflect community need.

Ensuring that social value is properly delivered will be a council-wide responsibility supported by the Procurement team. A robust system of monitoring and evaluation will be

in place, supported by community engagement from the Strategy team and its VCFS partners. To ensure that the toolkit and processes continuously improved we will report at least annually on the benefits obtained from social value in the borough.

Officers Recommendations

- 1. That the Committee agrees to adopt the Social Value Policy (Appendix 1 to this report) and its pledge to raise the baseline weighting for social value in contract bids to 20%**
- 2. That the Committee authorises officers to implement the Social Value Policy and to use a Social Value Toolkit (as set out in Appendix 1 and Appendix 2)**

1. WHY THIS REPORT IS NEEDED

- 1.1 The Public Services (Social Value) Act 2012 states that when awarding above threshold services contracts, the council must consider, prior to commencing the award procedure for the contract, how what is being procured might improve the social, economic and environmental well-being of their area. The council has set out a Social Value Policy to ensure due consideration of the wider impact of the council's commissioning and procurement activities is considered to enhance our outcomes and outputs from the services delivered
- 1.2 While Barnet is already compliant with the requirements of the Social Value Act, the council sees social value as an opportunity to unlock much more investment for the community. By increasing the baseline weighting threshold in contracts to 20% and putting new staff capacity into processing social value, the council can generate real, tangible impact for people and places in the borough.
- 1.3 The impacts of the Covid-19 pandemic on our borough will be felt for some time to come, and anything the council can do to channel resources into the community will be greatly beneficial. This can range from increasing employability and opportunities for young people, improving sustainability in the supply chain to adding capacity in our VCFS.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The council is strengthening its policy to provide an opportunity to integrate economic, environmental, and social sustainability into council's procurement processes to deliver a cohesive and innovative approach to generating social value through public procurement.
- 2.2 Maintaining a 40% weighting for price and quality (as standard) respectively ensures the council will not lose value-for-money outcomes for residents. The

expectation is for additional benefits to accrue from properly structured and measured social value.

- 2.3 Social value allows the council to begin setting the basis for improvements in sustainability outlined in the report on the Sustainability Strategy framework considered at this committee meeting elsewhere on the agenda.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Not implementing this policy. To carry on with a compliant, do minimum approach will mean the council isn't taking advantage of its abilities as an anchor organisation* in the area to deliver on improvements that can be measured in economic, social and/or environmental terms. An uplift from 10% to 20% for social value, and de-coupling it from quality scoring, is not extreme and should not deter businesses from trading with us, as evidenced by other councils that have already adopted the 20% as a benchmark.

4. POST DECISION IMPLEMENTATION

- 4.1 If the committee approves the recommendations in this report the Social Value Policy will be formally adopted and published.
- 4.2 The Social Value Toolkit will become a live document, with lead officers updating their areas and adding actions over the year. Progress on the benefits secured and performance will be presented to the Financial Performance and Contracts Committee bi-annually and published on the council website. Ongoing feedback and case studies of social value success stories will be regularly communicated through council publicity, alongside reporting on other ways we are unlocking community benefit from commercial investment.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The council's Barnet Plan 2021-2025 provides the underpinning strategic direction for this policy. It sets out a commitment for the council in which it will work in genuine partnership with residents and partner organisations for the benefit of the borough and its communities.
- 5.1.2 Social Value is a key commitment to ensuring that suppliers, as partners, play their part in contributing to social outcomes supporting each of the four strategic priorities (Thriving, Healthy, Family Friendly, Clean Safe and Well Run) and underpinned by two cross cutting themes: Prevention and Equalities.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 As part of the Barnet Plan commitments, additional funding has been approved to support Responsible Procurement in the form of a dedicated social value officer to support the organisation to achieve maximum social value outcomes at contract award; robustly monitor and report on social value achieved; and ensure contractors that aren't delivering their social value commitments are challenged and alternative outcomes are secured.
- 5.2.2 Procurement activity will remain compliant with the CPR after the implementation of the policy. Changes necessary to ensure the council maintains value-for-money will be considered on a procurement-by-procurement basis through the relevant Procurement Launch Documents (PLD). Approvals at PLD stage are provided by Procurement, Service, Legal and Finance.
- 5.2.3 The council has allocated Barnet Plan funding to support the growth in staffing resources required to deliver Social Value effectively. The implementation of this policy is not expected to adversely impact the council's Medium Term Financial Plan.
- 5.2.4 There are no Property implications expected from this policy.
- 5.2.5 The adoption of the Social Value Policy is expected to improve the sustainability outcomes the council can deliver through its supply chain. An update on sustainability is provided in a report to this committee elsewhere on its agenda.

5.3 Social Value

- 5.3.1 This policy is designed to improve the social value outcomes the council can deliver aligned to the Barnet Plan.
- 5.3.2 The council, in adopting the social value policy, can clearly demonstrate its compliance with the Public Services (Social Value) Act 2012.

5.4 Legal and Constitutional References

- 5.4.1 The [Public Services \(Social Value\) Act](#) came into force on 31 January 2013. It places a positive duty on the council when awarding above threshold services contracts, to consider, prior to commencing the award procedure for the contract, how what is being procured might improve the social, economic and environmental well-being of their area.
- 5.4.2 The proposals in this report go further than the requirements of the Public Services (Social Value) Act.
- 5.4.3 All council public procurement must comply with the Public Contracts Regulations 2015 (as amended).

5.5 Risk Management

- 5.5.1 Progress will be monitored against delivery of the council's Social Value Policy and each social value contribution – whether activity or investment will be monitored and evaluated. The individual risks of each of these will be assessed both by the council and the partner agencies responsible for their delivery.

5.6 Equalities and Diversity

- 5.6.1 The legal requirements of the 2010 Equality Act requires public bodies to comply with its public sector equality duty, paying due regard to the matters set out in the Act.
- 5.6.2 The council's Equalities, Diversity & Inclusion (EDI) policy (2020-24) has been recently updated to reflect its commitment to making decisions that are informed by diverse points of view and feeding those into the design, commissioning and delivery of services.
- 5.6.3 The council's EDI action plan sets out a new programme of activities that are designed to meet the current needs of the borough. Social Value can support this by including specific actions in our menu of TOMS. For example, by building measures within our commissioning procedures so that providers develop and deliver anti-discriminatory services to residents with all protected characteristics. The TOMs are structured within the four Barnet Plan themes as well as the cross-cutting priorities of prevention and equalities This will ensure that social value activities and investments are measured in terms of their contribution to advancing equalities and diversity.
- 5.6.4 We have agreed that EDI policy and measures will be cutting through all relevant Social Value toolkit measures.

5.7 Corporate Parenting

- 5.7.1 Article 7 of the Council's Constitution sets out the terms of reference of the Policy and Resources Committee which include responsibility for Strategic Policy.
- 5.7.2 In line with the Children and Social Work Act 2017, the council has a duty to consider Corporate Parenting Principles in decision-making across the council.
- 5.7.3 There is potential to use social value to support the needs of the borough's children and young people, including those in care or leaving care.

5.8 Consultation and Engagement

5.8.1 As a matter of public law, the council has a duty to consult on proposals to vary, reduce or withdraw services in the following circumstances:

- where there is a statutory requirement in the relevant matter's legislative framework
- where the practice has been to consult or where a policy document states the council will consult then the council must comply with its own practice or policy
- exceptionally, where the matter is so important that there is a legitimate expectation of consultation.

5.8.2 Consultation is also recommended in other circumstances, for example to identify the impact of proposals or to assist with complying with the council's equalities duties.

5.8.3 The social value toolkit will be co-produced with the community and there will be ongoing consultation with stakeholders in the community as social value activities and investments are implemented.

5.8.4 The council must also consider whether to undertake any community consultation on their proposals to act with a view to securing improvement under The Public Services (Social Value) Act in conducting the process of procurement.