

Cabinet
Council

11th February 2014
25th February 2014

Name of Cabinet Member:

Cabinet Member (Strategic Finance and Resources) – Councillor Gannon

Director Approving Submission of the report:

Executive Director, Resources

Ward(s) affected:

All

Title:

Social Value Policy

Is this a key decision?

Yes - The Social Value Policy will impact on the future procurement of Council services which will affect communities, residents and businesses in 2 or more Wards of the City

Executive Summary:

The Public Services (Social Value) Act 2012 (the “Act”) came into force on 31st January 2013. It places a requirement on public bodies to consider how the economic, social and environmental well-being of the area in which they operate may be improved through the procurement of their services.

This report seeks approval for a Social Value Policy which sets out how the Council will meet its obligations under the Public Services Act 2012.

Recommendations:

The Cabinet is requested to:

1. Recommend that the Council approve the Social Value Policy attached as Appendix 1 to this report.

Council is requested to:

1. Consider any comments from Cabinet and approve the Social Value policy attached at Appendix 1 to this report.

List of Appendices included:

Appendix 1 – Social Value Policy (Draft)

Other useful background papers:

None

Has it been or will it be considered by Scrutiny?

No – Although this report has not been to Scrutiny, the Finance and Corporate Services Scrutiny Board (1) considered this issue on 25th November 2013 and have been consulted upon the draft Policy

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

Yes – Council on the 25th February 2014

Report title: Social Value Policy

1. Context (or background)

- 1.1 The Public Services (Social Value) Act 2012 requires all public bodies in England and Wales to consider:
- how what is proposed to be procured might improve the economic, social and environmental wellbeing of the relevant area; and
 - how, in conducting the process of procurement, it might act with a view to securing that improvement. (However the Act makes it clear, that in order to remain in line with EU law this must be relevant and proportionate in respect of the proposed contract.)
- 1.2 The Act applies to all public services contracts and framework service agreements as defined by the Public Contracts Regulations (2006) i.e. those which are above the EU threshold (currently £173,934 over the life of the contract). This applies to contracts relating to services; joint services and works; and services and goods where the services element is the greater part of the overall contract.

By not complying with the Act, the Council can be challenged on the award of contracts by a failed bidder by way of judicial review.

2. Options considered and recommended proposal

2.1 Social Value Policy

- 2.1.1 In order to ensure that it complies with the Public Services (Social Value) Act 2012, the Council has developed a draft Social Value Policy (attached as Appendix 1). The aim of this policy is to set out how Coventry City Council will deliver social value through its commissioning and procurement activities and to set out the Council's priorities in relation to social value. The Council is committed to using all of its resources efficiently and ensuring that it maximises the benefits from its spending decisions for its residents and the city.
- 2.1.2 The policy defines social value as:
- a process whereby organisations meet their needs for goods, 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 the economy, whilst minimising damage to the environment**
- 2.1.3 The Council's vision, values and priorities for the city are set out in its Council Plan, which provides the context for determining the Council's approach to social value. The draft policy outlines a draft set of outcomes, based on the draft Council Plan, that will allow the Council to consider the economic, social and environmental well-being of the city and its residents when commissioning and procuring goods and services.

2.2 Delivering the Policy

- 2.2.1 The opportunities to secure improvements to social, environmental or economic wellbeing will vary from service to service. The Policy therefore, proposes that consideration of social value will be built into the initial stages of the commissioning cycle – when reviewing service provision, conducting a needs analysis, consulting stakeholders and/or the marketplace, and specifying the services to be procured. This will offer more genuine

opportunities to community and voluntary groups to become involved, whilst maintaining our focus on obtaining value for money.

- 2.2.2 Due to the wide range of services provided by the Council there can be no 'one size fits all' model. It is therefore proposed that service commissioners, in conjunction with their procurement lead, consider on a contract by contract basis the potential social value that could be delivered (with regard to the Council's social value outcomes) and the most appropriate procurement strategy to achieve these benefits. The Council's existing procurement processes will need to be adjusted to demonstrate that due consideration has been given to the Act's requirements.
- 2.2.3 The delivery of the Social Value Policy is the responsibility of Executive Director Resources, reporting to Cabinet Member Strategic Finance and Resources. All procurement decisions will be managed through the procurement processes, as set out in the Council's Constitution.

2.3 Approach to Equalities

- 2.3.1 The Council's approach to equality is embedded within the Social Value Policy outcomes. Progress against the Social Value outcomes will be reported through the Council's procurement processes, as set out in the Council's Constitution, and where applicable will include analysis by key equality groups/areas.

3. Consultation and engagement

- 3.1 Consultation on the draft Social Value Policy took place between 28th October and 20th December 2013. As part of the consultation, key stakeholders were invited to comment on the draft document.
- 3.2 Responses were received from the voluntary and community sectors and the private sector. The majority of respondents agreed with the outcomes outlined in the policy. Respondents highlighted the importance of health inequalities; the need to work with small and medium sized enterprises to achieve social value; and the importance of managing the Council's supply chain to ensure that social benefits were accrued. Feedback received through the consultation period has been embedded into the revised policy.

4. Timetable for implementing this decision

- 4.1 Current Procurement practice is already giving consideration to Social Value principles and this will be formalised with effect from 1st April 2014.
- 4.2 The City Council has an established Social Value Working Group, with representatives from across the Authority including Equalities, Environment, Public Health, Economy etc. This group will continue to meet and support the implementation of this policy
- 4.3 There will be a joint launch event in Quarter 1 of 2014/15, of this policy and the Business Charter for Social Responsibility and presentation of the Health and Wellbeing Charter awards to the business community.

5. Comments from Executive Director, Resources

5.1 Financial implications

Whilst the introduction of this policy does not, in itself, incur any additional cost, the implementation of its intent may involve higher upfront cost. Wherever possible, the Procurement Service will look to ensure that over the life of the purchase, the total cost does not exceed current financial resources available.

5.2 Legal implications

By adopting the Social Value Policy and applying it to the Council's procurement processes in a proportionate manner to reflect the services or goods to be procured so that outcomes are relevant to the specification of the services or goods required, the Council will be discharging its duty under the Public Services (Social Value) Act 2012 but in such a manner so as to be compatible with the Council's own rules of contract and EU procurement rules (where applicable).

6. Other implications

6.1 How will this contribute to achievement of the Council's key objectives and priorities (council plan/scorecard) / Coventry Sustainable Community Strategy?

The Social Value Policy will support the delivery of the priorities set out in the new Council Plan

6.2 How is risk being managed?

As part of each procurement process, a review of risks is undertaken, mitigating actions applied and monitored accordingly.

6.3 What is the impact on the organisation?

This policy will maximise the social value benefits that the Council can achieve through its procurement processes, thereby delivering value for money.

6.4 Equalities / EIA

Coventry City Council is committed to making a difference to the lives of the people of Coventry and to promoting equality of opportunity for its citizens. The Social Value Policy aims to improve the economic, social and environmental well-being of the city for the benefit of all its residents. The outcomes contained within the policy focus on key vulnerable groups and seeks to address equality concerns.

6.5 Implications for (or impact on) the environment

The Council will encourage the efficient use of resources and will encourage businesses to reduce their carbon emissions. Protecting the natural environment will also be a priority for the Council.

6.6 Implications for partner organisations?

The Council will work with all its partners, including the voluntary and community sectors and local businesses to deliver the Social Value Policy.

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