


<p>Non-Executive Report of the:</p> <p><b>Overview and Scrutiny Committee</b></p> <p>9 May 2017</p>	
<p><b>Report of:</b> Graham White – Acting Corporate Director, Governance and Interim Monitoring Officer</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Social Value Act - Scrutiny Challenge session</b></p>	

<p><b>Originating Officer(s)</b></p>	<p>Peter Quirk – Senior Strategy, Policy and Performance Officer</p>
<p><b>Wards affected</b></p>	<p>All</p>

### Summary

This report provides the Scrutiny Challenge Session Report and its recommendations from the scrutiny challenge session held on 9 March 2017 looking at the Social Value Act.

### Recommendations:

The Overview and Scrutiny Committee is recommended to:

1. Agree the Scrutiny Challenge Session Report and its five (5) recommendations; and
2. Authorise the Interim Service Manager, Strategy, Policy & Performance to if necessary amend the draft report before submission to Cabinet, after consultation with the Scrutiny Lead Member for Resources and the Chair of the Overview and Scrutiny Committee.

## **1. REASONS FOR THE DECISIONS**

- 1.1 This report highlights the approach, methodology and evidence gathered during the challenge session and subsequent review which were then used as the basis for developing the recommendations from the Social Value Act challenge session. The session formed part of the annual work programme for the Overview and Scrutiny Committee for 2016/17.

## **2. ALTERNATIVE OPTIONS**

- 2.1 The committee may decline to agree the recommendations. This is not recommended however as the report outlines work undertaken by Councillors and officers to identify areas of improvement.

## **3. DETAILS OF REPORT**

### **3.1 Background and context**

- 3.2 As part of its work programme for 2016/17 the Overview and Scrutiny Committee commissioned at challenge session - to consider the implementation of the Social Value Act in the procurement and commissioning cycle for the Council and our communities. The challenge session was chaired by Councillor Abdul Mukit (Member for Weavers ward).

- 3.3 The scrutiny challenge session was attended by the following Councillors , Co-opted Members and officers:

<b>Cllr Abdul Mukit MBE</b>	Chair and Scrutiny Lead for Resources
<b>David Burbidge</b>	Chair of Tower Hamlets Healthwatch , Co-Opted Member of the Health Scrutiny Sub Committee
<b>Margherita De Cristofano</b>	Co –Opted Member of the Grants Scrutiny Sub Committee
<b>Shabbir Ahmed Chowdury</b>	Co-opted Member of Overview and Scrutiny Committee - Parent Governor representative
<b>Neville Murton</b>	Divisional Director - Finance and Procurement
<b>Zamil Ahmed</b>	Head of Procurement
<b>Andy Scott</b>	Acting Divisional Director- Economic Development
<b>Joyce Ogunade</b>	Economic Benefits Manager
<b>Ahmed Choudhury</b>	Senior Strategy, Policy and Performance Officer

- 3.4 The review was supported by:

<b>Peter Quirk</b>	Senior Strategy, Policy and Performance Officer
<b>Julia Estruga</b>	Development and Policy Procurement Manager

3.5 The challenge session considered how the council's approach to implementing and mainstreaming social value in both commissioning and organisational culture has developed and compares with best practice nationally.

### **3.6 Challenge session and methodology**

3.7 The challenge session was held on 9 March 2017 and took the following form:

- Review of the existing procurement and commissioning approach to social value ;
- Assessment of the monitoring , measurement and review of social value clauses and requirements in contracts ;
- Review of the approach to assessing social value impact ;
- Challenge session and review of best practice.
- Development of recommendations based on review of the evidence.

3.8 The report with recommendations is attached as Appendix 1. There are five (5) recommendations arising from the challenge session which are outlined below:

#### **Recommendation 1:**

That the Council develop a Social Value Policy including associated social value priorities and carries out a review of synergies and linkages with other complementary Council policies and strategies.

#### **Recommendation 2:**

Develop an approach to monitoring and measuring the social value outputs and deliverables; this could be through a standard framework, flexible to needs and nature of each contract.

#### **Recommendation 3:**

Examine the options to develop a social value impact and outcomes assessment tool, to determine the impact of social value activity and gauge its contribution to the Mayoral priorities.

#### **Recommendation 4:**

Determine an approach to cross organisation working to ensure that there is collective ownership of social value throughout the commissioning and procurement cycle.

#### **Recommendation 5:**

Develop a Social Value Communication and Engagement Plan to ensure that providers and communities are aware of the opportunities and impact of social value delivery in Tower Hamlets.

#### **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 There are no direct financial implications arising from this report. However, should additional resources be required to implement the five recommendations detailed within the report, officers will need to identify appropriate resources and seek approval through the Council's financial approval process.

#### **5. LEGAL COMMENTS**

- 5.1 The Council is required by section 9F of the Local Government Act 2000 to have an Overview and Scrutiny Committee and to have executive arrangements that ensure the committee has specified powers. Consistent with this obligation, Article 6 of the Council's Constitution provides that the Overview and Scrutiny Committee may consider any matter affecting the area or its inhabitants. The Committee may also make reports and recommendations to the Full Council or the Executive in connection with the discharge of any functions.
- 5.2 Section 1 of the Public Services (Social Value) Act 2012 places a duty on local authorities, the NHS and some other public bodies to give consideration to improving the economic, social and environmental wellbeing of an area when commissioning services. This report advises as to the Overview and Scrutiny challenge session to consider the implementation of the Social Value Act in the procurement and commissioning cycle for the Council and our communities.
- 5.3 The Challenge Session's aim was to provide a direction for the Council in maximising the impact of the commissioning and procurement activity to drive economic growth in the Tower Hamlets local economy and support the delivery of the Executive Mayor's key strategic priorities. In considering this, the Challenge Session focussed on the importance of the Council obtaining community benefits and tangible outcomes in relation to all relevant procurement and commissioning activity and five (5) recommendations have been proposed.
- 5.4 As to the recommendations, all are capable of being undertaken within the Council's powers.
- 5.5 When considering its approach to this report and its recommendations, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not. Information relevant to this is contained in the One Tower Hamlets section below.

#### **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 This challenge session aimed to assess the current approach to the implementation of the Social Value Act and has developed a set of

recommendations aimed at embedding both the ethos and practical benefits of social value in the whole procurement and commissioning cycle for the Council. A key element of this is ensuring that the social value activity contributes to improved outcomes for the diverse communities in the area and supports community cohesion whilst providing value for money.

## **7. BEST VALUE (BV) IMPLICATIONS**

- 7.1 The recommendations in this report are made as part of the Overview & Scrutiny Committee's role in helping to secure continuous improvement for the council, as required under its Best Value duty.

## **8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 8.1 There are no direct sustainable actions for greener environment arising from this report, and recommendations.

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 There are no direct risk management implications arising from this report and recommendations.

## **10. CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 10.1 There are no direct crime and disorder implications arising from this report or recommendations.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- NONE

### **Appendices**

- Appendix 1: Scrutiny challenge session – Social Value Act

### **Local Government Act, 1972 Section 100D (As amended)**

#### **List of "Background Papers" used in the preparation of this report**

List any background documents not already in the public domain including officer contact information.

- NONE