


<p style="text-align: center;">Overview and Scrutiny Committee</p> <p style="text-align: center;">25th February 2019</p>	 <p style="text-align: center;">TOWER HAMLETS</p>
<p>Report of: Neville Murton, Acting Corporate Director of Resources</p>	<p>Classification: Unrestricted</p>
<p style="text-align: center;">Challenge session progress update – Social Value Act</p>	

Lead Member	Councillor Candida Ronald, Cabinet Member for Resources and the Voluntary Sector, and Councillor for Blackwall and Cubitt Town
Originating Officer(s)	Onyekachi Ajisafe, Strategy, Policy and Performance Officer, Governance
Wards affected	All Wards
Key Decision?	No
Community Plan Theme	A Fair & Prosperous Community

Executive Summary

This report follows up from the scrutiny challenge session on the Social Value Act, which went to Overview and Scrutiny Committee (OSC) on 9 May 2017, and a subsequent action plan considered by Cabinet in 27 February 2018. This report reviews the progress against the recommendations and action plan.

Recommendations:

The Overview and Scrutiny Committee is recommended to:

1. Note the updates in the report.

1. **DETAILS OF THE REPORT**

- 1.1. The Overview and Scrutiny Committee commissioned a challenge session “to consider the implementation of the Social Value Act in the procurement and commissioning cycle for the Council and our communities”.
- 1.2. The challenge session took place on 9 May 2017 and 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.
- 1.3. The challenge session 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; and
 - Development of recommendations based on review of the evidence.
- 1.4. The original report made five recommendations which were agreed by OSC. An action plan for these recommendations was agreed by Cabinet on 27 February 2018. The body of this report outlines the progress against these recommendations. The original report with recommendations and the action plan which accompanies the report are attached as **Appendix 1** and **Appendix 2**.
- 1.5. **Recommendation 1:** That the Council develops 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.
- 1.6. **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.
- 1.7. **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.
- 1.8. **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.
- 1.9. **Update from service on Recommendations 1– 4:**

Actions	Update – February 2019
Form a social value policy development delivery group	The Social Value Delivery Group was set up in October 2017. Chaired by the Corporate

	<p>Director, Resources the group also included representation from Procurement and Growth and Economic Development. The purpose of the group was to drive forward the development of a Social Value Framework for the Council. The Framework was to set out how the Council's existing social value practices would be enhanced to maximise the benefits for local voluntary and community sector groups, residents and businesses.</p>
<p>Procurement of research to inform the development of the council's social value policy</p> <p>Appointment of the contractor</p> <p>Develop a draft social value strategy informed by the commissioned research</p>	<p>A procurement exercise was undertaken to appoint a contractor in December 2017. Social Enterprise UK were appointed in January 2018 to undertake research to inform the Council's Social Value Framework. The research was completed and presented to the Social Value Delivery Group in March 2018.</p> <p>A number of recommendations were put forward as part of the research. The recommendations as well as best practice from a number of other local authorities were used in the development of the Framework.</p>
A social value policy is adopted by the cabinet	The Social Value Framework was endorsed by Cabinet on 25 th July 2018.
<p>Procurement to review all social value guidance, policies and procedural documents on an annual basis. This is to ensure the outputs reflect and meet the needs of the borough and compliment council policies and strategies.</p> <p>Relevant services including Economic Benefits Team to be consulted on all policy, procedure and guidance documents relating to economic benefits and social value.</p> <p>Monthly programme meetings between relevant services including Growth and Economic Development and Procurement.</p>	<p>As part of the implementation of the Social Value Framework and ensuring its components are embedded across the Council, a time limited Social Value Board was set up in August 2018. The Board meets on a monthly basis and is chaired by the interim Corporate Director, Resources and also includes representation from Procurement, Strategy Policy and Performance, Growth and Economic Development and Communications. The Board also includes the Interim Chief Executive of the Tower Hamlets for Voluntary Services.</p> <p>As well as these actions the Social Value Boards programme for 2019 includes:</p> <ul style="list-style-type: none"> Ensuring the framework builds on the current 47% of council contracts delivering additional community benefits, such as employment opportunities. The new framework aims to build on this and also ensure that local residents, voluntary and community groups have a greater role in developing new or existing services Extending the social value exchange pilot

	<p>by another 12 months in order to increase our learning in this area. The initial pilot included suppliers offering between £29,000 and £81,000 of social value benefits as part of their bids, exceeding the initial target of £28,000. For the initial pilot, the council worked with Tower Hamlets Homes, East London Business Alliance, Tower Hamlets Council for Voluntary Service and others to secure employment, apprenticeship and work experience opportunities for residents, alongside ICT office equipment and a special 'meet the buyer' event to support small businesses. Organisations that benefited were Toynbee Hall, Spitalfields City Farm and Providence Row housing charity who provided input and local knowledge of what would help them.</p> <ul style="list-style-type: none"> • The Council is in the process of developing a toolkit to ensure social value is embedded across the Council. The toolkit is due to be launched in June 2019 and will also include training a core group of contract managers and commissioners with the skills and knowledge required to successfully implement social value • The Social Value Board is currently engaging with key internal and external stakeholders to enhance the types of social value benefits included within the benefits schedule. This will include benefits that support the Council's priorities around the environment, economic growth and the voluntary and community sector. • A dedicated social value officer will be recruited to drive forward the Council's social value agenda forward; this will include working closely with services and have a particular focus on the economic, social and environmental aspects of specifications, evidencing delivery and outcome-based measurements. • The board plans to experiment with different weightings and lowering the threshold at which social value is considered <p>Although it's still early days in terms of the Social Value Board, there are clear outcomes that the Board is expected, this includes:</p> <ul style="list-style-type: none"> • A thriving voluntary and community
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	sector <ul style="list-style-type: none"> • More effective co-design and co-production of services • Increased social capital and community empowerment • Delivery of sustainable preventative outcomes.
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1.10. **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.

1.11. Update from service on Recommendation 5:

Actions	Update – February 2019
Develop a social value communication and engagement plan	The Social Value Board includes representation from the LBTH Communications Team. The Board will oversee the development and implementation of separate communications and engagement plans for social value.
Implement the social value communication and engagement plan	

2. EQUALITIES IMPLICATIONS

2.1. Members at the Challenge Session identified that the development of a Social Value Policy would have the benefit of providing both contractors and residents with a clear definition of expectations and requirements in the commissioning, implementation and evaluation of social value elements. Taking steps engage and consult with both communities and potential suppliers to evidence and inform the format, scale and range of the Social Value Policy is therefore at the heart of the review and a focus for recommendations.

3. OTHER STATUTORY IMPLICATIONS

3.1. This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.

3.2. There are no specific statutory implications.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1. This is a noting report and as such there are no financial commitments arising from the report. The recommendations detailed within this report are being progressed through existing staffing resources. There are significant community benefits that can be realised through the work detailed in this report and thus progressing the recommendations are advisable.

5. COMMENTS OF LEGAL SERVICES

- 5.1. The Council is legally obliged to consider how something it is procuring might improve the economic social and or environmental well-being of its area. The Council must also consider how the mode of procurement will secure such benefit.
- 5.2. Therefore, the contents of this report and the ensuing policy are necessary to assist the Council to meet this legal duty.
- 5.3. There are no considerations of which the Council needs to take into account for the purposes of the Equality Act 2010 arising from the report at this point.
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Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Appendix 1: Social Value Act Challenge Session Report 9 May 2017
- Appendix 2: Social Value Act Scrutiny Challenge Session Action Plan 27 February 2018