

<p>Cabinet</p> <p>27 February 2018</p>	
<p>Report of: Zena Cooke, Corporate Director of Resources</p>	<p>Classification: Unrestricted</p>
<p>Report of the Overview and Scrutiny Committee: Social Value Act</p>	

Lead Member	Councillor David Edgar, Cabinet Member for Resources
Originating Officer(s)	Keiko Okawa, Senior Strategy, Policy and Performance Officer, Governance
Wards affected	All wards
Key Decision?	No
Community Plan Theme	A Fair & Prosperous Community

Executive Summary

This report submits the report and recommendations of the challenge session on the Social Value Act by the Overview and Scrutiny Committee (OSC), and the action plan for implementation.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the report as agreed by OSC on 9th May 2017 in Appendix One; and
2. Agree the proposed action plan in Appendix Two.

1. REASONS FOR THE DECISIONS

- 1.1 As part of its work programme for 2016/17 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”. The challenge session was chaired by Councillor Abdul Mukit (Member for Weavers ward).
- 1.2 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.

- 1.3 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; and
 - Development of recommendations based on review of the evidence.
- 1.4 This report sets out the recommendations and the action plan that has been developed to address them. Current progress in developing a Social Value Policy is described below.

2. ALTERNATIVE OPTIONS

- 2.1 The Council has a legal duty to consider aspects of social value in its procurement and commissioning activities (see paragraph 5.2 in the Legal Comments). Current practices do include such considerations and the Council could chose to continue in the current vein although as a result of the scrutiny challenge, there is potential to enhance current practices, through a more cohesive policy and framework. A 'change nothing' approach would not be in line with the Best Value duty whilst the recommended actions provide for consideration of alternative approaches in the development of the policy and delivery framework.

3. DETAILS OF REPORT

- 3.1 The full report with recommendations is attached as Appendix 1. There are five 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.

- 3.2 Since social value is a broad concept and will affect the services across the Council, a delivery group comprising representatives from relevant services and THCVS has been established to develop a social value policy. This has already been established as part of the THCVS Strategy Action Plan and the Council's Procurement Strategy. The chair of the delivery group and the project sponsor is the Corporate Director of Resources. The delivery group members are representatives from Economic Development, Procurement, Legal, SPP and THCVS.
- 3.3 The delivery group has started working on the development of a social value policy as recommended (R1). The group also decided to commission research work to inform the development of the policy and to provide analysis and practical case studies to inform an action plan. From the nature of the work, it is expected that the contract sum will be under £25k. The commissioning process is about to start.
- 3.4 A social value policy will cover the aspects identified by the Recommendations 2-4 of this scrutiny challenge session. The council's new social value policy will consider a range of aspects, including implementation, monitoring and measuring of social value, cross-working in the council and external stakeholders, and internal process of the social value monitoring and reporting. A Social Value Communication and Engagement Plan (R5) will be developed following the development of the social value policy.
- 3.5 The action plan arising from the social value policy will be formally monitored by the Strategic Procurement Board.

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 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 this 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 Mayors 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 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 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 considers the implementation of this Act in the procurement and commissioning cycle for the Council and our communities. It aims to mitigate risks that the council may not maximise the opportunity.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

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

11. SAFEGUARDING IMPLICATIONS

11.1 There are no direct safeguarding implications arising from this report or recommendations.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- App 1 Social Value Act Challenge session report V5
- App 2 Social Value Act Scrutiny Challenge Session Action Plan v3

Background Documents – Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012

- NONE

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