

Appendix 3 - Portsmouth Social Value Policy Supporting Paper

Objective

Develop and deliver a Social Value Policy in February 2021 for consideration and sign off by the Council.

Sponsored by Natasha Edmunds Director of Corporate Services, Cllr Chris Attwell and Cllr Steve Pitt.

Overview of Activity to Date.

- Establishment of Internal Social Value Working Group, comprising of 14 Council staff members, representing 8 departments, meeting bimonthly.
- Attendance at Councillors' meetings.
- Consultation with Directors, through invitation at the Directors meeting on 14th December 2020, and a follow up meeting in January 2021.
- Richard Lock – Acting Procurement Manager direct engagement with Chair of the Social Value Task Force and Local Government Association Lead.
- Identification of best practice from councils and contractors to inform planning
- The Social Value Business (SVB) was commissioned by Portsmouth City Council in December 2020 to deliver a work package to:
 - Present to informal Cabinet February 2021 a Social Value Policy Document to formalise the Council Social Value position through:
 - Advising on current social value position within the UK and the national trends and direction.
 - Act as a critical friend to the Council, helping to navigate challenges and barriers to social value positioning, planning, development and implementation.
 - Reviewing current best practice and Local Authority examples throughout England.
 - Alignment with current Central Government legislation and national direction.
 - Identifying a social value definition, areas in focus and aims objectives and principles.
 - Consult with senior and key influential staff members within the Council.
 - Create a summary roadmap to direct the future approach to Social Value Council-wide.
 - Create a summary needs analysis for the development of Social Value.
 - Create recommendations, based on SVB experience and national good practice and learning.
 - Knowledge transfer.
- To build upon the good practices already delivered through existing Council-wide initiatives.
- Align actions and activities to the delivery of the Portsmouth City Vision.

Outcomes

75+ strategic and operational staff were invited to participant in 1 of 6 internal consultants' workshops, in January to help shape the Social Value Policy, through sharing views and

insight into a social value definition, areas of focus and potential scope. This consultation was supported by an online survey, completed by 25 staff members.

Key Themes and Observations

Underpinned by the consultants:

- Alignment with the City Vision
- Social Value can be woven across most Council activities and actions
- Social Value was being delivered by residents, communities and suppliers, but limited focus on areas that matter most. Additional direction needed
- Strong focus on creating a local identity and approach to social value
- The need to focus on restoring the city
- Reducing inequalities and promotion of opportunities
- Working in partnership and collaboration
- The need to understand the current position through a gap analysis and benchmarking
- Recognise and celebrate current social value activities
- Social Value complements multiple current policies and strategies within the Council
- Social Value working in harmony with environmental direction
- Varied views on examples of Social Value definitions
- Broad agreement on areas in focus
- Broad agreement in areas within scope
- Broad agreement in the need for robust measurement and future collaborative working and integration
- The need for investment in resources to deliver social value

National Context

The 2020 review of the Green Book aimed at levelling up Government expenditure across the UK played a central role in raising the profile of social value delivered through public spending. The Green Book is the Government's guidance on options appraisal and applies to all proposals that concern public spending, taxation, changes to regulations, and changes to the use of existing public assets and resources. It is vital for designing interventions that both achieve government policy objectives and deliver social value for money - i.e. that maximise the delivery of economic, social and environmental returns for UK society for every pound of public funds spent. It is supported by detailed HM Treasury guidance on developing business cases which reflects its principles, and by departmental guidance that addresses issues specific to their policy concerns.

The UK government has demonstrated commitment to small and medium-sized enterprises (SMEs) by introducing several initiatives designed to increase SME participation. These include the prohibition of the use of pre-qualification stages in sub-threshold procurements, and also increased visibility of advertised opportunities through an open national register. Central Government had a target of 33% of all contracts to be delivered or sub-contracted to SMEs by 2020.

The Local Government Act 2000 reminds us that fundamentally, the objective of any local authority should be: "The promotion or improvement of the economic, social and environmental wellbeing of their area."

Appendices

Appendix 1: Social Value in Practice

Preston City Council

- Social Value within Preston City Council is through the use of thresholds which trigger a different procurement route. In this way, relatively low-value procurements can be dealt with using informal quotes, thereby increasing efficiency, with a strong focus on value for money. Conversely, larger opportunities (over £75k) will be subject to open advertisements, and therefore introduce complete transparency and unlimited competition
- Within the wider Lancashire economy (including Preston) £488.7m of spending had been retained, a rise of £200m from the baseline analysis

Manchester Council

- They include a social value element of 20% in all contracts with suppliers and will only do business with companies who will:
 - give something back to Manchester people – from a list that they told us they value
 - boost local neighbourhood economies
 - minimise their impact on our environment
- 53.3% of direct spend with the top 300 suppliers in 2015/16 was with organisations categorised as SMEs – this has increased from 46.6% in 2014/15
- The extent to which the Manchester Council re-spent back in the Manchester economy on Manchester-based suppliers and resident employees of their own. The amount re-spent has increased from 25p in the £1 in 2008/09, to 43p in the £1 in 2015/16.
- Expenditure with organisations based in, or with a branch in Greater Manchester has increased from 86.5% to 90.7%
- The proportion of Manchester spend in the 10% most deprived neighbourhoods has decreased from 47.6% in 2008/09 to 39.6% in 2015/16

Calderdale

- All contracts above the EU threshold must include clauses to require that Suppliers and sub-Contractors must pay subcontractors in the supply chain within 30 days of receipt of payment from the Council
- All procurement and commissioning activity will, where appropriate, be structured to maximise the potential for skills training, apprenticeships, and job creation to support the local economy. Local companies providing goods and services to the Council will be encouraged to take on apprenticeships
- Calderdale Council's annual budget, although significantly reduced, is still around £145m each year, with 40% of that spent locally. Over 85% is spent in West Yorkshire and around 55% spent with small and medium-sized companies
- Target local spend 60% across the public sector spend by 2024

Durham

- In 2013, Durham formed a Social Value Task Force in conjunction with the local branch of the Federation of Small Businesses and Social Enterprise UK

09/02/21

- Durham Council has focused on the Social, Environmental Economy value, together with its sustainability strategy
- In all, 55% of Durham's total annual procurement spend is with SMEs, 64% is within the North East, 45% is within the county, and 13% is spent with the third sector

Bristol

- Bristol's focus is to promote social value, including the local economy and environmental sustainability, to the extent that it is legally permitted
- Comply with the Council's Social Value Policy and associated supply chain standards and initiatives
 - i. Seek to reduce disadvantage, advance equality and promote community cohesion as defined in the Equality Act 2010
 - ii. Make every effort to promote local business, including Small and medium-sized enterprises (SME)
- To choose a supplier under a tendering process who not only provides the most economically advantageous tender but one which goes beyond the basic contract terms and secures more extensive benefits for the community
- A weighting of 20% is applied to the overall assessment being attributed to social value

Appendix 2 - Overview of Social Value Business

Social Value Business has nearly 20 years' experience conducting an extensive range of consultancy and evaluation for clients in a variety of sectors.

Social Value Business is an independently recognised UK leader in providing social value measurement, evaluation and development services. We strongly believe in collaborating with people to enable them to enhance their business through developing the right strategies, which in turn helps them understand the difference that their services are making. Through evidence-based findings we believe we can improve performance to help generate a greater, more sustainable impact for individuals, organisations and communities.

As a commitment for social value development, SVB developed the Social Value Quality Mark as a project, before established it within its own Social enterprise in 2020. (Social Value Quality Mark CIC)

Our clients include:

- **Public Sector** – Cabinet Office, Modern.Gov – Manchester – Birmingham – Swindon – Thurrock - Cheshire East – Herefordshire - Bolton – Stockport – Oldham Councils and Cheshire and Merseyside Care Partnership
- **Private Business** - Price Waterhouse Coopers (PWC), Kier Group, Growth Company, World Advertising and Marketing Forum
- **Public Sector Mutuals** – Sirona Care and Health – North Somerset Community Care – Lets Go Global – Spiral Health – Nottingham City Care Partners, Wigan Community and Leisure Trust
- **Third Sector** – Shelter, YMCA, Home Start, Canals and Rivers Trust (formally British Waterways) Change Grow Live, Royal Voluntary Service
- **Universities** – Manchester – Oxford – Cambridge – North Staffordshire – Keele
- **Housing** – Great Places - Progress -Sovereign - Trident - Nealth and Port Talbot – Clarendon – Irwell Valley - Knighstone
- **Funders** - Big Lottery - Social Investment Business – Unltd

2020 highlights include:

