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Title of meeting: Cabinet
Subject: Social Value Implementation
Date of meeting: 11th January 2022
Report by: Natasha Edmunds
Director of Corporate Services
Wards affected: All

1. Requested by

Cabinet Member for Communities and Central Services, and Social Value lead.

2. Purpose

2.1 To review the progress since the cabinet approved the council's Social Value Policy in March 2021.

3. Information Requested

3.1 In 2020, Portsmouth City Council recognised the need for a more formalised and structured approach in respect of social value delivery. In response the Social Value Policy was developed in order to bring together the good practice taking place in the city and organisation as well as ensuring that the work was co-ordinated and targeted to achieve the greatest impact.

It was also recognised that there was an opportunity to clearly describe local priorities and needs, and encourage organisations and businesses looking to work in the city to think about how they would help to address these. This work was clearly linked to the City Vision 2020 in reflecting the themes for development, and also developing the conversation about shared values.

3.2 A core group of officers came together to look at the work already underway in driving social value through a variety of mechanisms such as procurement, contract management, commissioning, grants and planning. This work demonstrated that as an authority, we were already securing some very positive social value gains, such as apprenticeships and local labour pledges, but this was rarely recorded or recognised and was not always effectively targeted to address identified local need priorities.

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3.3 In developing the policy, a range of actions were identified to co-ordinate and amplify the social value approach in the authority, to ensure that as far as possible, everyone working with us to provide services was also committing to ensuring that the community saw tangible benefit from this, in line with our definition of social value:

"The lasting and positive impact that we create through the way in which we act to shape a resilient future for our local and regional community, businesses and environment."

3.4 This report summarises actions so far and next planned steps.

4. Achievements so far

4.1 The policy was developed and approved in the shadow of the Covid-19 pandemic, which has obviously had huge impact in our community. Social value is a critical enabler to the recovery and renewal of the city after the events of the last two years. The pandemic has both created need - some people have seen their work, homes, relationships, education and health fundamentally changed - but also highlighted need that already existed. At the same time, it highlighted the desire and capacity of organisations and individuals to reach out to provide support wherever they could to those who needed it.

4.2 The "working together for a common goal" is learning that the Social Value policy provides a vehicle for embedding in the future. We don't need a pandemic to create the circumstances in which we can work together for a common goal. Creating real and lasting improvement in the fabric of the city and the lives of its residents is the goal the city council and all its partner organisations - including contractors - share.

4.3 The approval of the Social Value Policy by cabinet in March 2021 has supported the organisation to take a structured approach to embedding the learning, but at the same time recognises that one size will not fit all - the diversity of the work the city council does means that our partners are diverse and bring lots of different things with them. The policy recognises that work should be proportionate to the type of project and partners; but that the underpinning principles of social value should be there in everything that we do.

4.4 There has already been significant work across council procurement and contract management activity to develop an approach that meets the local needs and priorities. These include:

- **Establishment of a team of officers** working under the Director of Corporate Services to act as the "Social Value Core Group" - this group is progressing the

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core activities and developing the resources necessary to support the social value approach to embed across the organisation and partners;

- **Development of a Priorities mapping resource** - One of the first pieces of work we have undertaken is a consideration of what the key issues are in relation to the themes that we have identified in our city vision (and reflected in the 2021/22 council plan for recovery and renewal) and setting these out to focus conversations on the priority challenges and opportunities for the authority. This is a document - attached as Appendix 1 - Strategic Policy Alignment - that we intend to review annually, ensuring that we retain the link to the vision, but reflect the progress that is being made. It is clear from this work that there is potential for our work on social value to achieve real progress for the city against some of our most significant challenges.
- **Development of a procurement and contract management toolkit** - We have developed a toolkit, balancing adoption of recognised best practice whilst focusing upon local needs & priorities, to produce an emerging unique Portsmouth model which:
 - Provides helpful guidance to suppliers and seeks to demystify social value principles
 - Signposts suppliers towards local policies, needs, facilitators & beneficiaries
 - Incentivises social value commitments and rewards focus upon local needs
 - Recognises and rewards both existing and future targeted social value commitments
 - Focuses upon impact above output and emphasises partnership
 - Can be applied broadly and constantly on a proportionate and relevant basis
 - Provides a simple, flexible means of assessing social value commitments over the procurement life cycle
 - Incentivises through ongoing reward and recognition rather than focusing upon punitive measures

Example toolkit documentation is included as Appendixes 2 - 6 and includes for:

- Sample Invitation to Tender wording - Appendix 2
- Sample Tender Assessment Quality Question - Appendix 3
- Signposting Information - Appendix 4
- Commitment Recording Sheet - Appendix 5
- Sample Social Value Reporting Contract Clause - Appendix 6

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The toolkit has been piloted and applied to selected new procurement processes and existing contracts which have been prioritised on the basis of one or more of the following considerations:

- Significant scope for social value delivery and development - longer term contracts, higher value contracts, framework agreements, higher levels of localised delivery
- A natural point of opportunity for implementation - new project, re-tender, extension of contract
- Higher levels of readiness in terms of overall contract management processes and supplier performance

A schedule of the existing contracts and new procurement processes which the toolkit has been applied to including for those which it will be applied to in the coming months are included as Appendix 7 - Procurement & Contract Management Social Value Delivery Toolkit Implementation Schedule. The schedule includes for the following procurements and contracts:

- Primary Contractor Works Framework Agreement
- Cruise Terminal Development
- Servicing, Maintenance & Compliance Term Service Contract
- Lift Servicing, Maintenance, Repair & Projects Term Service Contract
- Coastal Partners Professional Services Framework
- Coastal Partners Engineering Minor Works Framework
- King George V Playing Fields Development Works
- King George V Playing Fields Operator Agreement
- New Leisure Centre Development Works
- Edinburgh House Development Works
- Horatia & Leamington House Deconstruction Works
- Horatia & Leamington Development Works
- Highways PFI
- Repairs & Maintenance Term Service Contracts
- Local Full Fibre Network Installation
- Local Full Fibre Network Operation
- Southsea Coastal Defence Works
- Leisure Services Partner Contract

Since the toolkit was only developed in April and has been applied on a pilot basis since then there is unfortunately not a significant amount of information that can be shared at this point as we are still in the process of tendering a number of the new procurements the toolkit has been applied to and retrofitting to existing contracts.

A wealth of information will be available in the coming months, however an initial analysis of the target commitments made by the contractors who were appointed onto the Primary Contractor Works Framework, which was awarded in August 21

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and was the first procurement which the toolkit was applied to and weighted at 10% of the tender assessment, shows the following ambition:

- Creation of 108 local jobs and a further 43 sub-local (wider PO postcode) jobs
- Target of recruiting for over 50 of the new positions from disadvantaged groups - veterans, care leavers, BAME, ex-offenders, etc.
- 800 hours of career mentoring
- 1,000 hours of school and colleges engagement - careers talks, literacy support, curriculum support, etc.
- Creation of 18 new apprenticeship provisions
- 223 weeks of work placements, 119 of which are paid work placements
- £40M of spend via local supply chains
- £59,000 worth of equipment for VCSE organisations
- Over 7,000 hours of voluntary support for VCSE organisations
- 99% of directly employed and sub-contract workers paid at least current Real Living Wage level
- Target to save over 3,000 tonnes of CO2 emissions
- Over 80% of vehicle fleet to meet low emission Euro 6 standards or above
- Over 2,500 tonnes of waste to be diverted from landfill

The figures stated above are targets that have been put forward by contractors and work will need to be undertaken to ensure that the commitments are focused towards local need, are realised & evidenced and impacts assessed. However they provide a very strong basis for development and represent a huge leap forward in the Council's approach to quantifying and monitoring social value commitments.

The summary analysis sheet which has been used to calculate the figures stated above is included as Appendix 8 - Primary Contractor Framework SV Commitments.

5. Next step priorities

5.1 We will continue to keep all the resources that have been developed under review, including refreshing the needs and signposting documents. Alongside this, there is an ambitious programme of activity planned for the next phase of work on social value. Key projects include:

- **"Making Social Value work for Portsmouth" event (17 Feb 2022)**, engaging contractors and beneficiary groups in promoting the work completed by the council and our aspirations for ways of working to best benefit the residents and city.

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- **There is a clear opportunity to look at our wider commissioning activity** to ensure that the key principles of social value are well embedded in processes, even if they do not resolve into a contracting or procurement exercise. The organisation has a well-defined commissioning cycle model and we will be looking at this model to identify how the social value approaches can be explicitly considered. This work will take account of learning from other authorities who have been exploring this area, including Bristol City Council, and look to officers in the authority who are regularly commissioning activity focused on support for vulnerable adults to input heavily to ensure that the proposals are strongly rooted in practice.
- **Continue to develop practices contract management and the delivery of contracts** - A summary of the new and existing contracts which we are actively applying the model to along with our forward plan of contracts which will be addressed in the coming months is included within Appendix 6 - Procurement & Contract Management Social Value Delivery Toolkit Implementation Schedule.
- **We are examining key strategies in development to ensure that they reflect the social value agenda for the authority.** Key among these is the refresh of the Health and Wellbeing Strategy, and the revised Climate Change Strategy, both of which are due to come back to Cabinet in February/March 2022. Our ambition is that these documents will inform the review of the organisation's Integrated Impact Assessment for decision-making, which will include consideration of social value and be launched for the new municipal year.
- **Formally recognising partner contributions through social value** - it is important that we have a way to formally recognise some of the work that our partners are doing to support the community and so as part of the next phase, we will work with partners to identify the appropriate mechanisms for this, including looking at external recognitions schemes that might be a good fit for us locally as well as considering the development of a local Portsmouth award.
- **Embedding social value through grants** - we need to recognise that the work that our voluntary and community sector carries out also provides great social value, and that this may be delivered differently from the work we see in more commercial relationship. We will look at our current processes for grant spend to ensure we maximise and capture the impact of grant spend in terms of both grant purpose, criteria, allocation and delivery.
- **We will further develop the implementation of social value outcomes through planning obligations** (Section 106 agreements based on the 1990 Town and Planning Act) against local priorities including:
 - o Local Plan updated with ESP (Employment and Skills Plans) expectations
 - o Training for planning officers

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- Increased role for the Employment and Skills Officer in the application process to develop best practice from initial contact
 - Additional reporting of added value achievements to recognise the work outside of ESP's completed by contractors.
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- **We will further develop the link between social value delivery and efforts to combat modern slavery** - the establishment of strong social value practices and modern slavery vigilance go hand in hand, we will work with suppliers to help ensure that diligence on modern slavery flows down into sub-contracts and supply chains.
 - **We will build upon our strong governance and reporting structures** - the Council has strong procurement governance in the form of the Gateway process which has enabled roll out of the social value toolkit. We will broaden the application of the toolkit and pilot into new market areas through early involvement with service commissioners.
 - **We will provide direct support to commissioners, contract managers and suppliers** - providing 1-1 support will be vital to developing awareness and skills to ensure that social value opportunities are grasped, agreed and effectively realised.
 - **Communications & Website** - the website and formalised communication plan is in place for launch in early 2022, including sharing of signposting documents and best practice examples.

6. Partnerships

- 6.1 As identified in the March 2021 report, the delivery of social value in the city will be dependent on the organisation working collaboratively, and working effectively with external partners.
- 6.2 The key internal group is the officer Core group, who are describing the common approach for social value for the city, capturing need based data and insight.
- 6.3 The Core Group, led by the Director of Corporate Services has met with key partners (including Shaping Portsmouth, Portsmouth HIVE and CCG) to establish initial support and ensure they are key in developing procedures which focus on beneficiary outcomes and the shared City Vision 2040. Subsequently, Shaping Portsmouth has included Social Value as a key messaging within the planned annual conference in 2022.
- 6.4 Additionally, we have stated conversations with the partnership board that steered the city vision work to identify where there are opportunities to work jointly across the

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city, potentially looking to share practices to identify opportunities, and jointly develop policy.

7. Monitoring outcomes

- 7.1 The Social Value work sits alongside other responsibilities and without budget and the decision was therefore made to withdraw plans for an independent review of the pilot year and to reduce consultancy spend. However, this decision was taken in the knowledge that there are mechanisms that allow us to monitor both the impact of the strategy on the ways we work; and the outcomes that are being achieved for the city and its residents.
- 7.2 The main actions that will be undertaken in relation to monitoring outcomes are:
- Development of a written framework and guide created for procurement and contract measurement - supplier engagement has taken place to develop recording mechanisms and partnership approaches which focus on beneficiary outcomes for residents. Key partners are supporting the development of paperwork through trialling and sharing their current methodologies to produce an approach which simplifies recording for SMEs whilst benefiting from the existing systems within our larger contractors. A contractor survey is planned for completion in this financial year. Social value targeting is now trialling within targeted procurement exercises.
 - There is a framework for capturing progress towards the outcomes in the city vision, expressed in the plan for renewal and recovery for 2021/22.
 - Use of the social value maturity index - this is an externally-recognised framework for assessing progress on developing a social value approach, and which enables us to capture progress as well as benchmark against other authorities. Completion of the index shows the Council has already reached 'mature' within less than 1 year of implementation following approval of the social value policy and will be on course to reach 'leader' level over the next year based upon the steps that we plan to take in the coming months.
- 7.3 In all cases, there is a balance which we will be seeking to strike between compliance with recognised frameworks that will provide a degree of rigour in assessment, and the importance of recognising the holistic, locally-informed approach that we are taking in Portsmouth. It is important that focus on local need and other important related strategic priorities is not compromised by judging our success by standards set by outside bodies.

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Signed by (Director)

Appendices:

- Appendix 1 - Strategic Policy Alignment
- Appendix 2 - Sample Invitation to Tender wording
- Appendix 3 - Sample Tender Assessment Quality Question
- Appendix 4 - Signposting Information
- Appendix 5 - Sample Commitment Recording Sheet
- Appendix 6 - Sample Social Value Reporting Contract Clause
- Appendix 7 - Procurement & Contract Management Social Value Delivery Toolkit Implementation Schedule
- Appendix 8 - Primary Contractor Framework SV Commitments

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Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
	https://www.portsmouth.gov.uk/wp-content/uploads/2021/06/173.183-Social-Value-Policy_Accessible-1.pdf
Portsmouth's City Vision 2040	https://www.portsmouth.gov.uk/2021/01/29/a-new-vision-for-portsmouths-future/ www.imagineportsmouth.co.uk
Portsmouth City Council Priorities	https://www.portsmouth.gov.uk/services/council-and-democracy/policies-and-strategies/our-council-priorities/
Portsmouth's Strategic approach	Our council aims and priorities - Portsmouth City Council
Social Value Policy	Social Value Policy March 2021 (portsmouth.gov.uk)
Public Procurement Policy	https://www.gov.uk/guidance/public-sector-procurement-policy
Social Value Act	https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources
Portsmouth City Council's Climate Emergency Statement	https://democracy.portsmouth.gov.uk/documents/s25687/Response%20to%20Climate%20Emergency%20Strategy%20appendix%20A.pdf
VCSEs: A guide to working with government	https://www.gov.uk/guidance/vcses-a-guide-to-working-with-government
Green Paper: Transforming public procurement	https://www.gov.uk/government/consultations/green-paper-transforming-public-procurement
BS 8950	https://www.bsigroup.com/en-GB/blog/Environmental-Blog/introducing-the-new-british-standard-on-social-value/bs-8950---guide/