

## Corporate Resources Overview and Scrutiny Committee

<b>Date of Meeting</b>	Thursday 10 <sup>th</sup> February 2022
<b>Report Subject</b>	Social Value
<b>Cabinet Member</b>	Cabinet Member for Finance, Social Value and Procurement
<b>Report Author</b>	Chief Officer Social Services
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

Delivering social value from Council activity and expenditure is a corporate priority for the Council and the Council is recognised for its positive work on social value, with the Social Value Development Officer in high demand for their knowledge, skills and expertise.

The social value programme has since its implementation thrived, with around 90% of all procurement activity supported to include social value deliverables. Between January and September 2021 over £2.2m actual social value has been recorded as delivered in Flintshire.

To sustain the positive impact social value delivers for local communities, Flintshire County Council has already committed to an ongoing programme of social value work by making the position of the Social Value Development Officer permanent.

This report highlights some of the positive outcomes to date and looks to maintain the Council's priority of delivering social value with revised targets for 2022/23.

### RECOMMENDATIONS

1	Overview and Scrutiny Committee note the performance of the social value programme to date.
2	Overview and Scrutiny Committee consider the proposal around performance reporting and to secure an achievable social value work programme for 2022/23, given available resource.

## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE PERFORMANCE OF SOCIAL VALUE WORK TO DATE AND THE PROPOSALS FOR FUTURE WORK</b>
1.01	<p>Social value is a board term used to describe the social, economic, environmental and cultural impact of our collective decision making and business operations. Flintshire County Council defines social value as:</p> <p><i>A way of thinking about how scarce resources are allocated and used. It involves looking beyond the price of each individual contract when procuring and looking at what the collective benefit to community is when a public body chooses to award a contract. Every time we spend £1 on the delivery of services we will consider whether we can achieve additional collective well-being benefits from that £1 to the wider community.</i></p> <p>Social value is often referred to as Community Benefits, particularly by Welsh Government. The term Community Benefits has been referenced within the report to detail the Welsh Government reporting requirements that apply to the Council. For the purposes of providing clear and distinguishable definitions, Community Benefits are a sub-set of social value referring to conditions of contract, conditions of set within a grant or match funding in public sector expenditure (grant or match funding) designed to achieve social, environmental, economic and cultural added value outcomes when tendering for goods, works or services.</p> <p>Delivery of the Council's social value programme is currently supported by the Social Value Development Officer, with this post having recently been made permanent.</p>
1.02	<p>Delivering social value from Council activity and expenditure is a corporate priority of the Council. Since its implementation the social value programme has thrived, with approximately 90% of procurement activity supported to include social value. This has returned over £2.7m in committed contracted social value and over £2.2m recorded in actual social value delivery between January and September 2021.</p>
1.03	<p>The actual social value delivered has returned significant social, economic, environmental and cultural outcomes locally to Flintshire. Some of the key highlights recorded between January to September 2021 include:</p> <ul style="list-style-type: none"><li>• Over £1.6m spend in local supply chain supporting economic growth;</li><li>• 37 employment opportunities for local residents (both new and sustained opportunities);</li><li>• Over 226 volunteering hours invested to support local community initiatives; and</li><li>• In excess of 190 apprenticeship training weeks delivered.</li></ul> <p>These are only some of the many benefits which have been secured through the programme during this reporting period.</p>

1.04	<p>A specific example of the returns supported by social value includes the recent donation of over 50 trees and 77 hours of staff volunteering time invested to plant these trees locally in Deeside. This was achieved through an investment to social value by the supplier who successfully tendered for a Council contract.</p>
1.05	<p>The Council is recognised as a high performer in terms of its implementation of social value and the returns this has generated.</p> <p>The Council's contributions to the development of the social value agenda have been acknowledged at UK, Wales and regional levels, with Welsh Government recently commending the Council for its work in this area.</p> <p>During the National Social Value Conference Wales 2021, the Council were highlighted by Hannah Blythyn, Deputy Minister for Social Partnerships, as an example of a local authority in Wales who is successfully applying social value through commissioning and procurement activities.</p> <p>Furthermore, the Future Generations Office have also recognised the progress Flintshire have made in this area, and the investment which has been made to meet the well-being goals through embedding social value across the Council's procurement processes. Procurement is one of the seven corporate areas for change in the Act's statutory guidance (Shared Purpose: Shared Future, SPSF 1: Core Guidance) and the Council were featured positively in this regard within the Commissioners Procuring Well-being in Wales Report in 2021.</p> <p>Whilst this highlights the positive work and demonstrable positive outcomes being achieved through our social value programme, with further opportunities possible, there are a number of challenges which need to be addressed to secure a realistic and achievable programme of work for 2022/23.</p>
1.06	<p><b>Performance Reporting</b></p> <p>Historically quarterly performance data relating to procurement and social value has been generated. This data provides a valuable insight into our public expenditure and procurement behaviours to ensure collective compliance with our Social Value Procurement Policy. However, given current systems and processes this performance reporting does require significant officer time to produce.</p>
1.07	<p>The only specific external reporting requirement is the need to report to Welsh Government on contracts over the value of £1m for Works (Construction or Infrastructure) Services or Supply of Goods in which Community Benefit objectives have been planned, to show how these outcomes support delivery of the Wellbeing of Future Generations (Wales) Act 2015, Wellbeing Goals. These must be recorded within the Welsh Government Community Benefits Measurement Tool and submitted annually.</p> <p>Furthermore all approved projects in the Welsh Government 21<sup>st</sup> Century Schools and Education Programme and which have received funding from this, are required to use the Welsh Government Value Wales Community</p>

	Benefits Toolkit on an annual basis, to report against the community benefits which have been achieved.
1.08	<p>The following measures relating to social value, as contained within the Council Plan, also require performance reporting:</p> <ul style="list-style-type: none"> <li>• Encouraging and supporting commissioners and suppliers to generate additional well-being outcomes by March 2022</li> <li>• Increasing the ability and confidence of local businesses to supply the public sector by March 2022</li> <li>• Reporting the strategic well-being outcomes across the Council – by September 2021</li> </ul> <p>As such, it is proposed to only report on social value as required by Welsh Government and the Council Plan in 2022/23.</p>
1.09	<p><b>Resource, Capacity and Demand</b></p> <p>Whilst the strong focus on extracting social value through procurement has generated significant financial and non-financial returns, it is extremely demanding in terms of officer resource.</p> <p>It should also be noted that there is a lack of resilience for this area of work, with no cover available for any absence of the Social Value Development Officer.</p>
1.10	<p>The corporate target for contracts to include social value for 2021/22 was 69. As of December 2021, 120 contracts had been supported to include social value by the Social Value Development Officer. To achieve this the Officers time has almost solely been devoted to procurement activity to the detriment of other areas of the programme of work. This level of output is unsustainable in the longer-term without additional human resource.</p>
1.11	<p>Without further Officer resource the number of contracts and procurement activity supported to include social value needs to be reduced to a more manageable level that will also allow for broader work to be undertaken, including achievement of the measures for social value contained within the Council Plan.</p>
1.12	<p>It is therefore recommended that for 2022/23 the total target number of contracts the Council supports to include social value is 60 contracts, with a blend of both large and small contracts supported.</p> <p>Further work around prioritisation will be required to support this, which may include, for example, a schedule of contract/procurement activity to assist forward planning and targeting.</p>
1.13	<p>In addition, an advanced notice period for procurement activity is recommended for implementation to better manage workload and prevent short notice requests for support from the Social Value Development Officer. As an example the following criteria could be used;</p> <ul style="list-style-type: none"> <li>• For procurements under £1m a minimum of 2 weeks' notice.</li> <li>• For contracts under £1m but procured through a framework agreement a minimum of 3-4 weeks' notice.</li> <li>• For procurement over £1m a minimum of 6 weeks' notice.</li> <li>• For Joint Procurements a minimum of 6 weeks' notice.</li> </ul>

1.14	<p><b>Opportunities</b></p> <p>There are a number of opportunities to enhance the programme of work, subject to releasing or creating additional capacity, these are set out below. Noting that some of these may require further feasibility studies:</p> <ul style="list-style-type: none"> <li>• Exploring the opportunity to create a fee based social value service. There is demand for an experienced and knowledgeable service to support a range of organisations to embed social value as part of their work.</li> <li>• Developing a local Community Needs Strategy to ensure social value is targeted where it is needed and support suppliers to easily identify where their contracted social value commitments should be delivered locally.</li> <li>• Development of self-help tools, i.e. producing a social value toolkit and robust guidance, for Commissioners which would also ease demand on the Social Value Development Officer.</li> </ul> <p>Please note this list is not exhaustive.</p>
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	<p>In recognition of the benefits yielded by social value, in 2021 Cabinet made the decision to make the post of Social Value Development Officer permanent. Thus, resource was secured to maintain delivery against the corporate priority of delivering social value from Council activity and expenditure.</p>
2.02	<p>Some temporary support, in addition to the Social Value Development Officer, had been provided to the social value programme during 2021. This additional support assisted the over achievement in relation to the corporate target of the number of contracts/procurement to include social value. However, this temporary support has now ceased and thus proposals made to revise the targets for 2022/23 ensure workload is manageable and sustainable.</p>
2.03	<p>Additional human resource would enable the level of performance in 2021/22 to be maintained, including the social value return to communities as achieved through the number of contracts supported to include social value. Additional human resource would also enable the social value work programme to grow. However, there is no available budget to fund additional human resource for the social value function.</p>

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	<p>An Integrated Impact Assessment has not been completed as this report provides an overview of operational matters. Any risks, along with options for mitigation, have already been identified under section 1 of the report.</p>

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	This report is schedule to be heard by Cabinet at their meeting on 15 <sup>th</sup> February 2022.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Not applicable

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	Not applicable

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<b>Contact Officer:</b> Olivia Hughes – Social Value Development Officer <b>Telephone:</b> 07552 254532 <b>E-mail:</b> Olivia.hughes@flintshire.gov.uk

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
	<p><b>Commissioner</b> An individual Officer responsible for procuring goods, works or services on behalf of the Council.</p> <p><b>Flintshire Social Value Model</b> Flintshire County Council’s recognised model for applying social value through a whole life approach to the commissioning cycle. This model should be applied for procuring all goods, works and services over the value of £25k, where social value has been assessed as being relevant and proportionate to the contract.</p> <p><b>Social Value</b> A board term used to describe, the social, economic, environmental and cultural impact of our collective decision making and business operations. Flintshire County Council define social value as; <i>A way of thinking about how scarce resources are allocated and used. It involves looking beyond the price of each individual contract when procuring and looking at what the collective benefit to community is when a public body chooses to award a contract. Every time we spend £1 on the delivery of services we will consider whether we can achieve additional collective well-being benefits from that £1 to the wider community.</i></p> <p><b>Community Benefits</b> Community Benefits are a sub-set of social value referring to conditions of contract or conditions grant or match funding in public sector expenditure</p>

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