



Social Value Charter - Update

For consideration by: Economic Development Transport
and Tourism Scrutiny Commission

Date: 12th April 2018

Lead director: Alison Greenhill

Useful information

- Ward(s) affected: All
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- Report version number: 1.2

1. Purpose of report

The purpose of this report is to:

- 1.1 Provide an update on progress with the draft Social Charter; and
- 2.1 Set out next steps to finalise, adopt and implement the Social Value Charter.

2. Recommendations

The Commission is asked to note the update report.

3. Background

“Social Value” is the generally recognised shorthand for achieving extra social / community benefit through procurement. It is best defined by Social Enterprise UK as follows:

*“Social value is a way of thinking about how scarce resources are allocated and used. It involves looking beyond the price of each individual contract and looking at what the collective benefit to a community is when a public body chooses to award a contract. **Social value asks the question: “If £1 is spent on the delivery of services, can that same £1 be used to also produce a wider benefit to the community”?***

In April 2017, Executive endorsed a report from the Chair of the Economic Development, Transport and Tourism (EDTT) Scrutiny Commission regarding a Social Value Charter.

A working group of the Commission had produced a draft Charter in co-operation with the then Asst Mayor (Jobs & Skills).

In endorsing this, a number of recommendations were accepted and have been progressed. These are set out later in this report with a brief progress update.

In the meantime there have been a number of changes which have impacted on this process:

- A change in the political ownership of the Social Value brief, it now sitting with the Asst Mayor (Entrepreneurial Councils);
- Publication of a new national model of Social Value themes, outcomes and measures which significantly overlap the council’s draft Charter;

- New publicity on different best practice models/case studies, notably, work highlighted in Preston, which draws on another case study from Cleveland (USA).

This serves to highlight the work that we have done in Leicester to use more local suppliers (as initiated by the City Mayor's Local Procurement Task Force established in 2012)

We also intend to re-invigorate our local best public sector procurement partnerships across the city, based on the revised, more specific social value priorities we will establish over the next few months.

Publication of a new national model of Social Value themes, outcomes and measures which significantly overlap the council's draft Charter:

<https://socialvalueportal.com/national-toms/>

4. Progress

Based on the report, an Action Plan was drawn up and implemented by the Head of Procurement working with colleagues as appropriate and reporting progress to the Asst Mayor (Jobs & Skills).

- That the City Mayor and Executive consider and approve the draft Social Value Charter as a basis for further detailed comment from internal stakeholders and consultation with external stakeholders, prior to final adoption.
 - *Further consultation has been undertaken with staff and supplier groups, including a workshop with the FSB, Chamber of Commerce and VAL which has led to a number of relatively minor amendments to the draft Charter.*
- To identify appropriate resource to work with specialist officers from (for example) the environment and economic regeneration teams to support the implementation of the Social Value Charter; to successfully secure and measure social value outcomes, and to liaise with officers involved in procurement / commissioning activities.
 - *A Procurement Officer from within Procurement Services was identified to lead on this work and a graduate recruited to support that work. The graduate's contract ran until end March 2018.*
- To develop a practical toolkit to embed social value into the council's procurement process and to enable procurement / commissioning staff to implement the Social Value Charter.
 - *A toolkit has been largely drafted, with some elements still subject to review/approval and a few elements needing completion. Some elements may need amendment subject to changes to the Charter before it is finalised.*
- To establish an ongoing training, communication and engagement programme (with appropriate political leadership) for:
 - a) *Relevant council staff including internal procurement / commissioning staff, and*
 - b) *External stakeholders, and suppliers, who will need guidance mechanisms and support to engage in the process.*
 - *An approach, involving separate tailored sessions for commissioning staff, Procurement staff and senior management, for this has been*

proposed but further development is dependent on timescales and details of adoption and direction as to how/when we wish to launch the Charter. A supplier facing guide to be uploaded onto the Council's website has been drafted, but is subject to review and approval by senior officers and may need some adjustment as the Charter is finalised.

- To develop a new system of monitoring key performance indicators, in order to understand the impact and effectiveness of the Social Value Charter over time.
 - *The graduate project officer has investigated a number of options, but these have been superseded by the possibility of adopting, in part the national TOMs or reviewing the use of more focussed local TOMs.*
 - *A toolkit has been largely drafted, with some elements still subject to review/approval and a few elements needing completion. Some elements may need amendment subject to how the Charter is finalised.*
- The Economic Development, Transport and Tourism Scrutiny Commission to receive a progress report in 12 months.
 - *As presented in this report.*

5. Next Steps

Following consultation with the Asst Mayor (Entrepreneurial Councils), the general principle of adopting a charter, its main principles and direction continue to be supported.

A review is needed to ensure the Charter incorporates emerging best practice, such as the Preston Model and whether it should be re-branded to capture interest when it is launched and communicated to the public and businesses.

Develop a challenging, more targeted and creative political/corporate approach, using the Procurement Plan and LCC decision-making processes, to determine:

- what Social Value Leicester needs to be seeking from their procurement activities (e.g., a local application of the National TOMs) focussing on Leicester's particular needs, e.g.:
 - re-skilling to address employment trends in the City;
 - targeting benefit towards particularly disadvantaged groups, such as care leavers;
 - ensuring linkages with appropriate Council programmes/initiatives (e.g. apprenticeship hub).
- which contracts are suitable for this approach, recognising that not all contracts or markets are in a position to adhere to this approach or that there is the ability to robustly secure these opportunities from within LCC.

Apply this approach to the 2018/19 Procurement Plan

Re-invigorate our local best public sector procurement partnerships across the city, based on the revised, more specific social value priorities we establish and consider involvement of key private sector organisations.

It is anticipated that the above could be complete by May 2018 for the Charter to be formally adopted May/June, with completion of the scrutiny commission recommendations inc. launch and training to take place July-September 2018.