

### Summary of the Findings of the Social Value Working Group to Asset Member Board

#### Background

The terms of reference of the Asset Management Board tasks the board to:

“agree an approach to define and measure social value in relation to the council’s rural and urban estates”

In order to progress a deeper understanding of social value and explore how to maximise its impact without, as far as possible, diminishing the returns the following actions were undertaken:

- Social value was considered as an agenda item at the Asset Management Board,
- The previous AMB chair attended a social value summit in July 2018
- A Social Value working group was set up and met twice
- Training was provided for members of the working group along with the social value lead councillor,
- Subsequently in 2019 BHCC commissioned a report from the Centre for Local Economic Strategies (CLES).
- The SV working group report for PR committee has been updated to reflect the learning from the CLES Study (see full report in appendix 1)

#### Learning from CLES study

The CLES report set out the five pillars of community wealth-building:

1. Progressive procurement of goods and services
2. Fair employment and just labour markets
3. Making financial power work for local places
4. Socially productive use of land and assets
5. Plural ownership of the economy

In the context of asset management, it is “the socially productive use of land and assets” which has most direct – though not exclusive – relevance. This –

and the plural ownership of the economy - are the aspects the social value working group focused on.

The CLES report notes that “Anchors<sup>1</sup> are often major land, property and asset holders. These represent an asset base from which local wealth can be accrued. In community wealth building the function and ownership of these assets is deepened to ensure any financial gain from these assets is harnessed by citizens. Furthermore, there is a desire to develop local economic uses, and extend local social/community use of those assets. Indeed, much public sector land and facilities are the commons, and should be used to develop greater citizen ownership of the built, open space and natural environment.”

In relation to the plural aspects of the economy, the report states that community wealth-building seeks to develop a more diverse blend of ownership models: returning more economic power to local people and institutions. The report points to the role of small enterprises, community organisations, co-operatives and forms of municipal ownership in regenerating the local economy, and this is certainly something the Council needs to take into account in its decision-making in relation to its assets.

The CLES report makes the following recommendations of greatest relevance to asset management practice:

1. Review land and property holdings through the lens of community wealth building.
2. Develop a Community-led Housing Partnership.
3. Build opportunities for increased plurality of ownership into physical regeneration programmes.
4. Assess the potential for increased food growing on council owned farmland.

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<sup>1</sup> Anchor institutions may be

- **large established organisations in the public sector**, rooted in local communities, which can improve local economic and social wellbeing through the use of their spend, employment practices, and use of land and assets
- **partners in the third sector**, ranging from charities. to community organisations, to local small businesses
- **private enterprises** can be considered anchor institutions, if they are rooted in local communities and support a thriving local economy.

5. Innovate through public-common partnerships, exploring the willingness for new partnerships between the local authority and ordinary citizens

### **Interim issues and approach**

Ahead of the Community Wealth Building Member Working Group looking at more of these issues, this group considered that there were some interim issues the council could look at:

#### **a) “Operational” vs “Non-operational” assets: shifting our thinking**

The current brief for asset management focuses around using the council’s “non-operational assets to maximise revenue for the council. The group felt it is preferable to have a more flexible mindset in which “non-operational” assets were not only seen as able to contribute beyond purely acting as an “earner” for the council, but are also seen more systematically as a resource that could contribute to services/add social value.

#### **b) Measuring social value in asset management**

In areas such as awarding contracts, social value measures and quantifications have been developed more widely by councils across the country. However, in the field of asset management, the working group did not uncover any model council practice that we can take off the shelf and easily replicate.

There is an opportunity for Brighton and Hove to be “ahead of the curve”. In doing this, the council is recommended to adopt an approach of trial and error with in-built monitoring and reviews, leading to regular refining of our approach. On a positive note, in practice Brighton and Hove are already making asset management decisions informed by measures to increase the social value impact. For example, letting:

- 13 Leybourne Parade to the junk food project,
- Prior house to the Brighton Unemployed centre,
- 18 Beatty Avenue to Coldean Youth Group for a community support service
- Various residential properties to Grace Eyre for adults with learning disabilities
- Pavilion Gardens cafes with local suppliers and keep open conditions

- Agricultural lettings with land access conditions

However, the working group concluded that in order fully realise the potential for social value we need to develop systems and procedures that enable us to:

- 1) Measure and record the baseline social value contribution and develop systems to capture future achievements
- 2) Using the baseline, measure progress in expanding Social Value Impact
- 3) Review other opportunities for additional social value or a change of use to achieve social value
- 4) Build in procedures to systematically explore opportunities to add social value when contracts/leases are re-let
- 5) Develop means of quantifying social value so as to inform decision-making

### **Proposals for better understanding and delivering the maximum impact in social value from our assets**

In order to progress the above goals in practice the following proposals are suggested as a starting point:

#### **a) Developing understanding**

- Basic ways to quantify social value are developed
- A social value assessment table be drawn up as a tool to illustrate the scope and breadth of social value possibilities
- A checklist of social value opportunities to be considered by staff as part of asset management lettings, purchase and sale decisions
- Targeted training of staff as the recommendations are completed
- Training for members on the social value section to be included in committee reports

#### **b) Establish where we are and review options**

- An audit is undertaken of existing social value benefits arising from contracts

- A review of any opportunities to expand the contribution, including consideration of a change of use of each asset over time.
- A review be undertaken of the recommendations in the CLES report, setting out what resources would be required to implement these recommendations [and putting forward a potential timeframe].

#### **c) Developing and embedding practice**

- The development of a social value budget line that can be applied to compensate for loss of asset income compared to the market
- A social value section to be included in all committee reports relating to asset management decisions (such as sale options and purchase decisions)
- Recording systems are developed for additional SV benefits (qualitative and where possible quantitative) achieved by internal management decisions

#### **d) Review and monitoring**

- Progress to be fed back on a day to day basis to the lead councillor for social value and reported on an annual basis to Policy & Resources Committee

