

<b>Subject:</b>	<b>Brighton &amp; Hove Social Value Framework</b>		
<b>Date of Meeting:</b>	11 July 2016 – Neighbourhoods, Communities & Equalities Committee <b>14 July 2016 – Policy, Resources &amp; Growth Committee</b>		
<b>Report of:</b>	<b>Acting Director of Public Health &amp; Executive Director of Finance and Resources</b>		
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<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The purpose of this report is to seek committee's endorsement for a new 'Social Value Framework' (appendix 1) for the city and a new Social Value Guide for Commissioners, Procurement Teams and Providers (appendix 2).
- 1.2 Building on and in response to the council's 2015 scrutiny panel on Social Value the Framework explains the significance of and the vision for social value in Brighton and Hove. It also sets out the social value (including social, economic and environmental) outputs desired for the city and includes the Social Value Pledge' that organisations from the public, private and third sector will be encouraged to sign up to.
- 1.3 The Social Value Guide for Commissioners, Procurement Teams and Providers provides a practical toolkit for how commissioners and procurement officers should apply social value in commissioning and procurement process including measuring and performance monitoring.
- 1.4 The Framework and the Guide have been developed by a cross sector citywide steering group as part a national action learning programme on embedding and increasing social value in health commissioning. The programme was funded by the Department of Health and independently facilitated by Institute for Voluntary Action (IVAR) and Social Enterprise UK.
- 1.5 The report also provides an update on work carried out to achieve the recommendations from the scrutiny on Social Value completed in January 2015.

## **2. RECOMMENDATIONS:**

### Neighbourhoods, Communities and Equalities Committee:

- 2.1 That the committee notes the work completed by the Communities, Equality and Third Sector Team and Procurement to progress the recommendations of the Social Value Scrutiny Panel report January 2015 (Appendix 3)
- 2.2 That the committee endorses the Social Value Framework and recommends that the Policy, Resources and Growth Committee sign up to the Framework and Pledge on behalf of the city council.
- 2.3 Endorses the Social Value Commissioner, Procurement and Providers guide and instructs commissioners and procurement officers to use it with immediate effect.

### Policy, Resources and Growth Committee:

- 2.4 That the Policy, Resources and Growth Committee sign up to the Framework and Pledge on behalf of the city council.

## **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The Public Services (Social Value) Act 2012 set a legal requirement on public bodies to consider economic, environmental and social benefits when procuring services. 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?'
- 3.2 In 2014 Brighton and Hove City Council ran a scrutiny panel on the Social Value Act. The panel tasked itself with taking a quick snapshot of what was happening in the council (and to a limited extent its partners) to emphasise best practice and make suggestions for the way forward. The panel specifically stated:  
*"A clear statement of what social value means to Brighton and Hove City Council needs to be made and work undertaken to set out how to embed social value as a golden thread throughout the procurement and commissioning process"*.
- 3.2 The Social Value Scrutiny panel identified that there is a substantial body of research on social value and identified that in "these times of financial constraints, Social Value needs to be viewed as tool to facilitate discussion with other organisations in the city on how to provide the best services possible- with enhanced benefits for individuals and communities locally. They were clear on the need for business cases –all were strongly of the view that this does not conflict with social value. Rather social value can be used as a tool to lever in extra benefits wherever possible. They were clear that specific and relevant elements of social value need to be considered when developing service specifications and that adverts announcing intentions of procuring services should make reference to expectations of demonstrating social value.

- 3.3 The panel reported in January 2015 and set out 11 recommendations (appendix 3). Of the eleven recommendations all have been or in the progress of being actioned via the development of the Social Value Framework, the guide and the action learning programme. Responses to each recommendation are noted in appendix 1.
- 3.4 In June 2015 an opportunity arose for Brighton and Hove NHS Clinical Commissioning Group (CCG), the city council and Community Works to bid to participate in a national action learning programme on embedding and increasing social value in health commissioning. The programme was funded by the Department of Health and independently facilitated by Institute for Voluntary Action (IVAR) and Social Enterprise UK.
- 3.5 The bid was successful and the city participated in the third cohort of the programme along with Oldham, Lambeth and Shropshire. From September 2015 to March 2016 five sessions were held; open to individuals from the CCG, the city council and the community and voluntary sector.
- 3.6 Attendees ranged from procurement officers, commissioners, policy makers, chief officers to service managers. The sessions were designed by a cross sector steering group (including BHCC, CCG, Community Works, CUPP and independent consultant) under the guidance of an IVAR facilitator, who also facilitated each learning session.
- 3.7 As well as the remit of the overall action learning programme it was agreed that the local remit of the action learning should be to:
  - 3.7.1 Develop a common understanding of social value with national and local examples;
  - 3.7.2 Work together around a 'live' commission to pull together all social value thinking and learning in the city so far, bringing a fully joined up approach;
  - 3.7.3 'Systemise' social value and embed it with all partners;
  - 3.7.4 Generate evidence that social value weighting can make a difference to the way services are delivered and the impact that has on communities.
- 3.8 Over the five sessions the participants:
  - 3.8.1 Shared and learnt from best practice from other areas more advanced than Brighton and Hove as well as reflected on local practice and findings of the council's scrutiny panel;
  - 3.8.2 Explored what social value means to the city;
  - 3.8.3 Heard from national legal experts on the possibilities and parameters of the Social Value Act;

- 3.8.4 Considered what would need to be in place to make social value common currency in the city.
- 3.9 The group's discussions took them much further than the remit of health commissioning and led them to recommending and designing the draft Brighton and Hove Social Value Framework (appendix 1) and the Social Value Guide (appendix 2.)
- 3.10 The group identified the need for training and development for commissioners, procurement officers, bidders and suppliers to truly embed social value and make it common practice, as well as the need to design and deliver a bespoke approach to securing business commitment to social value. This echoes the recommendations of the scrutiny panel findings.
- 3.11 The Framework explains why social value is important across public, private and third sectors, the vision for social value in the city and the social value outputs that could be achieved. It also defines the Brighton and Hove Social Value Pledge which organisations across the city will be encouraged to sign up to via a webpage on the Brighton and Hove Connected website.
- 3.12 The guide provides a practical toolkit for how commissioners and procurement officers should apply social value in commissioning and procurement process including measuring and performance monitoring. It has been drafted by BHCC procurement offices with input from participants of the action learning set. It will be a living document in that it will be updated as needed as feedback and learning from its implementation is received.
- 3.13 In addition, it is anticipated that the guide will be supplemented with learning and development for commissioners, provided ideally jointly with the Clinical Commissioning Group. Opportunities will be explored as part of establishing and developing the integrated commissioning unit.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 An option to do nothing was considered, however this would not have enabled officers to progress the Social Value Scrutiny recommendations nor would it have enabled a cross sector approach to be developed.
- 4.2 An option to develop the social value act recommendations only on behalf of the city council was considered. It was decided that this would not be helpful as there would not be an agreed understanding of social value across the public sector, business and voluntary and community sector. The opportunity of working with the national programme meant that the city could benefit from additional knowledge and expertise and learning from local authorities further ahead in the implementation of social value.

#### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 The Social Value work was conducted using a coproduced approach in line with the Community Engagement Framework. This consisted of an action learning set

from September 2015 to March 2016 facilitated by IVAR and included a range of Voluntary and Community Organisations, Social Enterprise organisations, B&H Council and Brighton & Hove NHS Clinical Commissioning Group and procurement officers.

- 5.2 The draft Social Value Framework, Pledge and Social Value Guide went out to consultation to a wide range of stakeholders including the Chamber of Commerce, Brighton & Hove Connected partnerships, voluntary and community sector organisations, BHCC Commissioners, CCG colleagues and local ward councillors. They were presented to the City Management Board on 9<sup>th</sup> June, where the constituents agreed to discuss the documents at their relevant boards and feedback their organisation's position at a future City Management Board meeting.

## **6. CONCLUSION**

- 6.1 The Social Value Act provides a tool to maximise the impact of public sector funding in the context of severe public procurement cost saving pressures, and a way to think about public services in a more coherent way that plays into the redesign of services starting to emerge as a result of these pressures.
- 6.2 The work carried out since September 2016 responds to the Social Value Scrutiny Panel and has ensured as a Council that we are implementing our duties as a public authority under the Social Value Act 2012
- 6.3 Framework provides a platform for the city to actively and collectively pursue social value for - the social, economic and environmental - benefit of citizens, business, community and voluntary groups and visitors.
- 6.4 In Autumn 2016 the cross sector steering group will reconvene to push forward on learning and development opportunities for commissioners and suppliers, and also developing a business to business to campaign to promote the Framework and Pledge to private sector.
- 6.5 A progress report on the impact of the Framework and the Guide, and signatories to the Pledge will be provided to the NCE committee and to Members Procurement Advisory Group in 12 months.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 There are no direct financial implications of the framework or guide. However, there are implications for the way in which the council commissions and procures services. The achievement of social value benefits will need to be considered alongside direct savings for some contracts and this will be shaped by the evaluation criteria established and the quality/price ratio. It should be noted that whilst not necessarily achieving cash savings alone, there will be indirect savings for example, through improving the local economy or reductions in the amount of benefits paid.

*Finance Officer Consulted: Name Mike Bentley*

*Date: 16/06/16*

### Legal Implications:

- 7.2 The Public Services (Social Value) Act 2012 (the Act) requires contracting authorities to consider at the pre-procurement stage of any services contract which exceeds EU threshold to consider how what is being procured might improve the economic, social and environmental well-being of an area and how the authority might secure that improvement in the procurement process itself. There is also a requirement that authorities consider whether to consult on these matters.
- 7.3 In February 2015, the Cabinet Office published a review of the Act by Lord Young which highlighted concerns that there have been inconsistent practices both in defining social value and determining how and when to include it in the procurement process. This framework takes into account the review.

*Lawyer Consulted:*

*Name Liz Woodley*

*Date: 15/06/2016*

### Equalities Implications:

- 7.4 Opportunities for a range of social, economic and environmental benefits to people in relation to their protected characteristics are integrated into the way Social Value is integrated into working practice. "Being Inclusive" is a central principle of our approach. This shapes the framework for how social value will be identified and assessed by the Council and will be built into the monitoring of contracts. Equality priorities for the city have been and will continue to be factored into the social value indicators included in the Framework.

### Sustainability Implications:

- 7.5 There are no direct environmental impacts arising from this report, however as the social value policy will provide for environmental benefits as part of its embedding in council procurements, there are likely to be significant benefits arising from its adoption
- 7.6 Sustainability priorities for the city have been factored into the social value outputs included in the Framework.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Social Value Framework
2. Social Value Commissioners, Procurement and Providers Guide
3. Social Value Scrutiny Recommendations Progress

### **Background Documents**

1. BHCC Scrutiny Panel Report on Social Value 2015

### Crime & Disorder Implications:

Community safety priorities have been factored into the social value outputs included in the Framework.

### Risk and Opportunity Management Implications:

Having a more combined effort across the public, private and third sector on social value should help to increase the impact of public funding in the city. With significant physical regeneration projects in the pipeline the use of social value (social, economic and environmental impacts) can and should have significant benefits not to be missed.

### Public Health Implications:

Social Value adds real value to tackling the wider determinants of health and will be actively targeted at those that are most vulnerable and live in some of our more deprived neighbourhoods.

Public health priorities have been factored into the social value outputs included in the Framework.

### Corporate / Citywide Implications:

The Framework, the Pledge and Guide present a suite of documents that will impact on commissioning across the council, albeit affecting different services and commissions differently depending on their value, scale and complexity. Assuming the other members of the City Management Board sign up to the Framework and Pledge in due course these will go on to have significant impact on public expenditure across the city and consequently impacting on businesses, community and voluntary group all across the city.