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| Report to: | EXECUTIVE CABINET |
| Date: | 28 November 2018 |
| Executive Member / Reporting Officer: | Councillor Bill Fairfoull, Deputy Executive Leader David Moore, Interim Director Growth |
| Subject: | SOCIAL VALUE GUIDANCE |
| Report Summary: | <p>The draft Social Value Guidance detailed in this report supports the Greater Manchester Combined Authority Social Value Policy, which has already been adopted by all GM boroughs, and should increase social value outcomes within Tameside if implemented effectively.</p> <p>The report provides a summary evaluation and business case to implement a Tameside Social Value Guidance to ensure that this is adopted within all commissioned contracts where appropriate. The case for this is based on the measurable benefits to the borough, supporting the outcomes detailed in 'Our People – Our Place – Our Plan'.</p> |
| Recommendations: | <ol style="list-style-type: none"> 1. That the potential significant benefits to the borough of the adherence to the Social Value Guidance in all contracts be noted. 2. That the Social Value Guidance be approved. |
| Policy Implications: | Tameside's business base is primarily comprised of SMEs and micro businesses, which require support to grow and create employment opportunities for local residents in turn creating a more prosperous economy. The focus on a local supply chain and employment of local residents supports this growth. |
| Financial Implications: (Authorised by the Section 151 Officer) | <p>This is a borough-wide report which should be adopted across the Council. Support will be provided by STAR for any training and implementation that is required with commissioners.</p> <p>As social value is extended through procurement the Council will be able to ensure its Values are reflected throughout the supply chain.</p> <p>Any cost implications will need to be resourced from existing budgets.</p> |
| Legal Implications: (Authorised by the Borough Solicitor) | <p>Application of the guidance should be applied consistently (recognising that it will not be appropriate for all contracts) across the Council and monitored in all pre and post contract work to ensure it remains compliant with procurement regulations, strategies and constitutional requirements. Once adopted the Council's Procurement Standing Orders should be amended at B3 to recognise the extension agreed by Cabinet in accordance with the Council's values. In any event the duty to achieve best value for the Council still remains and this must not be lost sight of when assessing social value criteria.</p> |

B3 We Care about Social Value

We must follow the Public Services (Social Value) Act 2012. This means that when we embark on a procurement exercise the lead officer must consider how it might improve the economic, social and environmental well-being of the inhabitants of Tameside.

Risk Management:

Strengthening our approach to social value procurement will enable us to develop our economy.

Access to Information:

The background papers relating to this report can be inspected by contacting David Berry, Head of Employment and Skills



Telephone: 0161 342 2246



e-mail: david.berry@tameside.gov.uk

1. INTRODUCTION

- 1.1 The Public Services (Social Value) Act 2012 came into force on 31 January 2013 making it a legal obligation for local authorities and other public bodies to consider the social good that could come from the procurement of services before they embark upon it. The aim of the Act is not to alter the commissioning and procurement processes, but to ensure that, as part of these processes, councils give consideration to the wider impact of the services delivery.
- 1.2 Statutory requirements of the Act only apply to public services contracts above EU thresholds (which are £118,000 if awarded by central government and the NHS and £181,000 if awarded by local councils) however the Greater Manchester Combined Authority Social Value Policy 2014, which all ten GM boroughs have signed up to, was intended to extend the good practice associated with Social Value into mainstream commissioning and procurement practice.
- 1.3 The Tameside Social Value Guidance (attached **Appendix A**) aims to cement this intention by including 20% scoring of all tenders on social value where appropriate. Some tenders would not be appropriate to include 20% on social value due to their size or nature, in these cases a determination of applying 0-20% could be made, however we would strongly advocate that social value is a key driver led by an evolving culture and ambition for the Council. Our approach will also include a guidance document to suppliers providing examples drawn from evidence of small to large social value outcomes that they could facilitate.
- 1.4 There are examples of where social value commissioning takes place effectively across the Local Authority. This work aims to provide energy and drive to enhance and increase our social value outcomes through consistency, rigour and leadership. We have found that many of the businesses we speak to will engage in social value activity, however the majority of our conversations with providers happen after the contract award and with no consistent pattern of communication. Through the draft Social Value Guidance we want to become a leading public body in the way we work with our providers to generate outcomes.
- 1.5 We understand that not all providers will have the same view and approach to social value or may seek to increase costs within the contract to pay for social value outcomes. We are proposing an approach that is flexible and enables a bidder to provide a response to social value with weighted responses within their bespoke offer which can draw on our examples.
- 1.6 Delivering social value effectively would have several positive benefits for Tameside and Greater Manchester as set out below:-
 - Outcomes – section 2 of this report sets out a host of outcomes that could be delivered as a direct result of increasing the use of social value or captured more effectively should they have happened naturally with the Guidance.
 - Reduction in spend – Social value presents the Borough with an opportunity to reduce or avoid costs through achieving positive outcomes. For example the Council has a Youth Employment Scheme (YES) that provides salary support to employers to employ young people aged 16-25 who are not in education, employment or training (NEET). In the last two years we have supported 15 NEET young people who have left care to gain employment at a maximum direct cost of £49,000 to Tameside MBC. We have created relationships with employers to achieve employment opportunities and the YES scheme has acted as a financial incentive. Had we used social value commissioning more effectively we may have been able to match young people into employers without the requirement for financial incentive.
 - Delivering the wider Greater Manchester agenda for economic growth and increased social value. The National Social Value conference took place on 20 and 21 of November with the GM Mayor a key contributor, we are aiming for our work to align and support the delivery of social value across Greater Manchester.

1.7 The adoption of the Guidance could also be extended across health commissioning structures and partners following implementation by Tameside Council.

2. OUTCOMES

2.1 The Social Value Guidance has been drafted to align with the outcomes detailed in 'Our People – Our Place – Our Plan' and additionally in alignment with the GMCA social value policy.

2.2 Possible outcomes will differ depending on the size and type of contract being commissioned, the Guidance provides examples of the social value suppliers could offer but is not exhaustive enabling flexibility and innovation. The aim is to encourage innovation from bidders and to ensure that any scoring or measurement does not stifle this. STAR Procurement are trialling a new scoring mechanism which intends to provide a relevant and proportionate methodology linked back to the subject matter of the contract. STAR Procurement propose that Tameside MBC adopt this mechanism to ensure consistency across all of their 4 partners and to allow the opportunity to feed into its further development. Alternative measurement tools are suggested in the Cabinet Office Social Value Act Review Report (February 2015) including the use of the Inspiring Impact Hub.

2.3 Further support on outcomes will be provided in the supplier guidelines document in addition to ongoing guidance from the Tameside MBC Employment and Skills team and Social Values lead. Suppliers should not be limited to providing social value offers that match Tameside Council practice. We would encourage flexibility and consider our own policies and practices where we understand our providers may be delivering an offer that would be appropriate for the Council to adopt.

2.4 Social value outcomes are already in evidence within the borough as a result of a social value component to the recent Housing Adaptations contract and the Transport for Greater Manchester Tameside Interchange project, which has in a short time delivered excellent social value outcomes including site visits and work experience to Tameside College students and job offers to unemployed residents.

| TMBC themes & outcomes | What suppliers could offer – these are examples and not an exhaustive list (in addition to the key requirements of the contract) |
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| Vibrant Economy – Opportunities for people to fulfil their potential through work, skills and enterprise <ul style="list-style-type: none"> • Median resident earnings • Working age population in employment • Employee jobs earning above the Living Wage • Number of enterprise business start ups • GVA • Working age population with at least Level 3 skills • Apprenticeships delivered | Offer Real Living Wage to employees |
| | Support all residents into employment, or moving towards employment in the long term, by supporting TMBC Employment & Skills team projects, such as the Menu of Choice support to schools and colleges. |
| | Employment of Tameside residents including ring fenced vacancies, apprenticeships and traineeships |
| | Supply chain spend with local businesses |
| | Support new start-up businesses by running workshops and offering pro-bono support |
| | Sign the Armed Forces Covenant and work with Tameside Armed Services Community |
| | Become a member of the local Town Centre Partnership or support town centre activity |
| | Participate in childcare schemes |
| | Provision of a flexible working policy, with options for staff who are carers |

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| | Only implement zero hours contracts with staff by mutual agreement |
| | Provision above legal requirement for maternity / paternity leave |
| <p>Stronger Communities – Nurturing our communities and having pride in our people, our place and our shared heritage</p> <ul style="list-style-type: none"> • Participation in cultural events • Satisfaction with local community | Employees encouraged and supported to volunteer |
| | Increase the number of opportunities for people to volunteer |
| | Raise digital skills amongst workforce and local community |
| | Contracted services accessible online |
| | Support VCSE organisations to access external funding and develop sustainable models |
| | Provide pro-bono support, legal, HR or financial time. |
| | Increase supply chain spend with VCSE sector |
| | Provide sponsorships |
| | Adopt a local charity or voluntary group and explore ways to support it |
| <p>Successful Futures – Aspiration and hope through learning and moving with confidence from childhood to adulthood</p> <p>Excellent Health & Care – Longer and healthier lives for all through better choices and reducing inequalities</p> | Provide mentoring, guidance and/or work experience opportunities for young people, particularly priority groups under the care of the Local Authority or care leavers |
| | Have staff wellbeing policies, events and benefits |
| | Provide assistance with gym or sport club membership |
| <p>Vibrant Economy – Modern Infrastructure and a sustainable environment that works for all generations and future generations</p> <ul style="list-style-type: none"> • Tonnes sent to landfill • Nitrogen oxide emissions • Journeys by sustainable transport / non-car | Raising awareness and support for staff of mental health conditions, misuse of alcohol and drugs, provide stop smoking support, promote the uptake national cancer programmes. |
| | Use of products from sustainable sources, introduce ethical purchasing, inclusion of fair trade products |
| | Use of water butts and energy efficient methods/products |
| | Tree planting |
| | Produce travel plans to promote the use of public transport, car share and support employee travel schemes |
| | Use of hybrid / electric vehicles |
| | Broker volunteers to support projects that meet these objectives such as environmental responsibilities eg litter picking, working with schools, Friends of Parks, bulb donation and planting, 'In Bloom' projects |
| | Increase recycling, minimise waste and re-use of resources and materials |
| | Donation of unwanted office furniture and ICT equipment |
| | Ensure all waste is removed properly, using companies with a valid waste transfer licence |
| | Promote Tameside services where environmental crime can be reported. |

3. COMPLEX COHORTS

- 3.1 Suppliers will be able to develop their own social value offer however steer will be provided to support priority groups within the borough through the example outcomes as set out in section 2.
- 3.2 Tameside MBC Employment and Skills team will promote social value involvement in relevant projects focussed on priority groups, current examples include the Primary Reading Challenge utilising the social value volunteering commitment from the Working Well Work and Health programme provider Ingeus. This project will directly benefit children from areas with higher levels of deprivation with low reading ability in 6 of the Borough's primary schools. The Reading Challenge demonstrates how social value contributes to our emerging priority of underperformance of reading levels in primary schools.

4. IMPLEMENTING THE GUIDANCE

- 4.1 This draft Guidance has been developed in conjunction with STAR procurement. On adoption STAR and the Employment and Skills Team will work with relevant commissioners to ensure the Guidance is operationally implemented and continues to evolve through learning.
- 4.2 Measurement of outcomes will be essential to understand benefits and also to encourage future implementation. The Employment and Skills Team will work with STAR and internal procurement colleagues to implement effectively. Performance management, as with all performance measures, would be expected from contract managers to ensure delivery or to agree subsequent actions for non-performance. To assist with the ease of this, STAR are currently working with the AGMA Procurement Hub as part of a consistent way to collect Social value outcomes in contracts. In the meantime STAR have a Key Performance Indicator template which is used to capture Social Value outcomes from quotations/tenders which can then be inserted into contracts.

5. RECOMMENDATIONS

- 5.1 As set out on the front of the report.