

Brighton & Hove City Council

Strategy, Finance & City Regeneration Committee

Agenda Item 116

Subject: Social Value in procurement

Date of meeting: 14 March 2024

Report of: Executive Director, Governance, People & Resources

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Ward(s) affected: All

For general release

1. Purpose of the report and policy context

- 1.1 This report sets out the proposed modifications to the Social Value framework and Social Value procurement policy to create a Social Value Toolkit.
- 1.2 The proposed approach is to replace the framework with the following suite of documents:
 - A social Value guide for council Officers
 - A Social Value guide for Bidders
 - A Social Value Action Plan template
 - A refreshed set of Social Value Outcomes and Outputs examples
 - A new Social Value in procurement policy.
 - New Webpage and Wave page to host these documents
- 1.3 The purpose of this activity is to harmonise and simplify how Social Value is applied to Council tenders, with a view to improve Social Value delivery across the Council's contracts.

2. Recommendations

- 2.1 That Committee approves the new document suite "the Social Value Toolkit" for use in Council procurement activity going forward.
- 2.2 That Committee agrees for a Social Value community of practice to be created to support Council Officers and to ensure the document suite remains up to date.
- 2.3 That Committee delegates authority to approve updates of the Social Value Policy and Toolkit to the Head of Procurement in consultation with the Procurement lead members.
- 2.4 That Committee approves the creation of a Directorate KPI to monitor delivery of Social Value going forward.

3. Context and background information

- 3.1 In 2016 a consultancy was commissioned to create the Social Value Framework. The Social Value framework set out to define Social Value for BHCC and the city, establish Social Value Principles, and draw from existing strategies to produce a set of Social Value outcomes to seek, and guidance to follow when commissioning and procuring services for the city. Additionally, a Social Value pledge was created for businesses to sign up to.
- 3.2 The framework has been a very useful tool to introduce the concept of Social Value to Council Officers, and instrumental in the adoption of Social Value as a criterion for determining the overall value of Council tenders. However, a review of the framework highlighted a number of challenges.
- The guidance, at 32 pages was too complex, and by targeting different audiences at once, was difficult to interpret.
 - There was a strong focus on Social Value in the context of Health and Social Care, to the detriment of other categories of procurement which were not sufficiently addressed.
 - There was no mechanism put in place for reviewing and updating the framework.
- 3.3 In 2023 a group was set up to simplify the guidance, re-align the Social Value outcomes and priorities with the current Council Plan and strategies, and put a focus on how Social Value can be practically applied to procurement in the context of the Social Value Act 2012 and subsequent Procurement Policy notes, in particular PPN 06/20. This resulted in the creation of a new suite of documents:
- A Social Value procurement guide for council Officers: this guide gives officers at the Council who procure goods work and services a simple step by step approach to follow, together with concrete examples to illustrate how each step can be applied in practice.
 - A Social Value procurement guide for Bidders: this guide gives bidders for Council contract a detailed approach for incorporating Social Value in the delivery of the contract and producing a robust proposal to include in their bid, together with practical tips.
 - A Social Value Action Plan: This document serves a dual purpose. The first part requests bidders to summarise their Social Value proposals, the second can be used by Contract Managers throughout the life of the contract to monitor the delivery of these activities.
 - A refreshed set of Social Value Outcomes and Outputs examples: The Social Value Outcomes and Outputs example have been updated to mirror outcomes in the current council Plan and have been produced following extensive consultation with Subject Matter Experts and the Council, Suppliers and the Voluntary, Community and Social Enterprise sector.
 - A new Social Value in procurement policy. The policy has been updated to set out expectations from Council officers with regards to applying Social Value to Council tenders, as well as monitoring Social Value post contract award.
 - New Webpage and Wave page to host these documents: two new pages have been created so that all this information is easily accessible to both

Bidders and Council officers. The Website page also includes information about Brighton demographics and other resources aimed at supporting bidders with, as well as case studies to illustrate examples of Social Value benefits delivered to the residents of Brighton and Hove as a result of the council procurement activity.

- 3.4 During the creation of these documents, the group highlighted the need for Social Value delivered to be monitored. This resulted in the creation of the Social Value action plan mentioned above.
- 3.5 The creation of a Directorate KPI for Social Value would support more robust contract management of Social Value across Council contracts.
- 3.6 In order for the toolkit and the information it contains to remain relevant, and to assist Council Officers going forward, it is also recommended that a community of practice is created. The group should consist of representative of all directorates, as well as officers from the following teams:
 - Procurement
 - Contract and supply
 - Employment and skills
 - Education and skills
 - Equalities Diversity and Inclusion
 - Contract performance teams
 - Procurement lead members
 - Sustainability team
 - Business & IP Centre Sussex Manager

The group would meet quarterly to discuss support for officers at the council, and the monitoring of the delivery of Social Value, as well as any new outputs that could be added. The group would also review and update the document suite annually.

4. Analysis and consideration of alternative options

- 4.1 The alternative option would have been to update the Social Value Outcomes and Outputs and keeping the framework as it was, but that would have meant the framework would have remained underutilised and an opportunity to improve our process would have been missed.

5. Community engagement and consultation

- 5.1 The following has taken place:
 - 30/11/2023: Strategic Procurement Managers – feedback was received with regards to the Social Value Guidance for Officers and bidders guide which were updated as a result.
 - 12/12/2023: Supplier focus group 1 – Feedback was received from Suppliers with regards to the Social Value bidders guide which was updated as a result. Document suite was very well received, particularly the Social Value Action Plan.
 - 11/01/2024: Policy Network – Feedback was received with regards to the Social Value Outcomes and Outputs, additional outputs were added as a result.

- 15/01/2024: Supplier focus group 2 - Feedback was received with regards to the definition of “local” when it comes to Social Value as well as the wish for a more unified approach to Social Value from neighboring authority (ESCC, WSCC, and SCC) Feedback relayed to Orbis Procurement. Document suite was very well received, particularly the Social Value Action Plan.
- 16/01/2024: VCSEs focus group (Community Works) – feedback was received with regards to the tone of the documents, as well as potential additional outputs to be added. Community Works was tasked with reviewing the tone and outputs and to make suggestions. Document suite was very well received, particularly the Social Value Action Plan.
- 26/01/2024 and 16/02/2024: Lead members for procurement briefing – Cllrs Burden and Robinson were presented the toolkit and were consulted on the drafting of the policy, the Social Value outcomes and outputs document, and this report.

6. Conclusion

- 6.1 The work undertaken by the cross-functional team has resulted in the creation of user-friendly guides for both Council Officers and Bidders, ensuring a straightforward and practical approach to incorporating Social Value in procurement.
- 6.2 Furthermore, the Social Value Action Plan, coupled with the refreshed set of Outcomes and Outputs examples, provides a robust framework for both proposal development and ongoing contract management. The alignment with the current Council Plan and strategies, as well as compliance with the Social Value Act 2012 and PPN 06/20, demonstrates a commitment to ensuring Social Value is a key consideration in the procurement process.
- 6.3 The Social Value in procurement policy, along with dedicated webpages for easy access to information, reflects a comprehensive approach to dissemination and implementation. The inclusion of demographic information, resources, and case studies on the webpages enhances transparency and supports bidders in understanding and delivering Social Value.
- 6.4 Additionally, the emphasis on monitoring Social Value delivery, as highlighted in the Social Value Action Plan, underscores the commitment to accountability and effectiveness. The suggestion to incorporate Social Value as a Key Performance Indicator (KPI) under section 52 of the Procurement Act 2023 is a forward-thinking proposal, although limitations on applicability to contracts over £5 million raise consideration for its broader impact.
- 6.5 The creation of the Social Value community of practice will provide a valuable platform for collaboration, knowledge sharing and continuous improvement as well as support the implementation of the toolkit.
- 6.6 In summary, the new suite of documents provides a comprehensive and practical approach to embedding Social Value in the Council's procurement processes. The benefits of adopting the Toolkit include enhanced clarity for Council Officers and Bidders, improved alignment with strategic goals,

strengthened contract management, and increased transparency in Social Value delivery. As such, it is recommended that the Committee approves the use of the Toolkit to strengthen the delivery of Social Value of its contracts.

7. Financial implications

- 7.1 There are no identifiable financial implications to the council arising from this policy, any costs arising will be met by existing budget resources.

Name of finance officer consulted: Ishemupenyu Chagonda

Date consulted 15/02/24

8. Legal implications

- 8.1 The Public Services (Social Value) Act 2012 requires Council commissioners to consider how they can improve the economic, environmental and social wellbeing of their local area through their procurement activities.
- 8.2 Additionally, Procurement Policy Note 06/20 [PPN 06/20] sets out a model for delivering social value in the local authority's commercial activities. The PPN applies to procurements covered by the Public Contract Regulations 2015 [PCR 2015]
- 8.3 This legislation has been used as the basis for the new suite of documents, which will replace the existing social value framework and ensure that Council officers understand and are compliant with that legislation.
- 8.4 The Council is required to comply with the PCR 2015 in relation to the procurement and award of contracts above the relevant financial thresholds for services, supplies and works. The Council's Contract Standing Orders [CSOs] will also apply.

Lawyer consulted Eleanor Richards Date: 16th February 2024

9. Equalities implications

- 9.1 No disproportionate impact was identified. An action was identified to explore what data monitoring would be possible to assess the impact of the toolkit and have this resolved by March 2024 (see recommendation 2.4)
- 9.2 A fundamental principle of Social Value and the Toolkit is to achieve added value from Council contracts to respond to the city's challenges and help deliver the Council Plans' objectives including a Diverse, Fair and Inclusive City.

10. Environmental sustainability implications

- 10.1 As of October 2022, and committee approval of the Orbis Environmentally sustainable procurement policy, Environment Sustainability has its own 10% weighting of the quality criteria.

10.2 The Social Value Outcomes and Outputs examples do include measures to protect and enhance Biodiversity which are in line with the Council's Biodiversity duty to conserve and enhance biodiversity.

11. Other Implications

Crime & disorder implications:

11.1 Outcome 2.2: A safe and welcoming City aims to encourage suppliers in relevant contract to consider actions with a positive impact on community safety as part of their Social Value commitments.

Public health implications:

11.2 Outcome 3.2 Living and aging well aims to encourage suppliers in relevant contracts to consider actions that would improve the wellbeing of residents of Brighton and Hove and/or their own workforce.

Supporting Documentation

1. Appendices

1. Social Value Outcomes and Outputs
2. Bidder's guidance
3. Officer's guidance
4. Social Value Action Plan
5. Draft Social Value in Procurement policy

2. Background documents

1. Equalities Impact Assessment - GPR101-05-Mar-24-EIA-Social-Value-Toolkit