

PLACE SCUTINY COMMITTEE - SCRUTINY REVIEW OF PROCURMENT: SOCIAL VALUE & BUYING LOCAL – ACTION PLAN

SCRUTINY RECOMMENDATION		DIRECTOR'S RESPONSE AND ACTION PLAN	TIMESCALE
R1.	<p>The Review Board recommends that the Council undertakes further communications, training and engagement activity, informed by feedback from the Board's survey, with:</p> <p>a) departments – focused on social value requirements and using the Social Value Charter including examples of what 'good' looks like; and</p> <p>b) with organisations in the supply chain, including providing case studies to ensure the Council's approach to social value requirements is well understood.</p>	<p>Regarding (a)</p> <ul style="list-style-type: none"> • Relating to Recommendation 9 - the pilot using qualitative approaches in ASC (see end of table) - engagement with the service will take place to support that pilot. • In areas not immediately impacted by the pilot, material is being developed for the Procurement Academy – a learning platform that will be available to procurement and non-procurement staff – concerning social value. <p>Regarding (b)</p> <ul style="list-style-type: none"> • Material for external suppliers has been developed for Surrey County Council and is available on their external website and their Social Value Marketplace. The intention is to utilise this material, tailored where appropriate, for the ESCC website. Note however the ESCC website is being reviewed and revised by the website owners and this may delay progress as it is beyond Procurement's control. • Procurement is working with the ESCC comms team to raise awareness of the Councils approach to Social Value. • Engagement for ASC suppliers will be considered as part of the pilot and is likely to include workshops provided by Cabinet Office (dependent on Cabinet Offices willingness to deliver sessions previously suggested by them). 	<p>12 months from Cabinet's acceptance of recommendations</p>
R2.	<p>The Board recommends that social value commitments are recorded in future via the PM3 procurement software system, to better enable monitoring of what is delivered.</p>	<ul style="list-style-type: none"> • PM3 was implemented in October 2022, and the "hyper-care" of implementation support is nearing an end. For all projects started in FY23/24, social value benefits committed to as part of the tender process will be recorded in the system. • At 6 and 12 months a KPI showing percentage of projects with recorded SV commitments will be provided to show progress on this recommendation. 	<p>Implementation from point of acceptance of recommendations by Cabinet. KPI for success to be reviewed in 6 and 12 months.</p>

R3.	<p>The Board Recommends a service-based reporting requirement is introduced on the delivery of social value commitments which is reviewed quarterly at departmental management team meetings.</p>	<ul style="list-style-type: none"> • A report of SV commitments made at the point of contract can be generated from PM3 from whenever stakeholders require it, and at an agreed frequency (suggest quarterly). • Note this is for in scope projects, i.e. those commenced post PM3 go live, and suggest from start of FY23/24. • It would then be for contract managers to complete the degree to which these benefits had been delivered. • Agreement to be reached with service stakeholders and senior officers to whom this report is to be made and when, and the mechanisms for services to complete information on the delivery of SV commitments, and whom to report to. 	<p>Can be implemented upon CLT confirming they wish to proceed.</p>
R4.	<p>The Review Board recommends that the Business Services Department assesses the business case for providing additional resources to monitor, track and support the delivery of contractual commitments including social value through enhanced contract management support.</p>	<p>This could be added to an existing business case being presented for a pilot 'Contract Management Advisory Service'. A similar pilot service is already underway in SCC and adding additional specific Social Value resource would mean that;</p> <p>A) As the post would be on a fixed term basis to prove the concept, this will reduce the long term financial risk.</p> <p>B) By embedding this within the CMAS team, the Social Value lead would have support from the wider team.</p>	<p>Resource could be in place within three months of the business case being approved - Circa July 2023 if approved in April – and is to be considered alongside other draws on resources.</p>
R5.	<p>The Board recommends that suppliers are required to monitor and report on their delivery of social value as part of their contract through the use of Key Performance Indicators (KPIs).</p>	<ul style="list-style-type: none"> • Commitments of SV should be included in contracts by way of attaching the agreed charter and, where appropriate, by the inclusion of a specific SV KPI. • Procurement to undertake spot checks that this is occurring by way of retrospective quality review process due to commence in April 2023 (and run every 6 months). • Such contractual commitments would be a pre-cursor required to oblige suppliers to report on SV delivery. • Procurement is looking to trial supplier SV reporting in two upcoming procurements, subject to commitments from contract managers to support the trial. 	<p>Ongoing</p> <p>Outcome of trial in 12 months from date of acceptance of recommendations (to allow time for tender completion and time under contract).</p>

R6.	<p>The Review Board recommends that service leads, commissioners and staff involved in contract management are included in the review process of Needs and Strategies document which sets out priority areas for social value offers.</p>	<ul style="list-style-type: none"> • The Social Value Review Group – comprised of various stakeholders across ESCC – update the Needs and Priorities (Strategies) document periodically (target 6 monthly), to reflect the overall needs and priorities of ESCC. • Procurement recommends that it is then down to the Service Leads, Commissioners etc to consider what SV is most appropriate to target within their service areas and would implore Senior Officers to require them to do so (as Procurement does not have a mandate to do this, though could support via Procurement Partners and SV Lead). • For example, ESCC could consider Social Value Champions across commissioners / service leads, mirroring the structure in place in SCC to support in the process; the key requirement though is service / commissioner participation in the process. 	Needs and Priorities document updated 6 monthly.
R7.	<p>The Board Recommends guidance is given on narrowing the focus or number of social value measures included in contract specifications to support the Council's priorities and promote a collaborative approach within the Council.</p>	<ul style="list-style-type: none"> • This is linked to recommendation 1 and will be included in all applicable guidance. • The Charter is due its annual refresh in Spring 2023, and guidance will be enhanced in tandem with this refresh. 	12 months from Cabinet approval of recommendations
R8.	<p>The Review Board recommends that:</p> <p>a) Clear guidance is given to suppliers and commissioners on where to include carbon reductions measures in contracts and bids.</p> <p>b) Consideration is given to amending the Orbis Social Value Measurement Charter to make it clear that carbon reduction measures should be included in the specification of contracts in the first instance, rather than including them as social value measures,</p>	<p>Regarding (a):</p> <ul style="list-style-type: none"> • This will be developed as further implementation and embedding of the Environmentally Sustainable Procurement Policy, and the new ESCC Senior Policy Lead – Carbon Reduction (scope 3), due to commence post April 2023. <p>Regarding (b)</p> <ul style="list-style-type: none"> • This can be addressed in supporting guidance (as per recommendation 1), and in collaboration with the new ESCC Senior Policy Lead – Carbon Reduction (scope 3). 	Progress to be reported in 12 months

	<p>except where using social value measures would be more appropriate for smaller suppliers.</p> <p>c) The Council explores ways of continuing to provide support to local suppliers, such as training, to help them develop carbon reduction measures and adopt carbon reduction pathways, thereby promoting a more sustainable supply chain.</p>	<ul style="list-style-type: none"> Note carbon reduction plans only really serve a purpose where there is a baseline to measure against, often a challenge for smaller suppliers and those in certain sectors. <p>Regarding (c)</p> <ul style="list-style-type: none"> Select ESCC suppliers in the top 4 highest emitting categories are in the process of being surveyed and invited to workshops on this topic. This work will continue and be developed further by the new ESCC Senior Policy Lead – Carbon Reduction (scope 3). 	
R9.	<p>The Review Board recommends that:</p> <p>a) The Procurement Team explores in more detail how the Council could move to a more qualitative approach to measuring social value by conducting a sector based 12 month trial with the ASCH department to pilot a more qualitative approach that might be more suitable for VCSE organisations, including the development of evaluation criteria for the trial (e.g. comparison with the previous 12 month period).</p> <p>b) Once the trial has been completed and evaluated, a report on the next steps in moving to a qualitative approach across the Council is produced.</p>	<p>Regarding (a):</p> <ul style="list-style-type: none"> Design of proposed pilot underway. <p>Regarding (b):</p> <ul style="list-style-type: none"> Outcome of pilot to be reported as required. 	<p>12 months from approval of pilot + 2 months for completion of report.</p> <p>Interim updates as required to CMT</p>