

REPORT OF THE PLACE SCRUTINY COMMITTEE

The Place Scrutiny Committee met on 28 March 2023.

Present: Councillors Matthew Beaver (Chair), Chris Collier, Alan Hay, Julia Hilton (Vice Chair), Ian Hollidge, Stephen Holt, Philip Lunn, Paul Redstone, and Stephen Shing.

Also present: Councillors Nick Bennett (Lead Member for Resources and Climate Change), Claire Dowling (Lead Member for Transport and Environment), and Rupert Simmons (Lead Member for Economy).

1. Scrutiny Review of Procurement: Social Value and Buying Local

1.1 The Place Scrutiny Committee has completed its Scrutiny Review of Procurement: Social Value and Buying Local. A copy of the Committee's full report is attached at Appendix 1.

1.2. A Review Board was established in March 2022 and was comprised of Councillors Chris Collier (Chair), Julia Hilton, and Paul Redstone. The review examined the Council's approach to social value in procurement and Buying Local initiatives.

1.3 The scope of the review included an investigation of various aspects of the current policy and approaches including:

- Examining how well social value principles are communicated and understood by departments.
- Examining the processes used and in particular the handover from the Procurement Team to the service department contract managers who are responsible for monitoring and ensuring the social value measures are delivered.
- Looking at the engagement with the Council's supply chain: do they understand the requirement and what we are trying to achieve; what help and support might they need.
- Exploring whether it is possible/beneficial to move away from the use of proxy values in the current quantitative approach to measuring social value to a more outcome focussed qualitative approach and what this could look like.
- Reviewing and commenting on the draft Social Value Policy.
- Examining whether narrowing down and prioritising what social value the Council asks for from suppliers, would be beneficial in achieving the Council's objectives.
- Exploring opportunities to use social value to support action on climate change and a sustainable local economy.
- Consideration of the Orbis Environmentally Sustainable Procurement Policy.

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1.4 The review looked at a range of evidence on the Council's approach to social value to see how well established the principles of social value are within the Council's procurement activity. It also looked at the policies, processes and procedures in place and officers' and suppliers' attitudes to the social value requirements in order to develop recommendations for improvements. The Review Board was also able to comment on and endorse the draft Social Value Policy, which was subsequently agreed by the Lead Member.

1.5 Overall, the review finds that a great deal of work has been undertaken to make sure the Council's social value requirements are well understood and considered at an early stage of the procurement process. However, there is more work to do on the monitoring of the delivery of social value commitments and the development of a more qualitative approach to measuring social value. The review makes a number of recommendations which it is hoped will improve the Council's approach to social value.

1.6 The Place Scrutiny Committee **recommends** to the County Council that –

1.6.1 The Council undertakes further communications, training and engagement activity, informed by feedback from the Board's survey, with:

- a) departments – focused on social value requirements and using the Social Value Charter including examples of what 'good' looks like; and
- b) with organisations in the supply chain, including providing case studies to ensure the Council's approach to social value requirements is well understood.

1.6.2 Social value commitments are recorded in future via the PM3 procurement software system, to better enable monitoring of what is delivered.

1.6.3 A service-based reporting requirement is introduced on the delivery of social value commitments which is reviewed quarterly at departmental management team meetings.

1.6.4 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.

1.6.5 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).

1.6.6 Service leads, commissioners and staff involved in contract management are included in the review process of the Needs and Strategies document which sets out priority areas for social value offers.

1.6.7 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.

1.6.8 Clear guidance is given to suppliers and commissioners on where to include carbon reductions measures in contracts and bids.

1.6.9 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, except where using social value measures would be more appropriate for smaller suppliers.

1.6.10 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.

1.6.11 The Procurement Team:

a) 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); and

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.

[See also Report of the Cabinet – 18 April 2023]

28 March 2023

MATTHEW BEAVER

Chair