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PLACE SCUTINY COMMITTEE - SCRUTINY REVIEW OF PROCURMENT: SOCIAL VALUE & BUYING LOCAL – ACTION PLAN			
SCRUTINY RECOMMENDATION	DIRECTOR'S RESPONSE AND ACTION PLAN	TIMESCALE	UPDATE September 2024 (12-month update)
<p>R1. 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 ASCH (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. 	<p>12 months from Cabinet's acceptance of recommendations</p>	<p>Regarding (a)</p> <ul style="list-style-type: none"> Engagement with stakeholders regarding pilot is covered in APPENDIX 2: Social Value Model Trial – Review and Recommendations. Guidance on using the Social Value Model was developed for and used during the pilot. OPTICS content regarding Social Value has been added to and is due a further refresh in Q3 FY25 to align with Procurement Act (2023) changes. <p>Regarding (b)</p> <ul style="list-style-type: none"> Marketplace audited against new Accessibility standard (WCAG2.2) in July 2024 and achieved a good rating. Awaiting outcome of SV trial and resultant recommendations to either publish guidance on existing approach on ESCC website, or publish revised text to reflect Committee recommendations regarding social value approach (please see APPENDIX 2: Social Value Model Trial – Review and Recommendations). Suppliers impacted by the SV trial reacted positively to communications (e.g. via market engagement events) see update to R9(a) below and APPENDIX 2: Social Value Model Trial – Review and Recommendations.

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		<ul style="list-style-type: none"> Engagement for ASCH 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). 		
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>	<ul style="list-style-type: none"> Recording of Social Value commitments obtained through procurement activity are now routinely and comprehensively recorded in PM3. 90% of projects completed in last 12 months have SV commitments recorded in PM3. Notes re this KPI: <ul style="list-style-type: none"> - Includes records where £0 value of SV was committed. - Excludes expressions of interest, modifications, extensions and waivers. - Automated dashboard now built that presents figure as a percentage of projects awarded within last 12 months. - Metric now monitored by Procurement Snr Leadership Team as part of service KPI monitoring.
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 	<p>Can be implemented upon CMT confirming they wish to proceed.</p>	<ul style="list-style-type: none"> There are cross-overs between these recommendations, and Contract Management activity in ESCC. In addition to the development and increased use of PM3 to capture SV commitments (R2), the development of reporting infrastructure for contract management continues. In Surrey CC this infrastructure has been built and is in use. Discussions are ongoing regarding how to utilise this for contract management in ESCC. Confirmation of funding and decisions regarding Contract Management activity and related reporting in ESCC pending to allow roll out.

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		<p>to which these benefits had been delivered.</p> <ul style="list-style-type: none"> • 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. 		
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>	<ul style="list-style-type: none"> • Relates to R3 above. • As above, In Surrey CC infrastructure to monitor, track and support the delivery of contractual commitments (including social value) has been built and is in use. • Discussions are ongoing regarding how to utilise this for contract management in ESCC. • Confirmation of funding and decisions regarding the Contract Management activity and related reporting in ESCC pending to allow roll out.
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). 	<p>Ongoing</p> <p>Outcome of trial in 12 months from date of acceptance of recommendations (to allow time for tender completion</p>	<ul style="list-style-type: none"> • A focused quality assurance of social value commitments in contracts exercise was undertaken in August 2024. • All of the contracts that were in scope of the Council Plan Performance Measure relating to Social Value for FY23-24 were reviewed. • To fully meet requirements, contracts must contain a social value term and condition(s) and the commitments themselves needed to be specified. To partially meet the requirement one of those conditions needed to be met. A contract failed if neither conditions held.

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		<ul style="list-style-type: none"> • 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>and time under contract).</p>	<ul style="list-style-type: none"> • Results were as follows: <ul style="list-style-type: none"> - Of the 20 individual contracts, 18 fully met requirements and 2 partially met (in both cases, the commitments themselves were included); - 3 substantial programmes of work were called-off from the Planned Maintenance Framework. Individual call-offs were not reviewed, but the framework itself has clear contractual conditions relating to the delivery of committed social value. • The trial in respect of the monitoring of delivery of social value commitments from the Electric Vehicles ChargePoint Infrastructure is delayed as that tender has not yet gone to market. • Future trials of Social Value reporting to be undertaken as part of the contract management trial. • It may be required to select a different project to align with the areas of focus for contract management.
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). 	<p>Needs and Priorities document updated 6 monthly.</p>	<ul style="list-style-type: none"> • Scheduled update to Needs and Priorities document winter 23/24 has been delayed due to SV Lead’s maternity leave. • Next refresh due to commence September 2024 on her return.

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		<ul style="list-style-type: none"> 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. 		
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	<ul style="list-style-type: none"> Guidance evolving as part of the trial (R9) and will be further enhanced and socialised should the recommendation be made to continue with the social value model / expand the trial.
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</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>Regarding (a)</p> <ul style="list-style-type: none"> ESCC Environmentally Sustainable Procurement Policy updated April 2024. Policy specifies following expectations: <ul style="list-style-type: none"> “Provide requested information and details of environmental impacts (including carbon emissions scopes 1 and 2 with estimations on scope 3), corporate commitments and plans for improvement during the procurement process; and For applicable projects, Carbon Reduction Plans must be submitted, when requested during the tendering process, in line with the Procurement Policy Note 06/21. In July 2024 the new Supplier Code of Conduct was launched which provides an expectation of alignment with Council priorities and acts as guidance and

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<p>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.</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). 		<p>information for suppliers for actions they can take with regards to carbon reduction. This is included in all procurements and contracts and published on the Council's website.</p> <p>Regarding (b)</p> <p>Essentially completed at 6 monthly point, with update at that time being:</p> <ul style="list-style-type: none"> • The ESCC Senior Policy Lead – Supply Chain Decarbonisation has proactively been through Procurement Forward Plans to engage with colleagues and stakeholders on those procurements that need to target carbon reduction. • Carbon reduction measures, when included in procurements and contracts, are done outside of the Social Value Measurement Charter and linked to standalone specification, criteria and contractual requirements. • Re: Note – comprehensive analysis and baselining of emissions has been undertaken for the last 3 financial years allowing us to better understand and target high impact contracts and suppliers. The collection of carbon reduction plans and data from suppliers will help us report more accurately and measure progress of requirements and targets included in specifications and contracts against this baseline. <p>Regarding (c):</p> <ul style="list-style-type: none"> • The Surrey CC Carbon Reporting Platform now has sufficient data in it to showcase. Relevant Members contacted via Democratic Services to arrange demonstration. • The Senior Policy Lead has undertaken engagement with key sectors of the supply chain, for example the local construction sector, to provide advice and guidance on measuring greenhouse gas emissions and developing a carbon reduction plan. This will be expanded further in 2024/25.
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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>	<p>Regarding (a) and (b)</p> <ul style="list-style-type: none"> Please see APPENDIX 2: Social Value Model Trial – Review and Recommendations for full details of the trial, outcomes and recommendations.