



P R O C U R E M E N T

Report to: STAR Joint Committee
Date: 19/01/2017
Report for: For Information and Discussion
Report of: Head of Strategic Procurement (Place)

Report Title

Social Value Achievements and Future Development

Summary

The purpose of this report is to:

- Provide an update on the delivery of social value by STAR.
- Provide an update on the social value audit undertaken at Trafford Council.
- Provide an update on the Social Value Impact Study being undertaken by the Centre for Local Economic Strategies (CLES).
- Provide a summary of proposals for development of social value for STAR.

Recommendations

The recommendation of this report is that the Joint Committee:

- Note the progress of implementation of social value by STAR.
- Note the timescales and actions for the Social Value Impact Study by CLES.
- Note the outcome of the Social Value Audit.
- Discuss and support the proposal for development of social value for STAR.

Contact person for access to background papers and further information:

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Background

Financial Impact:	None
Legal Impact:	None
Human Resources Impact:	None
Asset Management Impact:	None
E-Government Impact:	None
Risk Management Impact:	None
Health and Safety Impact:	None

Consultation

No public consultation required.

Reasons for Recommendation(s)

The report provides an update on a number of actions following the previous report to Joint Committee in July 2016. The report also highlights some of the achievements to date by STAR and also further recommendations for the development of social value.

1. Social Value Progress and Achievements

- 1.1. STAR have now, in addition to the inclusion of 10% weighting of evaluation scores for all Requests for Quotations and tenders above the value of £5K, included the requirement for Social Value to be considered within all modifications and exemptions, following approval from the Joint Committee in July 2016. These opportunities are discussed and agreed with both commissioners/procurement and suppliers prior to signing off the relevant modification and exemption form and are then subsequently captured within the contract as a KPI.
- 1.2. **Case Study (draft): Agency Staff** – STAR recently led on a GM wide collaboration for the recruitment of temporary staff. The AGMA authorities were currently engaged in their 2nd managed service contract, but the vision was to further develop this collaboration to take into consideration an alternative delivery model that would meet the changes in authority requirements.

As part of the pre-procurement exercise, STAR worked with key stakeholders to identify appropriate objectives within the GMCA Social Value Policy that could be adopted to develop targets for the delivery of social value which were relevant to the subject matter of the contract. This was supported via the use of the STAR's Social Value Consideration Form (see draft at **Appendix 1**). Some of the key outcomes from this procurement were:

- a. Creation of traineeships (including apprenticeships).
- b. Provisions for work experience days.

- c. Provision of career mentoring for job clubs (including mock interviews, CV advice, and Careers guidance).
- d. Supporting people (young, ex criminals, protected characteristics) into work by delivering employability support (including mock interviews, CV advice, and careers guidance).

These outcomes were linked specifically to Objective 1 (Promote Employment & Economic Sustainability), Theme 1 (More Local People in Work) of the GMCA Social Value Policy. All bidders provided strong responses to delivery of the social value objectives, with the successful bidder providing the following targets:

		Output Forecast
Apprenticeships	New (number of individuals)	42
Employment	Jobs Created (number of individuals employed for 13 weeks+)	10
	25 - 30 hours per week work experience (number of 18-24 year olds who have completed between 2 - 8 weeks work experience)	52
Skills (Schools/Colleges/Universities)	School/College/University site visits/tours/workshops (number of site visits/tours)	12
	College/University Work Placements for Above 16's (number of individuals)	104
Skills (Existing Workforce)	Vocational Qualifications (number of individuals)	24

Further detail is contained within the draft case study at **Appendix 2**.

Detailed social value case studies will soon be available on the STAR website.

- 1.3. STAR have now developed a supporting guidance document for bidders pertaining to social value for Trafford Council (see **Appendix 3**). This document is now used as part of the tender documentation for Trafford Council and acts as a guide to bidders to understand what priorities are associated with the GMCA Social Value Policy and what current programmes are in place that potential bidders can support. The aim is to ensure that social value proposals do not replicate schemes that are already in place, that support is offered to existing initiatives, and that proposals are targeted on the areas of need for Trafford. The document also includes key contact information for the Partnerships and Communities Team so bidders can contact them to discuss options.

Work is currently being undertaken with key stakeholders at both Rochdale and Stockport Councils (Carol Hopkins at Rochdale and Sharon Mayo at Stockport) to develop the same guidance document that addresses specific priorities relevant to each authority similar to that of Trafford Council. This development work will be completed by end of January 2017, ready for implementation.

1.4. **Social Value Audit**

Trafford Council's Internal Audit Team has conducted an audit into social value through STAR. STAR's Business Improvement Manager was provided with a verbal briefing by the audit officer, which is summarised below.

- 1.4.1. The audit has determined that STAR is following its procedures but requires the continued support from leadership of each STAR Council.
- 1.4.2. Council's specific priorities need to be determined by elected members and corporate management and cascaded through heads of service.
- 1.4.3. Development is required on contract management to ensure outcomes are supported, monitored and delivered.
- 1.4.4. Internal Audit are likely to recommend a separate audit in the next financial year, to investigate how social value outcomes are monitored and reported back to STAR.

2. **CLES Social Value Impact Study**

- 2.1 CLES conducted a baseline assessment on the impact of authorities procurement spend on the GM economy both directly and through the supply chain during late 2015. This assessment was based upon 'influenceable' spend within the 2014/15 financial year and included a desktop analysis of spend data plus a survey of the top 300 suppliers across GM.
- 2.2 CLES have now been provided with the spend data in the same format for the 2015/16 financial year and have now commenced the same study with all the GM authorities. All 3 STAR authorities have provided their spend data relating to the top 30 suppliers and the survey (see **Appendix 4**) went live week commencing 5th December with a closing date of 23rd December 2016. The following actions now to ensue are:
 - 2.2.1 Surveys are to be analysed and a report produced by CLES week commencing 2nd January 2017.
 - 2.2.2 Outcomes from the exercise to be presented by CLES at the Heads of Procurement Meeting on 11th January 2017.
 - 2.2.3 Further feedback and outcomes to be presented at the next STAR Joint Committee meeting in April 2017.
- 2.3 The following changes to last year's key indicators are as follows:
 - 2.3.1 **Raise living standards of GM residents**
 - Is your organisation an accredited Living Wage Foundation employer?
 - Approximately what proportion of your organisation's employees are employed on the following basis?:
 - Permanent
 - Temporary
 - Zero Hours Contract

- Does your organisation look to address challenges around gender pay gaps?

2.3.2 **Equality and Fairness**

- Does your organisation actively seek to create employment, placement, or work experience opportunities for individuals described as 'hard to reach'? (including long-term unemployed; disabled; young people not in education, employment or training).
- **REMOVED** - Approximately what is the gap in annual gross salary between your organisations' lowest and highest paid employee?

3. Further Development of Social Value

- 3.1 Considering the progress made to date by STAR and the summary of outcomes from the recent audit report, it is important that we build on our current approach for identifying, measuring and demonstrating impact on social value that will support the delivery of specific Council targets/priorities in the future. The purpose is so that commissioners and procurement understand how to identify key objectives, opportunities, barriers and constraints, and how they can be delivered by not only engaging with and providing guidance to bidders, but also working with key stakeholders both internal and external to STAR. A small group of officers within STAR will be led by the Head of Strategic Procurement for PLACE in developing this approach which will also involve working with key stakeholders across the STAR Councils. An initial draft of the output from this work will be completed by end of January 2017. This work will also support the training plan for STAR.
- 3.2 STAR are currently mapping key stakeholders across the partner authorities both internal and external which will include identifying key individuals who are responsible for economic development, environment, training, employment and skills. The outcome of this work will support the development of a more robust approach to social value by helping to build on relationships, create meaningful measures and create a support network that will help deliver on outcomes.
- 3.3 As part of the ongoing development work it is recognised that there is a need to continue to develop a wider set of social value measures that support the overall strategic priorities of each STAR Council. Between December 2016 and March 2017 measures will be developed with key stakeholders within the STAR authorities. The measures will also be consistent with those being developed across GM and will be ready for implementation for the 17/18 financial year.
- 3.4 In order to ensure that social value identified through procurement is delivered by the supplier under the contract, STAR are currently working with key stakeholder groups across the STAR Councils to further develop reporting arrangements via more robust contract management. This is following the

recommendations of the recent social value audit and the need to demonstrate the impact of the delivery of social value. This is also identified as part of the STAR Training Plan delivery.

- 3.5 To truly demonstrate the impact that STAR is making through the delivery of social value in procurement and also showcase best in class strategic procurement, a Social Value Impact Report will be delivered at the end of the 17/18 financial year. This report will measure the outcomes and report on a series of case studies that have been delivered throughout the year.

4. Recommendations

4.1 It is recommended that:

4.1.1 STAR benchmark the outcome from the CLES study against last year’s results to understand the impact on the work undertaken on developing the approach to social value delivery.

4.1.2 Support the development of a wider set of social value measures in accordance with each STAR Councils priorities.

4.1.3 Agree the development of a Social Value Impact Report for 17/18 financial year.

Report Appendices

<p>Appendix 1: Social Value Consideration Form (draft)</p>  <p>Social value Consideration form.docx</p>	<p>Appendix 2: Example Case Study (draft)</p>  <p>SV Case Study - 3178 - Agency Contr:</p>
<p>Appendix 3: Social Value Tender Guidance (Trafford)</p>  <p>161017 - Trafford SV Tender Doc FINAL.docx</p>	<p>Appendix 4: CLES Social Value Impact Study</p>  <p>AGMA 2016.pdf</p>