

Name of meeting: Corporate Scrutiny
Date: 15/08/2022
Title of report: Social Value Policy

Purpose of report

This report presents the draft Social Value Policy for comment by the panel.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	N/A
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	N/A
The Decision - Is it eligible for call in by Scrutiny?	N/A
Date signed off by <u>Director</u> & name	Andy Simcox, Service Director for Strategy and Innovation
Is it also signed off by the Assistant Director for Financial Management, IT, Risk and Performance?	No
Is it also signed off by the Assistant Director (Legal Governance and Monitoring)?	No
Cabinet member portfolio	Cllr Davies, Corporate Portfolio Holder

Electoral wards affected: All

Ward councillors consulted: None

Public or private: Public

Has GDPR been considered? N/A

1. Summary

- 1.1 Kirklees Council adopted a Social Value Policy in 2013 as the Social Value Act 2012 came into force. This was supported by Social Value Guidance.
- 1.2 The new Social Value Policy seeks to update the 2013 policy and identifies a range of opportunities for the delivery of social value through the Council's work beyond the sphere of procurement.
- 1.3 The Social Value Policy and Procurement Strategy are very closely related pieces of work. Together they support a key Corporate Portfolio objective to drive holistic benefits for our residents and communities through the Council's work.

1.4 The Procurement Strategy will be brought to Corporate Scrutiny separately as it will progress to Cabinet separately to increase separation between the issues of social value and procurement.

2. Content of the Social Value Policy

2.1 The Social Value Policy sets an ambitious position taking the Council well beyond the procurement focused Social Value Act.

2.2 Having been unable to identify a satisfactory definition of social value, officers have created a Kirklees definition describing social value as:

"...the broad set of economic, social and environmental benefits that may be delivered in addition to the original goods or service being provided. They may include jobs and training, support of local businesses and community organisations, and to our environment. These benefits may be delivered through procurement, our employment practices, our grants and investments or other processes."

2.3 The policy considers how SV can be delivered through seven areas:

- Our employment practices;
- Commissioning;
- Procurement;
- Planning and development;
- Grants to businesses and VCS organisations
- Asset transfers; and
- Non-treasury investments.

2.4 It is also important to note that SV is a key lever in delivery of our inclusive economy and net zero ambitions. Officers have been working closely with Third Sector Leaders to increase VCSE capacity to engage with and benefit from social value approaches in line with the VCSE Investment Strategy.

2.5 Central to this is shifting the emphasis away from procurement so that social value benefits are considered in much earlier stages of commissioning.

2.6 Updated guidance will be developed with the directorate leads.

3. Capacity to Deliver Social Value

- 3.1 Engagement with services has consistently demonstrated the need for both training of officers to understand social value and how it may be achieved but also the need to create specific capacity. This need is reinforced by another clear message throughout SLT discussions and wider service engagement that there cannot be a 'one size fits all' approach to social value meaning that greater consideration is needed to how SV can be achieved in different service areas and even different projects.
- 3.2 It is proposed initially to identify SV leads within directorates who will be first to receive training in social value and be closely involved in the refresh of the Council's Social Value Guidance. This process will also be used to assess whether there is a business case for creating dedicated SV capacity through recruitment either within directorates, centrally or both.

4. Performance Reporting and Measuring Impact

- 4.1 It was identified within SLT discussions that there is insufficient visibility of social value commitments and the extent to which these are realised. It is understood that increased visibility would play a role in strengthening consideration of SV within commissioning and contract management processes. The SV leads identified in section 4 will also play a key role in supporting contract management activity and ensuring SV is monitored and reported effectively. While this is currently only relevant within a procurement setting it may be possible to extend consideration of social value across the other areas identified within the policy for achievement of SV.
- 4.2 It is therefore proposed to incorporate SV KPIs into the Corporate Reporting Framework.

5. Implications for the Council

5.1 Working with People

Understanding of the needs of Kirklees residents is built up on an ongoing basis by the Council and partners through a range of engagement processes. Social value priorities will be reviewed periodically to ensure these remain in alignment and opportunities will be sought to engage residents on priorities particularly in the case of major place-based projects as described below.

5.2 Working with Partners

The Social Value Policy is focused on how the Council will operate to maximise social value achievement, it describes how we will work with VCS partners to benefit from SV but also how the Council can promote SV approaches to other anchor organisations and equip them to adopt similar methods.

5.3 Place Based Working

The Social Value Policy describes how major commissioning projects that are place-focused (e.g. Cultural Heart) will take into account both the particular needs and opportunities presented by their context.

5.4 Improving outcomes for children

Various aspects of social value impact on outcomes for children including adding value to the communities in which they live and the wider environment. Most directly social value can support school visits by industry representatives, work experience and other careers related opportunities.

5.5 Climate Change and Air Quality

Environment is one of the facets of social value. Strengthening our SV approaches is expected to have positive impacts both directly in our service delivery and through our supply chain.

5.6 Other (e.g. Legal/Financial or Human Resources)

While we anticipate increased value for money through strengthening the quality of our procurement, social value is about taking a holistic view of the value delivered by our commissioning and working practices. As such it is anticipated that adopting social value approaches increases direct cost but also value for money by creating positive impacts across a broader range of measures than might otherwise be considered.

The need for social value training will require funding. The cost of this is to be established.

Any future recommendation to create dedicated social value capacity would have an associated direct cost.

6. Consultees and their opinions

6.1 The policy has been informed by:

- Discussions with the Corporate Portfolio Holder;
- Extensive discussions with the Head of Procurement;
- Early discussions at Corporate, and Growth and Regeneration SLTs;
- Extensive discussions with Helen Orlic, author of the VCSE Investment Strategy;
- Discussions with a range of commissioners across Council services; and,
- Discussion at ET on 14 June.

6.2 The draft policy has been discussed at all SLTs to ensure support across the board given its broad ranging impacts. These conversations were positive and issues identified have been reflected in the attached version of the document. In particular these relate to:

- Social value capacity within the organisation and each directorate;
- The need for training in social value in all areas; and,
- The need for improved reporting to provide visibility of the impacts of procurement and social value.

6.3 Discussions at ET focused on the need to ensure sufficient capacity within directorates to engage with social value approaches and the need to ensure commitments on planning requirements were aligned with what was possible through current planning policy.

7. Next steps and timelines

The next steps for this policy are:

- Presentation at Corporate Scrutiny on 15 August;
- Agreement at Cabinet on 20 September;
- Identify directorate social value leads (September);
- Deliver social value training/action learning programme (Q3); and,
- Complete development of social value guidance (Q4).

8. Officer recommendations and reasons

8.1 For Corporate Scrutiny Panel to note and discuss the contents of this report.

9. Cabinet portfolio holder's recommendations

9.1 As above.

10. Contact officer

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11. Background Papers and History of Decisions

Not applicable.

12. Service Director responsible

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