



Title	The Public Services (Social Value) Act
For further information about this report please contact	Mike Snow 01926 456800 Sue Simmonds 01926 456201
Wards of the District directly affected	N/A
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No
Date and meeting when issue was last considered and relevant minute number	
Background Papers	

Contrary to the policy framework:	Yes/No
Contrary to the budgetary framework:	Yes/No
Key Decision?	Yes/No
Included within the Forward Plan? (If yes include reference number)	Yes/No
Equality and Sustainability Impact Assessment Undertaken	Yes/No (If No state why below)

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	17 th Sept 2015	Andy Jones
Head of Service	17 th Sept 2015	Mike Snow
CMT		
Section 151 Officer	17 th Sept 2015	Mike Snow
Monitoring Officer	17 th Sept 2015	Andy Jones
Finance	17 th Sept 2015	Susan Simmonds
Portfolio Holder(s)	17 th Sept 2015	Cllr Peter Whiting
Consultation & Community Engagement		
Insert details of any consultation undertaken or proposed to be undertaken with regard to this report.		
Final Decision?	Yes/No	
Suggested next steps (if not final decision please set out below)		

1. **SUMMARY**

- 1.1 The Public Services (Social Value Act) was passed in 2012 and came into effect 31 January 2013. Under the Public Services (Social Value) Act, for the first time, all public bodies in England and Wales are required to consider how the services they commission and procure might improve the economic, social and environmental well-being of the area.

2. **RECOMMENDATION**

- 2.1 That the Committee notes the content of this report.

3. **REASONS FOR THE RECOMMENDATION**

- 3.1 Social Value may be defined as "a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits to society and economy whilst minimising damage to the environment. The outcome of the process of achieving social value is the social benefit."
- 3.2 Social Value is an intrinsic part of procurement processes, but its implications are far broader, not just impacting upon the services/supplies being procured, but also on the wider community. As such, responsibility for Social Value cannot rest with the procurement team in isolation. Social Value needs to be reflected in business cases and tender specifications, these being drawn up ahead of any procurement process and embedded into the Councils overall strategy and objectives.
- 3.3 Before starting the procurement process, the Council needs to give consideration to what is proposed to be procured and how this procurement "might improve the economic, social and environmental well-being" of their area.
- 3.4 Contracting authorities should think about how their commissioning of services can add community benefit in their area.
- 3.5 More details on Social Value can be found in the Brief Guide issued by Social Enterprise UK (Appendix A) and the Government Guidance (Appendix B).
- 3.6 Under the new legislation, authorities are required to consider how forthcoming procurement opportunities may create Social Value. This may entail consultation with relevant stakeholders and soft market testing with suppliers.
- 3.7 Social value may cover many different aspects. These may, for example, relate to employment, environmental sustainability or assisting the local economy. A recent emphasis by Housing & Property Services team is for the development of specifications that may have links back to the local manufacturing supply chain.
- 3.8 There is a need for service areas through the designated Contract Officers to consider Social Value for all contracts coming within OJEU thresholds to embed in Social Value as a scored measure where applicable to the subject matter of the Contract. Officers may also need to plan on how to measure and monitor social value before a contract has been signed off so as to enable monitoring of social value performance during the period of that contract.

3.9 Within Warwick District Council's recent contract awards, the following Social Value initiatives have been carried out:

Sayer Court – This contract was awarded via the SCAPE Framework to Wilmot Dixon. Part of the initiatives placed on the suppliers awarded contracts by SCAPE, is to support the local community where they are working by delivering key objectives from the Social Value drivers. Wilmot Dixon have supported the following community work in their drive to meet this objective set by SCAPE, as follows:

- Community engagement: Schools art project, minimum number of days for apprentices to come to site to learn specific skills & Health & Safety
- Brunswick Healthy Living Centre – supported a 'Job Club' providing mentoring and coaching skills.
- They look to utilise, where able, the local supply chain.

Chase Meadow Community Centre – Morgan Sindall:

- Local labour target to employ 36% within a 20 mile radius
- Contractor provided talk to local primary schools about Safety and Construction.

3.10 A contract management training day is scheduled for officers in September. Part of this training will include details of the requirements of the Social Value Act and how these outcomes can be measured.

3.11 Members will recall that the procurement training provided in July included details of the Social Value Act and the requirements for local authorities to meet the obligations of the act.

4. **POLICY FRAMEWORK**

4.1 **Policy Framework** – The Council's Code of Procurement Practice was updated by Council in December 2014. This update included the requirement for consideration to social benefits that can be obtained through the lifetime of the service contract in line with the Public Service (Social Value) Act 2012.

4.2 **Fit for the Future** – Social Value may create benefits which will contribute to the Council's Sustainable Community Strategy and Fit for the Future.

5. **BUDGETARY FRAMEWORK**

5.1 Social value is an additional benefit to the main supplies/services that are being procured. Social value requirements are provided under a contract and whilst they will provide benefits for the wider community, there may be increased contract costs as a result. It is therefore necessary for members to have regard to the cost of any social value requirements, the available contract budget, and the Council's overall financial position.

6. RISKS

- 6.1 Any inclusions within a contract value in respect of social value need to be managed as part of that contract, alongside the main services being provided. As the social value items may be incidental to the main service being procured, there is the risk that the supplier and contract manager fail to ensure those aspects are delivered.
- 6.2 In complying with this legislation it is important that the Council does not fall foul of competition law. Consideration can be given to social value in evaluating tenders, but under the competition law it is not possible to discriminate against contractors not providing social value matters.

7. ALTERNATIVE OPTION(S) CONSIDERED

- 7.1 No alternative options to reporting on the Public Services (Social Value) Act were considered.