

Cabinet

Date of Meeting: 10 November 2020

Report Title: Cheshire East Social Value Policy

Portfolio Holder: Cllr Sam Corcoran: Leader of the Council

Senior Officer: Mark Palethorpe (Executive Director People – Director of Children’s Services & Director of Adults Social Services)

1. Report Summary

- 1.1. Social Value is a developing national and local priority, given the growing evidence that effectively embedding and delivering Social Value can have a huge impact in terms of driving innovation, improving health inequalities and securing improvements in social, economic and environmental outcomes for local communities.
- 1.2. This is now even more important than ever given the devastating impact that COVID-19 is having on health inequalities and the local economy.
- 1.3. The development of Social Value will contribute to achieving the priorities and outcomes identified within key local strategies, including:
 - Cheshire East Corporate Plan 2020-2024 (subject to consultation)
 - Cheshire East Council Environmental Strategy;
 - Cheshire East Partnership 5 Year Plan;
 - Cheshire East Joint Health and Wellbeing Strategy;
 - Cheshire East Draft Economic Strategy and Economic Recovery Plan.
- 1.4. The development of Social Value with our partners across Cheshire East therefore supports our strategic objectives and our approach to recovery from the Pandemic.

2. Recommendations

That Cabinet:

- 2.1** Adopt the draft Social Value Policy as outlined at Appendix 1.
- 2.2** Agree that all future Executive Decisions relating to the commissioning and procurement of goods and services should outline the contribution they will make to delivery of social value.

3. Reasons for Recommendations

- 3.1.** Embedding Social Value will support the delivery of a number of the council's priorities. For example, it provides the opportunity to specify, evaluate, monitor and enforce environmental targets with our suppliers and their supply chain to support the delivery of our Environmental Strategy and Carbon Action Plan.
- 3.2.** Furthermore, the delivery of social value will support sustainable and inclusive economic development in the Borough and provides an opportunity as a call to action to support local economic recovery following the impact of Covid-19. Our ambition is to achieve this through the maximisation of Social Value within the Council's supply chain as well as working with local business and industry to create opportunities through building the links between Public, Business and Voluntary Community Faith and Social Enterprise sectors.
- 3.3.** Evidence shows that the social impacts that can be achieved through Social Value are underpinned by the Marmot Principles in terms of the wider determinants of health and wellbeing, and health inequalities. This therefore supports the Council's priorities in relation to supporting the health and wellbeing of our residents
- 3.4.** In addition, there is also an opportunity to improve mental wellbeing outcomes which is a key priority for the Council and our partners as set out in the Cheshire East Partnership 5 Year Plan and the 10 Year NHS Plan.
- 3.5.** Research suggests strong evidence that engagement in delivering Social Value has mental health benefit in itself and this can be further optimised if the activity drives mental health outcomes, for example good quality employment opportunities, community development, transport, housing and environmental planning.

- 3.6.** The draft Social Value Policy has been developed as a joint policy with NHS Cheshire Clinical Commissioning Group (CCG) which has been approved through their governance arrangements.
- 3.7.** This supports our ambitions for integrated commissioning across the Council and the CCG. This also provides clarity for suppliers in terms of joined up priorities and objectives such as economic recovery, climate change and carbon neutral ambitions.
- 3.8.** There is a growing national agenda in terms of the role of 'Anchor Institutions'. Local Authorities are identified as 'Anchor Institutions' in terms of organisations that are embedded within local communities as key 'purchasers, providers and employers', with the potential to have a huge impact on the local health, wellbeing, the environment and the economy.
- 3.9.** The Council spends approximately £350million each year with suppliers through commissioning and procurement of goods and services. Social Value also supports the 'spend local' agenda, which can be achieved through embedding Social Value within the commissioning and procurement of goods and services. As part of their Social Value it is expected that suppliers will reinvest income locally for example, through the employment of local people, building skills and training locally, the use of local supply chains, or investing in local projects.

4. Other Options Considered

- 4.1.** The Council's Social Value practice and policy must continue to meet the statutory requirements as set out within the Public Services (Social Value) Act 2012. Those requirements are dynamic and in meeting them the Council must not only maximise the potential opportunities of Social Value but also address the opportunities and challenges presented by climate change, environmental degradation and the UK's future relationship with the European Union. As the lead for the Cheshire and Merseyside Social Value Accelerator site, the Council will be in a position to provide leadership and develop/demonstrate best practice in meeting these opportunities and challenges.

5. Background

- 5.1.** The Public Services (Social Value) Act 2012 requires public bodies to consider not only how the goods and services to be procured might in themselves improve the economic, social and environmental well-being of the area, but also how the procurement process itself might secure such improvement.

- 5.2.** A focus of the Social Value Policy and supporting resources will be to ensure that Social Value is considered early and across the 'whole' commissioning cycle. This includes embedding economic, social and environmental value during the planning, purchasing and monitoring processes. We need to ask questions which challenge potential suppliers, drive improvement and innovation and are more specific for each individual commissioning activity. Local insight and need should inform early planning, with specific performance measures and outcomes that can be effectively monitored through the contract management process.
- 5.3.** Following a successful bid the Cheshire and Merseyside Health and Care Partnership have developed an agreement with NHS England/Improvement to embed Social Value at scale across the footprint. Cheshire East Council were identified as the local lead for the Social Value Accelerator site programme. This has provided an opportunity for the Council to review our Social Value policy in line with best practice from other Local Authorities and partners.
- 5.4.** There is a huge amount of literature and information available to support Social Value practice, including various definitions of Social Value. However, our local definition and understanding of Social Value was coproduced collaboratively with partners and local residents across Cheshire and Merseyside, including residents across Cheshire East.

Social Value is:

- the good that we can achieve within our communities, related to ***environmental, economic and social factors***;
 - our approach to building capabilities, strengths and assets and enabling people to live a valued and dignified life;
 - an enabler for the growth of 'Social Innovation' and helps to reduce avoidable inequalities – linked to the Marmot Principles;
 - a requirement of the public sector as 'Anchor Organisations' to use their purchasing power to build capabilities, strengths and assets within our communities, ensuring that Cheshire East is a great 'Place' to live and work
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- Supports organisations' delivery of their Corporate Social Responsibility (CSR) and can be seen as the ethical activities of Suppliers, Business and Industry which are not a direct response to a procurement/tender process, but the wider ethical practices of an organisation that impact on people and communities. Public bodies are also becoming more aware of their own CSR and their own ethical practices in terms of employment, environmental impact/influence, and community buildings/assets etc.

- 5.5.** The Social Value Policy is underpinned by a number of supporting resources which have now been developed locally:
- Social Value Charter
 - Social Value Framework
 - Cheshire East Social Value 2020
 - Social Value Guide
 - Social Value Award (Kite Mark)
 - Social Value Training – This will become a standard training unit as part of the Cheshire East Commissioning Academy
 - Cheshire East Social Value Steering Group
 - Cheshire and Merseyside Social Value Champions
 - Cheshire and Merseyside Social Value Website – access to wider Social Value resources
- 5.6.** As a joint Policy with NHS Cheshire CCG this supports our ambition for integration and joint commissioning across the Council and the CCG. The Policy has been developed in partnership across the Council and the CCG and the CCG will also access joint training delivered by the Council to ensure a consistent approach to embedding the Policy locally. A joint Social Value policy will enable the Council and the CCG to develop and measure shared Social Value measure to achieve a greater impact and outcomes for local people. NHS Cheshire CCG are also part of the Cheshire and Merseyside Social Value Network established by the Council, to enable us to share learning and good practice across Health and the Local Authority.
- 5.7.** Taking a best practice approach, as part of our Social Value Policy we are also proposing the development of our wider organisational CSR and social accounting activities. This includes the need to maximise our social, environment and economic impact over and above, and in addition to the commissioning and procurement of goods and services in terms of the Council as an ethical organisation and ‘Anchor Institution’. This means that as a large local employer, with buildings, facilities and assets within our communities, as well as being a provider of services ourselves, we have the potential to have a huge local social, economic and environmental impact. Examples include the Council’s ethical activities to reduce our plastic use, equal opportunities for employment, and our connected community developments.
- 5.8.** The Council recently distributed a survey to the Council’s top 50 suppliers, based on the value and supplier status. The survey aims to identify Social Value activities that have been delivered through our contracts. The development of annual supplier surveys is part of our longer-term ambition

as we develop our existing processes for Social Calculating in terms of contract monitoring to provide an annual overview. The questions within the survey included:

- The level of spend with our top suppliers;
- Level of spend is with our local suppliers;
- Level of spend with SMEs or VCFSE organisations;
- The re-spend of suppliers back into the local economy in terms of employees and their supply chain;
- Number of jobs/employment opportunities created;
- Number of jobs/employment opportunities created for 'hard to reach' individuals;
- Number of apprenticeships;
- Number of voluntary and community hours contributed by suppliers;

5.9. Social Accounting developments will also include the Council's own CSR activities e.g. the Council's Carbon Neutral ambitions; and also employment policies such as the 'Leave and Time Off Policy' which enables employees to take 2 days paid leave per year to undertake volunteering opportunities. With approximately 3,500 employees this could equate to 7000 days of volunteering activities within Cheshire East communities, we also need to understand more about the additional social, economic, and environmental impacts and outcomes of the Council's volunteering policy for local people and VCFSE organisations across Cheshire East.

5.10. A key requirement of the Cheshire and Merseyside Social Value Programme is to engage Hospital Provider Trusts, CCGs, Local Authorities and the Voluntary, Community, Faith and Social Enterprise sector (VCFSE) as Anchor Institutions. However, we have expanded the scope of our local definition of Anchor Institutions to include local Suppliers, Business and Industry. National guidance is due to be published in terms of Anchor Institutions, and we are in the process of developing a Social Value Award/Kite Mark approach to recognise best practice, through simple set of criteria. The Social Value Award will be delivered through a partnership approach in Cheshire East, supported by the Cheshire East Social Action Partnership, Chamber of Commerce, Social Value Business and Cheshire Connects.

6. Implications of the Recommendations

6.1. Legal Implications

6.1.1. The Public Services (Social Value) Act 2012 came into force on 31st January 2013. It is a legal obligation for Local Authorities and other public bodies to consider the social economic and environmental good that could come from the procurement of services.

6.2. Finance Implications

6.2.1. There are no changes to the Medium-Term Financial Strategy as a result of the recommendations in this report.

6.2.2. The commissioning and procurement of goods and services will continue to be undertaken in line with the budgets available while also considering opportunities for efficiency savings and meeting our duty of Best Value. Under the duty of Best Value local authorities also need to consider overall value of contracts. Whilst this includes economic, environmental and social value, the duty also requires public bodies to secure continuous improvement in the way in which its functions are carried out and consider the combination of economy, efficiency and effectiveness. Therefore, whilst looking at Social Value the Best Value duty remains throughout and is an important factor for public bodies in the weighting and evaluation of bids.

6.2.3. A longer-term ambition for Cheshire East Council to be able to develop 'Social Accounting' activities in terms of monitoring and evidencing the social, economic and environmental impact at an organisational and service/contract level, which includes our social return on investment.

6.3. Policy Implications

6.3.1. The Council's Social Value Policy will be reviewed as a result of embedding the sub-regional learning and best practice approach.

6.3.2. Social Value has been identified as a priority within the Cheshire and Warrington Local Industrial Strategy.

6.4. Equality Implications

6.4.1. An Equality Impact Assessment has been undertaken for the review of the Council's Social Value Policy.

6.5. Human Resources Implications

6.5.1. Individuals who have the responsibility of achieving Social Value for the Council i.e. commissioners, contract managers and procurement should be obliged to deliver Social Value, which should be business as usual.

6.5.2. The Cheshire and Warrington LIS makes recommendations for a 'fair living wage' which should be driven forward through Social Value activities within the Council. This is also reflected within the Council's Social Value Policy.

6.6. Risk Management Implications

6.6.1. The development of a robust Social Value Policy, supporting resources and training, to ensure that the Council fulfils our legal obligation in terms of The Public Services (Social Value) Act 2012.

6.7. Rural Communities Implications

6.7.1. Maximising on the opportunities for Social Value and CSR will have a social, environmental and economic impact on the outcomes people living in rural communities related to the Marmot Principles.

6.8. Implications for Children & Young People/Cared for Children

6.8.1 Maximising on the opportunities for Social Value and CSR will have an impact on outcomes for children and young people related to the Marmot Principles.

6.9. Public Health Implications

6.9.1. Evidence suggests that there is a strong link between maximising on the opportunities for Social Value and CSR Public Health outcomes related to the Marmot Principles, in terms of reducing avoidable health inequalities through social, economic and environmental impacts.

6.10. Climate Change Implications

6.10.1. A key priority for Council is the environment, with the development of an Environmental Strategy and an ambition to become carbon neutral by 2025. Social Value provides the opportunity to increase the impact that we have from a purchasing perspective on climate change. Social Value provides the opportunity, structure, policy and processes to enable us to specify, evaluate, monitor and enforce environmental targets with our suppliers and their supply chain. This programme will also focus on the

Council's own CSR activities in terms of our organisational environmental impact.

7. Ward Members Affected

- 7.1. All Wards will be affected.

8. Consultation & Engagement

- 8.1. The Council's Communities Team supported the coproduction of our Social Value 2020 challenge with our local community networks. A set of 20 local examples of how organisations can practically deliver Social Value activities in Cheshire East. The Cheshire East Social Value 2020 challenge therefore highlights a number of local priorities for Social Value.
- 8.2. One of the principles of our Social Value approach across Cheshire and Merseyside is that we need to ensure that we take a community, grass roots, assets-based approach. The 'recipe for a good life' coproduction project was initiated through the Cheshire and Merseyside Social Value site programme. The aim of the project was to ensure a grass roots, community approach to the development of our priorities. Community workshops were undertaken across Cheshire and Merseyside including Crewe. This has supported the development of the Charter and the Framework.
- 8.3. A coproduction workshop was undertaken with the Council's Brighter Futures Champions to support the development of the Social Value policy. Brighter Future Champions are keen to be involved in the continued development of Social Value in Cheshire East.
- 8.4. The Social Value Policy has been jointly developed with NHS Cheshire CCG as a joint policy across the Council and the CCG.

9. Access to Information

- 9.1. Cheshire East Council Social Value Policy and supporting resources.
- 9.2. Cheshire East Council Corporate Plan 2020-2024 (subject to consultation).
- 9.3. Ambition for All: Cheshire East Sustainable Community Strategy.
- 9.4. Cheshire East Council Environmental Strategy.
- 9.5. Cheshire East Council Economic Strategy.

10. Contact Information

10.1. Any questions relating to this report should be directed to the following officer:

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