

REPORT TO CABINET

Open/Exempt		Would any decisions proposed:			
Any especially affected Wards	Mandatory/ Discretionary/ Operational	Be entirely within Cabinet's powers to decide		YES/NO	
		Need to be recommendations to Council		YES/NO	
		Is it a Key Decision		YES/NO	
Lead Member: Chris Morley, Portfolio Holder for Finance E-mail: cllr.chris.morley@west-norfolk.gov.uk		Other Cabinet Members consulted:			
		Other Members consulted:			
Lead Officer: Alexa Baker, Monitoring Officer E-mail: alexa.baker@west-norfolk.gov.uk Direct Dial: 01553 616270		Other Officers consulted:			
		Procurement and Contracts Manager Assistant Director Regeneration, Housing & Place Assistant Director Health, Wellbeing & Public Protection Head of Leisure, Alive West Norfolk			
Financial Implications YES/NO	Policy/ Personnel Implications YES/NO	Statutory Implications YES/NO	Equal Impact Assessment YES/NO If YES: Pre-screening/ Full Assessment	Risk Management Implications YES/NO	Environmental Considerations YES/NO
If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s)					

Date of meeting: 14 January 2025

Subject: Adoption of a Social Value Policy

Summary

This report proposes the adoption of a Social Value Policy, attached as Appendix 1, to codify the Council's approach to meeting legislative requirements under the Public Services (Social Value) Act 2012 and the Procurement Act 2023 and commence the journey towards the introduction of a 'Social Value and Sustainability Outcomes and Implementation Framework', to support strategic decision-making on social value considerations within procurement processes and other Council functions.

Recommendation

Cabinet recommends to Full Council:

1. The adoption of the Social Value Policy attached as Appendix 1.
2. Authority be delegated to the Monitoring Officer in consultation with the Portfolio Holder for Finance to make revisions to the Social Value Policy to reflect updates within the National Procurement Policy Statement issued under section 13(3)(c) of the Procurement Act 2023.

Reason for Decision

Adopting the Social Value Policy supports compliance with current legislative requirements while establishing a foundation to embed social value into the Council strategic decision-making. This approach positions the Council to develop a broader framework in 2025/26, integrating social value into procurement and other functions to drive economic, social, and environmental benefits for the community.

1 Background

- 1.1 The concept of social value focuses on maximising public expenditure to achieve broader economic, social, and environmental outcomes. There is no statutory definition of what 'social value' is, but it can be distilled down to the following question: "*In delivering our functions, can the public funds used to deliver those functions also produce a wider benefit to the community?*"
- 1.2 The concept of social value was first brought into the legislative arena via the Public Services (Social Value) Act 2012, which requires local authorities to consider how the services procured in 'above threshold' procurements (i.e. above statutory contract value thresholds) might improve the economic, social and environmental wellbeing of the area and to consider the way that the procurement process might secure these benefits.
- 1.3 The Council's practice is to consider social value as part of *all* above threshold procurements; not just services. But the Council has no strategic framework in which this consideration is undertaken; meaning it takes place on an adhoc basis with no wider joined up corporate approach.
- 1.4 The new procurement regime being introduced by the Procurement Act 2023 will further the profile and prominence of social value, by requiring Councils to have regard to the National Procurement Policy Statement (NPPS) issued by central Government when undertaking procurement activity. The NPPS is a statutory statement which allows the Government to set and communicate wider policy objectives towards which it expects public procurement to contribute.
- 1.5 The draft NPPS was withdrawn by the new Labour Government on the basis that they wished to reconsider the content, the draft having been prepared under the previous Government. A 'stakeholder survey' exercise was undertaken by the Cabinet Office during October and closed on 4 November. The outcome and/or new draft of the NPPS has not yet been shared.
- 1.6 For reference, however, this is what the now withdrawn iteration of the NPPS said on social value and Small and Medium Sized Enterprises which also links into social value:

Social Value

10. All contracting authorities should have regard to the following outcomes in their procurement activities, alongside any additional local priorities, where it is relevant to the subject matter of the contract and proportionate to do so:
 - Creating resilient businesses and opportunities for quality employment and skills development.
 - Improving innovation, supply chain resilience and security of supply.
 - Tackling climate change and reducing waste.
11. There are a number of ways that contracting authorities can implement these outcomes, for example, changes to the way the procurement is structured or the process carried out, the specification of the goods, services or works to be purchased, or the award criteria which will determine the most advantageous tender.
12. Whilst it can be beneficial to consider such additional benefits, achieving them without overburdening suppliers is crucial. Contracting authorities should ensure that they do not place onerous requirements on suppliers, or use disproportionate clauses in tenders and contracts. For example, contracting authorities should not 'gold-plate' the Equality Act 2010 by setting unnecessary diversity reporting or 'equality, diversity and inclusion' requirements for the private and voluntary sectors.

Small and Medium-sized Enterprises

13. Small and medium-sized enterprises (SMEs) are the backbone of our economy. It is vital contracting authorities support businesses to achieve sustainable growth and open up public procurement opportunities to more SMEs, voluntary, community and social enterprises (VCSEs) creating a thriving, competitive marketplace. SMEs not only play a key role in communities by providing a local service and employment but can also offer innovative solutions to public service delivery.
 14. Contracting authorities should ensure that they level the playing field for SMEs, VCSEs and start-ups to compete in public procurement by reducing and removing barriers in the procurement process.
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- 1.7 Some examples of social value outcomes are attached as Appendix 2 for Members' reference, to illustrate the types of outcomes that can be sought strategically to deliver against the Council's Corporate Strategy.
 - 1.8 Whilst the legislative focus on social value is emanating from the Procurement arena, this is not the only aspect of the Council's work that delivers social value. Services such as Lily, the projects being delivered by Shared Prosperity Funding and the workstreams delivered by Alive West Norfolk are all examples of where the Council is delivering social value outside of procurement.
 - 1.9 The Council does not currently proactively measure the social value of its functions and services, however this can be a very powerful tool in communicating the story of the value for money the Council delivers to its residents and in designing and decision-making on functions and services to be delivered.
 - 1.10 The Council is currently partaking in the 'Collaborative Responsible Procurement Project' with a number of other regional Councils through the East of England Regional Climate Change Forum. The work of this

project is intrinsically linked to social value and sustainable procurement, and it is intended that the outputs from this project can be incorporated into the Council's ongoing workstreams on social value and sustainable procurement.

2. Key Issues

- 2.1 The draft Social Value Policy is attached as Appendix 1.
- 2.2 **Demonstrating commitment to compliance with legislative requirements:** The policy is intended to demonstrate our position on compliance with statutory obligations and to align with the National Procurement Policy Statement under the Procurement Act 2023 once issued. The draft Policy codifies the position that the Council will consider social value on all procurements; not just services contracts. The Framework to be developed will address how social value is considered with regards to 'below threshold' procurements.
- 2.3 **Development of a strategic Framework:** Adoption of the policy marks the first phase of a journey towards the adoption of a Social Value and Sustainability Outcomes and Implementation Framework that will provide parameters within which social value can be driven strategically to achieve corporate priorities set out within the Corporate Strategy. This will be developed in 2025/26 and will focus on procurement and other functions, incorporating a matrix for measuring and reporting social value.
- 2.4 **Integration:** The draft Social Value Policy signposts the need for alignment between other policies of the Council such as the West Norfolk Economic Strategy and the Climate Change Strategy and Action Plan. There is an operational workstream underway to explore a BCKLWN Decision Impact Assessment Tool which enables the impact of decisions to be assessed before they are taken, for example on climate change, biodiversity, equalities, etc., and this Social Value Policy and the resulting Framework will be a key part of such a tool.

3 Options Considered

- 3.1 **Option 1:** Adopt the draft Social Value Policy attached as Appendix 1, with or without proposed amendments. This is recommended as it is timely to introduce this Policy at the same time as the implementation of the new procurement regime in February 2025 and it complements the Procurement Strategy and new Contract Standing Orders. It codifies the Council's approach to social value to demonstrate its approach to legislative requirements, but also sets out the commitment to developing a strategic framework to delivering social value.
- 3.2 **Option 2:** Defer adoption until the Social Value and Sustainability Outcomes and Implementation Framework is developed. This is possible. The statutory requirements will be complied with in any event; however given the direction of the NPPS, it is considered that it would be prudent

to provide a policy framework now within which these decisions can be embedded.

- 3.3 **Option 3:** Take no action. Not recommended, as it would miss the opportunity to promote, develop and embed social value benefits.

4 Policy Implications

The Social Value Policy and resulting Social Value and Sustainability Outcomes and Implementation Framework is intended to be intrinsically linked to supporting the delivery of priorities set out Corporate Strategy and other Council policies and projects, such as the West Norfolk Economic Strategy, the Climate Change Strategy and Action Plan, the 'Marmot Place' project, etc. This promotes good governance in creating strategic link between the Council's policy framework.

5 Financial Implications

- 5.1 Adoption of the Social Value Policy itself does not have any financial implications.
- 5.2 The Social Value policy poses the question: "*In delivering our functions, can the public funds used to deliver those functions also produce a wider benefit to the community?*". In assessing this question, this may result in more public funds being applied towards a decision because of the social value it delivers, for example a higher value tender may be accepted because it has offered to create local apprenticeships in an identified growth area industry. These decisions will be taken on a case-by-case basis using the Social Value Policy and going forwards, the developed Framework.

6 Personnel Implications

- 6.1 The development of the Social Value and Sustainability Outcomes and Implementation Framework will be a cross cutting project bringing in the various service areas directly involved with social value.
- 6.2 The promotion of social value also forms part of the Procurement and Contract Management Transformation Project underway and the development of the Framework will also be supported by this project group.
- 6.3 Upskilling and training of officers responsible for procuring and contract management will be required on social value.
- 6.4 We do not have a dedicated officer qualified or experienced in undertaking social value calculations. There are a plethora of tools available to support this, and part of the Social Value Policy and Transformation project will be to develop a matrix for measuring and reporting on the Social Value that we deliver. The personnel requirement to support this will be assessed once the extent of this workstream is quantified.

7 Environmental Considerations

- 7.1 In line with what we know was included within the previous NPPS, it is fully expected that the Social Value Policy and resulting Framework will actively support addressing the Council's Climate Change Strategy and Action Plan.

8 Statutory Considerations

The Social Value Policy addresses the Council's obligations under the Public Services (Social Value) Act 2012 and the Procurement Act 2023.

9 Equality Impact Assessment (EIA)

(Pre-screening report template attached)

Positive impact as part of social value can be delivering against the Council's Public Sector Equality Duty.

10 Risk Management Implications

"Risk 13 – Contract/Supply failure" which concerns the failure to manage contracts with key suppliers to ensure the continued delivery of an effective service and *ensure delivery of the Council's priorities and objectives*. The adoption of the Social Value Policy and the introduction of a Social Value and Sustainability Outcomes and Implementation Framework will support the mitigation of this risk by linking delivered outcomes to the Council's wider policy framework.

11 Declarations of Interest / Dispensations Granted

None

12 Background Papers

None