

Appendix 2

The attached template is intended to be used when producing papers for the following meetings:

- Chief Executive's Direct Reports (CEDR)
- Extended Leadership Team (ELT)
- Informal Cabinet
- Cabinet/CLT Away Days
- CLT Away Days
- MPs Meetings
- Bilaterals / Oxfordshire Leaders / Chief Executives (needs discussion)

The template has been developed to:

- Prompt some thought around issues and implications for reports/decisions, including some of those that we are required to include for auditing/or best practice reasons
- Bring some clarity and structure to some papers
- Work towards more consistent report formatting
- Avoid having officers having to reformat papers for various internal meetings

It is anticipated that officers would only use headings where appropriate and it is understood that the explanatory text may need to be adapted for different meetings.

The following must be completed for all reports. The issues must be assessed in good time, with advice taken from relevant specialist staff and taken into account before the report is finalised and submitted for review. An indication as to who is responsible for the assessment (e.g. the report's author), and which specialist officer was consulted, should always be included.

Review/Engagement	Name of specialist(s) consulted	Date [if you have consulted more than once list all the dates]
Other teams/functions likely to be impacted	Sarah Gilbert, Tom Layzell, Jeremy Richards	22 nd October 2020, 4 th November 2020
Budgetary Implications	Kathy Wilcox, Ian Dyson	6 th November/ 9 th November 2020
Staff implications/HR	Alison Forfar, Carol Hendry	10 th November 2020
Legal Implications	Christian Smith	9 th November 2020
Equality Implications	Policy Team	1st-23rd October 2020
Risk Management		
Communications		
Assistant Director	Rachel Wileman	21 st October 2020
Director	Sue Halliwell	21 st October 2020
Corporate Director	Paul Feehily	21 st October 2020

Author's Name: David Wood

[Page one can be removed only by the Meeting Co-ordinator]

MEETING NAME CEDR

ITEM X

18th November 2020

Recommendation to develop and Implement a Joint OCC/CDC Social Value Policy

Purpose / Recommendation

1. To update CEDR on the introduction of a joint Social Value Policy for Oxfordshire County Council and Cherwell District Council.
2. To approve the proposed approach for delivering social value, outlined in this paper and in the attached Social Value Portal proposal.
3. To approve the approach to governance and timescales outlined in the report.

Executive Summary

4. Social value is the additional environmental, social and economic benefit which can be achieved over and above the core benefit of the goods or services being procured and commissioned.
5. A Joint Social Value Policy will enable OCC and CDC to deliver increased value from their procurement and commissioning activity whilst adhering to the requirements of the Social Value Act 2012.
6. The social value generated from such a policy will support the social, economic and environmental priorities of both OCC and CDC, including Climate Action and equalities commitments. The policy could also form an important element of OCC's 'renewal' approach seeking to drive more local benefits from our procurement activities.
7. The councils will continue to work with market leading social enterprise Social Value Portal to develop a policy and embed it in the procurement and commissioning processes and documents for effective implementation.
8. Delivery of social value will be accurately measured and reported using a reliable online platform provided by Social Value Portal and the robust TOMs (Themes, Outcomes, Measures) Framework methodology.
9. The policy development and implementation of the policy will be led by the Procurement Category Lead, Communities. The Climate Action Policy Officer and Policy Team (Communications, Strategy, Insight) will support on the policy development.

Background

10. OCC and CDC spend a combined c£600m on their procurement and commissioning activity per annum. In addition to this, the Growth Fund and HIF Funding represents around £150 per annum for the next 3-4 years. This presents a significant

opportunity for the councils to use the supply chain to deliver additional benefits to the people of Oxfordshire.

11. The Social Value Act 2012 requires all public sector organisations (and their suppliers) to look beyond the financial cost of a contract and consider how the services they commission and procure might improve the economic, social and environmental well-being of an area.
12. A Social Value Policy provides the opportunity for OCC/ CDC to generate increased value from its procurement and commissioning activity (goods, services and works) through requiring suppliers to identify the additional economic, social and environmental benefits they are able to deliver as part of the contract.
13. Examples of additional social value that could be committed by suppliers could include use of low emission vehicles, suppliers employing more individuals from disadvantaged backgrounds or suppliers providing increased support for staff wellbeing as part of contract delivery.
14. Social Value Portal (a leading social enterprise) has demonstrated the benefit of taking a social value approach, delivering an average +25 per cent in social value from procurements which it has supported public sector organisations with, including +20 per cent social value delivered with West Midlands Combined Authority and +27.7 per cent with Star Procurement (who work with 4 Local Authorities in the North West).
15. The additional social value generated as a result of a social value policy can be directed to achieving OCCs and CDCs key economic, social and environmental priorities, including taking climate action and delivering our equalities agenda. The policy is not expected to deliver direct financial savings to OCC/CDC.
16. As part of its Climate Action Framework, OCC has committed to reduce carbon emissions and to improve environmental standards in its contracts. CDC has published its own Climate Action Framework to guide action and mobilisation of its Climate Action programme to 2030 and recognises the importance of delivering purchasing standards aligned with CDC's climate goals. Around 80% of emissions from a typical Local Authority are from its supply chain, so the connection between carbon, procurement and social value is strong. OCC's 'Including Everyone' framework also requires our suppliers to match our commitments on equalities.
17. In addition to increased delivery of social value through procurement and commissioning activity, a social value policy offers the following benefits:
 - a. Promotes a responsible supply chain
 - b. Encourages greater innovation and long-term thinking
 - c. Enables the councils to better understand their supply chain, including required measures to improve resilience to supply chain shocks
 - d. Realises the wider cross-benefits achieved from incorporating a wider economic, social and environmental policy focus

Social Value Policy Development

18. The Social Value Portal (SVP) was identified by the Head of Procurement and Contract Management to provide expertise in developing and delivering a social value policy. The SVP is recognised as the market leader in developing, embedding and measuring social value for both public and private sector organisations.
19. As detailed in the accompanying proposal (annex 1), Social Value Portal will support OCC and CDC in the development and embedding of the Social Value Policy in the following ways:
- a. Support the design of the social value policy, including research to identify an appropriate set of minimum specifications aligned to OCC and CDC priorities (Policy team involvement will ensure the policy reflects each council's key strategic objectives).
 - b. Support the development of a toolkit to embed the Social Value Policy in the Councils' procurement and Commissioning activity.
 - c. Provide access to a platform to enable accurate measurement and reporting of delivered social value against council priorities. The portal calculates social value delivered against each council priority.
 - d. Support OCC/CDC to carry out procurements on the SVP Portal, including evaluating tender responses and ongoing contract management on the Portal.

Social Value Policy Implementation

20. The following approach is proposed to implement the Social Value Policy:
- a. **A social value weighting:**
 - incorporated into tender evaluations alongside cost and quality factors, enabling suppliers to identify areas (social, economic and environmental) where they can most effectively deliver social value in alignment with OCC/CDC priorities.
 - A social value weighting for OCC/ CDC will be determined as part of the policy development process, with best practice typically applying a weighting of around 20 per cent for larger contracts.
 - A minimum contract value to which social value weightings apply will also be determined. This is typically around £100,000 but can be set lower for a more ambitious policy.
 - b. **Specific minimum standards** will be incorporated into contracts, reflecting OCC and CDC priority outcomes. Such standards may for instance include minimum energy efficiency standards for electrical appliances.
 - c. **Industry specific standards** can be identified for larger contracts as appropriate. This could include for instance requiring suppliers to replace high carbon construction materials such as steel or concrete with lower carbon alternatives in construction projects.
21. In addition to the approach outlined above, it is proposed to incorporate a 'climate specific' social value weighting into appropriate tender evaluations, reflecting the significant proportion of council emissions associated with the supply chain, the

specific commitments both councils have made on emissions reduction and the relatively low values assigned to carbon reduction elements of social value delivery.

TOMs Framework

22. SVP use the National TOMs (Themes, Outcomes, Measures) Framework as the tool to identify and measure social value benefits delivered through the policy. The TOMs Framework assigns proxy monetary values against each measure so total social value delivery can be accurately calculated and compared.
23. The TOMs Framework has been developed in accordance with Treasury Green Book principles, developed through widespread consultation with both public and private sector organisations and is supported by the Local Government Association and central government as a robust and reliable measurement framework. The TOMs structure and approach is very similar to current CDC and OCC arrangements for setting, monitoring and reporting on performance against outcomes and KPIs.
24. This framework applies 5 key themes to capture and measure social value and will enable us to directly support climate action and a more resilient supply chain:
 - a. **Jobs:** Promote Local Skills and Employment
 - b. **Growth:** Supporting Growth of Responsible Regional Business
 - c. **Social:** Healthier, Safer and more Resilient Communities
 - d. **Environment:** Decarbonising and Safeguarding our World
 - e. **Innovation:** Promoting Social Innovation
25. Alongside the 5 key themes defined through the TOMs Framework, 27 outcomes and 160 measures have been designed to enable the delivery of social value in a wide range of different forms. Outcomes can be prioritised within the framework to incentivise suppliers to deliver social value according to identified council priorities. The councils' can choose which outcomes and measures to adopt, according to our local needs.
26. Through taking a non-prescriptive approach to social value delivery, suppliers can deliver social value where they are most able to, avoiding increases in the cost of delivery of the contract.

Governance

27. The project will be led by the Procurement Category Lead, Communities. The Climate Action Policy Officer and the Policy Team (Communications, Strategy, Insight) will support on the policy development.
28. The Climate Action Cabinet Advisory Group has requested to be updated on development of the policy at a future meeting, the date of which is to be determined.
29. The policy is expected to progress to Cabinet and Exec via the appropriate governance steps, with indicative timescales provided at the end of this report.

Budgetary implications

30. The Social Value Policy seeks to improve the outcomes delivered through OCC/CDC from procurement and commissioning activity.
31. Additional social value generated from implementation of the policy will be directed towards council priorities, utilising the prioritisation approach for the TOMs Framework
32. A key criterion of any minimum standards incorporated into the policy will be that they don't result in significant cost increases over the lifecycle of the relevant goods and services.
33. The costs associated with funding support from Social Value Portal will come from the Climate Action team budget and consist of the following:
 - a. SVP to support policy development and associated research - **£6,000**
 - b. First year's access to the Social Value Portal platform, April 2021 to March 2022 (for measurement and reporting purposes) - **£15,000**
 - c. Ongoing subscription to the Social Value Portal's platform in following years will require ongoing funding (currently £15,000 per annum or £36,000 for three years)
34. Ongoing subscription to the SVP portal will be reviewed following the initial one-year subscription, including through engagement with suppliers and procurement colleagues where necessary to ensure the subscription is delivering the required benefits.
35. It is proposed that following first year's access, the annual £15,000 cost of access to the Social Value Portal platform and ongoing support from SVP will be charged to the winning bidders of major new contracts which use the SVP platform.

Equalities implications

36. A Social Value Policy will be aligned to OCC/CDC priorities on equality, diversity and inclusion and will therefore require suppliers to align delivery of the contract with those values, whilst giving suppliers the freedom to identify how it is most suited to deliver that social value.
37. Social value in procurement and commissioning is a relatively new approach yet to be adopted by many organisations. Smaller organisations may therefore require some support to help them meet any social value requirements to win tenders. This support will be provided, with SVP providing supplier engagement on social value as part of the onboarding process to its platform, ensuring smaller organisations are aware of tender opportunities and are able to bid for larger contracts through partnering with other organisations in bids.

Risk Management

38. A key concern of a Social Value Policy is that the additional social value delivery inflates the cost of contract delivery, which is then passed onto the councils. This however is not expected to occur since cost will remain a primary element of tender evaluations. In addition, taking a non-prescriptive approach to social value delivery will enable suppliers to deliver social value where they are most able to, rather than having to commit additional resource to deliver specific outputs.
39. Development and implementation of a Social Value Policy will require some additional staff time. This requirement will be minimised by commissioning Social Value Portal to lead on the development of the policy and advise on the ongoing implementation and management, for instance through embedding social value in the councils' procurement documents, thus limiting the amount of additional officer time required. Any further staff time requirements will be allocated between the Procurement Category Lead (Communities), Climate Action Policy Officer and Policy Team as appropriate.
40. It will be ensured that social value delivery will be aligned with council priorities through undertaking a detailed policy review and officer workshop as part of the policy development process, as well as the selection and prioritisation of measures in the TOMs Framework that are aligned with council priorities.
41. The annual subscription to SVP's online platform will include an element of training and engagement with OCC and CDC staff. If the experience of using the platform was not considered satisfactory or inferior to services offered by a competitor, there would likely be some challenges around changing the provider, such as the need for additional training and difficulty in making comparisons between social value generation identified on each platform.
42. Social Value Portal will deliver officer training to ensure that social value is fully recognised and embedded within the councils' procurement and commissioning activity. In addition, SVP will allocate a dedicated Social Value Advisor to provide guidance for the ongoing effective implementation of the policy.

Communications

43. The proposed approach to developing the social value policy was presented to the Climate Action Cabinet Advisory Group in June 2020 and endorsed by the group.
44. Social Value Portal have also presented to Policy, Procurement and Climate Action team members.
45. Going forward, engagement will need to take place with both Councillors and Officers to ensure the social value policy is successfully embedded within both Councils.
46. As part of the development of the policy, a workshop will be undertaken, consisting of officers from across both OCC and CDC, reflecting the wide-ranging scope of the policy.

47. The policy development process will also incorporate two training days to support understanding of the policy.

48. Following presentation of the proposed approach to delivering the Social Value Policy to the Climate Action Cabinet Advisory Group has also requested an update on project progress at a later date.

Key Dates

49. Social Value Portal are ready to commence with the below steps from December 2020, subject to approval from CEDR:

Stage	Indicative Timescale	Action	Action Detail
Policy Development	4 Weeks	Policy Review	Thorough review of local policies, including those of OCC and CDC
		Research into Specific Specifications	Research to identify minimum standards aligned to Council priorities identified through policy review.
		Draft policy	Policy will be drafted based on policy review and specifications research.
OCC/ CDC Governance Process – Policy Approval	February	Climate Action CAG	
	May	CEDR	
	May	Informal Cabinet/ Informal Exec	
	June	Cabinet/ Exec	
	July	Full Council	
SVP Portal Onboarding	3 weeks	Kick Off Meetings	Agree key milestones, review ITT wording (including social value weightings, minimum contract value thresholds), agree approach to tender evaluations
		Undertake TOMs Workshop	Introduction to social value measurement, review of social value objectives, TOMs mapping exercise
	3 weeks	Implementation	Portal set-up and development of guidance materials
		Training	General social value and portal training, advanced training, evaluations training, bidder/supplier engagement
	2 weeks	Project Go Live	
	Ongoing	Evaluation	
		Data Review and Reporting	
Annual Feedback			

Report by
Contact Officer
November, 2020

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