



Subject:	Social Value
Date:	22 nd March 2019
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Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in	
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report or Summary of Main Issues
1.1	The purpose of this report is to update members on the work being undertaken to review the Council's approach to social value and to set out a proposed timeframe for the work, in the context of the recent Notice of Motion presented at the January 2019 meeting of Council.
2.0	Recommendations
2.1	The Committee is asked to: <ul style="list-style-type: none">- Note the content of the social clauses notice of motion submitted by Councillor Beattie to the Council meeting on 7 January 2019 and subsequently presented to the SP&R meeting on 25 January;- Note the ongoing work to develop the Inclusive Growth Strategy as the Council's all-encompassing approach to social value;

	<ul style="list-style-type: none"> - Note the work being undertaken to develop an Inclusive Growth Procurement Framework aligned to overarching strategy and agree to the next steps proposed for its development.
3.0	Main Report
3.1	<p>As Members will be aware, a notice of motion was presented to the Strategic Policy & Resources Committee at its 25th January meeting by Cllr Ciaran Beattie (see Appendix 1). The motion calls on the Council to develop and adopt a social value strategy specifically aimed at adopting a more progressive approach to social clauses, with inbuilt mechanisms for social needs assessments and the establishment of monitoring and evaluation frameworks. An outcome-based approach to social value is endorsed by the motion as well as a recognition that the strategy should be used to tackle poverty, particularly within areas of deprivation.</p>
3.2	<p>Members will also be aware that, for some time, the Council has been engaged in a range of activities to support “social value”. Social value means measuring investment by using more than just commercial metrics and considering other impacts that have a more “social” focus. The ethos of social value aligns with the commitments set out in the Belfast Agenda to support inclusive growth.</p>
3.3	<p>Officers are currently developing an Inclusive Growth Strategy which will articulate the Council’s statement of intent on inclusive growth, clearly outlining our ambitions and the mechanisms to be utilised to achieve our overarching ambitions. The strategy will also be clear on how we will monitor and report on the impact of our measures. The scope and focus of this strategy will incorporate the ethos of social value, effectively becoming the Council’s approach to delivering social value.</p>
3.4	<p>The scope of the Inclusive Growth Strategy will be far-reaching, challenging Officers to consider how inclusive growth is integrated across its functions, interventions and initiatives. One of the most effective levers at the Council’s disposal to achieve our inclusive growth ambitions is through procurement. This is not a new area of work for the Council. Our existing Social Clause Policy currently provides a mechanism to integrate social clauses within the commissioning process, primarily geared towards leveraging employment and work placement opportunities for the unemployed and graduates. The current approach is a relatively blunt tool and there is an opportunity to evolve our existing approach to a more progressive and flexible model which will have more impact. This would entail integrating</p>

social, economic and environmental requirements as a core deliverable of a contract with an associated value as part of the award criterion when appointing contracts.

3.5 The Council has piloted this approach in a number of strategic contracts including the operator contract for the Innovation Factory and the Leisure Transformation Programme capital build. The outcome of these pilots has identified that this approach has the ability to deliver a greater level and wider spectrum of social and economic benefits than is currently delivered through our Social Clause policy.

3.6 Best practice review of English local authorities has identified that social value is regularly incorporated in their procurement approaches, with a number of authorities undertaking particularly progressive approaches, such as Manchester City Council. A key driver for this was the introduction of the Public Services (Social Value) Act 2012. This legalisation came into force in England and Wales in 2013 requiring commissioners of public services to consider how they can secure wider social, economic and environmental benefits. Since its adoption, proactive lobbying has taken place to bring forward legalisation in respect of a Social Value Act for Northern Ireland. Due to the absence of an Assembly progress has not been achieved in this regard. The European Directive that formed the basis of the Social Value Act is, however, applicable in Northern Ireland.

3.7 The absence of this legalisation in Northern Ireland does not prevent the Council from integrating social value through the commissioning process, as this is permissible under the main Procurement Legislation, the Public Contract Regulations 2015. The main difference with the situation in England and Wales therefore, is that the Council can elect to integrate social value on a voluntary basis, as opposed to a mandatory requirement through a Social Value Act.

3.8 Taking into account the procurement pilots undertaken, the ambition of the notice of motion and best practice gained from local authorities in England, it is proposed that the Council develop an Inclusive Growth Procurement Framework. Aligned to the ambitions within the Inclusive Growth Strategy the framework will provide a practical tool to integrate, manage and measure the social, economic and environmental benefits achieved through our procurement and commissioning process. If approved, the Framework would replace the Council's current social clause policy.

3.9	<p>Officers have already been undertaking development work for some time. This has involved a review of best practice approaches and engagement with officers from across Council including Legal Services and Corporate Procurement Services. The next steps in the framework's development are as follows:</p> <ul style="list-style-type: none"> - Joint development of the framework in line with the Inclusive Growth Strategy, recognising the ambitions and outcomes defined within this will need to be reflected within the procurement framework. A working group with representation the Strategic Hub, Corporate Procurement Services and Economic Development will be responsible for drafting the procurement framework. It is expected development of the framework will consider: <ul style="list-style-type: none"> o Implication on procurement processes; o Consideration of how social, economic and environmental benefits can be aligned to areas of need; o Governance arrangements for integrating social value within the procurement process; o Mechanisms to effectively monitor and measurement contractor performance in this area; o Resource implications of adopting the framework, to include the screening, development, implementation and measurement of the framework, need for staff training etc. - Engagement will take place with the Commercial Panel to consider the implication of the framework, and to inform its development in line with other agendas i.e. efficiency programme; - Presentation of the draft Procurement Framework at the June meeting of Strategic Policy & Resources Committee for members' consideration and endorsement.
3.10	<p><u>Financial & Resource Implications</u></p> <p>Financial and resource implications will be considered as part of the development of the Procurement Framework.</p>
3.11	<p><u>Equality or Good Relations Implications/Rural Needs Assessment</u></p> <p>Consideration will be given in the development of the framework as to Equality and Good Relations implications.</p>
4.0	Appendices – Documents Attached
	Appendix 1 – Social Clauses Notice of Motion