



Committee and Date

Cabinet

8<sup>th</sup> February 2017

## **SOCIAL VALUE CHARTER FOR SHROPSHIRE**

**Responsible Officer** George Candler - Director of Place and Enterprise  
e-mail: George.candler@shropshire.gov.uk Tel: 01743 255003

### **1. Summary**

The Public Services (Social Value) Act 2012 (the 'Act') places a statutory duty on the Council to consider:

1. how what we propose to procure might improve social, economic and environmental wellbeing of the 'relevant area' (for the Council this is the Shropshire Council area); and
2. through procurement, how we might go about securing those improvements.

'Social Value' means social, economic and environmental benefits or outcomes that have been created. The Act does not prescribe in detail the nature of the social, economic and environmental improvements to be secured, which means that there is flexibility for local areas to define the nature of such improvements based on local needs and requirements.

During the time of implementation of the Act we recognised that, as the principles of the Act apply to all public commissioning organisations, there was benefit in setting up a Social Value Group in order to develop a common approach to securing Social Value. The Social Value Group is comprised of representatives from Shropshire Council, Shropshire CCG, local Housing Associations, West Mercia Police & Crime Commissioner and NHS Commissioning as well as voluntary sector and provider representation.

The Social Value Group has developed a Social Value Charter for Shropshire. Adopting the Social Value Charter is not a requirement of the Act but it does serve to demonstrate a commitment to 3 key, locally defined, principles to support improvements in social, economic and environmental wellbeing for Shropshire. These 3 key principles are:

1. Supporting the Shropshire economy
2. Promoting wellbeing in Shropshire
3. Shropshire is a great place to live

Public sector commissioning bodies which operate in Shropshire (Shropshire Council, Shropshire CCG, Housing Associations, Police & Crime Commissioner, NHS Commissioning) can become a signatory to the Charter through adopting the Charter via their approvals processes. Businesses, parish & town councils and community groups can also sign up to the Charter. Shropshire Council's adoption of a Social Value Charter will require a Cabinet recommendation to Council.

By adopting the Social Value Charter Shropshire Council is committing to:

- Embedding Social Value in its commissioning strategies and plans
- Incorporating appropriate and proportionate Social Value requirements which reflect the Charter in its procurement, contracts and grants documentation
- Capturing data and intelligence which demonstrates the Social Value generated through its commissioning and procurement activity

## **2. Recommendations**

- That Cabinet recommends to Council that Shropshire Council adopts the Social Value Charter for Shropshire as set out in Appendix 1

## **REPORT**

### **3. Risk Assessment and Opportunities Appraisal**

An engagement exercise was carried out for a 12 week period between September and December 2016. The exercise was primarily aimed at key stakeholder groups including the Voluntary & Community Sector, business groups, parish & town councils and provider organisations.

Feedback from this exercise established that adoption of a Social Value Charter would help to improve social, economic and environmental outcomes for Shropshire. In addition, by adopting the measures suggested in Appendix 2, there will be better coordination of Social Value outcomes between the public sector bodies and a more coherent demonstration of value generated.

An Equality and Social Inclusion Impact Assessment (ESIIA) was developed alongside the engagement exercise and has now been finalised. The ESIIA has determined that there will be no negative impacts on any of the protected characteristics groupings and a medium positive impact on the social inclusion grouping. This is due to the Charter principles supporting, amongst others, initiatives to address social and rural isolation, contributions to community infrastructure and keeping people connected. The ESIIA is attached at Appendix 3.

### **4. Financial Implications**

There are no direct financial implications arising from the adoption of the Social Value Charter. Organisations adopting the Charter will commit to the locally defined principle of supporting the Shropshire economy which includes support for the local supply chain, local jobs, skills development and inward investment. It is anticipated that there will be indirect financial benefit to the local economy arising from adoption of the Charter, although this will be difficult to quantify.

## **5. Background**

The Public Services (Social Value) Act 2012 made it a legal requirement for any public body (councils [but not town or parish councils], Clinical Commissioning Groups, Police and Crime Commissioners, Housing Associations) to consider how it may improve social, economic and environmental outcomes in its area and how it might secure this through its procurement activity.

Social Value is a measure of additional benefits that can be generated for the local area through the way that the public sector commissions, and contractors deliver, services or works. For example a care provider may provide value through promoting care provision as a positive career choice in schools or colleges which in the longer term will assist with local recruitment to the sector; or a building contractor may commit to the creation of local employment and training opportunities and extend this into the supply chain; or an advice services provider may provide volunteering opportunities.

In Shropshire a Social Value Group was formed prior to the legislation going live in 2013 in order to consider a coordinated approach across the county's commissioners. The group is chaired by Cllr Lee Chapman and consists of representatives from:

- Shropshire Council
- Shropshire CCG
- NHS Midlands & Lancashire Commissioning Support Unit
- Office of the West Mercia Police & Crime Commissioner
- Shropshire Voluntary & Community Sector Assembly
- Housing via Severnside Housing
- Provider organisations via Shropshire Providers' Consortium

The Social Value Group developed a Social Value Commissioning and Procurement Framework in 2014. The framework is designed to guide Council officers and members on how to embed Social Value into the council's commissioning and procurement activity. The framework sets out what Social Value means to the council, how it can help us to deliver on our outcomes and priorities and how we will apply it in practice. In addition, the framework sets out how we will ensure, through our commissioning and procurement activity, that we achieve the greatest possible impact on behalf of Shropshire's residents. It identifies how customer outcomes are linked to the council's priorities and suggests measures, milestones or specific indicators by which Social Value can be demonstrated.

The Social Value Charter was developed from work undertaken with Social Enterprise UK and the Institute for Voluntary Action Research. The work identified the need for a common understanding of Social Value across the public sector partners, common outcomes and a need to raise the profile of Social Value more generally. Other local authority areas have implemented Social Value Charters as a way to achieve these aims.

## **6. Additional Information**

The 12 week engagement exercise was publicised through the Council's website and through briefings provided to stakeholder groups including Shropshire Association of Local Councils, Shropshire Partners In Care (care providers), Shropshire Voluntary & Community Sector Assembly, Shropshire Providers' Consortium and the Business Board. Responses were invited via an online questionnaire.

Over 30 responses were received, although not all responders answered all questions. A full description of the methodology and responses received is set out in Appendix 4.

Once adopted by all parties to the Social Value Group the Social Value Charter will be launched and publicised. A logo will be developed for all signatories to display and Shropshire Council will maintain a log of signatories on its Social Value webpages.

## 7. Conclusions

A Social Value Charter will provide a focus for improving social, economic and environmental outcomes for Shropshire residents and communities. Measures adopted to support the Charter aims will assist with demonstrating what, and how much, Social Value is generated as a result of procurement activity undertaken by all public sector bodies in Shropshire.

<b>List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)</b>
<b>Cabinet Member (Portfolio Holder)</b> Cllr Michael Wood – Portfolio Holder for Corporate Support
<b>Local Member</b> All members
<b>Appendices</b> Appendix 1 – A Social Value Charter for Shropshire Appendix 2 – Social Value Measures Appendix 3 – Equality and Social Inclusion Impact Assessment Appendix 4 – Social Value Charter Engagement Methodology & Final Responses