

DRAFT SOCIAL VALUE AND SUSTAINABILITY STATEMENT

26 March 2015



1. Purpose

This is Plymouth City Council's statement of intent regarding social value and sustainability.

2. What is Social Value?

The Council's working definition of social value is 'a process whereby the organisation procures and commissions goods and services in a way that achieves value for money on a whole life basis in terms of generating benefits to society and the economy, whilst minimising damage to the environment'.

It is widely considered that public commissioning and procurement decisions have the potential to significantly influence local economic growth and well-being by addressing local challenges¹. Social value can bring long-term good to the city and benefits can include creating skills and training opportunities, increased opportunities for local Small and Medium Enterprises (SMEs), and social enterprises and increased community engagement and resilience.

3. Drivers for Social Value and Sustainability

3.1 Legislative framework

The Public Services (Social Value) Act 2012 (the Act), implemented in January 2013, places an obligation on the Council to take into account economic, social and environmental well-being considerations in connection with public services contracts as part of its pre-procurement deliberations.

The Act applies to all scales and types of procurement for services above the EU threshold (currently £173,934.00). In order to comply with EU rules however, it is a requirement that these considerations may only be included if they are **linked to the subject matter** of the contract and that the principles of value for money and equal access for suppliers are observed.

Authorities can disregard the duty but only where it is impractical to comply with the duty ahead of commencing a process. In addition, the authority cannot rely on this provision where the impracticality arises from undue delay on the part of the authority after the duty is in force.

¹ The Social Value Guide, Social Enterprise UK, 2012

3.2 Best practice

Research into best practice has identified how other organisations have chosen to adopt and embrace Social Value and Sustainability.

London Borough of Croydon Council has developed a **robust** Toolkit entitled 'Inspiring and Creating Social Value in Croydon'. This takes the principals of the The Public Services (Social Value) Act 2012 and embeds them firmly into Procurement and Commissioning across the Council;

<https://www.croydon.gov.uk/sites/default/files/articles/downloads/socialvalue.pdf>

Birmingham City Council have taken an **innovative** approach, which goes beyond a policy, to create a Charter for Social Responsibility which; "aims to boost the local economy through support to the local supply chain, creation of job opportunities and ensuring employees are paid a fair wage"²

<http://www.birmingham.gov.uk/cs/Satellite?c=Page&childpagename=Corporate-Procurement-Services%2FPageLayout&cid=1223429308337&pagename=BCC%2FCommon%2FWrapper%2FInlineWrapper>

Social Enterprise UK have created the 'We Buy Social' Campaign, which promotes the growth of social enterprises in this the supply chain. A **recognisable** kite mark is "awarded by Social Enterprise UK acknowledging that an organisation buys from social enterprises and considers social value in its supply chain"³

<http://www.socialenterprise.org.uk/policy-campaigns/latest-campaigns/buy-social/we-buy-social>

3.3 A fairer place to live and work

Established in April 2013, the Plymouth Fairness Commission (the Commission) was set up to help make the city a fairer place to live and work. One of the main themes that emerged from the work of the Commission was that of strengthening the local economy, with the Fairness Commission concluding that 'every pound spent by the public sector in Plymouth should add social value back into the city'.⁴

In their final report, published in March 2014, the Commission stated that public bodies should more effectively use the opportunity that the Social Value Act presents to enable communities to become more resilient and to reduce demand on public services.

The Commission made local recommendations⁵ that;

- All public, charitable and private sector organisations in Plymouth should develop a social value/sustainability statement with clear social value outcomes and measures through which they buy and commission goods and services;
- All public sector agencies to fully explore the steps they could make towards meeting best practice beyond the requirements of the Public Services (Social Value) Act 2012, to ensure the inclusion of social value in all contracts for goods and services, regardless of the EU threshold.

² Birmingham Business Charter for Social Responsibility

³ Social Enterprise UK, We Buy Social

⁴ & ⁵ Creating the Conditions for Fairness, Plymouth Fairness Commission, 2014

3.4 Co-operative Council

The principles behind the Social Value Act align perfectly with the values and ethos of a Co-operative Council as outlined in the Corporate Plan 2013 – 2017, and our aspiration to create a fairer city where everyone does their bit.

Social value, and as such social benefit, can be applied across all our values in terms of enabling people to have a say about what is important to them, caring about our impact on others, how we champion fairness and how we create strong communities.

4. What are we doing now?

The following demonstrates some examples that have already been delivered, or present a significant opportunity to further embed social value and sustainability:

- **Delivery of the Co-operative Commissioning Framework** – rebalancing the relationship between citizen and council by building trust, building capacity and co-producing solutions within our commissioning processes. This framework in particular promotes the development of a fair market, with the provision of services from local suppliers who prevent abusive employment practices by championing the rights of staff.
- **Living Wage** - Our master vendor contractor for the supply of our temporary staff has implemented the living wage effective from 1 June 2014. We have also made a commitment to implement the Living Wage into all new tenders and contract documents by June 2016. We are currently exploring accreditation with the Living Wage Foundation.
- **Delivering our services through new co-operative vehicles** such as Social Enterprise or Public Service Mutual, Local Authority Trading Companies and Shared Services or Joint Ventures for example CaterEd.
- Plymouth's development as a '**Social Enterprise city**' has generated additional funding for the city and established Plymouth as a model of best practise. There are up to 150 social enterprises in the city and collectively, these businesses employ nearly 7,000 people and bring in an income of around £500 million. Plymouth City Council is openly supportive of social enterprises, establishing a dedicated **Social Enterprise Investment Fund** supporting local initiatives including Prime Skate Park, the Alamo Project, Stiltskins Creative Arts and Theatre CIC.
- The **Internal Procurement documentation** (Procurement Guidance Manual) has been amended to highlight the Council's duty to consider Social Value at the Pre-Procurement stage of the Commissioning and Procurement cycle.
- Plymouth City Council as an active member of the **Local Procurement Forum**, works alongside both Public and Private sector organisations in the city to deliver against our commitment to support local businesses. Enhancements to the Sell2Plymouth website will allow greater visibility of different types of organisations that the Council buys from. In 2013/14, 45% of the Council's total spend of £177m was within the PL post code and 37% of spend was with Small and Medium Enterprise's (SMEs). This has increase year on year since 2010, where local spend was 23% and 5% respectively.
- **Sustainable Fish City** – Plymouth City Council has signed up to the Sustainable Fish City Campaign. Supporting the National Marine Aquarium who are spearheading the

initiative. Plymouth City Council has made a commitment to buy, serve, eat and promote sustainability of seafood.

- Plymouth City Council has facilitated the development of **The Plymouth Energy Community (PEC)**. This is a members' community benefits society run by local people to help those who live or work in Plymouth save money on their fuel bills, reduce their energy usage and consider using renewable energy. PEC negotiates with energy companies to find the cheapest suppliers and tariffs for its members for which membership is open to all. The society reinvests profits in schemes to tackle fuel poverty and reduce the city's carbon footprint. This includes helping Plymouth generate more of its own power, in particular solar power.
- **Fairtrade** - In October 2012, Plymouth City Council agreed to contribute to the increased availability of fairly traded products by recognising the FAIRTRADE mark and by renewing Fairtrade City status. Plymouth is one of only five cities to have continually held this status for more than a decade. Actions include offering FAIRTRADE marked food and drink options wherever possible and, in doing so, ensure that these options are available for internal meetings and as a choice within Council vending machines.

5. Our aspirations for social value and sustainability

1. Plymouth City Council will develop and agree a social value and sustainability policy that builds on the work it is already doing and goes above and beyond purely its legal requirements by October 2015.
2. The policy will be developed with full engagement from key stakeholders using the ethos outlined in the Plymouth Fairness Commission report. This will include representatives from the public sector, private sector and voluntary and community sector, as well as elected members and overview and scrutiny panels.
3. The policy will have supporting outcomes and measures that are clearly aligned to the corporate plan values and objectives. To include, but not be limited to:
 - Increased proportion of goods and services provided locally
 - Increased local spend through the local multiplier effect including a living wage economy
 - Engaging businesses that support Plymouth jobs;
 - Provide leadership and encourage businesses to implement the living wage and consider social value
 - Additional skills and training opportunities (e.g. apprenticeships or on the job training);
 - Additional employment opportunities, particularly for the long-term unemployed or NEETs (those not in education, employment or training);
 - Increased value for money through long term savings for the council as a whole
 - Reduced demand for public services
 - Promotion of opportunities for small and medium enterprises (SME's) and civil society organisations;
 - Increased community engagement and community resilience;
 - Increased ethical and fair trade purchasing.
4. Raise the profile of Social Value and Sustainability around Procurement & Commissioning within Plymouth City Council by undertaking a communication and awareness campaign.
5. Move towards becoming a Living Wage City.
6. Consult on the benefits and support for developing a Plymouth Business Charter.