

PLYMOUTH CITY COUNCIL

Subject: Social Value and Sustainability Policy
Committee: Cabinet
Date: 22 March 2016
Cabinet Member: Councillor Penberthy, Cabinet Member for Co-operatives and Housing
CMT Member: Giles Perritt, Assistant Chief Executive
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Ref:
Key Decision: No
Part: I

Purpose of the report:

- This report introduces the corporate Social Value and Sustainability Policy.
- The policy follows on from the Social Value and Sustainability Statement published in March 2015 in which a commitment was made to develop a related policy.
- The Social Value and Sustainability Policy has been developed in response to a Plymouth Fairness Commission final recommendation that all public sector agencies fully explore the steps they could take towards meeting best practice, beyond the requirement of the Public Services (Social Value) Act 2012, to ensure the inclusion of social value in all contracts for goods and services.
- The policy does not set out a prescribed approach to applying social value but seeks to embed the culture of 'thinking social value' whilst allowing for a flexible approach.

The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:

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. Embedding social value considerations into our procurement and commissioning activities will assist us in achieving a number of outcomes such as using resources widely and pioneering in reducing the city's carbon footprint and leading in environmental and social responsibility.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land:**

None

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

The adoption of a Social Value and Sustainability Policy would inherently bring long-term good to the city and complement efforts to tackle child poverty, as outlined in the Plan for Child Poverty 2016-19. This would include, but not be limited to:

- Creating skills and training opportunities (e.g. apprenticeships or on the job training);
- Creating employment opportunities for the long-term unemployed or NEETs (those not in education, employment or training);
- Providing additional opportunities for individuals or groups facing greater social or economic barriers;
- Creating supply chain opportunities for SMEs and social enterprises;
- Encouraging community engagement;
- Encouraging ethical and fair trade purchasing.

Equality and Diversity:

An EIA will be undertaken as part of the implementation of this policy.

Recommendations and Reasons for recommended action:

That Cabinet adopt the Social Value and Sustainability Policy.

Alternative options considered and rejected:

N/A

Published work / information:

[Plymouth City Council Social Value and Sustainability Statement](#) (Cabinet March 2015)
[Public Services \(Social Value\) Act 2012](#)
[Plymouth Fairness Commission Final Report](#)

Background papers:

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	

Sign off:

Fin	djn15 16.70	Leg	DVS 2510 4	Mon Off	DVS 2510 4	HR		Assets		IT		Strat Proc	MC/ CS/42 2/CP/ 0216
Originating SMT Member: Giles Perritt													
Has the Cabinet Member(s) agreed the content of the report? Yes													

SOCIAL VALUE AND SUSTAINABILITY POLICY

March 2016



INTRODUCTION

As a Co-operative Council, Plymouth City Council is committed to acting in a socially responsible way. We also have a legislative obligation to consider economic, social and environmental value in its larger service contracts. In order to embed social responsibility into its commissioning and procurement activities, Plymouth City Council has developed a Social Value and Sustainability Policy to ensure it secures the maximum possible value from the money it spends. Value in this sense does not only refer to the cost of each contract, but also includes the wider social, economic and environmental outcomes that each contract can deliver.

This policy seeks to embed the ethos of social value within the Council's commissioning and procurement activities and outlines the social, economic and environmental outcomes that the Council is aiming to achieve. There are a range of potential benefits in embedding social value into procurement activities such as improved service delivery, greater economic growth, reduced demand on services and improved wellbeing and community resilience.

WHAT IS SOCIAL VALUE?

Social value is a way of thinking about how resources are allocated and requires us as a local authority to look beyond the basic cost of awarding a contract or commissioning a service to look at the potential collective benefit to the local community. 'Thinking social value' prioritises the overall value of outcomes, rather than focusing purely on the bottom-line cost. How a service is delivered, and its wider beneficial or harmful impact, is taken into account as well as simply 'what' is delivered. Through greater consideration of social value, the Council can play an important role in enabling sustainable development in the city.

Plymouth City 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'.

Legislative context

The Public Services (Social Value) Act 2012, implemented in January 2013, placed an obligation on the Council to take into account economic, social and environmental wellbeing 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 £164,176). 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.

Plymouth Fairness Commission

Established in April 2013, the Plymouth Fairness 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'.¹

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

The Commission recommended that all public, charitable and private sector bodies in the city:

- Develop and publish a social value statement with clear social value outcomes and measures through which they buy and commission goods and services.
- Promote the inclusion of social value in all contracts for goods and service, regardless of the EU threshold. There is widespread approval for this and is promoted by the government as best practice.

In response to the Fairness Commission recommendations, Plymouth City Council adopted a Social Value and Sustainability Statement in March 2015 and committed to developing a policy.

Being a 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 the Council's aspiration to create a fairer city where everyone does their bit.

Social value, and as such social benefit, can be applied across all the values of Plymouth City Council in terms of enabling people to have a say about what is important to them, caring about its impact on others, championing fairness and working with partners to create strong communities.

Partnership

Plymouth City Council appreciates that strong partnership working is a key factor in achieving social, economic and environmental outcomes and has demonstrated this through its commitment to the city-wide Plymouth Plan. The Plymouth Plan is a new overarching strategic plan for the city which sets the shared strategic direction of the city for the long-term future. The plan, owned by a number of partners within the city, outlines the importance of committing to the delivery of sustainable development and the need to deliver a city of sustainable linked neighbourhoods.

¹ Creating the Conditions for Fairness, Plymouth Fairness Commission, 2014

SOCIAL VALUE IN ACTION

Plymouth City Council maintains a continued commitment to prioritising social value and using its influence to benefit the community through its economic activities. The ethos of the Council is to support the local economy wherever possible, including spending locally and creating employment opportunities for local people. In September 2015, the Council's low value procurement thresholds were increased from £100k to £150k for goods and services and from £200k to £2m for works to ensure that suppliers are sourced locally where possible. By increasing these thresholds it is possible to better target local supplier and micro, small and medium enterprises.

Some of the areas in which Plymouth City Council is already delivering social value are outlined below.

Living Wage

Plymouth City Council implemented the Living Wage, as defined by the Living Wage Foundation, on a discretionary basis to all employees on 1st January 2014. Our master vendor contractor for the supply of our temporary staff has also implemented the living wage effective from 1 June 2014.

Between 2013/14 and 2014/15 the Council reduced its pay ratio from 1:14 to 1:10 and is now seeking to reduce this to 1:9.4 in 2016/17.

Delivery of the Co-operative Commissioning Framework

Plymouth City Council strives to rebalance 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, including offering the living wage and offering contracts to locally employed staff on a basis wanted by the workforce.

Social Enterprise City

Plymouth has one of the most active social enterprise business networks in the UK and has been recognised by central government. Plymouth University is the world's first officially certified 'social enterprise' university. Plymouth's development as a 'social enterprise city' has generated additional funding for the city and established Plymouth as a model of best practice. Research undertaken in 2013 indicated that 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; we know that the sector has grown since then. Plymouth City Council is openly supportive of and committed to supporting social enterprises in the city and the support it can offer to help businesses to flourish. This includes a dedicated Social Enterprise Investment Fund where funds have been allocated to support local initiatives including Prime Skate Park, the Alamo Project and Stiltskins Creative Arts and Theatre CIC. So far, 23 Social Enterprises have benefited from the fund, with over £5m match funding attracted into the city.

Fairtrade

Plymouth was first granted Fairtrade City status in 2004. In October 2012, Plymouth City Council agreed to contribute to the increased availability of fairly traded products by recognizing the FAIRTRADE Mark and by renewing Fairtrade City status for Plymouth as detailed in the Fairtrade Foundation's Fairtrade Towns Initiative. 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, and promoting the Fairtrade Mark. The Council is currently working towards the renewal of the Fairtrade award.

Sustainable Fish City

Plymouth City Council is one of sixteen towns and cities that have 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.

In June 2014, Plymouth became the first city in the world to win the Fish2Fork Blue City Award. The award recognises cities in which a core number of restaurants use seafood from sustainable sources.

Plymouth Energy Community

Plymouth City Council has facilitated and supported the development of the Plymouth Energy Community (PEC), a members' co-operative 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. Membership is open to all, regardless of how you currently pay, making it accessible to those who pay by card or key meter. Working on behalf of its members the co-operative will negotiate with energy companies to find the cheapest suppliers and tariffs for its members. The new co-operative will share dividends with members as well as reinvesting profits in schemes to tackle fuel poverty and reduce the city's carbon footprint. This will include helping Plymouth generate more of its own power, in particular solar power.

The award winning PEC has achieved the following:

- Fuel Debt Advice service has cleared £120,000 of debt in 18 months. The service has received over 500 enquiries and referrals. The service will aim to clear 200 cases of energy debt arrears in 2016;
- Provided heavily subsidised external wall insulation scheme; 700 homes will benefit from this by September 2016;
- Plymouth Energy Community (PEC), Plymouth City Council and British Gas partnership has provided 80 free energy efficient gas boilers for households in receipt of qualifying benefits;
- Both above measures reduce energy bills by up to 1/3. For most Plymouth properties with gas heating this would be approx. £260 a year saving;
- In the last year the PEC volunteer programme has trained 50 residents in energy awareness and taken part in 40 community events, giving advice to more than 2700 households at risk of fuel poverty;
- City-wide savings are estimated to have reached £215,000 through resulting energy saving behaviour changes and by switching energy suppliers. 160 households received longer term help with 60 families still engaging in casework. For them, the savings have reached £30,000 through advocacy work, fuel debt grants, switching and education in energy use.

Four Greens Community Trust

There is a long tradition of creating successful Community Economic Development Trusts in Plymouth. The Four Greens Community Trust (FGCT) is a new trust, set up for people living in the north of Plymouth. Part of the Trust's role is to create local jobs, enterprise and training, for an area with traditionally low economic participation.

In addition, the trust is looking at innovative ways of targeting young people to consider construction as a career choice, skills development associated with food growing, and extending Unlimited's 'Star People' programme to support local people to set up their own enterprises. The trust also has wider ambitions to improve facilities and services in the area, and turn the north of the city into a destination of choice, where people want to live, work and visit.

Plymouth City Council also supported the Millfields Trust to develop the Genesis building which, in addition to helping to restore the urban fabric along Union Street, was designed to support the needs of start-up businesses and to enhance employment opportunities within the Stonehouse Community.

The city will continue to build on the success of its CEDTs. The Four Greens Trust developments will create a dramatic boost to the local economy. By continuing to work together with stakeholders and residents the trust has had the opportunity to look at how they want to continue the assets used in their community, and also at how they will organise themselves as a community in the future;

1000 Club

The 1000 Club is a brilliant example of the council working co-operatively with local and national partner organisations to promote social value and address the city wide issue of youth unemployment. It is an initiative set up through the Plymouth Growth Board – a partnership between business and senior public sector leaders, to support young people into employment, particularly those in the 18 to 24-year-old age group as they make up 30 per cent of all claimants in Plymouth, compared with 24 per cent nationally.

The aim of the 1,000 Club was to recruit 1000 local companies and work with them to encourage and support a young person into work by creating a job, taking on an apprentice, graduate intern, work experience or providing a schools work experience placement.

The Club is also targeting smaller businesses that may not be able to commit to a full-time apprentice. The Council and City College Plymouth have set up an apprenticeship training agency, whereby companies can share an apprentice. The apprentice is employed by the agency, who takes on all the associated administrative duties.

A close working partnership, drive and commitment from all the partners has been key to the club's success, so much so that the model is due to be replicated by other authorities within the Heart of the South West Local Enterprise Partnership area and enquiries have been received from local authorities across the country.

CATERed

CATERed Ltd is a new company formed by schools and Plymouth City Council. Run as a co-operative trading company, all surpluses are reinvested to support on-going development of the company, management of the school kitchen estate and delivering services to the children and young people of Plymouth. Funded by schools' delegated budgets, the company ensures that pupils across the city have an amazing high quality meal served by a workforce committed to producing only the very best food and delivering great customer experiences. The whole venture has been made possible by the co-operative approach taken by Plymouth City Council.

Another area of success for CATERed is the provision of a daily free meal to disadvantaged pupils outside of term-time which was piloted in 2014. The scheme cost £16.5k and fed circa 600 children. Following on from this, in 2015 CATERed launched the Big Summer Food Tour² and across August gave away 200 nutritious and tasty bagged meals each Tuesday and Thursday at various locations. This was supported by all suppliers and volunteer staff / labour for production and distribution being nil cost to the Council. An estimated 1400 children benefitted from this scheme.

AIMS AND PRINCIPLES

This policy is based on a set of guiding principles which should be considered when undertaking commissioning activity. These guiding principles, developed through discussion with partners, are that our commissioning and procurement activities:

- 1) Are based on a clear understanding of the outcomes for social value and sustainability;
- 2) Support delivery of value for money to the Council;
- 3) Promote engagement with the community, local businesses, social enterprises and the VCS

The aim of this policy is to embed the culture of 'thinking social value' in all of our procurement and commissioning activities. Whilst the Public Services (Social Value) Act places certain obligations on us to consider social value above set thresholds, Plymouth City Council aims to go beyond legislation wherever possible to maximise the outcomes that can be achieved.

As such, this policy does not set out a prescribed approach to the consideration of social value in procurement activities. Any social value considerations must be proportionate and relevant therefore the process must allow for flexibility and will differ for each undertaking.

In some circumstances it may not be feasible or appropriate to apply social value to some commissioning and procurement activity. Officers are required to seek line management sign off in such instances. Commissioning and purchasing undertaken without applying social value will be reported through the ongoing monitoring process with the Cabinet member responsible for procurement and the Annual Report.

IMPLEMENTATION

Implementing and embedding social value at a local level involves making commissioning and procurement decisions in a new way that ensures wider benefits are considered throughout the commissioning cycle. This could include requiring contractors to pay a Living Wage, employ a specified number of apprentices or take certain actions to minimise environmental damage.

Whilst recognising that there is no 'one size fits all' model for applying social value, this policy seeks to formally embed the consideration of social, economic and environmental outcomes in the council's commissioning, procurement and monitoring activities.

The Public Service (Social Value) Act 2012 applies to all scales and types of procurement for services above the EU threshold (currently £164,176.00). Plymouth City Council is committed to complying with statutory regulations and encouraging our suppliers to do the same. For those

² <http://www.plymouth.gov.uk/homepage/catered/cateredwhatshappening.htm>

contracts that fall below the limits outlined, our approach will be to maximise appropriate social value outcomes where possible.

Social Value Outcomes

In order to maximise social, economic and environmental benefits, the Council must retain a focus on the outcomes we seek to achieve.

A set of outcomes has been developed that will allow the Council to consider the economic, social and environmental wellbeing of the city when commissioning and procuring goods and services. These outcomes are based on the values, objectives and outcomes of the Corporate Plan, the outcomes of the Integrated Commissioning Framework, the Plymouth Plan and also the final recommendations of the Plymouth Fairness Commission.

This policy is centred on four key themes with corresponding outcomes aligned to each theme. These themes are:

- Jobs, skills and creating a strong local economy – a fairly paid workforce, more people in work, supporting local business, increasing skills, providing training opportunities
- Strong and resilient communities – creating a fairer Plymouth where everyone does their bit, helping people take control of their lives and communities
- Early intervention, prevention and demand management – prioritising prevention, using resources wisely
- Environmental and social responsibility – reducing the city's carbon footprint, leading in environmental and social responsibility, encouraging biodiversity

Some examples of relevant outcomes are creating a range of job opportunities, using resources wisely or reducing the city's carbon footprint. These can be achieved by asking bidders to specify how they will meet the relevant outcomes, for example by creating a specified number of apprenticeships, or supporting a number of service users to engage in volunteering.

A list of all outcomes and some related examples for each theme can be found in Appendix A.

How to commission and procure for social value

Consideration for Social Value should be given at the start of a commissioning or procurement exercises. Where practical and appropriate, relevant and proportionate outcomes should be identified and included as part of the tender evaluation criteria against which bids will be scored. Due to the wide range of goods and services the council procures, it is recognised that this process needs to be flexible and be tailored to each exercise. It is the role of service commissioners and procurement leads to consider, on a contract by contract basis, relevant social value outcomes that could be incorporated into the process.

Suppliers can then be asked to demonstrate how they intend to deliver against these outcomes and the responses of the winning bidder may then be written into the final contract.

Example:

Describe your proposals to assist in the Council's vision of a strong economy creating a range of job opportunities? In particular you should outline your proposals to:

- Generate sustainable employment and training opportunities for residents of Plymouth
- Provide apprenticeships for the residents of Plymouth
- Promote opportunities for SME's in the city of Plymouth

Responsibility

The delivery of the Social Value and Sustainability Policy is the responsibility of the Assistant Director for Finance under the Directorate for Transformation and Change, reporting to the Cabinet Member for Co-operatives and Housing.

Training and awareness

To maximise the opportunities and benefits presented through the delivery of this policy, there will be a requirement for awareness raising and guidance for commissioning and procurement officers through, for example, the development of simple desk aides and e-learning toolkits, the detail of which will be finalised following adoption of this policy

Monitoring and Review

The Social Value Policy will be monitored on an ongoing basis through reports on performance to the Cabinet Member responsible for procurement. Social Value will also be reported on within our Annual Report.

Appendix A

Theme	Outcome*	Plymouth Plan Links	Examples
Jobs, growth & productivity	CP: 'a strong economy creating a range of job opportunities'	Policy 17: Creating the conditions for economic growth	Create x new jobs within city (target groups eg NEETS?)
			Create x new apprenticeships / traineeships within the city
			Provide x days work experience for residents
		Policy 19: Delivering skills and talent development	Support x people back to work
			Pay living wage
			Improve the skill levels of existing workforce e.g. training x% to Level x
	CP: 'Plymouth is an attractive place for investment'	Policy 19: Delivering skills and talent development	Support x no. business start-ups
			Increased proportion of goods / services produced locally
			Support the local economy by spending x% of total expenditure in the local supply chain
		Policy 19: Delivering skills and talent development	Attract £x inward investment into city
			Secure positive profile for Plymouth through x number positive stories in national media
			Ensure x% of food products in supply chain are Fairtrade
Strong & resilient communities and effective voluntary sector	CP: 'Help people take control of their lives and communities'	Policy 8: Addressing health inequalities and supporting healthy lifestyles	Support for local Children's Centre to address child poverty
			Helping people live independently
			Reduction in admissions to hospital
	CP: Children, young people and adults are	Policy 11: Playing	x% service users supported to self help

	<p>safe and confident in their communities' CP: 'Citizens enjoy living and working in Plymouth' CP: 'People are treated with dignity & respect' ICS: 'Reduce health inequality & reduce Child Poverty'</p>	<p>an active role in the community</p> <p>Policy 12: Delivering strong and safe communities and good quality neighbourhoods</p> <p>Policy 38: Celebrating diverse communities</p>	<p>Co-ordinate & run a befriending scheme to reduce social isolation for x no. older people</p> <p>Support x no. service users to engage in volunteering</p> <p>Support x no. service users into work experience / work / training</p> <p>Work with x no. service users to design & deliver the service</p> <p>Deliver the service on a localised basis so average distance to access service is x miles</p>
<p>Early Intervention, prevention & demand management</p>	<p>CP: 'We will prioritise prevention' CP: 'A Council that uses resources wisely'</p>	<p>Policy 8: Addressing health inequalities and supporting healthy lifestyles</p> <p>Policy 9: Delivering the best outcomes for children, young people and vulnerable adults</p>	<p>x% overall spend moved from acute interventions to prevention</p> <p>Support effective management of finances by increasing the no. of residents using a Credit Union</p> <p>Support prevention by running education & publicity campaigns e.g. stop smoking</p>

		Policy 10: Supporting adults with health and social care needs	
Environmental & social responsibility	CP: 'Pioneering in reducing the city's carbon footprint and leading in environmental & social responsibility'	Policy 14: Optimising the health and wellbeing benefits of the natural environment	Reduce amount of waste to landfill / waste generated
			Reduce carbon emissions
			Support Sustainable Fish City status
			Support x no. residents to better manage energy demands, reduce fuel poverty
		Policy 25: Reducing carbon emissions and adapting to climate change	
Policy 27: Minimising Plymouth's waste			

***CP - Corporate Plan outcome**

ICS - Integrated Commissioning Strategy

PP - Plymouth Plan