

Crawley Borough Council

Report to Cabinet 5 February 2020

Social Value Charter

Report of the Head of Corporate Finance, **FIN/488**

1. Purpose

- 1.1 Currently Crawley Borough Council has several policies and charters that request our supply chain, through our procurement process, to support economic, environmental and social improvements in the community.
- 1.2 The number of different Charters and policies can be confusing for suppliers and officers trying to ensure that policy requirements are incorporated in relevant tenders. The Council therefore seeks to combine these charters and policy commitments into one Social Value Charter.

2. Recommendations

2.1 To the Cabinet

The Cabinet is recommended to:

- a) Approve the Social Value Charter for implementation (as set out in Appendix A) and its associated policy commitments.
- b) Delegate authority to the Head of Corporate Finance in consultation with the Head of Legal and Democracy and HR and Head of Economy and Planning to finalise the Charter and arrangements for supplier sign-up, monitoring and make minor amendments to the Social Value Charter when required due to changes in policy or legislation, this will be in consultation with the Leader of the Council (Generic delegation 7 will be used to enact this recommendation).
- c) Agree that a progress report be presented to Cabinet following the implementation and take up of the Social Value Charter in 12 months' time

3. Reasons for the Recommendations

- 3.1 Having one Social Value Charter ensures that all of the Council's policy commitments are in one easy to use document. This benefits our suppliers by making our tender processes simpler to follow, clearly stating what our expectations are and enables us to more easily monitor their implementation.

4. Background

- 4.1 Crawley Borough Council currently has a range of policies and Charters linked with supporting economic, environmental and social improvements in the community. These include the Developer and Partner Charter developed in 2012, The Unite Construction Charter (2018), The Living Wage Policy (2013) and the Sustainable Procurement Charter (2019).
- 4.2 The Council currently asks suppliers to sign up to the commitments outlined in these policies and charters either through a procurement process as a mandatory requirement, or a best endeavours approach depending on the value and type of procurement. In more complex or higher value procurement processes an assessment of a supplier's commitment to supporting these policies is also included as part of the quality evaluation criteria.
- 4.3 The Economic Development and Regeneration team also engage with partner organisations, such as developers, who are working within Crawley to voluntarily sign up to the principles of the Developer and Partner Charter.
- 4.4 The number of different policies and charters can cause confusion with officers and the Council's supply chain. For example, some policies are only applicable to Works contracts or Services contracts above a certain value, at the moment it is hard to decipher what policy objectives apply to what procurement process. In response to this and to improve the effectiveness of the policies and to avoid confusing suppliers, Corporate Management Team suggest that these are combined into one document renamed a Social Value Charter (set out in Appendix A).
- 4.5 The Procurement, Economic Development and Communications Teams are working together to ensure that there are clear, easy sign up procedures in place and arrangements to monitor the impact of the commitments made. It is recommended that the finalising of the arrangements be delegated to the Head of Corporate Finance in consultation with the Head of Legal and Democracy and HR and Head of Economy and Planning, in consultation with the Leader of the Council.

5. Description of Issue to be resolved

- 5.1 To have one document that brings together all procurement policy commitments.

6. Information & Analysis Supporting Recommendation

- 6.1 When developing the proposed Social Value Charter desk-top research was carried out to inform the best approach. Several Councils who are deemed leaders in Social Value were contacted. Research showed that some have developed complex processes for the implementation and monitoring of social value, it is recommended however that a simpler more practical approach be taken in Crawley initially.
- 6.2 As part of the review the use of the National Social Value Framework of Themes, Measures and Outcomes (TOMS) which is used by some local authorities was investigated. However, at this stage it was felt that this would add an additional layer of complexity, and research shows that some authorities are having teething problems in its practical implementation. In addition, it was found that it was

predominately County Council and Unitary Authorities who have significantly larger contracts and internal resources to implement and monitor its impact that were using this approach.

7. Implications

- 7.1 The Public Services (Social Value) Act 2012 places a duty on Councils at the “pre-procurement” phase to consider how they could get more social, economic and environmental benefits from their contracts for services and or work schemes through the commission and procurement processes. The Act also requires Councils to consider how they might secure the improvement in the procurement process itself providing this is relevant and proportionate.
- 7.2 There is a risk that potential suppliers will be deterred from bidding by the 17 policy commitments that they may be required to commit to.
- 7.3 In order to implement the Social Value Charter effectively, manage the supplier registration, and ensure that there are appropriate monitoring arrangements in place, there will be a resource implication. Agreement will need to be reached by the Procurement and Economic Development teams in determining the most effective approach and roles and responsibilities to ensure delivery of the Charter.

8. Background Papers

Developer and Partner Charter (2012)
Unite Construction Charter (2018)
Sustainable Procurement Charter (2019)

Jo Newton-Smith, Procurement Manager, 01293 438363