

# Overview & Scrutiny Recommendation Response Pro forma

*Under section 9FE of the Local Government Act 2000, Overview and Scrutiny Committees must require the Cabinet or local authority to respond to a report or recommendations made thereto by an Overview and Scrutiny Committee. Such a response must be provided within two months from the date on which it is requested<sup>1</sup> and, if the report or recommendations in questions were published, the response also must be so.*

*This template provides a structure which respondents are encouraged to use. However, respondents are welcome to depart from the suggested structure provided the same information is included in a response. The usual way to publish a response is to include it in the agenda of a meeting of the body to which the report or recommendations were addressed.*

## Issue: Social Value Annual Report 2022/23

**Lead Cabinet Member(s):** Cllr Dan Levy, Cabinet Member for Finance

**Date response requested:**<sup>2</sup> 23 January 2024

### Response to report:

*Enter text here.*

### Response to recommendations:

| Recommendation   | Accepted, rejected or partially accepted | Proposed action (if different to that recommended) and indicative timescale (unless rejected)   |
|--|--|---|
| <b>That the Council clarifies the objectives it wishes to achieve through its social value</b> | Partially accepted                       | To establish the current set of TOMs, workshops were held across two days (one session focused on Economic and Social themes, the other session focused on the Environmental theme) |

<sup>1</sup> Date of the meeting at which report/recommendations were received

<sup>2</sup> Date of the meeting at which report/recommendations were received

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| <p><b>policy, choosing measures and weightings which support those objectives.</b></p>   |                           | <p>to select relevant TOMs with the service areas from all across the Council, which delivered both the Master and Light set of TOMs.</p> <p>Once these were established, certain TOMs were prioritised to support the Council's stated aims and objectives. Some of these TOMs are weighted medium (x2) or high (x3), meaning the financial proxy values are doubled or tripled in the background calculators that affect a bidder's final quantitative score. This incentivises bidders to choose some of the prioritised measures to make up their overall social value bid response. Measures have been selected for prioritisation because they are aligned with the Council's key priorities, aims and strategic frameworks such as Climate Action and Including Everyone. This means that we are already supporting the Council's stated objectives in an appropriate, fair and proportionate way.</p> <p>Specification remains the key element for ensuring that contracts place social value at the heart of their delivery.</p> <p>In addition to the procurement social value policy, a wider organisational policy will be designed that will establish an agreed definition of social value to inform agreed measures in all decision making.</p> |
| <p><b>That the Council investigates how it might develop a more bespoke model of social value, to include consideration of: how it might support cooperatives to tender for contracts, and selecting TOMs which truly drive climate action benefits.</b></p> | <p>Partially accepted</p> | <p>The current TOMs are set nationally and give national standards and financial equivalents. Proxy values for the 'Jobs' theme (NT15, and the most used Jobs measures) are localised by project and adjusted to match the local Oxfordshire economy, and match the localised salary values for Oxfordshire, rather than on a national level. These are the most utilised TOMs across all projects.</p>  |

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|   |                 | <p>The most key element for SVP is their neutrality. They use the standard set of TOMS nationally, benchmarked against robust independent data sourced from reputable organisations such as ONS (Office of National Statistics). Suppliers are used to these and trust the neutrality element. Resource would be significant if OCC were to develop its own TOMs, platform to calculate proxy values, track and monitor outcomes etc. It should be noted that one of the Councils to go down this route took 8 years to get their own system up and running, and it is not clear how much value has been achieved from their Measurement Framework. They have had challenges around benchmarking proxy values, resources, competency and general administrative issues. There would be significant costing / resource implications should OCC choose to go down this route.</p> <p>Market engagement with all levels and types of appropriate suppliers for the tender, should be encouraged to ensure that all sourcing options are considered.</p> |
| <p><b>That the Council investigates how it can undertake greater pre-engagement with SMEs and cooperatives to understand the issues faced in securing contracts</b></p> | <p>Accepted</p> | <p>Greater use of SMEs where appropriate should be encouraged across the supplier markets for the whole of OCC, whenever reviewing an existing contract and considering going out to the market for a replacement, or for new requirements. Greater pre market engagement prior to official procurement exercises is strongly encouraged for all areas generally, and this will include SMEs where relevant. This is particularly highlighted in the new Procurement Act 23 where local / SME only tender options are encouraged and supported by law. OCC participate in regular Buyer Days where it meets local / SME / co-operatives to inform them of how OCC goes to market with its tender requirements,</p>   |

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|  |          | and to discuss with them their general challenges in supplying OCC requirements.   |
| <p><b>That the Council provides as part of its response to this recommendation a written outline of the next steps it intends to take develop and finesse its social value policy.</b></p> | Accepted | <p>There will be a regular review of the procurement social value policy to ensure still appropriate and applicable. This includes a regular review of the TOMs as they are updated and refreshed nationally.</p> <p>Further work is to be completed with an organisational wide approach to social value that goes beyond procurement and aims to support decision making at all levels. The policy will seek to provide an agreed definition of social value so that there is consistency in our expectations of social value with agreed measures for monitoring and evaluation purposes.</p> |