

Guidance is given in square brackets under each of the headings below. Headings which are discretionary are also in square brackets. Please delete as you go along and remove heading and sections not needed.

Divisions Affected - All

**PERFORMANCE & CORPORATE SERVICES OVERVIEW &
SCRUTINY COMMITTEE
29 SEPTEMBER 2023**

Update on Social Value Annual Report 2022 - 2023

Report by Lorna Baxter, Director of Finance

RECOMMENDATION

1. **The Performance & Corporate Services Overview & Scrutiny Committee is RECOMMENDED to**

Note the contents of the report.

Executive Summary

2. This report provides an update to the Committee as to the progress of the Social Value Policy following its implementation in February 2022.

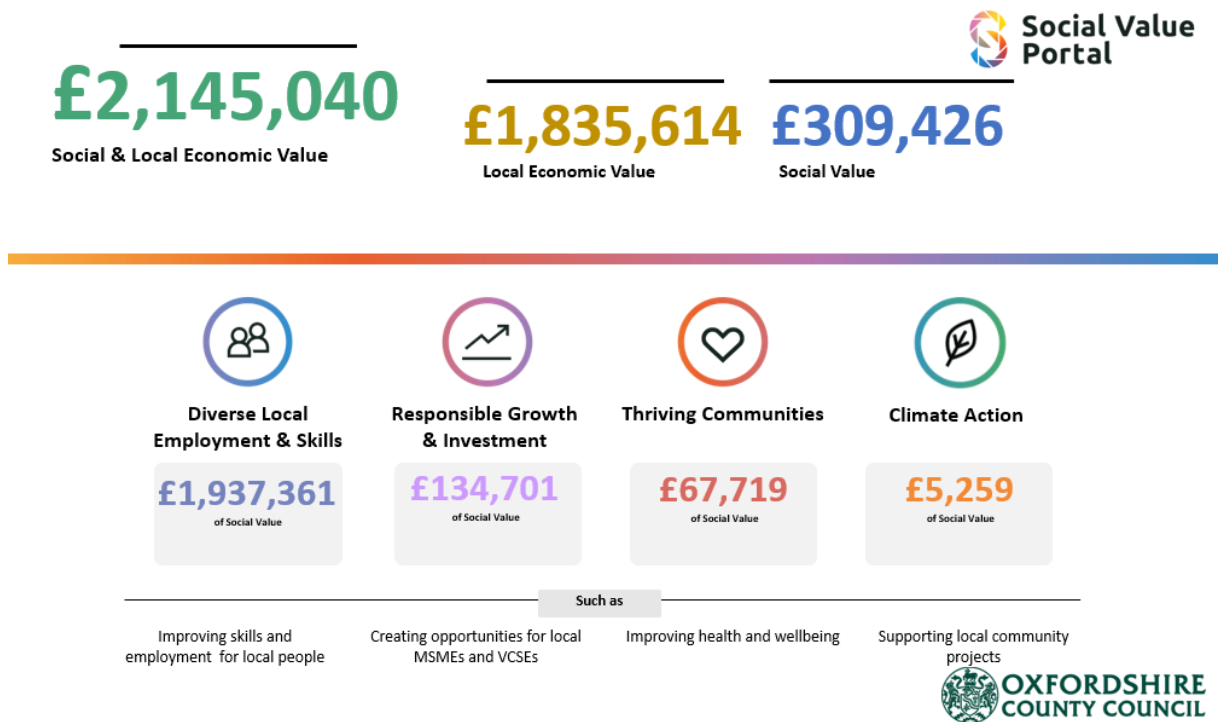
Update on the Social Value Policy

3. The Social Value Policy was agreed by Cabinet in February 2022. It was to include a 12% weighting for all appropriate tenders valued over £100k (total contract value) but below Public Contract Regulations (PCR2015) thresholds i.e. £213,477 including VAT, allocated to Social Value, to emphasise to the supplier market the importance of this to the Council.
4. It was recommended for the first year that this was set at 12% for tenders valued between £100k and the threshold above which the Public Contract Regulations 2015 apply, and for 16% for those tenders valued above the PCR2015 thresholds (with the additional % specifically allocated to Climate Change initiatives) to allow the supplier market time and officers time to adapt, and to ensure that tender submissions were the most appropriate for their subject matter.

- As a result of the lead which the Council has taken in the implementation of the Social Value Policy, it is forming the basis of a wider Oxfordshire Inclusive Economy Partnership (OIEP) social value structure, using the same set of Themes Outcomes and Measures (TOMs) as the Council does, which incorporates a wide range of TOMs covering all areas of potential social value.

Results from the First Year of Implementation

- The Policy has now been running for 1 year in total, and the stats based on this first year are:



Values rounded to the nearest pound

- The most common choice by suppliers has been in Diverse Local Employment & Skills, with detail of the breakdown below:

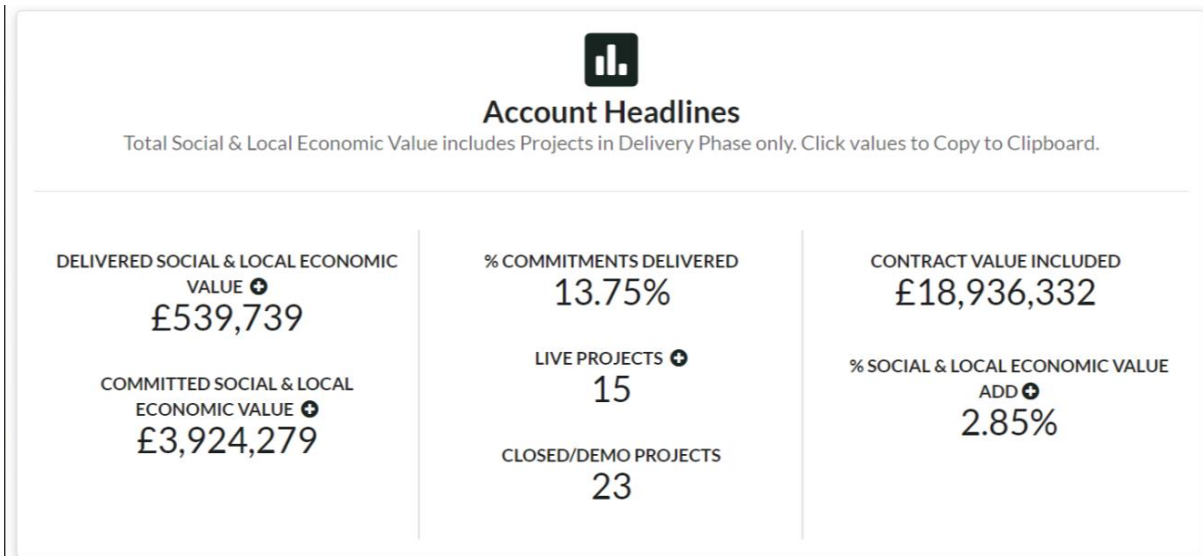
Social Value Targets by KPI

*Figures rounded to nearest decimal place.



8. It should be noted that not all of the procurements carried out by the Council are suitable for the Social Value Policy to be included in the documentation; some will be from frameworks which are very specific as to the scoring mechanisms used and it is not possible to include the Council's additional scoring requirements within these.
9. Given the time taken to run procurements and implement new contracts (and only at this point does social value begin to be tracked), more time is needed to get a full and complete picture of the nature of the social value the Council's suppliers are offering to support their tender bids.
10. Feedback from the Social Value Portal (the third party supplier OCC use to track and monitor social value through the tendering and delivery process) around the % weighting which should be applied to tenders is that currently OCC is in the 'sweet spot' for the suppliers. Should this increase at all it would send a message to the market that OCC is prepared to pay more to suppliers for social value as this is more important than overall good value from their contracts. Should we decrease the values, then this would send the message that it is not really important to OCC and would not impact on the scoring of tenders; suppliers would therefore not put effort (or financing) into their proposed measures.
11. A recent update from the Social Value Portal in August 2023 shows that the value of delivered Social Value (i.e. actual value which has actually been delivered, and not just 'promised' through the tendering process) is £539k. Given the length of time that the policy has been in place, this is a relatively high number compared to other councils and should be seen as a success.
12. The current 12% and 15% weightings should be seen as inclusive enough not to dissuade suppliers from tendering for Council projects; there is a real risk that if these should be increased, suppliers will either choose not to engage with

Council work or else will start to increase their costings to take this weighting into account.



13. The full annual report from the Social Value Portal (the third party supplier OCC use to track and monitor social value through the tendering and delivery process) is Annex 1.

Financial Implications

14. There are no financial implications arising in this report.

Comments checked by: Lorna Baxter, Director of Finance

Legal Implications

15. There are no legal implications arising in this report.

Comments checked by: Anita Bradley, Director of Law & Governance

Lorna Baxter
Director of Finance

Melissa Sage
Head of Procurement

Annex: Annex 1 – OCC Annual Report April 2022 – April 2023

Contact Officer: Melissa Sage, Head of Procurement

September 2023