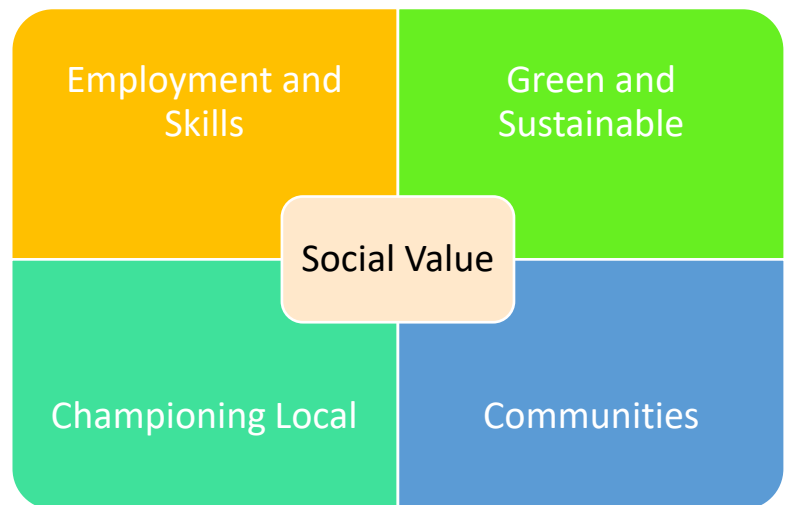


Company Executive Board Meeting
Date TBC
SSLEP: Social Value in strategy and decision making

Summary

1. Our LEP has an ambition to thrive and succeed based on a progressive & diverse economy, through an inclusive vision for Stoke-on-Trent and Staffordshire to be the best place to live, learn, work and do business. To achieve the best possible outcomes for local residents and businesses, we will use social value to maximise the impact of our strategies and to secure added value from our significant capital investments and revenue programmes.
2. The Public Services (Social Value) Act 2012 requires that public bodies, including LEPs through their Assurance Frameworks, have regard to **improving the economic, social and environmental well-being** of the area. As a small, partnership organisation we can only achieve this by working collaboratively with others.
3. This report describes how the SSLEP could incorporate Social Value into its decision making, specifically into its procurement activities. This would include funding decisions and business case assessments as well as direct procurement of services for the LEP.
4. It builds on the Social Value Charter received by the Board on October 15th 2020 and proposes metrics and targets which could be used to assess Social Value as part of a tender or business case evaluation. Social Value outcomes could then be reviewed alongside other programme targets, helping the SSLEP to deliver Social Value to our communities across Stoke on Trent and Staffordshire.
5. The LEP Social Value Charter can be summarised in 4 quadrants, which have been mapped to both the UK Government's "Social Value Model" priorities and the UN Sustainable Development Goals, keeping us in step with wider policy development in this area.
6. The Board are asked to consider the paper and agree next steps:
 - a) formal incorporation of the Social Value charter principles into the LEP's strategy and ways of working
 - b) incorporating Social Value objectives into its funding evaluation / business case assessment process and post investment monitoring and review
 - c) incorporating a Social Value assessment into its procurement processes
 - d) use of stakeholder groups on significant programmes/projects to ensure that outcomes meet our communities needs and remain dynamic
 - e) to use the LEP's convening role to encourage and support the use of Social Value principles by partners, aligning with their existing Social Value statements.
 - f) carry out an annual Social Value review to track progress, share learnings and celebrate success. This should be reported to Board and included in the Annual Report.



Background

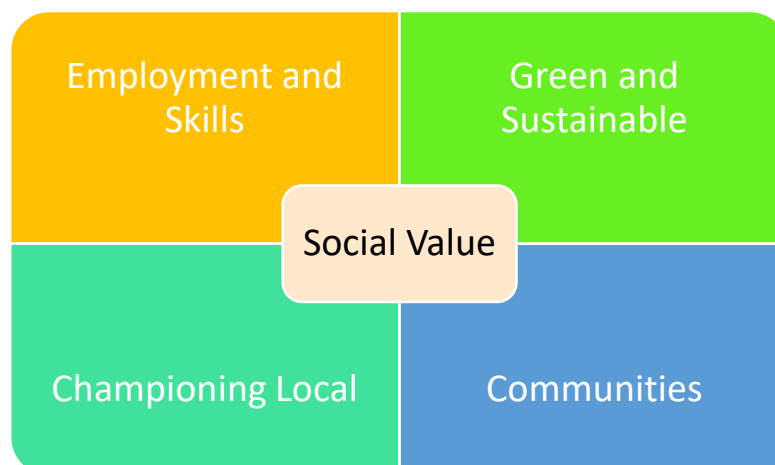
7. At its Board Meeting on October 15th 2020, the SSLEP board reviewed a first draft Social Value charter (appendix 1). Minutes of that meeting state that the Board resolved that:

A further iteration will be written adding supply chains, targets & employment issues and brought back to the Board for discussion.

This paper extends the Social Value Charter in terms of how the SSLEP can **take action** to bring its agreed principles to life.

Policy Congruence and Strategic Impact

8. It is worth noting that the Government Social Value agenda continues to move apace, with central government organisations, executive agencies and non-departmental government bodies now (from 1st January 2021) required to explicitly evaluate Social Value benefits rather than just “consider” them as required under the Public Services (Social Value) Act 2012.
9. The Cabinet Office recently (29th March 2021) updated their guidance in this area for commissioners and providers of public services, including information, resources and case studies, largely taken from Lord Young’s review of the impact of the Social Value Act. In particular, they have published guidance on how to use the government’s Social Value Model, designed to fit easily into existing processes, minimising the impact for commercial teams and suppliers. The guidance states that the minimum weighting that should be applied to social value is 10%.
10. The Stoke-on-Trent and Staffordshire Local Enterprise Partnership (SSLEP) Social Value Charter have been mapped to both the UK Government Social Value Model priorities and the UN Sustainable Development Goals, as shown in the tables below.
11. By adopting the social value principles outlined in the Charter, the SSLEP has the opportunity to make improving Social Value core to its strategy. To quote the Cabinet Office guidance on using the Social Value model, government “has a huge responsibility to maximise benefits effectively and comprehensively through its commercial activity. It cannot afford not to. A missed opportunity to deliver social value may lead to costs that the taxpayer has to absorb elsewhere...” As a responsible LEP, we might consider that we have a similar responsibility to ensure that projects we support maximise not only their economic but also their social and environmental benefits – truly delivering Social Value.



SSLEP Social Value Charter Principles	The Government's "Social Value Model" Priorities		The "Global Goals" - UN Sustainable Development Goals (SDGs)	
	Primary	Related	Primary	Related
Employment and skills				
Protecting and creating local jobs with an emphasis on opportunities for satisfying work and higher pay.	1 Covid-19 recovery	2 Tackling economic inequality	8 Decent work and economic growth	10 Reduced inequalities
Creating opportunities for training and progression through access to advice and guidance, work experience, reskilling, upskilling and multiskilling.	1 Covid-19 recovery	2 Tackling economic inequality	8 Decent work and economic growth	4 Quality education
Proactively seeking opportunities to work with our local schools, colleges, civic universities and independent training providers to ensure that our young people and our existing workforce have the right skills for the current labour market and are prepared for the jobs of the future.	1 Covid-19 recovery	2 Tackling economic inequality	17 Partnerships for the goals	8 Decent work and economic growth
Green and sustainable				
Green energy – minimising waste and energy consumption, promoting innovation and sustainable energy sources.	3 Fighting climate change	1 Covid-19 recovery	12 Responsible consumption and production	7 Affordable and clean energy 11 Sustainable cities and communities
Green growth – protecting the environment and efficient use of resources as we grow our economy, promoting zero-carbon growth in manufacturing, construction, business operations and logistics.	3 Fighting climate change	1 Covid-19 recovery 2 Tackling economic inequality	12 Responsible consumption and production	13 Climate action
Green places – improving the attractiveness and quality of our places through protecting and creating green spaces, conserving biodiversity, reducing noise pollution, improving air quality and investing in sustainable transport & housing.	3 Fighting climate change	5 Wellbeing	11 Sustainable cities and communities	3 Good health 13 Climate action 15 Life on land
Ethical procurement – working with contractors, partners and suppliers who adopt green and sustainable policies, practices and resources.	3 Fighting climate change		12 Responsible consumption and production	13 Climate action
Championing local				
Local businesses – purchasing from local providers, wherever possible, to support local jobs & our economy and to reduce our carbon footprint.	2 Tackling economic inequality	3 Fighting climate change	8 Decent work and economic growth	13 Climate action
Local growth – investing in local start-ups, retention of graduates & skilled workers and supporting established businesses wanting to evolve and grow in Stoke-on-Trent and Staffordshire.	1 Covid-19 recovery	2 Tackling economic inequality	8 Decent work and economic growth	9 Industry, innovation and infrastructure
Local resilience – providing investment and support for our local businesses to increase their resilience to unprecedented or rapid change (such as Brexit and Covid-19).	1 Covid-19 recovery	2 Tackling economic inequality	8 Decent work and economic growth	9 Industry, innovation and infrastructure
Inward investment – creating the right conditions locally and effective marketing to maximise investment into Stoke-on-Trent and Staffordshire.	1 Covid-19 recovery	2 Tackling economic inequality	9 Industry, innovation and infrastructure	8 Decent work and economic growth
Communities				
Creating employment and training opportunities for local residents, targeting areas of high unemployment, low educational attainment and social disadvantage, prioritising high quality work placements, apprenticeships, mentoring and traineeships.	4 Equal opportunity	2 Tackling economic inequality	10 Reduced inequalities	4 Quality education 11 Sustainable cities and communities
Working with the voluntary, community and social enterprise sector to build capacity and capability to deliver services and to increase access to sub-contracting opportunities for the benefit of local residents and businesses.	2 Tackling economic inequality	1 Covid-19 recovery	17 Partnerships for the goals	8 Decent work and economic growth 9 Industry, innovation and infrastructure
Working in partnership with organisations that promote positive and non-exploitative employment practices (including diversity and anti-discrimination policies, Living Wage, guaranteed contracts, safe and satisfying work).	4 Equal opportunity	2 Tackling economic inequality	17 Partnerships for the goals	10 Reduced inequalities 5 Gender equality
Improving health and well-being of our local communities through investment in local facilities and activities, encouraging business engagement in mentoring, volunteering and sponsorship.	5 Wellbeing	2 Tackling economic inequality	3 Good health	11 Sustainable cities and communities 17 Partnership for the goals

Implementing the Social Value Charter

12. There is a strong link between the development of the LEPs' social value work and possible framework and the inclusion of equality and diversity in decision making. This is not least because of the government's review of the Green Book and the impact this will have on the ways in which public funds will be spent.
13. The conversations in the subgroups of the SSLEP Board indicate that we all wish to raise our governance aspirations to achieve excellence and be a beacon of good practise for other LEPs, our partners and the business community.
14. One way in which to raise our governance aspirations in this area would be to explicitly require the evaluation of Social Value impacts in our procurement, in line with the requirement on central government organisations. This should include both the assessment of business cases and funding allocation; and in direct procurement of

services for the LEP itself. The projects / contracts should then be reviewed to see if they achieve the planned Social Value impacts.

15. It is important to note that the Procurement Policy Note (PPN 06/20) that sets out this requirement allows for proportionality – “Social value should be ...evaluated...where the requirements are related and proportionate to the subject-matter of the contract” and “unnecessary burdens should not be placed on commercial teams or suppliers. Implementing the Social Value charter is not intended to be disproportionately bureaucratic and should be developed in a pragmatic way.

16. In November 2020, the British Standards Institute introduced a new standard in this area, BS 8950:2020. The LEP board could consider adopting this standard as it moves forward, and indeed requiring major bidders to be working towards such a standard or equivalent set of principles.

17. The working party has reviewed the Charter Principles and developed a set of proposed metrics that can be used to assess Social Value in each quadrant:

Social Value Outcomes	Business Response	Metrics	Target or standard	Evidence
Employment and skills				
Protecting and creating local jobs with an emphasis on opportunities for satisfying work and higher pay.	Procurement	Full-time equivalent (FTE) people employed on the contract residing in S&S with a minimum employment contract of one year	90% of all FTE employed on the contract	Breakdown of employee numbers (FTE) by local authority geography of residence
	Procurement	People (headcount) employed on the contract residing in S&S who are paid a minimum of the national living wage per hour	90% of all staff employed on the contract	Breakdown of employee numbers by wage per hour
	Procurement	People (headcount) employed on the contract residing in S&S who are paid above the median salary for	50% of all staff employed on the contract	Breakdown of employee numbers by salary
Creating opportunities for training and progression through access to advice and guidance, work experience, reskilling, upskilling and multiskilling.	Procurement	Number of training opportunities on the contract that will be supported during contract period and through to completion	5% of the workforce are enrolled on nationally recognised qualifications at Level 3 or above	Breakdown of employee numbers undertaking training
Proactively seeking opportunities to work with our local schools, colleges, civic universities and independent training providers to ensure that our young people and our existing workforce have the right skills for the current labour market and are prepared for the jobs of the future.	LEP policy Procurement	Number of hours spent on local school and college visits	At least 36 hours in the previous 12 months or planned in the next 12 months	Testimonials from schools and colleges
Green and sustainable				
Green energy – minimising waste and energy consumption, promoting innovation and sustainable energy sources.	LEP policy Procurement	Percentage of energy usage from renewable sources	??% of energy usage in ? units	Certification relating to energy and resource usage and circular waste practices
	LEP policy Procurement	Reduction in waste to landfill arising from the performance of the contract	?? metric tonnes	
Green growth – protecting the environment and efficient use of resources as we grow our economy, promoting zero-carbon growth in manufacturing, construction, business operations and logistics.	LEP policy Procurement	Reduction in emissions of greenhouse gases arising from the performance of the contract	?? metric tonnes CO2 equivalents (MTCDE)	Carbon neutral certification or evidence of working towards achievement
Green places – improving the attractiveness and quality of our places through protecting and creating green spaces, conserving biodiversity, reducing noise pollution, improving air quality and investing in sustainable transport & housing.	LEP policy Procurement	Number of people-hours and/or total budget allocated to protecting and improving the environment under the contract	At least 15 average hours per month and/or at least 1% of the value of the contract	Service level agreements or equivalent Financial records
	Procurement	Car miles saved as a result of implementing the project	?? miles per annum	Independently verified transport forecasts
	LEP policy Procurement	Percentage of new build housing conforming to sustainability standards	75% of all new homes (and 100% by 2030) to meet BREEAM standard	BREEAM certification
Ethical procurement – working with contractors, partners and suppliers who adopt green and sustainable policies, practices and resources.	Procurement	Percentage of contracts that include sustainable procurement commitments	95% of all contracts to include ethical procurement	Policy documentation from contractors

Social Value Outcomes	Business Response	Metrics	Target or standard	Evidence
Championing local				
Local businesses – purchasing from local providers, wherever possible, to support local jobs & our economy and to reduce our carbon footprint.	LEP policy Procurement	Total amount (£) spent with local companies within your supply chain	At least 75% of contract costs spent on companies in LEP postcodes	Financial records
Local growth – investing in local start-ups, retention of graduates & skilled workers and supporting established businesses wanting to evolve and grow in Stoke-on-Trent and Staffordshire.	LEP policy Procurement	Total amount (£) invested in programmes and projects, as part of the Local Industrial Strategy	100% of investment in related schemes to be spent within (or on projects that directly benefit) the LEP area	Financial records
Local resilience – providing investment and support for our local businesses to increase their resilience to unprecedented or rapid change (such as Brexit and Covid-19).	LEP policy Procurement	Total amount (£) invested in local business support	100% of investment in related schemes to be spent within (or on projects that directly benefit) the LEP area	Financial records
Inward investment – creating the right conditions locally and effective marketing to maximise investment into Stoke-on-Trent and Staffordshire.	LEP policy	Value for money evidenced for activity aligned with marketing and attracting new investment	At least 100% return on investment of staffing and resources	Financial records
Communities				
Creating employment and training opportunities for local residents, targeting areas of high unemployment, low educational attainment and social disadvantage, prioritising high quality work placements, apprenticeships, mentoring and traineeships.	Procurement	Number of young people (16-24) residing in LEP postcodes on a government registered traineeship	At least one traineeship on the contract per 50 people employed	Company records of traineeship and employee numbers
	Procurement	Number of weeks spent on meaningful work placements or pre-employment courses by people residing in LEP postcodes	At least six weeks per annum for every 50 people employed	Company records of apprentices and employee numbers
	Procurement	Number of apprenticeships on the contract from LEP postcodes	At least one apprentice for every 50 people employed	Company records of work placement hours and employee numbers
	Procurement	Number of hours dedicated to supporting young people into work	At least 36 hours in the previous 12 months or planned in the next 12 months	Service level agreements or other documentation on the provision of mentoring, including mock interviews, CV advice, and careers guidance
	Procurement	Number of hours dedicated to supporting young people (under 25, NEET) into work	At least 36 hours in the previous 12 months or planned in the next 12 months	Service level agreements or equivalent for provision of pro bono support (e.g. financial, legal, HR, HSE)
Working with the voluntary, community and social enterprise sector to build capacity and capability to deliver services and to increase access to sub-contracting opportunities for the benefit of local residents and businesses.	LEP policy Procurement	Number of hours of expert business advice to VCSEs and SMEs	At least 36 hours in the previous 12 months or planned in the next 12 months	Service level agreements or equivalent for provision of pro bono support (e.g. financial, legal, HR, HSE)
Working in partnership with organisations that promote positive and non-exploitative employment practices (including diversity and anti-discrimination policies, Living Wage, guaranteed contracts, safe and satisfying work).	Procurement	Percentage of contracts with sub-contractors and supply chain companies with relevant policies in place	100% of all companies with 50 or more employees	Policy documentation from contractors
Improving health and well-being of our local communities through investment in local facilities and activities, encouraging business engagement in mentoring, volunteering and sponsorship.	Procurement	Value of equipment or resources donated to the community (£ equivalent)	At least 0.5% of the value of the contract	Financial records
	Procurement	Number of hours dedicated to mentoring and volunteering in the community	At least 36 hours in the previous 12 months or planned in the next 12 months	Service level agreements or equivalent

18. Not all metrics will be relevant to every case, and appropriate metrics should be selected depending on the contract under consideration. These metrics should not be set in stone, but reflect the expectations and experience of our stakeholder groups as they change over time as projects develop.
19. These metrics are intended for guidance only. If a bidder or supplier, in response to stakeholder needs, feels that alternative measures better reflect their Social Value impact this should be considered as part of the process.
20. The working party has also met with Hatch Regeneris to look at ways in which Social Value assessments could be incorporated into the existing business case appraisal processes.
21. After much consideration, the recommendation is to retain the existing, well established 5 case review process (strategic, economic, commercial, financial, management). Social value is already embedded in the reviews from an economic point of view, the game-changing step will be to embed social and environmental considerations as well as economic ones as part of the strategic case. A useful exercise might be to revisit some recent decisions, perhaps at SPMG, and review them with a Social Value lens to see how decision making might, or might not, have been affected.

22. The LEP will have to consider whether Social Value objectives should be a threshold – i.e. all bidders/suppliers must reach a certain level to be considered, or one aspect of the overall judgement. Similarly, when selecting between projects for an over-subscribed bidding round, it may be considered as part of a set of programme criteria as well as or instead of at an individual project level. Is this supporting SME participation?
23. The recent Green Book refresh, whilst recognising the importance of the economic case, reinstates the importance of the strategic case as well. This enables the LEP to set criteria for a particular funding call, or procurement exercise, in line with specific strategic objectives, which could include social value objectives.
24. The LEP should not under-estimate the importance and difficulty of educating bidders and suppliers in this area, sharing its approach and understanding of what matters. The LEP board has already had a number of discussions around capacity building and a desire to publicise the funding opportunities available to organisations around the County and City who perhaps have not previously come forward and supporting them to develop proposals. Social Value principles could be built into this support. Possible opportunities include marketing and communications campaigns, holding events around the regions, or perhaps virtual surgeries, allowing potential bidders/suppliers to test the principles of their proposals against LEP strategic priorities at an early stage.

Conclusion

This LEP has a progressive vision for Stoke on Trent and Staffordshire to be the best place to live, work, learn and do business. This is more than a purely economic vision. Achieving it will by its very nature require us to consider social value – the economic, social and environmental benefits of what we do. Building Social Value principles into its ways of working will send a strong signal that this LEP is committed to developing our work in this way.

It would be easy to pay lip service to a worthy set of ideals. If we are truly to set the standard for adopting Social Value as part of our strategy, we will need to do much more than adopt a static Charter. We will need to incorporate dynamic Social Value thinking into everything we do. This paper asks the LEP to consider whether and how we should start this journey.

Working Party Members: Sara Williams, Emma Catterall, Sam Hicks