

Public Report
Overview and Scrutiny Management Board

Committee Name and Date of Committee Meeting

Overview and Scrutiny Management Board – 16 November 2022

Report Title

Social Value mid-year report

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Sharon Kemp, Chief Executive

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Ward(s) Affected

Borough-Wide

Report Summary

At the meeting on 23 March 2022, OSMB received the Social Value Annual Report. This set out achievements over the previous year and recommended priorities for the year ahead. In considering the report and making recommendations to Cabinet, OSMB resolved to receive a mid-year report on progress. This report provides details of progress at mid-year.

Recommendations

That the Social Value mid-year report be received.

List of Appendices Included

Appendix 1 - Equality Screening (Form A)

Background Papers

Social Value Policy
<http://modgov-p-db/documents/s123002/Appendix%20%20-%20Social%20Value%20Policy.pdf>

Social Value Annual Report 2022

<http://modgov-p-db/documents/s135435/Report%20-%20Social%20Value%20Annual%20Report.pdf>

Consideration by any other Council Committee, Scrutiny or Advisory Panel
None.

Council Approval Required
No

Exempt from the Press and Public
No

Social Value mid-year report

1. Background

- 1.1 The aim of the Social Value Policy is to maximise the local impact of the Council's spend. The focus of the Social Value Policy is on securing social value as part of the letting of contracts along with securing payment of the living wage (as set by the Living Wage Foundation). It also involves working with other public sector organisations and anchor networks to support them in their development of policy and delivery of commitments.
- 1.2 This report provides a mid-year update on achievement towards the policy outcomes and priorities for 2022.

2. Key Issues

- 2.1 Key elements of the Social Value Policy, that inform the development of actions and delivery are:
 - Raising the living standards of Rotherham residents and commitment to working towards the Living Wage Foundation Living Wage;
 - Increasing the proportion of the Council's expenditure which goes to local businesses and providers;
 - Building social value into all council contracts and maximising the impact gained from every pound spent, through the introduction of a rigorous system for assessing and measuring social value; and
 - Committing to the principle of co-designing services wherever possible.
- 2.2 Achieving the Policy outcomes is a development agenda with key priorities agreed for each year. The priorities for 2022 are with paragraphs detailing activity and progress:
 - Focus on increasing social value commitments for skills and employment (paras 2.5 – 2.18);
 - Further research to build local market intelligence (paras 2.19 – 2.24)
 - Launch of the Social Value Commissioning Toolkit to be held in May (paras 2.25 – 2.28);
 - Building on anchor network development as part of the Rotherham Together Partnership Social Value Charter (para 2.29); and
 - Engagement with the South Yorkshire Mayoral Combined Authority in development and delivery of social value in the sub-region (para 2.29).
- 2.3 Definitions have also been set to distinguish between Social Value and Corporate Social Responsibility. This confirms Social Value is a contracted commitment to deliver agreed outcomes integral to a contract with the Council, whilst Corporate Social Responsibility is where an organisation chooses to deliver economic and social outcomes but may do so anywhere at its discretion without contractual commitment.
- 2.4 The detail set out captures delivering the priorities in the context of the overall work to achieve social value outcomes.

- 2.5 Securing social value through contracts including for skills and employment
- 2.6 The National Themes, Outcomes and Measures (TOMs) Framework is a measurement framework developed by the National Social Value Task Force, a cross-sector organisation combining both public and private sector organisations. These provide what is referred in the national documents as Social and Local Economic Value (SLEV), which comprises of forty measures, across five themes:
- Jobs: Promote Local Skills and Employment.
 - Growth: Supporting Growth of Local and Small Business.
 - Social: Healthier, Safer and more Resilient Communities.
 - Environment: Protecting and Improving Our Environment.
 - Innovation: Promoting Social Innovation.
- 2.7 The Council has selected from the National TOMs (2021), those measures which will have a positive impact on the economic, social and environmental wellbeing of the Rotherham community.
- 2.8 Below are the key performance indicator measures that the Council's suppliers have committed and delivered against on contracts procured and awarded before 31st May 2022. This is the mid-year reporting position with full year anniversary date being 30th November.
- 2.9 The table sets out units including number of people to benefit, training hours and tonnes of carbon saved, for example. It then sets out monetary values, using proxy values for many of the TOMs. Proxy values are needed where there are no direct monetary values, to enable calculation of social value percentages of the full contract values. The information set out below provides detail of both units and monetary values.

NT Ref	Measure	Committed & Delivered Social and Local Economic					
		Unit	Proxy Value £	Com Unit	Com £	Del Unit	Del £
1a/c	No. of local employees (FTE) hired /retained (Direct, TUPE & Supply chain)	No. FTE	Local by project	218.44	5,894,713	42.53	1,119,106
3	No. of employees (FTE) hired on the contract who are long term unemployed	No. FTE	19,145.88	12.31	237,340	1.45	27,499
4	No. of employees (FTE) hired on the contract who are NEETs	No. FTE	13,889.49	3.81	52,308	3	40,908
4a	No. of 16-25 y.o. care leavers (FTE) hired on the contract	No. FTE	13,956.88	1.99	28,281	0	0
5a	No. of 18-24 y.o. rehabilitating young offenders (FTE) hired on the contract	No. FTE	22,480.36	2.68	59,746	0	0

NT Ref	Measure	Committed & Delivered Social and Local Economic					
		Unit	Proxy Value £	Com Unit	Com £	Del Unit	Del £
6	No. of disabled employees (FTE) hired on the contract	No. FTE	15,387.93	3.5	53,081	0	0
7	No. of hours of support into work by providing career mentoring, including mock interviews, CV advice and careers guidance (over 24 y.o.)	no. hrs *no. attendees	118.87	1,436	177,966	76	9,547
9	No. of weeks of training opportunities on the contract (BTEC, City & guilds, NVQ, HNC)	no. weeks	265.17	1,038	276,077	137	35,407
10	No. of weeks of apprenticeships on the contract	no. weeks	210.07	464	98,001	218	45,212
11	No. of hours of support into work by providing career mentoring, including mock interviews, CV advice and careers guidance (under 24 y.o.)	no. hrs *no. attendees	118.87	4,869	567,690	333.75	39,913
12	No. of weeks spent on meaningful work placements or pre-employment course; 1-6 weeks student placement (unpaid)	no. weeks	160.47	298	47,765	124.85	19,754
13	No. of weeks spent on meaningful paid work placements 6 weeks + (internships)	no. weeks	160.47	232	37,086	61	9,651
15	Provision of expert business advice to VCSE's and MSME's	no. staff expert hours	97.03	234	22,124	10	961
16	Equipment or resources donated to VCSE's	£	£1	-	80,341	-	9,374
18	Total amount (£) spent in LOCAL supply chain through the contract	£	Localised by project	-	2,994,518	-	926,464
28	Monetary donation, or equipment/resources in lieu, to voluntary or community organisations	£	£1	-	14,040	-	20
31	Savings in CO2 emissions on contract achieved through decarbonisation	Tonnes CO2e	69.50	2,569	179,098	1,092	£75,785
Total					10,877,402		2,364,188

Table 1 shows commitments and delivery against each of the TOMs.

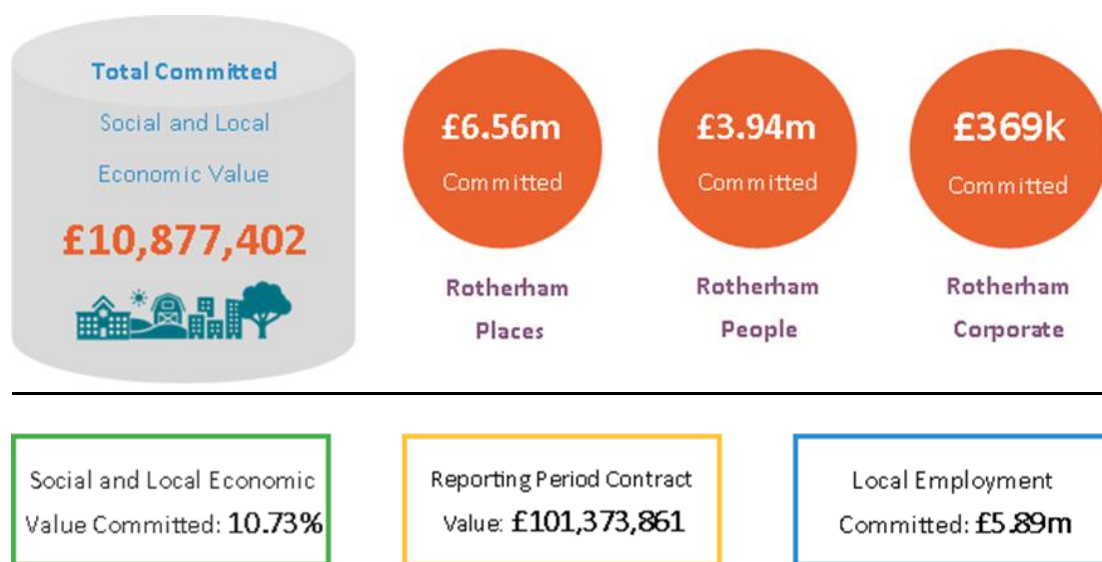


Diagram 1 Total value of social value commitments

- 2.10 The total SLEV committed since the introduction of the Social Value policy shows an increase from £8.1m in the last annual report, to £10.87m at the mid-year position (up to end of May 2022), a net increase of £2.72m. The total contract value attracting social value shows an increase from £79.89m in the last annual report to £101.37m at mid-year, a net increase of £21.47m. This increases the social value outcomes committed from 10.2% in the last annual report to 10.73% at mid-year.
- 2.11 The use of Place, People and Corporate categories is procurement terminology. It is a way of categorising/grouping similar types of expenditure:
- Rotherham Places covers construction, facilities management, environment, and transport.
 - Rotherham People covers commissioned services for delivery to residents such as health and social care provision.
 - Rotherham Corporate covers contracts that support the operational running of the Council (i.e. ICT, temporary labour, printage, training, PPE)
- 2.12 Of the three categories, “places” has seen the largest increase of £1.42 million over the mid-year with “people” achieving £1.09 million increase and “corporate” achieving £229k.

Promote Local Skills and Employment



12.31 FTE of long term unemployment individuals to be hired on contracts.



1,038 weeks of training opportunities to be offered on contracts (BTEC, City & guilds, NVQ, HNC)



£567k to be delivered in dedicated hours to support young people into work.

Protecting and Improving our environment

2,569 tonnes CO2e to be saved on contract.



Diagram 2 Outputs on local skills and employment along with protecting and improving our environment

- 2.13 Key commitments for “promoting local skills and employment” include training weeks committed increasing from 397 in the last annual report to 1,038 at mid-year and supporting young people increasing from £410k to £567k. It should be noted that the 12.31 FTE equivalent long term unemployed hired on contracts at mid-year, which is an increase from 5 in the last annual report, is a specific commitment under the national TOMs and not the number of “local employees” which is included in the local commitment NT1.
- 2.14 Tonnes of CO2e saved have increased from 2,558 to 2,569 over the mid-year.

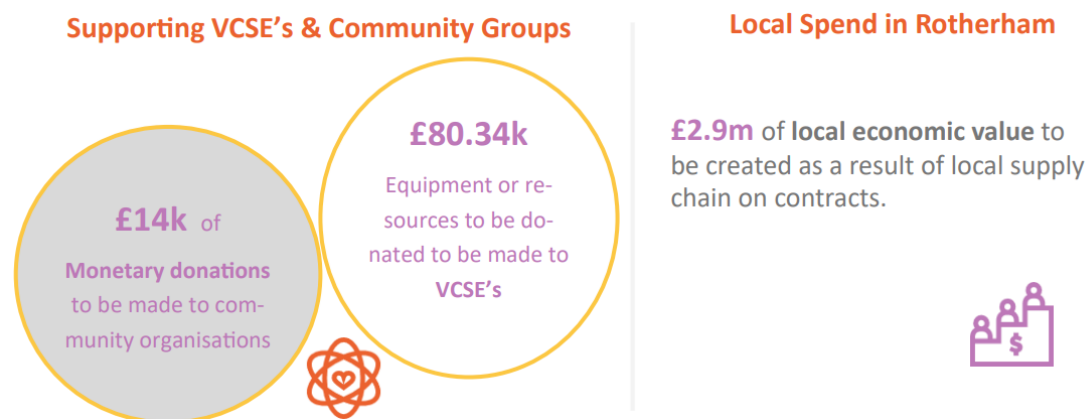


Diagram 3 Support to local VCS groups and local spend in Rotherham on supply chain contracts

- 2.15 Support and value for local VCSE and community groups has seen increases in equipment and resources from £63.3k in the last annual report to £80.34k at mid-year. Some examples include an ICT provider made a donation of goods to Shiloh worth £3,124, which will help support the running of the homeless centre. A consultancy provider donated £500 to Rush House to support young people purchase equipment when moving into their own properties; and a construction firm donated office furniture to the Salvation Army and Rotherham Minster of which Rotherham Minster used to support the fit out of their social supermarket office. Local economic value from the use of local supply chain has increased from £2.6m to £2.9m.
- 2.16 Other examples include:
- Print and Post Services contract commitments:
 - 23.78% social value commitment at £30,384.
 - NT 7 No. of hours supporting unemployed people into work (24-year-old+); and NT 11 No. of hours dedicated to support young people into work (16–24-year-old).
 - The commitment of their dedicated client relationship manager who is Lean Six Sigma trained and has in excess of 35 years industry experience including Director level being available for advice to this age group on how to present themselves for interview.
 - Alcohol and Drug Treatment and Recovery Service commitments:
 - 2.64% social value commitment at £426,222.
 - Two local direct employees (FTE) hired or retained.

- 200 weeks of training opportunities at Level 2, 3 or 4+; 520 hours dedicated to support young people into work (16–24-year-olds).
- 60 weeks of meaningful work placements/pre-employment courses; 150 hours of expert business advice to VCSEs and MSMEs.
- £16,907 spent in the LOCAL supply chain.
- Legionella Control & Associated Works includes:
 - 14.03% social value commitment at £84,722.
 - 100% local employees; four unemployed people (24-year-old+) supported into work.
 - Rotherham Mainline Station Masterplan Consultancy includes:
 - 12.54% social value commitment at £43,764.
 - 114 hours supporting unemployed people into work (24-year-old+).
 - 192 hours dedicated to support young people into work (16–24-year-olds); eight weeks of meaningful work placements/pre-employment courses.
 - Six weeks of meaningful paid work placements (six + weeks, paid).
 - 64 hours of expert business advice to VCSEs and MSMEs; £2,600 worth of equipment or resources donated to VCSEs.

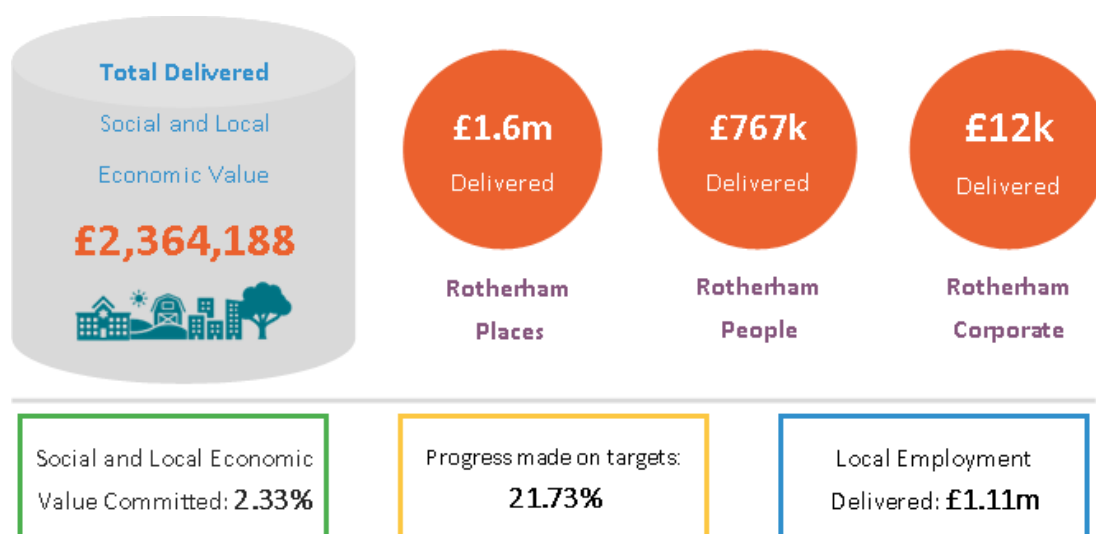


Diagram 4 Social value commitments delivered

- 2.17 The November 2021 report from the Social Value Portal was the first to include outcomes and outputs delivered. Whilst reported as percentages of the overall commitments, the outcomes will relate more to the first-year commitments than the second. Reflecting the value of commitments, “places” has delivered the largest amount, with £1.6m at the mid-year point, up from £1.15m in the last annual report. “People” has seen an increase from £377k to £767k. “Corporate” has now £12k delivered, against a total commitment of £369k, the first outcomes from this theme.

Promote Local Skills and Employment



3 FTE of Not in Employment, Education, or Training (NEETs) individuals hired on contracts.



218 weeks of apprenticeships delivered on contracts Level 2,3, or 4+



£9.54k delivered in social value for support to assist unemployed individuals (over 24 y.o.) into work.

Protecting and Improving our environment

1,092 tonnes CO2e saved on contract.



Diagram 5 Local skills and employment along with protecting and improving our environment units delivered

- 2.18 Achievements of note in “promoting local skills and employment” include apprenticeships, where the number of apprenticeship weeks has increased to 218 at the mid-year point, from 43 in the last annual report. The social value of support to assist unemployed individuals has also increased from £5.4k in the last annual report to £9.54k at mid-year. The last annual report included £61k value in CO2 tonnes saved, equating to 992 tonnes. This has increased to 1,092 at mid-year.

Supporting VCSE's & Community Groups



Local Spend in Rotherham

£926k of local economic value created as a result of local supply chain on contracts.



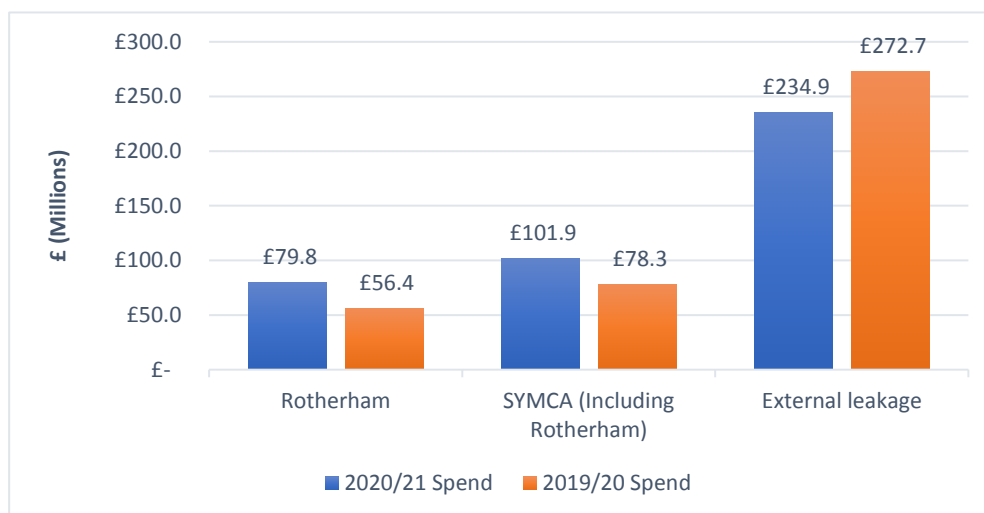
Diagram 6 Support to local VCS groups and local spend in Rotherham on supply chain contracts delivered

- 2.19 Supporting VCSE's and community groups shows an increase in equipment and resources donated from £5.26k in the last annual report to £9.37 at mid-year. Local economic value from local spend also shows an increase from £518k to £926k over the same period.

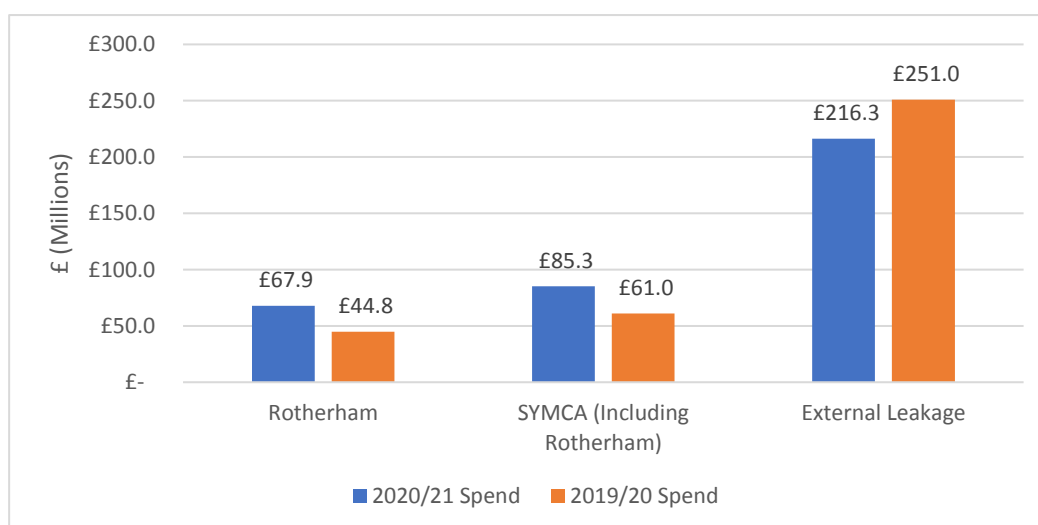
2.20 Local market intelligence

In 2020/21 the Council's overall third-party expenditure was £336.7 million, £14.3m (4%) less than the previous financial year. Spend is concentrated on the top 300 suppliers as they account for 90% of total spend (89% in 2019/20). In 2020/21 top 300 supplier's expenditure was £301.6m compared to £312m the previous year, a £10.4m (3%) reduction. Graph 2 shows spend made outside of the Sheffield City Region fell from £251m in 2019/20 to £216m in 2020/21 (14% reduction).

2.21 The Council is spending more money within South Yorkshire with figures showing regional spend growing from 20% to 28% in 2020/21 (8% increase). Spend with Rotherham suppliers made up 14% of overall spend in 2019/20 increasing to 23% in 2020/21 (9% rise). Graph 2 shows local Rotherham spend in the top 300 spend rose from £44.8m in 2019/20 to £67.9 million in 2020/21 (51% increase). Though overall yearly spend is reducing, more expenditure is flowing towards local suppliers.



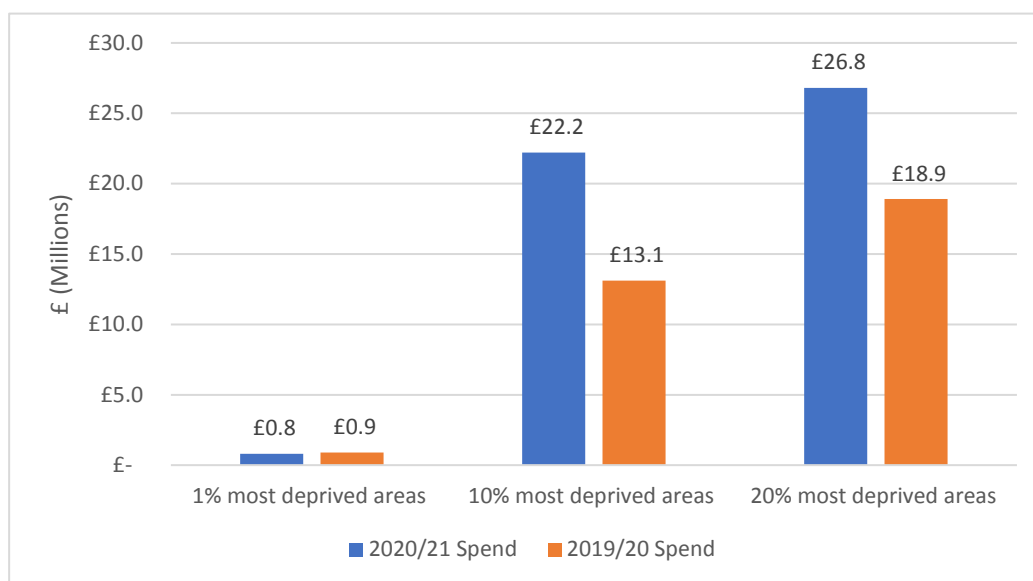
Graph 1 – RMBC 3rd Party expenditure (All Suppliers)



Graph 2 – RMBC 3rd party expenditure (Top 300)

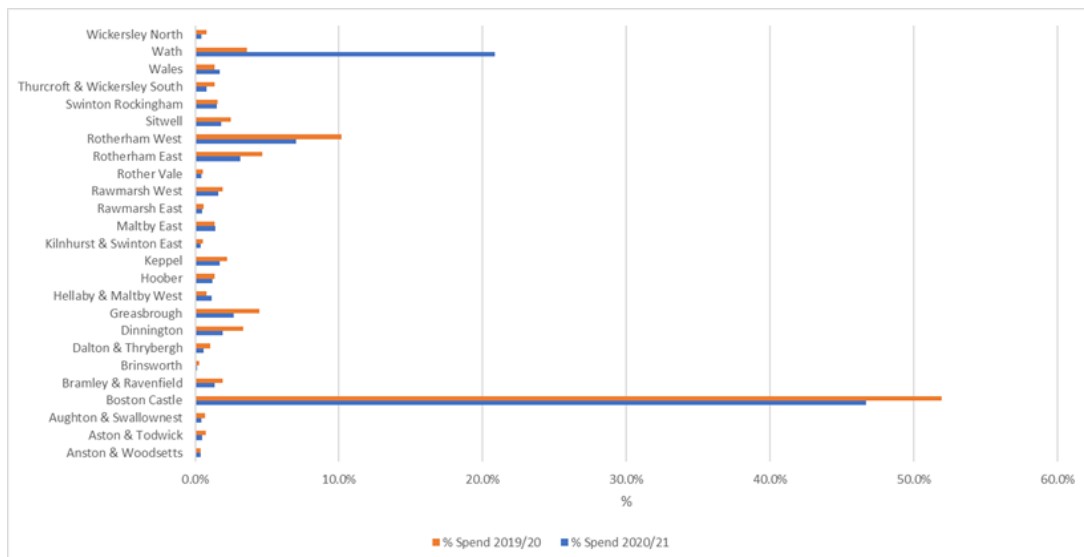
2.22 The 2020/21 spend highlights more expenditure going towards the borough's most deprived areas compared to 2019/20. This is due to an increase in third-party supplier spend in the 10% and 20% most deprived areas, however it should be noted that this is based on the location of a contractor and not how much is spent on provision in deprived areas. Graph 3 shows local spend in Rotherham's top 10% most deprived areas rose from £13.1 million in 2019/20 to £22.2 million in 2020/21 (69% increase). Supplier spend in the top 20% most deprived areas rose from £18.9m in 2019/20 to £26.8m (42% increase). Spend in the 1% most deprived areas saw a fall from £0.9m in 2019/20 to £0.8 million

in 2020/21, however, the number of suppliers remained at two. Overall, 39% of local spend went to suppliers in the Borough's 20% most deprived areas, down 3% from the previous year.



Graph 3 – Local spend in deprived Rotherham areas (Top 300)

- 2.23 The spatial distribution of local spend throughout Rotherham saw significant changes in 2020/21. Graph 4 shows local spend by ward for all businesses. Like most towns the Council's local spend is concentrated on suppliers in wards surrounding the town centre.
- 2.24 Suppliers favour being located in and around town centres, benefitting from office space availability and good transportation links for staff. Boston Castle's percentage of local spend reduced from 52% in 2019/20 to 46.7% in 2020/21. This shows local spend is being dispersed more throughout the Borough and not just the town centre. Wath saw a significant rise from 4% to 21% in 2020/21 with its monetary value rising from £2 million to £16.6 million (724% rise). The reason for this significant rise is as a result of the award of the Housing Repairs and Maintenance Contract to Equans, whose invoice address is in Wath. 2020/21 was the first full financial year and represented £12.5m of all spend made in Wath in that year. Brinsworth saw the largest reduction in 2020/21 as spending fell by 24% from the previous year. Both Dinnington and Dalton & Thrybergh saw expenditure reduce by 20%.



Graph 4 – Local % Spend by Ward (All Suppliers)

2.25

Launch of Social Value Toolkit and training for contract managers

The Social Value Toolkit was formally launched in July after a period of soft testing. It provides guidance and tools for those involved in preparing specifications for contracts to include social value from the beginning of planning through to letting the contract.

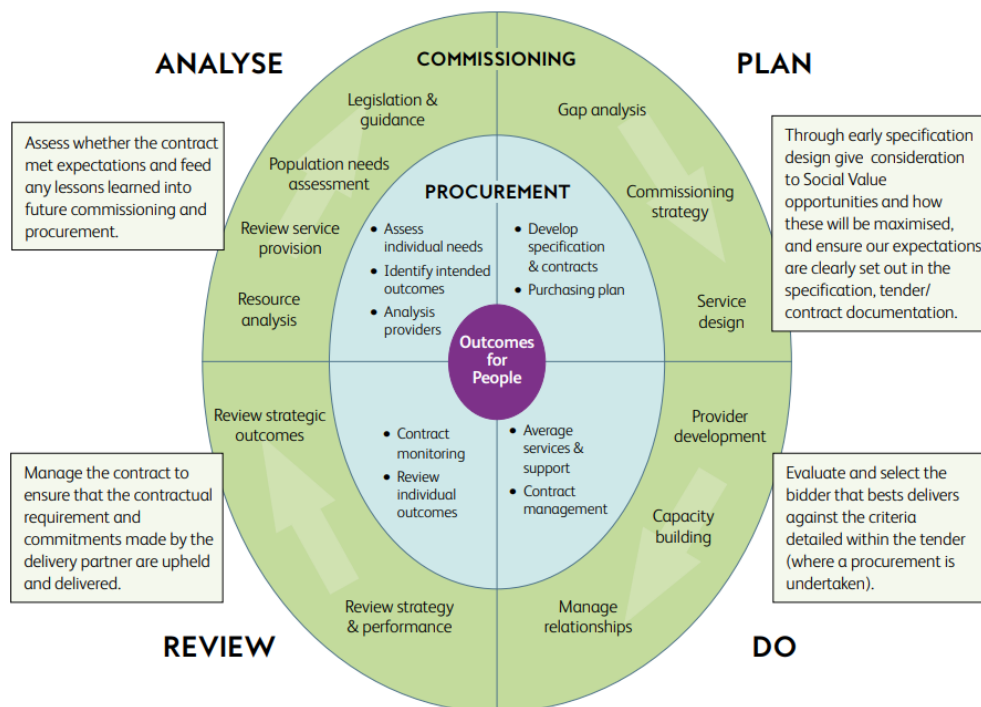


Diagram 7 The stages for social value in commissioning

2.26

Further guidance is provided around the totality of the process to ensure that all stages are captured.

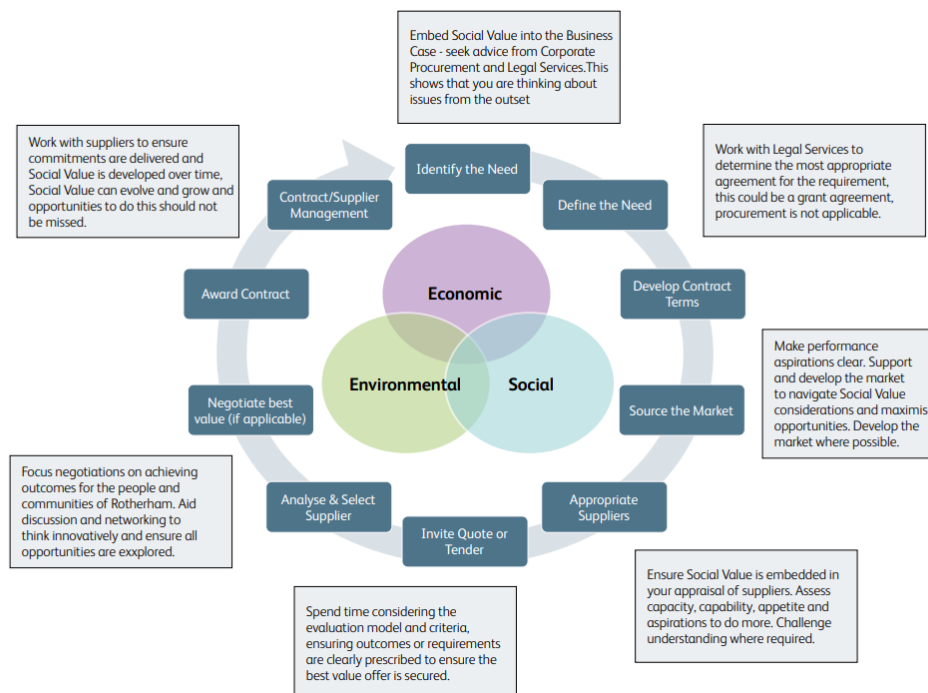


Diagram 8 Overview of the overall process commissioning process

2.27 Training has been provided to contract managers, with further training to be available, to assist with both securing social value commitments through procurement of contracts and then ensuring commitments are delivered. The training covered:

- Gaining a better understanding of how Social Value feeds into Procurement activity.
- Understanding the Council's relationship with the Social Value Portal.
- Building confidence in managing contracts.

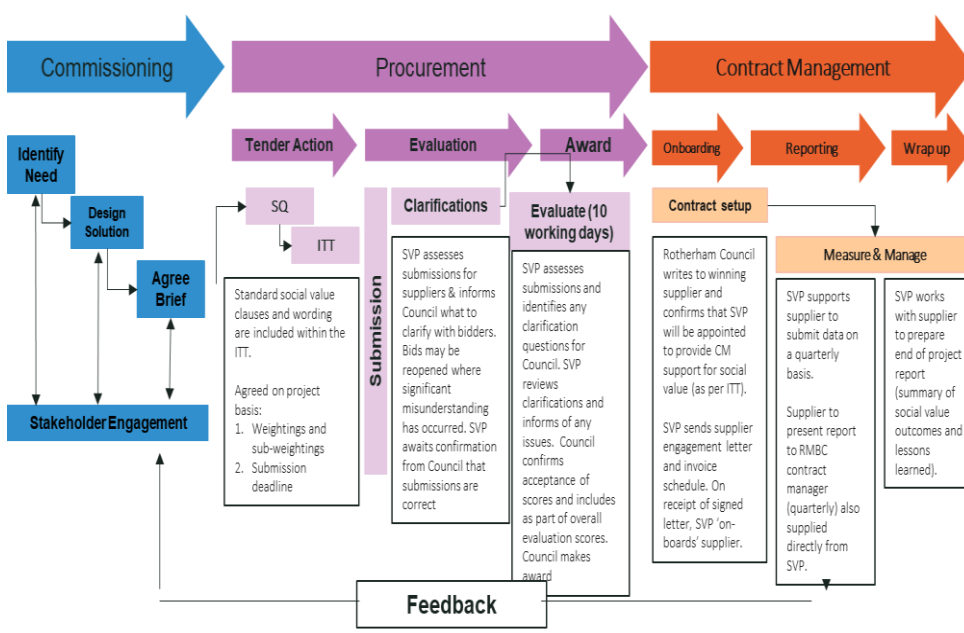


Diagram 9 Overview of training content

- 2.28 Other work covering anchor networks and engagement with the South Yorkshire MCA on social value is ongoing. Details will be covered in the next annual report.

3. Options considered and recommended proposal

- 3.1 This is a progress report for information.

4. Consultation on proposal

- 4.1 Consultation on production of the report has involved engagement of services responsible for delivery of the social value actions.

5. Timetable and Accountability for Implementing this Decision

- 5.1 The reporting of social value commitments and outcomes, along with progress on priorities set will be reported to Cabinet in the 2023 Social Value Annual Report.

6. Financial and Procurement Advice and Implications

- 6.1 There are no financial implications arising from this report.
- 6.2 Relevant issues relating to procurement are covered in the body of the Report.

7. Legal Advice and Implications

- 7.1 The Public Services (Social Value Act) 2012 allows for the consideration of added value, such as social, economic and environmental benefits, that may be secured in addition to the normal delivery of a contract. The Policy, including the Social Value Toolkit, must comply with procurement law, particularly the Public Contracts Regulations 2015. The Council must ensure its contractual and procurement documentation reflects the requirements described in this report.

8. Human Resources Advice and Implications

- 8.1 A key component of implementing the Policy is ensuring that officers have the necessary training and knowledge to successfully implement it. Training has been provided for contract managers. Further training is to be rolled out.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 The outcomes within the Social Value Framework support the Council's priorities: "Every child able to fulfil their potential" and "People are safe, healthy and live well", by including support for education and employment for these groups as key Social Value outcomes.

10. Equalities and Human Rights Advice and Implications

- 10.1 Specific actions for decision in delivering the social value policy are subject to equalities screening and analysis. An updated equality screening (Form A) is attached to this report

11. Implications for CO₂ Emissions and Climate Change

- 11.1 NT 31 provides a social value outcome through savings in CO₂ emissions on contracts achieved through decarbonisation, measured in tonnes of CO₂.

12. Implications for Partners

- 12.1 Partners are engaged in direct development and delivery of social value outcomes, especially in relation to Community Wealth Building and Anchor networks.
- 12.2 The Council is promoting social value through its engagement with the MCA, seeking to gain added value through the Devo Deal and levelling up agenda.

13. Risks and Mitigation

- 13.1 There are many strands to delivering the Council's Social Value Policy and ambitions. These are managed through an action plan that is regularly reviewed with actions taken to mitigate risks to achieving outcomes. External validation is also used to confirm progress.

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