

<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Director of Legal and Governance Services
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<b>Relevant Executive Member:</b>	The Mayor and Executive Member for Adult Social Care and Public Health
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<b>Submitted to:</b>	Executive
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<b>Date:</b>	10 April 2024
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<b>Title:</b>	Social Value Charter
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<b>Report for:</b>	Decision
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<b>Status:</b>	Public
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<b>Strategic priority:</b>	All
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<b>Key decision:</b>	Yes
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<b>Why:</b>	Decision(s) will have a significant impact in two or more wards
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<b>Exempt from call in?:</b>	No
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<b>Why:</b>	Not applicable
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<b>Executive summary</b>
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The purpose of this report is to seek approval for the adoption of a Social Value Charter for Middlesbrough Council and set out an implementation plan to ensure consideration of social value is embedded within all the Council's practices, in particular procurement and decision-making practices.

The report also sets out how the Council will partner with organisations and suppliers in the town that share its values to encourage them to consider how Social value can deliver better outcomes for themselves and the town.

## **1. Purpose**

- 1.1 The purpose of this report is to seek approval for the adoption of a Social Value Charter for Middlesbrough Council and set out an implementation plan to ensure consideration of social value is embedded within all of the Council's practices, in particular procurement and decision-making practices.
- 1.2 The report also sets out how the Council will partner with organisations and suppliers in the town that share its values to encourage them to consider how Social value can deliver better outcomes for themselves and the town.

## **2 Recommendations**

2.1 That the Executive approves:

- the Social Value Charter, attached to this report at Appendix One and that Council practices are amended to align with its requirements
- that Executive approves the guidance document that will be put in place to support implementation
- the implementation plans set out within this report which will ensure consideration of social value is embedded within all of the Council's practices, in particular procurement and decision-making practices.

## **3 Rationale for the recommended decision(s)**

3.1 Social Value has the potential to release millions of pounds of public money for community benefit and support regeneration of the town. It encourages smarter spending to not only deliver a proposed service but also address social, economic, and environmental issues in the local community. Adoption of this Charter will ensure the Council's significant procurement spend has a positive, measurable impact on the communities it serves.

## **4 Background and relevant information**

- 4.1 As local authorities are required to become increasingly financially self-reliant, many are looking at how to make their limited resources go ever further while still maintaining the quality and breadth of services.
- 4.2 Councils, along with the rest of the public sector are being encouraged to use procurement to achieve wider financial and non-financial outcomes, including improving wellbeing of individuals, communities and the environment by making social value a decision-making criterion when awarding contracts.
- 4.3 Adoption and effective implementation of a Social Value Charter has the potential to deliver the following benefits:
  - Encourage a more diverse range of suppliers to work with the Council and its partners, including the participation of small and medium sized enterprises (SME's), Voluntary and Community Sector organisations, and local suppliers in general.

- Promote fair employment practices: Ensuring workforce equality and diversity within supply chains.
- Increasing the diversity of local apprenticeship, training, and skills development opportunities as well as employment opportunities.
- Maximising opportunities for Middlesbrough organisations to participate in the council's supply chains and encouraging suppliers to make a social contribution to the local area.
- Ensuring ethical sourcing practices, including compliance with UK, and international standards, promoting fair trade and fair pricing policies, tackling corruption, child/slave labour, blacklisting of union members and similar social issues.
- Promoting greater environmental sustainability: Minimising waste and pollution, supporting carbon reduction initiatives, furthering energy efficiency and other sustainability programmes.

#### Embedding Social Value – implementation plan

4.4 The Council will embed social value considerations within all Council processes by:

- Multi-disciplinary working group established to oversee delivery, chaired by the Director of Public Health.
- Identification of key policies that should be reviewed during 2024/25 to incorporate consideration of Social Value Charter commitments.
- Including Social Value in every procurement opportunity in line with the charter. The working group will track the volume of contracts that do this and include information on this within an annual report as part of steps to increase inclusion of social value within contracts.
- Delivering the commitments within the Charter.
- Develop contract monitor processes that easily allow suppliers' Social Value commitments to be evidenced and published.
- Developing a supporting charter that can be adopted by partners and local businesses during 2024.
- Reporting the impact of the social value charter to Executive annually to ensure the effectiveness of the Charter is assessed and shared with Members.
- Amend the committee report format going forward to include impact of future decisions on Social Value.
- Ensure that the implementation of the People Strategy has due regard to this Social Value Charter commitment.

4.5 The first annual report to Executive will set out progress made against these ambitions.

## **5 Other potential alternative(s) and why these have not been recommended**

5.1 The Council could choose not to adopt a Social Value Charter. It would still be compliant with its duties in relation to Best Value. This is not recommended as an option as the Council would miss the opportunity to deliver the wider benefits to the organisation and the town that can be achieved through social value, while still achieving Best Value from its commissioning and procurement activity.

## **6 Impact(s) of the recommended decision(s)**

### **6.1 *Financial (including procurement and Social Value)***

The financial implications associated with delivering the Social Value Charter will be dependent upon the extent to which the existing operations of the Council are changed to meeting the requirements of the Charter. Therefore, the financial implications of individual service proposals will need to be evaluated at the time.

### **6.2 *Legal***

Social value is defined through the Public Services (Social Value) Act (2013) which requires all public sector organisations and their suppliers to look beyond the financial cost of a contract to consider how the services they commission and procure can improve the economic, social and environmental wellbeing of an area. This charter will support compliance with that Act.

### **6.3 *Risk***

While not directly linked, increased social value return from the significant financial spending made by the Council will have a positive impact on several risks currently identified in the Strategic Risk Register, including:

- Failure to achieve a balanced budget
- Volatility in the demand and cost of children's social care
- Unable to recruit or retain key staff.

### **6.4 *Human Rights, Public Sector Equality Duty and Community Cohesion***

There are no concerns that the proposed Charter could impact negatively on these areas. An impact assessment has been completed and is attached at Appendix 2. It found that the charter will have a positive impact by improving skills, training and employment opportunities for all. Commitments in the charter are particularly relevant to young adults, those not in employment and those from under representative communities. It should also have a positive impact on community cohesion by supporting them to be more resilient.

### **6.5 *Climate Change / Environmental***

The poorest are most effected by Climate Change, as such any work which aims to have a positive impact on social value, should also include consideration of addressing those measures that could impact most positively on the poorest.

### **6.6 *Children and Young People Cared for by the Authority and Care Leavers***

There are no concerns that the proposed Charter could impact negatively on these areas. The charter will have a particular focus on those less able to access employment and training opportunities and includes care leavers in this group.

### **6.7 *Data Protection / GDPR***

There are no concerns that the proposed charter could impact on data protection of GDPR issues directly. Where data needs to be gathered in order to monitor compliance with the charter, this will be completed in line with the Council's Data Protection policy and GDPR requirements.

**Actions to be taken to implement the recommended decision(s)**

Action	Responsible Officers	Deadline
Provision of the first annual monitoring report on delivery against the Social Value Charter	Mark Adams, Director of Public Health	February 2025

**Appendices**

1	Social Value Charter
2	Social Value Impact Assessment

**Background papers**

Not applicable.

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