

**Extract from the notes of the Alternative Methods of Service Delivery Task and Finish Group meeting held on 13 February 2019**

**9. Alternative Service Delivery Update**

The Group considered a report from the Assistant Director, Policy and Corporate, providing an update on the Group's work. Dan Gascoyne, Assistant Director, Policy and Corporate, and Alison Shaw, Business Partner Procurement, attended to present the report.

Dan Gascoyne explained that since the last meeting, officers had met with representatives from the Social Value Portal to discuss how a framework for deriving social value from procurement could work in practice. The Social Value Portal could administer a process on behalf of the Council during its procurement and contract management processes. He considered that it would be more efficient to procure an external service for social value, rather than doing so in-house. Indicative costs were set out in the report. It may be possible to negotiate on these, but it needed to be borne in mind that there would be a cost involved, even if the Council went with another provider, or built its own in-house procedure. Whilst there was currently no budget identified for this work, if the Group were to recommend it be pursued then a business case to secure funding could be put together.

Alison Shaw provided the Group with further information about how a social value framework with the Social Value Portal could be administered. The Portal could offer all the measures in the TOMS framework and allow suppliers to "pick and mix" and identify where they could offer social value. This allowed different suppliers to provide different types of social value and also allowed them to play to their strengths. The Social Value Portal could develop a dedicated framework for Colchester, aligned with the Council's Strategic Plan priorities, and focusing on the measures that the Group had identified as priorities at its previous meeting. The framework would be managed by the Social Value Portal on the Council's behalf, and as part of the procurement process, supplier would register with them. The Portal would monitor the performance of the contractor, measure the social value gained and report to the Council.

In discussion members of the Group questioned how the value of various types of social value was calculated. For example, some types of social value might not involve a tangible benefit to the Council but could bring a wider benefit to society. It was explained that the Social Value Portal gave a monetary value to all social value. This gave a consistent approach and allowed comparisons to be made, although it was appreciated that some measures were difficult to quantify. Councillor King

stressed the need to ensure that the values attributed to social value measures were robust and reflected local circumstances, and in order to ensure that the values attributed were appropriate, it would be sensible to introduce any framework cautiously.

The Group noted the proposed recommendation in respect of the definition of “local” and clarification was sought about the precise definition of North Essex and South Suffolk and in particular whether this included Ipswich. Some concern was expressed that this could disadvantage some Colchester businesses, who operated in competition with businesses in Ipswich. The Group considered whether it would be appropriate to define the area through administrative boundaries, but after discussion felt that this meant be overly rigid and would not reflect economic factors. The key determinants should be labour markets and travel to work times. The Group indicated that it appropriate to delegate authority to officers to determine the precise area, based on these factors.

The Group also discussed the recommendation in respect of whether Social Value should become an additional Key Performance Indicator. It was considered that it was too early in the process to decide whether this would be appropriate, and whilst it was helpful to flag this as an issue at this point, it should be considered further when social value processes were better established.

*RECOMMENDED* to Cabinet: -

(a) That Cabinet approves the development of methods to measure and report the Social Value benefits derived from contract spend in line with the Strategic Plan priorities.

(b) That Cabinet delegates authority to the Portfolio Holder for Resources to agree priority Social Value measures relevant for this borough and identified by the Group as shown in Appendix 4 to the report to the Task and Finish Group, together with the additional measure identified at the Group’s meeting on 24 January 2019 in respect of the number of jobs created for current or ex-armed forces personnel.

(c) That Cabinet approves the Group’s recommendation that ‘local’ is defined as North Essex and South Suffolk for the purposes of Social Value measures, and authority to approve the exact boundaries be delegated to the Assistant Director - Policy and Corporate, taking into account travel to work and labour market criteria.

(d) That Cabinet considers if an additional Social Value performance measure would be appropriate, after further work has been done to develop effective measurement methods that reflect the Council’s priorities.

(e) That Cabinet agrees that the Group continues its work by further exploring the options for mutual and co-operative services and returning to a future Cabinet meeting with recommendations about alternative service delivery models.

**Appendix A - report considered by the Task and Finish Group at its meeting on 13 February 2019**