



LEP – Sub Committee

Growth Deal Management Board

Private and Confidential: No

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Social Value Act (2012)

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Executive Summary

Following the discussion at the last meeting in regard to the Grant Funding Agreement clause 19.4 *'to the extent that is compatible with EU Procurement Requirements, the Applicant (and sub-contractors) shall ensure that the Social Value Act 2012 is observed in any procurement processes'* it was agreed that a paper would be brought to the next committee meeting to discuss approaches to integrating social value into the Growth Deal programme.

Recommendation

The Committee is asked to:

1. Note that research is being undertaken to understand the scope of the Social Value Act and good practice in the sector.
2. To approve the proposed actions as detailed in section 3 of this report.

1 Background

- 1.1 The Social Value Act (2012) requires people who commission, or buy, public services to consider securing added economic, social or environmental benefits for their local area for contracts that exceed the EU threshold.
- 1.2 Clearly there is a significant opportunity for the LEP (and Lancashire County Council) to integrate social value outcomes into the Growth Deal (and the City

Deal) programmes which are aimed at improving and growing the local economy.

- 1.3 Social value can be achieved in a number of different ways. For example:
- Promotion of youth employment (e.g. apprenticeship numbers/work placements/ promoting careers opportunities to young people through interaction with schools, colleges and universities);
 - Promotion of gender imbalance (e.g. promoting construction careers to females); and
 - Promotion of job opportunities for the long term unemployed and older people, and people from disadvantaged groups.
- 1.4 A number of innovative approaches are emerging across the country that engage the local community in locally based projects and/or involve sub-contracting to social enterprises (as well as commercial organisations). For example, Calico Homes in Lancashire manage the CITB Shared Apprenticeship in the North West (one of the first in the UK) to help **contractors** to meet local training obligations. Between 2010 and early 2014, the shared apprenticeship scheme created over 80 apprenticeships across the North West of which 75% of the young people gained employment in the construction sector.
- 1.5 A number of approaches in relation to procurement processes and also measurement of social values are also evident (for example, social accounting and auditing, and social return on investment).
- 1.6 There are a number of examples of good practice in Local Authorities, for example, the Croydon social value toolkit and the Oldham social value procurement framework.

2 **What does it mean for Lancashire?**

- 2.1 At present, it would appear that Lancashire's approach to integrating social value is relatively limited.
- 2.2 The starting point in many cases is to define what social value means to the area in question and to agree priority areas and benefits, and to then integrate an agreed framework/toolkit/scorecard into (pre) procurement processes which enable some form of measurement whilst also encouraging innovative approaches.
- 2.3 A meeting has been arranged with the Cabinet Office on the Friday 4th September with the individual responsible for facilitating integration of the Act in the northwest region – this will provide further insight into emerging approaches and good practice.

3 Proposed way forward

3.1 The following actions are recommended:

1. Further research is undertaken into approaches in other sub-regions and also good practice.
2. That further discussion is undertaken with relevant teams in LCC, including the Programme Office to understand the current position.
3. That a paper be taken to the Lancashire Skills Board raising awareness of the Social Value Act and suggesting that the board take the strategic lead in articulating the potential outcomes and benefits, aligning outcomes with the evolving Lancashire Skills and Employment Framework.
4. That a further paper be brought to the next Growth Deal Management Board on the 21st October to provide an up-date on progress.