

CABINET MEETING – 11 JANUARY 2022

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Procurement – Maximising social value-added and supporting the Sunderland Voluntary and Community Sector

Author(s):

Executive Director of Neighbourhoods

Purpose of Report:

To seek Cabinet approval to maximise social value from Council procurements to support capacity building and sustainability of the Sunderland Voluntary and Community Sector, coordinated in partnership with the Sunderland VCS Alliance.

Description of Decision:

Cabinet is requested to;

- i) agree that the Council, in partnership with the Sunderland VCS Alliance, maximises social value from Council procurement activity to support capacity building and sustainability of the Sunderland Voluntary and Community Sector;
- ii) authorise the Executive Director of Neighbourhoods, in consultation with the Executive Director of Corporate Services and the Cabinet Secretary, to agree and implement amendments to the procurement social value toolkit; and
- iii) agree that regular communication with the voluntary and community sector and wider City Board members takes place, including an Annual Conversation chaired by the Cabinet Secretary, to share the innovative solutions and activities being delivered to grow Community Wealth across Sunderland.

Is the decision consistent with the Budget/Policy Framework? **Yes**

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

Sunderland's Community Wealth Building Strategy, in which the voluntary sector is an integral partner for outcome delivery, require additional support to increase their capacity and ensure their sustainability.

The Council have completed a significant community engagement exercise, supported by the voluntary sector, and responses received through the Sunderland Engagement Strategy - Let's Talk evidences that the sector continues to be key to delivering the Neighbourhood investment plans and Community Wealth Strategy.

In line with best practice, robust Voluntary Sector infrastructure support, via the Sunderland VCS Alliance, is required to deliver the ambitions of the Sunderland 2019 – 2030 City Plan.

Alternative options to be considered and recommended to be rejected:

There are no alternative options recommended as this proposal has been developed in collaboration with the Sunderland Voluntary and Community Sector, via the Sunderland VCS Alliance, in response to the sector's future requirements regarding capacity building and sustainability in order to maximise outcomes from social value-added measures as part of the delivery of the Sunderland Community Wealth Strategy.

Impacts analysed;**Equality****Privacy****Sustainability****Crime and Disorder****Is the Decision consistent with the Council's co-operative values? Yes****Is this a "Key Decision" as defined in the Constitution?****Yes****Is it included in the 28 day Notice of Decisions?****Yes**

CABINET – 11 JANUARY 2022

PROCUREMENT – MAXIMISING SOCIAL VALUE-ADDED AND SUPPORTING THE SUNDERLAND VOLUNTARY SECTOR

REPORT OF EXECUTIVE DIRECTOR OF NEIGHBOURHOODS

1. Purpose of the Report

- 1.1 To seek Cabinet approval to maximise social value from Council procurements to support capacity building and sustainability of the Sunderland Voluntary and Community Sector, coordinated in partnership with the Sunderland VCS Alliance.

2. Description of Decision (Recommendations)

- 2.1 Cabinet is requested to:

- i) agree that the Council, in partnership with the Sunderland VCS Alliance, maximises social value from Council procurement activity to support capacity building and sustainability of the Sunderland Voluntary and Community Sector;
- ii) authorise the Executive Director of Neighbourhoods, in consultation with the Executive Director of Corporate Services and the Cabinet Secretary, to agree and implement amendments to the procurement social value toolkit; and
- iii) agree that regular communication with the voluntary and community sector and wider City Board members takes place, including an Annual Conversation chaired by the Cabinet Secretary, to share the innovative solutions and activities being delivered to grow Community Wealth across Sunderland.

3. Current Position

- 3.1 Since the introduction of the Public Services (Social Value) Act 2012, the Council has committed to make best use of its powers when considering how the goods, works and services procured over the quotation threshold of £10k might improve the economic, social and environmental well-being of the area.
- 3.2 The Council's approach to social value is described in its Procurement Strategy as;

“Securing maximum impact on local priorities from the use of council resources. Looking at what additional benefits can be achieved with the resources available and realising wider social, economic or environmental benefits above and beyond the primary objectives of the initiative/works/service/programme being delivered.”

- 3.3 Social value potential is considered at the preparation stage of procurement and where opportunities are apparent, the target measures and evaluation methodology approach are incorporated into the procurement documentation which is then monitored through contract management arrangements.
- 3.4 The integrated, systematic approach which is based on the National TOMs (Themes, Outcomes and Measures) Framework used by the Council has already led to several positive social value benefit outcomes to support residents, communities and businesses, such as employment for young people not in education, employment or training and the increased use of local sub-contractors.
- 3.5 Following Cabinet's approval of Sunderland's Community Wealth Strategy in March 2020, the Council alongside Anchor Institutions in the City are working collaboratively and creatively to maximise wealth within the City and within our communities, whilst also sustainably growing the capacity of the voluntary sector.
- 3.6 As part of the community wealth building approach, Sunderland Council alongside Gentoo and the CCG are financially supporting a VCS Alliance for Sunderland. The Alliance is now operational and opportunities to support the VCS are being developed at pace.

4. Procurement Proposal – maximising social value-added

- 4.1 It is proposed that Sunderland Council adopts a new transparent approach, as set out within Annex 1, to maximise any donations or in-kind contributions offered by bidders as part of procurements.
- 4.2 Bidders are currently asked to identify equipment, resources, donations or in-kind contributions they can make to a community organisation or project. This approach does not tend to yield much by way of financial offers, therefore by following a consistent, transparent approach, coordinated in partnership with the Sunderland VCS Alliance, it is considered that the Council could incentivise increased financial donations to support the local community.

5. Social Value Toolkit

- 5.1 It is proposed that the Council's social value toolkit shall be revised to make it explicit that financial contributions offered by suppliers to the voluntary and community sector shall be directed to the Sunderland VCS Alliance fund whereby local communities can apply for money to fund a local community project or an equivalent value of in-kind contributions of goods and or services e.g. donating a van to a community organisation, can be offered.

- 5.2 The proposed process to direct funding is not only for grants for products but also for softer services e.g. help to VCS to support in production of accounts for example or other additional volunteering support needs

6. Working with City Partners and Businesses – growing Community Wealth

- 6.1 As part of Sunderland's Community Wealth Building Strategy, a commitment has been made to strengthen the voluntary and community sector as well as develop a Community Wealth Charter with all Anchor Institutions in the City.
- 6.2 Should Sunderland Council choose to adopt the use of the Sunderland VCS Alliance to maximise donations and in-kind contributions offered as part of procurements into the City's voluntary and community sector, the Council may also wish to consider discussing with the City Board, in partnership with the Sunderland VCS Alliance, to potentially implement the same process for their procurement activity, thus maximising donations and in kind contributions for the communities across Sunderland.
- 6.3 Regular communications with the voluntary and community sector and wider City Board members would be arranged, including an Annual Conversation chaired by the Cabinet Secretary, to share the innovative solutions and activities being delivered to grow Community Wealth across Sunderland.

7. Reasons for the Decision

- 7.1 Sunderland's Community Wealth Building Strategy, which the voluntary sector is an integral partner for outcome delivery, require additional support to increase their capacity and ensure their sustainability.
- 7.2 The Council have completed a significant community engagement exercise, supported by the voluntary sector, and responses received through the Sunderland Engagement Strategy - Let's Talk, evidences that the sector continues to be key to delivering the Neighbourhood investment plans and Community Wealth Strategy.
- 7.3 In line with best practice, robust Voluntary Sector infrastructure support, via the Sunderland VCS Alliance, is required to deliver the ambitions of the Sunderland 2019 – 2030 City Plan.

8. Alternative Options

- 8.1 There are no alternative options recommended as this proposal has been developed in collaboration with the Sunderland Voluntary and Community Sector, via the Sunderland VCS Alliance, in response to the sector's future requirements regarding capacity building and sustainability in order to maximise outcomes from social value-added measures as part of the delivery of the Sunderland Community Wealth Strategy.

9. Impact Analysis

- a) **Equalities** – The proposal to maximise social value from Council procurement activity to support the capacity building and sustainability of the Sunderland Voluntary and Community Sector, coordinated in partnership with the Sunderland VCS Alliance, is ensuring maximum positive outcomes from social value-added measures, targeting support and resources to meet the needs of all residents across all neighbourhoods and communities and Sunderland.
- b) **Privacy Impact Assessment (PIA)** – There are no privacy impacts identified
- c) **Sustainability** – The recommendations will enable the Council to increase social value-added measures from procurement activity to maximise resource and capacity into the voluntary and community sector. This will ensure the ongoing investment into the voluntary sector across the City, whilst also enabling the voluntary sector to grow their capacity, sustainability, whilst also creating many volunteering opportunities and projects which will improve the health and wellbeing of residents as well as reducing carbon and improving the environment.

10. Other Relevant Considerations / Consultations

- a) **Co-operative Values** – The proposal to maximise social value from Council procurement activity to support the capacity building and sustainability of the Sunderland Voluntary and Community Sector is a key priority for Sunderland's Community Wealth Building Strategy. Social Value is the way we identify relevant and measurable social, economic and environmental benefits for the people and communities of Sunderland, specifically:
Jobs: Promote Local Skills and Employment
Growth: Supporting Growth of Responsible Regional Business
Social: Healthier, Safer and more Resilient Communities
Environment: Decarbonising and Safeguarding our World
- b) **Financial Implications** – Any financial costs will be associated with staff time to coordinate links between contracts (procurement) and community activities via the Voluntary and Community Sector Alliance (Alliance and Community Resilience / Area Arrangements). Staffing resources are in place and fully funded as part of the Alliance structure. In accordance with the Council's Financial Procedure Rules, Cabinet approval shall be sought for any funding provided to an organisation over £50,000.
- c) **Risk Analysis** – The key risks are associated with the delivery of the contracts social value-added measures and fulfilling legislative duties both of which will be managed under the contract and through the VCS Alliance.

- d) **Legal Implications** – Procurement activity shall be undertaken in accordance with the requirements of the Public Services (Social Value) Act 2012, the Public Contracts Regulations 2015 and the Council's own Procurement Procedure Rules.
- e) **Policy Implications** – The project will be developed and managed in-line with current Council policies.
- f) **Project Management Methodology** – The procurement social value-added process will be managed between the Council's Procurement and Community Resilience services in partnership with the Sunderland VCS Alliance
- g) **Procurement** – Corporate Procurement are aware of the proposal and will update the social value toolkit as detailed within section 5 of this report.

11. Glossary

Anchor Institutions – The term 'Anchor Institutions' is used to refer to organisations which have an important presence in a place, usually through a combination of being largescale employers, the largest purchasers of goods and services in the locality, controlling large areas of land and/or having relatively fixed assets. Are tied to a particular place by their mission, histories, physical assets and local relationships.

Annual Conversation – The annual meeting of City Board partners alongside the voluntary sector in Sunderland, convened to share performance news and exchange ideas and learning.

Community Wealth Building - Developing assets, of all kinds, in such a way that the wealth stays local. Using local assets to make communities more vibrant. Aiming to help individuals, families and communities control their own economic destiny

12. List of Appendices

Annex 1 – Procurement – Maximising Social value-added and supporting the Sunderland Voluntary and Community Sector – Flowchart

13. Background Papers

13.1 The following background papers were used in the preparation of this report;-

- a) Building Community Wealth in Sunderland – Cabinet Report of the Executive Director of Neighbourhoods – 24th March 2020;
- b) Community Wealth Building Strategy; and
- c) Sunderland Community Wealth Building Annual Report 2020/2021

