

SCRUTINY REVIEW PANEL - STAR PROCUREMENT AND SOCIAL VALUE

Meeting: 5 November 2024
At: 6.00 pm

PRESENT

Councillor Carole McCann (Chair) in the chair; Councillors Jake Austin and Alex Wynne.

1. DECLARATIONS OF INTEREST

Councillors and officers were invited to declare any interests which they had in any of the items on the agenda for the meeting.

No declarations of interest were made.

2. SCRUTINY REVIEW PANEL PROCEDURE RULES

A representative of the Assistant Director for Legal & Democratic Governance submitted a report (copies of which had been circulated) setting out the Scrutiny Review Panel Procedure Rules and suggesting that the Panel should adopt them for the purpose of conducting the review.

RESOLVED – That the Scrutiny Review Panel Rules be formally adopted for the purpose of conducting the review.

3. SCOPE OF THE SCRUTINY REVIEW

The Assistant Director of Finance submitted a report (copies of which had been circulated) providing an outline to develop the proposed scope for reviewing the topic of STAR Procurement and Social Value.

RESOLVED – That the scope of the Scrutiny Review be agreed.

4. SOCIAL VALUE AND STAR PROCUREMENT SCRUTINY REVIEW - SESSION 1: CONTEXT AND OVERVIEW

The Assistant Director of Finance gave a presentation about STAR Procurement and Social Value: Context and Overview.

The following comments were made/ issues raised:

- The return that Stockport Council was achieving in terms of social value was approximately 38 per cent.
- New legislation on procurement would shortly come into effect. The social value element of that legislation would shift the emphasis from economic to social value as a whole.
- A training and development programme has begun within the council to ensure all Directorates, along with Stockport commissioners and contract managers would be up

to date on the new legislation. The introduction of the legislation had been delayed until February 2025, affording the council additional time to train colleagues.

- The new legislation would relate to new contracts, not existing ones.
- STAR procurement was engaging with Directorates using the engagement toolkit to ensure that the social value requests would most benefit Stockport's residents.
- Contract bidders were recommended to sign up to three Match My Project requests to give them an insight into the types of work that Stockport Communities wanted.
- Match My Project continued to be a key piece of work which was designed to exploit social value opportunities. Stockport's suppliers were becoming more aware that their social value delivery would help them to win a contract.
- Furthermore, Match My Project enabled the council was able to match social value delivery to local need, rather than contractors suggesting social value schemes.
- In recent years organisations had begun to employ social value leads which enabled STAR procurement to have a single point of contact with those organisations. It assisted with negotiations and had led to a willingness to try new ideas.
- There was a pre-engagement protocol for the negotiation of contracts which was proportionate to the size or funding of the project. A project valued at £10,000 would require less work than a multi-million pound project.
- STAR procurement had operated the pre-engagement protocol over a number of years. It spoke to bidders, was transparent about its processes and had an audit trail. All bidders were treated equally.
- There were many businesses which lacked an understanding of social value and the pre-engagement process helped bidders to understand what it meant for each project.
- It was reported that not only was Stockport Council the highest performing local authority in terms of securing social value within STAR procurement but also the best in the country.
- Stockport Council had seen approximately £58 million of social value secured since 2019. In 2023/24 approximately 85 per cent of Stockport's spend was retained within the borough.
- It was reported that social value was applied to Stockport contracts valued at £25,000 and above, although reporting on social value applied only to those contracts valued at £50,000 and above. The social value figures for contracts valued between £25,000 and £50,000 was minimal.
- In terms of ensuring that contractors delivered on the social value element of their contracts it was reported that, of the £58 million of social value secured by Stockport Council, the social value portal had recorded that £31 million had been delivered. Many of the contracts were live and had longevity over several years. In those circumstances companies evidenced the delivery of social value over time.
- In the light of changes within local authorities over recent years, with reduced workforces, there was an inherent weakness for all local authorities nationally in terms of contract management. For many local authorities contract management formed one small part of one person's role. This presented a risk to councils that businesses might question whether winning bidders had delivered on the promised social value.
- Efforts were being made to look strategically at contract management and improve the process to ensure responsibilities were undertaken and to create a better reporting system.
- There were no penalty clauses for the non-delivery of social value, however STAR procurement had considered what actions could be taken in those circumstances.
- The new legislation was designed to strengthen local authorities' contractual position.

- Organisations bidding for contracts were informed that their social value work could be used to demonstrate their positive actions which could, in turn, help them to win future bids with other local authorities.
- Teams across the council were queuing up for support from social value projects. Further information on which social value projects were chosen for support would be provided at the next meeting of this Scrutiny Review.
- Members expressed thanks for the presentation and subsequent discussion.

RESOLVED – That the presentation be noted.

5. SOCIAL VALUE CHARTER

The Assistant Director of Finance submitted a report (copies of which had been circulated) setting out the Social Value Charter.

RESOLVED – That the Social Value Charter be noted.

The meeting closed at 7.12 pm