

## **SCRUTINY REVIEW PANEL – STAR Procurement and Social Value**

### **1. Introduction**

- 1.1 As part of the Scrutiny Work Programme approved by the Council, a review of STAR Procurement and Social Value was agreed by the Corporate, Resource Management and Governance Scrutiny Committee (CRMG).
- 1.2 The review focussed on STAR Procurement and Social Value and how both help to achieve the Council Plan ambitions of delivering efficient and effective services and delivering change and spending wisely.
- 1.3 The review considered the following over three meetings:
  - How do we ensure Social Value supports Council priorities?
  - How do we ensure Social Value supports local need and response?
  - How do we ensure Social Value delivery/output?
  - What the role procurement play in getting commitment to and delivery of Social Value by the Council's suppliers and partners?

### **2 Methodology**

- 2.1 The Scrutiny Committee established a joint Scrutiny Review Panel to undertake the review, comprising:

Councillor Cllr Carole McCann (Vice Chair of CRMG Scrutiny Committee and Chair of the Scrutiny Review)

Councillor Christine Carrigann (Chair of CRMG Scrutiny Committee)

Councillor Jake Austin

Councillor Alex Wynne

- 2.2 The review was supported by the following Officers:

#### Officers – Stockport Council

Jonathan Davies, Director of Finance (S151 Officer)

Laura Mercer, Strategic Commissioning and Contract Performance Manager

Laura Graham, Social Value Project Officer

#### Officers – STAR Procurement

Lorraine Cox, Director

Michael Crook, Head of Strategic Procurement

- 2.3 The Scrutiny Review Panel met three times to consider the scrutiny review. The first meeting on 5 November 2024 considered:
- An overview of Social Value and the importance of Social Value.
  - The council's Social Value Charter and how the council's Social Value work aligns to our corporate priorities.
  - Our Social Value journey, what have we done/are we doing in Stockport?
  - How do we measure outcomes/impact?
  - Governance arrangements
- 2.4 The second meeting on 11 December 2024 focussed on Match My Project. This included detailed information on:
- What Match My Project is.
  - The operating principles and functions of Match My Project.
  - Community asks/delivery and case studies.
  - How Social Value is measured and community impact monitored.
  - Opportunities-how can we move further and faster.
- 2.5 The final meeting of the panel met on 29 January 2025 to consider the role of STAR procurement, which included:
- The role and function of STAR procurement.
  - STAR and Social Value performance.
  - STAR and Social Value added value.
  - STAR's wider work and opportunities for income generation and efficiencies.

### **3 Legal Background and Context**

- 3.1 The Public Services (Social Value) Act 2012 came into force on 31 January 2013. It requires commissioners of public services to 'consider' how they secure wider social, economic and environmental wellbeing benefits when awarding public contracts.
- 3.2 It means that before starting the procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure social, economic and environmental benefits for their area or stakeholders.
- 3.3 The Act is a tool to help commissioners get more value for money out of procurement. It also encourages commissioners to talk to their local provider market and/or communities to design better services, often finding new and innovative solutions to challenges faced.
- 3.4 More recently, the new Procurement Act (2023) has received royal assent and will commence on 24 February 2025. The Act recognises the importance of Social Value in contracting and commissioning and focusses on the following five shifts in emphasis for procurement:

- **Value for Money.** By “best value for money,” the Government doesn’t mean the cheapest price. In this context, value for money means using public resources to benefit society as much as possible. It aims to achieve the best outcomes for the public and maximise social value.
- **Public Benefit.** Where the benefit must be for the public or a large portion of the public and not for an individual.
- **Transparency.** This includes all elements of the commissioning process: procurement, contract award, delivery and contract management and helps practitioners be accurate, honest, and communicate openly with stakeholders.
- **Accounting for non-financial benefits in tendering.** The focus is now on MAT (most advantageous tender) and not MEAT (most economically advantageous tender) recognising the wider benefits, than simply financial.
- **National Procurement Policy Statement (\*NPPS).** More focus in the following areas:
  - Creating new businesses, jobs, and skills.
  - Tackling climate change and reducing waste.
  - Improving supplier diversity, innovation, and resilience.

*\*NB: the NPPS is currently under review and is expected to be released before 27 February 2025.*

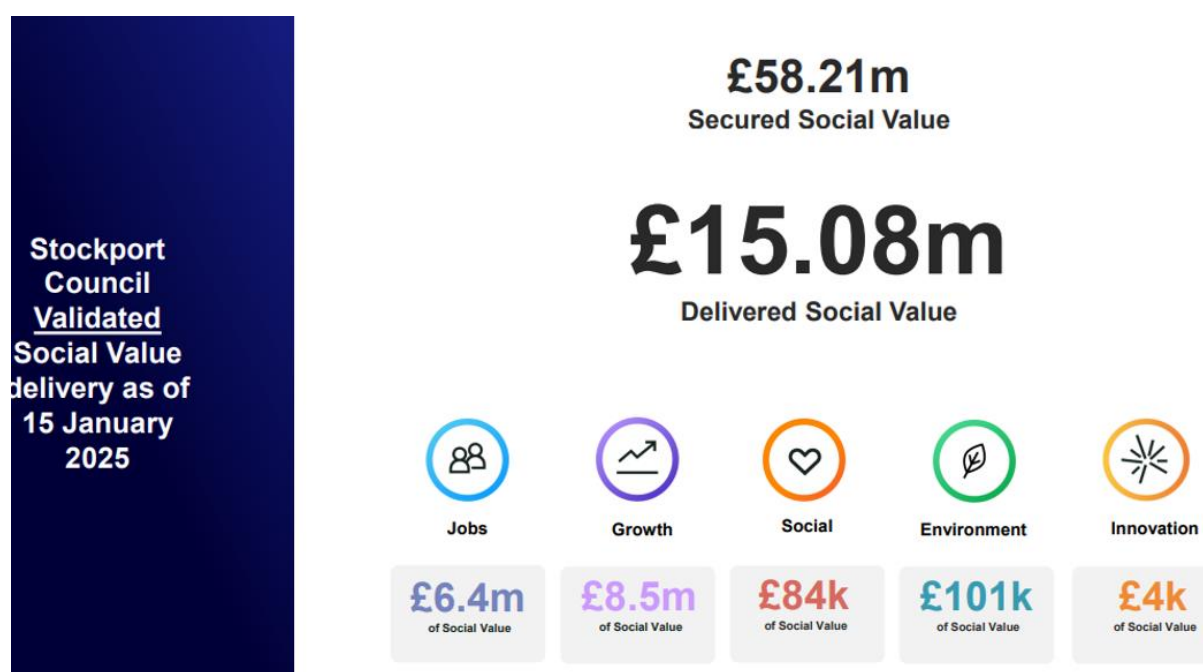
## 4 Local Context

- 4.1 Stockport Council’s Social Value Charter was signed off in 2019, with the ambition of making **social value everybody’s business**.
- 4.2 This charter highlights “Stockport Council’s commitment to delivering a Social Value vision where the Council, businesses, third sector partners and voluntary groups work together for the benefit of the citizens, businesses and communities of Stockport, consistent to our Stockport Local approach to investing in communities”.
- 4.3 In the ensuing five years, the impact from Social Value that the borough has realised, is almost unrecognisable compared to the pre-pandemic era. With the Social Value Charter as the catalyst, the work that has been delivered with communities during and following the covid pandemic, has meant that Stockport has been described by the National Social Value Steering Group as “leading the way”, in terms of both its approach to Social Value and the impact Social Value is having on local residents, businesses and places.
- 4.4 The Council’s [Social Value Statement](#) (2023) was presented to the CRMG Scrutiny Committee in November 2023 and describes the local governance

arrangements and infrastructure that enables Social Value in Stockport to work effectively.

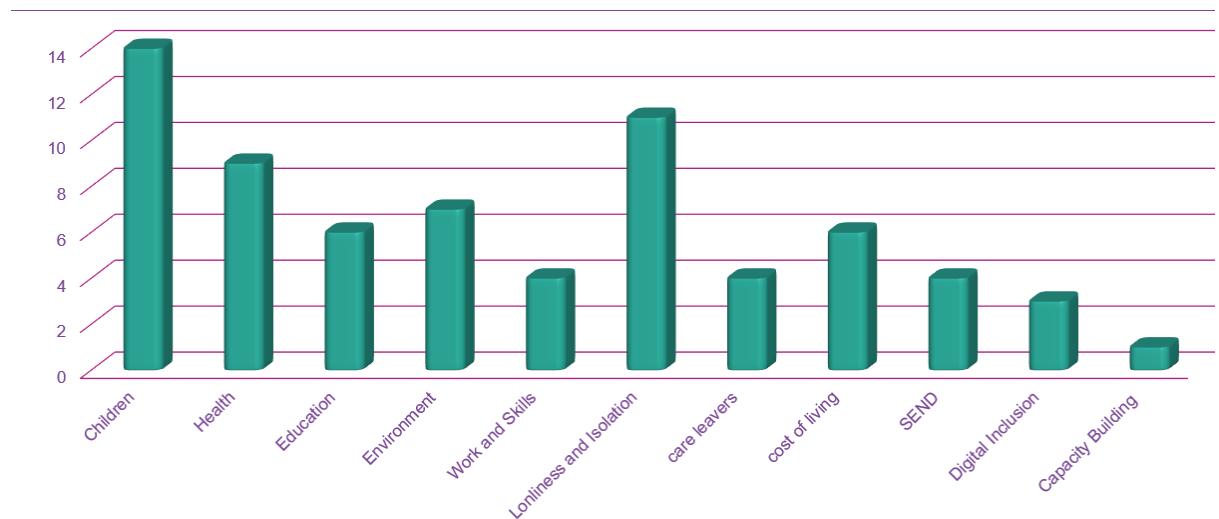
## 5 Performance Monitoring

- 5.1 Stockport's Social Value performance and delivery is reported on a quarterly basis through the STAR Joint Committee and in turn into the CRMG Scrutiny Committee.
- 5.2 Currently, delivery information is taken primarily from the Social Value Portal (SVP), which contactors must pay to sign up to, upon contract award. They are then required to upload their Social Value delivery on a quarterly basis. The information is validated by the SVP and presented back to Stockport.
- 5.3 Circa £58m of Social Value has been reported as secured on SVP of which circa £15m has been validated by SVP as delivered:



- 5.4 One of the main concerns highlighted by Members during the scrutiny process was the difference between the Social Value secured and Social Value delivered. Whilst some of the discrepancy relates to contracts which have not reached their contract end date, concerns remained relating to how non-delivery of Social Value is monitored and challenged, and the risk this poses. Council and STAR Officers recognise this and are continuing to work with SVP and suppliers to ensure monitoring of Social Value delivery.
- 5.5 Match My Project (MMP) is an on-line brokerage portal, which provides information in relation to Social Value performance monitoring and delivery. This has been in operation in Stockport for a year and allows for more interrogation in terms of the impact that a particular piece of work delivering Social Value has had on an individual, community or community group. The

graph below highlights the number of MMP completed projects by Social Value priority theme.



- 5.6 Officers have also developed a Stockport Case study bank, providing personal stories and testimonials that enable the Council to evidence delivery and impact. The study bank is based on our conversations and interactions with both contractors and Voluntary, Community, Faith and Social Enterprise (VCFSE) groups.

## 6 Key Findings and Feedback from the Scrutiny Panel

- 6.1 Members were impressed with the amount of information that was presented and were unaware of the extent of the work that had taken place in Stockport over such a short period. They recognised the impact the completed projects had had on local communities and individuals and were keen to see the work expand and grow, acknowledging that opportunities around Social Value are endless.

- 6.2 In particular, comments were made in relation to:

- The importance Social Value plays in contract and commissioning, across the whole organisation and within all the Council's spend-including planning and capital projects;
- Maximising opportunities in relation to Section 106 (S106) agreements, which require developers to contribute towards a range of infrastructure and services, such as community facilities, public open space, transport improvements and/or affordable housing;
- The emphasis on performance monitoring and ensuring that Social Value is delivered in the right place, at the right time, in the right communities and in particular, how we develop Social Value opportunities to support our work around reducing the inequality gap between our most and least deprived areas and communities;
- The importance of ensuring equity of response in our Social Value delivery, so that each of our priority cohorts and themes benefit in equal measure;

- The benefits that Match My Project has brought in terms of addressing inequality gaps and how we work with the VCFSE sector to develop both the portal and other tools to capitalise on Social Value opportunities;
- A recognition that whilst Stockport was described as being one of the “best Local Authorities in the UK for good Social Value performance”, there was more to do and develop including ensuring we benefit from best practice, benchmarking and collaboration opportunities, being a member of the GM and STAR “family” and the Director of STAR’s role in terms of chairing the National Social Value Taskforce Which is a role appointed by the Local Government Association.

## 7 Recommendations

### 7.1 Members recommended that:

- I. Consideration be made as to whether suppliers can be mandated to sign up to and complete projects on Match My Project in all Council contracts;
- II. Options around developing a social value policy via the local plan, are explored;
- III. Social Value monitoring arrangements are improved to enable a true understanding in terms of the impact that Social Value has had for Stockport’s communities and groups and as part of that work seek legal advice on how we explore penalty clauses in contracts for non-delivery of social value and develop contract managers to have the skills and understanding as to how they utilise penalty clauses in contracts for non-delivery of social value.
- IV. Opportunities to grow and develop Social Value opportunities are cultivated through a broad ranging engagement programme which involves elected members, Stockport’s VCFSE Alliance and Sector 3, anchor institutions and local businesses.
- V. A briefing for all Members is provided, to ensure successes around social value are communicated and understood.

*Officer Contacts;*

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