

LIVERPOOL CITY REGION COMBINED AUTHORITY

To: The Chair and Members of the Transport Committee

Meeting: 10 March 2022

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: No

REPORT OF THE EXECUTIVE DIRECTOR OF CORPORATE SERVICES

LIVERPOOL CITY REGION COMBINED AUTHORITY SOCIAL VALUE POLICY AND FRAMEWORK

1. PURPOSE OF REPORT

- 1.1. This report seeks to update the Chair and members of the Transport Committee on the progress to develop a Liverpool City Region Combined Authority Social Value Policy and framework to support its implementation.
- 1.2. The Social Value Policy and Framework will be considered at the Combined Authority's meeting on 4th March 2022.

2. RECOMMENDATIONS

- 2.1. It is recommended that the Transport Committee:
 - (a) Note the draft Liverpool City Region Social Value Policy and Framework in Appendix 1 of this document.
 - (b) Note that transport specific implications of the Social Value Framework will be explored at the Transport Committee meeting.

3. BACKGROUND

- 3.1. Social Value captures the difference an organisation or project can make to the community or communities it operates in. This is especially important in the Liverpool City Region. Although there has been considerable progress over the last 10 years, the long standing challenges of economic underperformance, environmental degradation and inequality persist. These challenges continue to affect the health, wellbeing and quality of life of our citizens and communities.
- 3.2. As a strategic body for the Liverpool City Region, the Combined Authority has an opportunity and responsibility to tackle these challenges and deliver real benefits for

our 1.6 million residents. To do this, the Combined Authority must embed a focus on Social Value in everything it does, including in the transport sector.

- 3.3 A focus on Social Value can shape key decisions where to invest resources and how to take advantage of opportunities. By maximising the Social Value the Combined Authority creates as an organisation, it can have a bigger impact on these challenges and help to support better outcomes for the people and places of the Liverpool City Region.

4. PURPOSE OF THE SOCIAL VALUE FRAMEWORK

- 4.1 The Social Value Framework has been developed to articulate the Combined Authority's Social Value Policy and provide a framework to guide its implementation. Together, the policy and framework seek to provide a consistent approach to maximising the Social Value that the Liverpool City Region Combined Authority creates.
- 4.2 The central principle underpinning the framework is that all aspects of the Combined Authority's our work should contribute to the vision for a **'Fairer, Stronger, Greener City Region in which nobody is left behind'**. This is exemplified by the Combined Authority's Fair Employment Charter, which includes measures to encourage employers to pay the Real Living wage and offer more avenues to training and progression. Stadler, who are supplying the new rolling stock for Merseyrail have signed up.
- 4.3 The core commitment set out within the document is to go beyond the minimum Social Value requirements as identified in the Public Services (Social Value) Act 2012 and to ensure **Social Value benefits are realised in all activity across the organisation including; employment, commissioning, investment and service delivery**, not just procurement. In doing so, it will be necessary to ensure that implementing the Social Value Policy does not create unintended consequences and it will be essential to engage with stakeholders (including, but not limited to businesses in the City Region) as the Combined Authority implements the Social Value Policy.
- 4.4 In practice, this means that **everything the Combined Authority does is in scope** and the approach needs to reflect the Combined Authority's various roles as:
- **An employer:** LCRCA is a major employer in the City Region, providing direct jobs for more than 900 people. Transport remains an industry which often, in terms of its workforce, does not reflect the diversity of the people it serves. It is an industry in which women and people from Black, Minority and ethnic backgrounds are under-represented. The Social Value Framework will help to focus attention on balancing the workforce.
 - **An organisation with devolved powers:** LCRCA has a significant financial footprint in the City Region, spending or investing more than £100m per annum and the Combined Authority also has significant devolved funds available to commission and invest in activities and deliver services directly to organisations and citizens. This particularly applies to the transport sector. The Combined Authority has responsibility for the operation of major public assets (e.g. the

Mersey Tunnels and Mersey Ferries) and through Merseytravel, the Merseyrail concession. Merseytravel works very closely with the bus operators across the City Region, and is developing options for bus reform, as directed by the Bus Services Act 2017)

- **A regional civic leader:** the Combined Authority has a wider role to play to influence, mobilise, convene and coordinate wider activities of its partners and stakeholders across the City Region, especially our anchor institutions.

4.5 The Social Value Framework sets out a range of commitments for specific actions the LCRCA will take in each of the areas above. It provides:

- **Day One Commitments:** These are the actions the Combined Authority we will take and policies that will be in place from the framework's launch date (1st April 2022)
- **Future Aspirations:** The Combined Authority's approach to Social Value will need to develop and continually improve. To reflect this, the framework also sets out clear longer-term aspirations for activities and policies the LCRCA will work towards during the framework's first year.

4.6 Commitments which are especially relevant to the Combined Authority's transport functions include the Day One Commitments to:

- Establish a minimum percentage weighting for Social Value considerations in procurement decisions on all new contracts by March 2023.
- Ensure that our commissioners provide clarity about our Social Value requirements at the earliest opportunity, for example in discussion with potential suppliers, when undertaking market engagement.
- Participate fully in the Safe Spaces initiative to make our staffed train stations and travel centres available as a safe space for anyone who feels unsafe. We will provide training and communications to enable and empower our employees to signpost individuals where necessary.
- Increase the number of foodbank collection points at our travel centres and rail stations.
- Develop and improve our data collection for users of the public transport network and use this to align services.
- Look for innovative and expanded ways or making our transport hubs and service centres operate as assets for the communities they serve.

4.7 These commitments and the draft Social Value Framework have been agreed with the relevant teams within the Combined Authority and shaped through broader stakeholder engagement activity.

4.8 Engagement with stakeholders will continue as the Combined Authority implements the actions and commitments listed in the Social Value Framework and will continue to seek advice and views from a wide range of stakeholders including transport

providers and service users as we further develop and implement the actions listed under all parts of the framework.

5. LAUNCH AND IMPLEMENTATION

- 5.1 The target date for a formal launch of the Social Value Framework is 1st April 2022 with a Communications Plan to support this launch.
- 5.2 The Combined Authority will monitor implementation of Day One Commitments and Future Aspirations as part of our established Corporate Performance regime. Responsible Officers will report progress against each commitment on a quarterly basis to the Combined Authority's Executive Leadership Team.
- 5.3 The Combined Authority will establish an appropriate forum to engage our workforce in the implementation of the framework, share best practice, learn from expert advisors and work together to continually improve our approach. The Social Value Implementation Group will be attended by:
- **Decision makers in key service areas:** this will include relevant Executive Directors, Assistant Directors and Heads of Service with authority and remit to make decisions to accelerate the framework's adoption and implementation.
 - **Social Value Champions:** members of staff from all parts of the organisation (at all levels of seniority) with specific expertise or interest in promoting Social Value.
- 5.4 Funding has been secured for a three month project to help with the implementation of the framework. This will include a reflection on the process so far, team workshops to 'future proof' our work and a series of briefings to business and other stakeholders to promote the framework. Feedback from this project will inform the work of the implementation group.

6. EVALUATION AND CONTINUAL IMPROVEMENT

- 6.1 The Combined Authority is committed to both monitoring and evaluating both progress and impact. The Combined Authority will publish an Annual Review of the LCRCA's Social Value Impact. This will look at the scale and type of Social Value the Combined Authority is creating.
- 6.2 The Combined Authority will publish the Year One Review of Social Value Impact at the end of 2022/23. This will:-
- **Quantify the LCRCA's Social Value Impact:** this document will provide a robust and transparent analysis of the scale and type of Social Value the Combined Authority is creating, encompassing both a quantitative and qualitative assessment Social Value.
 - **Explore additionality:** the assessment will seek to identify the additional benefits arising because the Combined Authority is doing things differently (or doing different things) to create Social Value.

- **Identify what is working well:** the analysis will identify areas of good practice, where the Combined Authority's approach is leading to additional Social Value – including social, economic and environmental benefits.
- **Identify where there are opportunities to improve:** this analysis will also highlight the areas where there is scope to do more or different things to further improve the Combined Authority's approach.

6.3 Most importantly, the Annual Review of Social Value Impact will provide an opportunity for all teams in the Combined Authority reflect on the progress towards achieving the Combined Authority's our overall Social Value aspirations as an employer, service provider, commissioner, investor, and Civic Leader.

7. RESOURCE IMPLICATIONS

7.1. Financial

The intention of the Social Value Framework is to shape the Combined Authority's business as usual and as such there are no direct, quantifiable financial implications arising from this report.

7.2. Human Resources

There are no other direct HR implications associated with this report other than those referenced throughout the body of the report and appendix.

7.3. Physical Assets

There are no direct implications arising from this report on physical assets.

7.4. Information Technology

There are no implications for IT arising from this report.

8. RISKS AND MITIGATION

8.1 There is a risk that the Combined Authority could, without an appropriate approach to social value, miss the opportunity to maximise the benefit it creates for the communities it serves. The proposed Social Value Policy and framework for implementation seeks to mitigate this risk by defining a clear approach to maximising social value through all Combined Authority activities.

8.2 The risk that activities to maximise social value could place an upward pressure on the cost of bought in goods and services and / or the scale of investment needed to achieve the Combined Authority's strategic aims should be noted. This could mean that some activities are unable to demonstrate acceptable value for money using traditional methods of assessment. The commitments in the framework to ensure that social value is adequately captured by investment, procurement and commissioning processes will act as controls to this risk and will seek to ensure that costs associated with maximising Social Value are balanced against the potential

benefits of a focus on social value for the efficiency and effectiveness of our work. This will be reflected in an objective assessment of the costs and various benefits for all investment, commissioning decisions (per existing processes), highlighting any quantifiable risks on a project by project basis. The Combined Authority's budget setting process will provide a means to manage any upwards pressure on costs.

- 8.3 Failure to deliver the commitments and future aspirations outlined in the Social Value Framework would reduce the overall benefit that the Combined Authority delivers for the communities it serves. The framework outlines the main controls in place to manage this risk. Delivery of activities will be closely monitored using the Combined Authority's existing corporate performance regime. The Annual Review of Social Value Impact will provide an objective analysis of progress and impact and will form the basis of continual improvement of the approach to realising social value benefits.

9. EQUALITY AND DIVERSITY IMPLICATIONS

- 9.1 An Equalities Impact Assessment has been undertaken in conjunction with the drafting of the Social Value Framework, in order to inform its objectives and commitments. At this early stage, the assessment looks solely at the adoption of the LCRCA Social Value Framework rather than the individual commitments and potential future interventions, proposed within the Framework. The emphasis of the Social Value Framework is on maximising the local benefit that we, as Combined Authority create, be it social, economic or environmental, which means by its very nature, the Framework intends to create positive impact, for residents from all protected characteristic groups, across the Liverpool City Region. Therefore, at this stage there is no suspected negative impact.
- 9.2 However, it should be made clear that there could be future negative impacts or unintended consequences as a result of what is proposed within the Social Value Framework. As such, individual EqIAs should be completed when a specific intervention such as a policy change or an investment decision is made, as a result of the proposals or commitments in the Framework.

10. COMMUNICATION ISSUES

The Social Value Framework will be published in an accessible format and in a way which is public facing. Alongside the written Social Value Framework, a short video/animation will be produced to market and explain the framework for use with a range of audiences.

11. PRIVACY IMPLICATIONS

There are no potential privacy implications arising from this report.

12. CONCLUSION

This report seeks to update the Chair and members of the Transport Committee on the progress to develop the Social Value Framework as set out in the Appendix. This framework will help ensure that all aspects of the Combined Authority's work should contribute to our vision for a '**Fairer, Stronger, Greener City Region in which nobody is left behind**'.

JOHN FOGARTY
EXECUTIVE DIRECTOR CORPORATE SERVICES

Contact Officer(s):

Kate Downes, Head of Evidence, Research and Intelligence (tel: 07584 543 093)

e-mail Kate.downes@liverpoolcityregion-ca.gov.uk

Appendices:

Appendix One – Liverpool City Region Combined Authority Social Value Framework

Background Documents:

None