



GFirst Local Enterprise Partnership

Board Paper – 25th February 2020

Agenda Item 5	Social Value
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Supporting Papers	Appendices A - D
Confidentiality	Open
Purpose	<ol style="list-style-type: none"> 1) To inform the Board of the LEP’s obligations in providing clear measurement of Social Value impacts for the projects that have received LEP investment. 2) To provide example material of how Social Value is monitored and captured in another LEP area. 3) To seek LEP Board Approval on the projects identified for Social Value analysis and the proposed framework for this work to be undertaken.
Summary	<p>This paper is written to provide the Board the context in which Social Value elements are important considerations in providing broader analysis and positive impacts as a consequence the investments the LEP make in projects to drive economic growth in the county.</p> <p>Here is the extract from GFirst LEP Assurance Framework about Social Impact:</p> <p>3.1.1 Environmental and Social Value for Investment</p> <p>The Public Services (Social Value) Act 2012 actively encourages public bodies/authorities making arrangements for procuring the provision of services, or the carrying out of works to consider how what is proposed might improve the economic, social and environmental well- being of the relevant area. Clearly, the Gloucestershire Strategic Economic Plan is focused entirely on a strategy to improve the economic wellbeing of Gloucestershire, with an assessment of the broader value of the outcomes planned to be delivered, forming a key part of the project selection and investment approval process. This obligation will be met with due regard to the provisions of the above act in ensuring that this is not achieved at cost to broader equality and diversity objectives. In this regard, all project promoters are required to outline how</p>

their planned activities will make a contribution to social value, which is tested at the due diligence stage.

Gloucestershire's Strategic Economic Plan and the EU Structural and Investment Funds Strategy also recognise the importance of the county's high quality natural environment in attracting and retaining both businesses and their employees. While the planning system remains the relevant statutory instrument for reviewing environmental impact, some activities will have an opportunity for environmental improvement and enhancement of biodiversity. Project promoters will be required to outline the environmental impact of their proposals and to consider, where possible, opportunities for environmental enhancement.

It responds to the national guidance:

Decisions Relating to Awards of Public Funds

146. LEPs are responsible for identifying and developing investment opportunities; prioritising the award of local growth funding; and monitoring and evaluating the impacts of its activities to improve productivity across the local economy. When making decisions relating to public funding or endorsing projects for public funding it is particularly important to be able to demonstrate that decisions have been reached in line with clear and transparent processes and made on merit. Open funding calls for projects or bids should be used to ensure any local business or organisation can apply. As part of this, LEPs should consider how its investment can maximise social value and how partners and beneficiaries can play an active role in the programme.

And

182. A variety of measures can be used to summarise value for money. Estimates of Net Present Social Value (NPSV) and Benefit Cost Ratios (BCR) are commonly used:

- **NPSV** is defined as the present value of benefits less the present value of costs. It provides a measure of the overall impact of an option.
- **BCR** is defined as the ratio of the present value of benefits to the present value of costs. It provides a measure of the benefits relative to costs.

183. The methodology should be proportionate to the funding allocated and in line with established Government guidance including the most recent HM Treasury Green Book.

49. Typically, we would expect business cases to address, in a proportionate manner, the five cases set out in the Supplementary Guidance to the Green Book. (We believe Keith Cooper deals with this element)

Research in identifying best practice

Social Value analysis was discussed during the Programme Management Group (PMG) Meetings during the latter part of 2019. Our then BEIS Area Lead Ollie Hindle took this as an action to help identify other exemplar LEPs that have adopted Social Value Measuring.

The Projects and Infrastructure Manager undertook detailed discussions with Lancashire LEP, Leicester LEP, Black County LEP as well as Cambridgeshire County Council on both their approaches and reporting mechanisms.

This information was then collated and, in particular, the details received from Lancashire LEP, were evaluated in depth. Conclusions were undertaken that their approach was clear and could link in neatly and appropriately to the current reporting GFirst LEP undertakes.

This was presented in November 2019 to the Programme Management Group who endorse the proposed approach as an appropriate and clear way of monitoring, measuring, evaluating and positively promoting Social Value.

Lancashire LEP Example

Lancashire LEP undertake Social Value Reporting by adopting the National Social Value Measurement (TOMs) Framework. This contains:

5 Themes

17 Outcomes

35 Measures

Relevant themes outcomes and measures can be as 'pick and mix' options for each selected project. This exercise would be worked on in partnership with the relevant project promoters and the project promoters would feed the required information through to the LEP.

(TOMS Framework is illustrated in *Appendix A*)

What are the National TOM's?

- Developed by the Social Value Taskforce in collaboration with the Local Government Association National Advisory Group
- Established a simple, intelligible methodology and reporting standard for social value

The aim of the National TOMs Framework

- To provide a minimum reporting standard for measuring social value
- To embed social value into their procurement and management processes

Benefits

- Provides a consistent approach to measuring and reporting
- Allows us to demonstrate social value at both project and programme level
- Provides a robust, transparent and defensible framework for assessing added value
- Simplified set of core measures
- Ease of data collection, collation and presentation

	<ul style="list-style-type: none"> • Reduces the uncertainty surrounding social value measurement <p>Details of how Lancashire LEP demonstrate the Social Value attributed to projects can be seen in a case study example, which forms <i>Appendix B</i>. A Dashboard example demonstrating overall Social Value performance across all measured Lancashire LEP projects forms <i>Appendix C</i>.</p> <p>The Programme Management Group (PMG) is happy with the selected list of projects (below) that have been identified and endorse the proposed approach as an appropriate and clear way of monitoring, measuring, evaluating and positively promoting Social Value.</p> <p><u>Projects to be considered for GFirst LEP:</u></p> <p>Regeneration Blackfriars and Quayside Gloucester Railway Station Merrywalks</p> <p>Transport Gloucester Transport Hub Cheltenham Spa Railway</p> <p>Employment WCTIS</p> <p>Housing Innsworth Gateway</p> <p>Skills GREEN Gloucestershire College Cinderford Campus</p> <p>Business Support Growth Hub</p> <p><i>Appendix D</i> gives a draft outline example of how GFirst LEP could follow this model for selected Growth Deal projects. The Merrywalks Project has been selected for this exercise.</p>
<p>Implications, impacts or risks</p>	<p>The impact of Social Value monitoring and analysis provides another level of depth which will enable GFirst LEP to positively demonstrate additional value delivered by the LEP invested projects.</p>
<p>Decision required</p>	<ol style="list-style-type: none"> 1) To approve the proposal for GFirst LEP to undertake Social Value analysis in line with the methodology discussed. 2) To approve the list of proposed projects selected for this exercise.
<p>Recommendations</p>	<p>It is recommended that the LEP Board approve the proposal as outlined in this paper, and also either approve the list suggested, or provide instructions for any projects that should be added to or removed from this list.</p>

For further information points raised in this Board paper, please contact Barry Bodin-Jones
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