

Social Value Policy

What is Social Value?

Social Value has been defined as “the additional benefit to the community from a commissioning/procurement process over and above the direct purchasing of goods, services and outcomes”. There is no authoritative list of what these benefits may be, however, a list of potential Social Value benefits is shown at appendix 1.

Social Value shifts focus from the cost of a service to the overall value of the outcomes that can be delivered.

The government is the largest purchaser of goods and services in the country. In order to meet the needs of society at a time of economic austerity it is extremely important that this purchasing power is used to achieve maximum benefits and efficiencies. Commissioners and procurement professionals are under considerable pressure to buy services at the lowest cost, however, by embedding Social Value greater benefits can be achieved

What is the Public Services (Social Value) Act 2012

The Act came into force on 31st January 2013. Public Authorities are required to “consider, prior to undertaking the procurement/commissioning process, how any services procured might improve economic, social and environmental well-being”.

The Act applies to public service contracts over the EU threshold. Commissioners are required to factor Social Value into the pre-procurement phase allowing them to embed Social Value in the design of the service from the outset. The following must be considered:

1. How what is to be procured may improve the social, environmental and economic well-being of a relevant area;
2. How they might secure any such improvement and;
3. The need to undertake consultation on these matters.

The Council Strategy

The council’s strategy includes the ambition of “achieving the best for our residents in their communities and ensuring South Gloucestershire will always be a great place to live and work”.

There are 7 core values:

1. Excellence for our customers and communities
2. Strong Community Leadership
3. Valuing our staff
4. Engaging with our partners
5. Equality of opportunity for all
6. Protecting the environment for future generations
7. Using our resources to deliver Value for Money

Appendix 1 gives examples of Social Value linking to each of the core values. This list though demonstrative is not exhaustive.

Application of the Act

The pre-procurement stage equates to the “analyse” and “plan” stages of the commissioning cycle, where services are conceived and designed and specifications are developed and engagement with partners, stakeholders and current and potential providers takes place.

Benefitting our Communities

Social benefit is the outcome of the process of achieving Social Value. It can mean many different things to many different people. The council must make decisions around social benefit every day, these are decisions around commissioning a particular service, funding a project or prioritising a particular requirement. Any of these can deliver additional social benefit.

These benefits can be tangible such as jobs for the long term unemployed and apprenticeships for young people through to less tangible areas such as engagement with communities and/or groups of individuals that are disengaged from the council. These benefits also link well to the council’s Public Sector Equality and Diversity duty.

The benefits should support our communities and link back to the commitments the council has made in the overarching council strategy. Examples of Social Value are shown at appendix 1.

Commissioning and procuring for Social Value can help streamline many strategic aims we have as a council. Ensuring Social Value is embedded into our commissioning and procurement exercises can ensure that we are maximising our purchasing power to do this. This should now be the role of all who are commissioning and procuring services. It should form the way we choose to buy services.

The Procurement/Commissioning Process

The key to successfully delivering additional social benefit through our commissioning or procurement processes is ensuring that these benefits are at the core of the commissioning process. Identifying all potential benefits at the outset allows the greatest opportunity to shape the process.

One of the key issues when considering integrating social benefit into a commissioning exercise is whether or not it is appropriate to use as award criteria or to add into the contract as a performance obligation. A social benefit can be included as award criteria where it is linked to the subject matter of the contract. Therefore, all social benefits should be considered at the outset and where relevant obtained through consultation with service users and the wider market place. Potential providers can include how they will deliver the required social benefits within the tender documents and this will be measured. Commissioners can support the process by supplying example lists of social benefits (see Appendix 1).

At the selection stage (where a pre-qualification questionnaire is used) it may also be possible to confirm the bidders' relevant experience relating to the social benefit that is required.

As with many elements of procurement law there is limited guidance on how to establish whether something is directly linked to the subject matter of the contract. Therefore, care should be taken to analyse the potential social benefits that may be secured and whether it linked to the core requirement of the contract. Where a benefit cannot be directly linked to the subject matter of the contract, the commissioner can still impose performance obligations on the successful provider within the clauses of the contract.

Where award criteria are being used it may be beneficial for the council to undertake a pre-procurement market assessment to ensure that the market is capable of delivering the identified social benefits and in fact to develop which social benefits could be captured. The market place may include SMEs, the VCSE sector and micro enterprises. Where possible these providers should be invited to a bidder day to outline the service requirements.

An OJEU may be needed depending on the scope and value of the procurement. The threshold for health and social care procurements will rise significantly when the new EU directive is enacted into UK law. The council however will consider the benefits of Social Value in commissioning on a case by case basis, a single approach would not work for any authority. Each contract should be considered on its own merits.

Where social benefits are not core requirements (i.e. included in the Award Criteria) the monitoring process and agreed key performance indicators (KPIs) are essential. The council will develop these with the market place (where relevant) to ensure that feasibility is considered. Preparation for market engagement is important, including the definition of potential social benefits.

The council's commissioning team will engage as early as possible in the commissioning cycle with partners when appropriate commissioned services are identified. The approach will be linked to the council's commissioning intention document.

Appendix 2 shows the choice of commissioning route to achieve Social Value.

Where social benefits are included into the commissioning process, legal advice will be sought early in the process to ensure that the Act is being appropriately followed.

Where to find more information

<http://www.socialenterprise.org.uk/news/new-guide-the-public-services-social-value-act>

<https://www.gov.uk/government/publications/procurement-policy-note-10-12-the-public-services-social-value-act-2012>

Potential Social Value links to the council's Core Values - this list is not exhaustive however it does offer good examples of Social Value and the associated social benefits

Excellence for customers and communities

- Encouraging older people to remain active within their communities or in employment
- Improving access and education for healthier lifestyle choices
- Making facilities such as libraries, leisure facilities or IT facilities available to targeted groups that otherwise would struggle to access such facilities
- Contributing to health improvement priorities

Strong Community Leadership

- Creating opportunities to develop third sector organisations
- Creating skills and training opportunities e.g. apprenticeships
- Promoting and supporting local innovation to enhance local productivity and enable local businesses to adapt to global changes that may affect competitiveness
- Increasing the number of volunteers to deliver additional benefits
- Increasing community involvement in localism
- Living wage (where appropriate)

Engaging with our Partners

- Encouraging/facilitating participation in voluntary and community sector activities
- Improving market diversity
- Encouraging community engagement

Equality of opportunity for all

- Creating training and employment opportunities for care leavers and for people with physical or learning disabilities
- Offering work placement opportunities to school children, young adults and those long-term unemployed or NEETs
- Provide career advice and information for young people on specific careers
- Providing additional opportunities for individuals or groups facing greater social or economic barriers

Protecting the environment for future generations

- Contributing to carbon reduction targets and to energy efficiency
- Reducing waste and increase waste recovery and recycling
- Ensuring all council led projects, plans and programmes make a positive contribution to the creation, protection, enhancement and management of green infrastructure

Using our resources to deliver value for money

- Creating supply chain opportunities for SMEs, the VCSE sector and social enterprises

Choosing the commissioning route to achieving social value

Appendix 2

