

Social Value Policy and Framework

1. Purpose

This policy sets out the legal context for social value and the approach **THE COUNCIL** will adopt to deliver social value through commissioning and procurement activities.

The framework sets out the expected outcomes for each objective and provides examples of how suppliers could contribute towards these outcomes.

2. Background and Scope

The Public Services (Social Value) Act 2012 came into force on 31st January 2013¹. It is now a legal obligation for local authorities and other public bodies to consider the social good that could come from the procurement of services before they embark upon it.

The aim of the Act is to ensure that as part of the commissioning and procurement processes, councils give consideration to the wider impact of the service's delivery. It allows local authorities to, for example, choose a supplier under a tendering process who not only provides the most economically advantageous service, but one which secures wider benefits for the community.

THE COUNCIL has been implementing the Act on an ad hoc basis. However, this policy provides an opportunity to deliver a cohesive yet flexible approach to generating social value through public procurement.

The statutory requirements of the Public Services (Social Value) Act 2012 only apply to public service contracts above EU threshold. This policy statement sets out **THE COUNCIL**'s aims in this regard. In particular it seeks to:

- Set out a definition of social value
- Set out the priority policy objectives
- Set out a Social Value Framework

3. Defining Social Value

Social Value is the additional economic, social and environmental benefits that can be created when **THE COUNCIL** purchases a service from an outside organisation, above and beyond the value of the goods or services.

¹ The Cabinet Office announced a review of the Public Services (Social Value) Act 2012 in September 2014.

4. Social Value Objectives

The following objectives reflect the definition of social value (set out in Section 3):

Promote training and employment opportunities for the people of THE AREA

- Tackle unemployment and facilitate the development of skills
- Encourage firms to support the governance of THE AREA's schools
- Facilitate employers providing 'careers engagement' services to THE AREA's schools

Raise the living standards of local residents

- Work towards a living wage
- Maximise employee access to entitlements such as childcare
- Encourage suppliers to source labour from within THE AREA, and in particular from within the most deprived wards therein, or from demographics facing particular barriers to employment

Build the capacity and sustainability of the voluntary and community sector

- Provide practical support for local voluntary and community groups
- Promote equity and fairness

Promote environmental sustainability

- Reduce wastage
- Limit energy consumption
- Procure materials from sustainable sources
- Work towards 'Plastic Free' status

5. How will Social Value be achieved in THE COUNCIL?

The incorporation of Social Value into its contracts will significantly help to deliver its strategic priorities and deliver added value for the county council. Delivery of additional social value is therefore considered an objective for all council contracts above the appropriate threshold. Either 10% or 15% of the award criteria for contracts, which are awarded pursuant to a competitive process must be on social value, and assessed as set out below, unless otherwise agreed by the Procurement Board.

In order to determine whether 10% or 15% of the award criteria should be applied, the following need to be considered:

- Additional impact of social value
- How many of the objectives set out in part 6 are met
- The area impacted (this recognises that ideally the impact should be town-wide but also that Social Value delivered anywhere within the area will have some beneficial impact on the town *and* that some distinct areas may face greater need).

	Additional impact of social value added	Objectives met	Area impacted?
15%	Significant	3+	Potential for significant positive impact on communities with highest needs
10%	Some	At least 2	Potential for some positive impact on communities with less significant needs

The needs of communities within the area should be considered when determining whether to apply the 10% or 15% threshold.

Where the additional impact of social value added has the potential to provide significant additional impact, on multiple objectives and in communities with the highest needs (those where relevant indicators in area profiles are in the worst fifth or second worst fifth), the criteria for 15% will be met.

Where the additional impact of social value added has the potential to provide some additional impact of social value, on at least two objectives and in communities with less significant needs (those where relevant indicators in area profiles are in the middle fifth to best fifth), the criteria for 10% will be met.

The following table can be used to assist in identifying which indicators are most relevant to the social value outcomes we want to see. Use the indicators below and the area needs assessments to determine whether there is the potential for significant positive impact on communities with highest needs. Communities with the highest needs will have indicators which are in the worst fifth, or second worst fifth, of the wards of the area.

Social Value Objective	Relevant needs assessment indicators
Promote training and employment opportunities for the people of THE AREA	Educational attainment key stage 2 Educational attainment key stage 4 Percentage with no qualifications Working age benefits clients Young people not in employment, education or training
Raise the living standards of local residents	Children living in poverty Median annual income
Build the capacity and sustainability of the voluntary and community sector	Activities limited a lot People providing 50+ hours unpaid care per week Proportion of pensioners living alone Geographic barriers to housing and services Wider barriers to housing and services Neighbourhood needs index (level of community safety need) Self reported wellbeing
Promote equity and fairness	Life expectancy at birth (males) Life expectancy at birth (females) Disability-free life expectancy males Disability-free life expectancy females
Promote environmental sustainability	Households with no central heating Households in fuel poverty

This approach means that if a service is to be delivered town-wide and there is significant additional impact of the social value added, it is very likely to meet the criteria for 15% of the award value. However, where services are targeted at smaller geographic areas, the criteria for 15% of award value may still be met provided there is the potential to deliver significant additional social value in areas where there are opportunities to meet significant needs through targeted interventions.

6. Social Value Framework

For each objective, there are specific outcomes to which **THE COUNCIL** aspires. The following lists are indicative and non-exhaustive:

Social Value Objective	Outcomes
Promote training and employment opportunities for the people of THE AREA	<ul style="list-style-type: none"> More local people in work; A Further Education sector improving the employability of THE AREA's workforce; An effective economic growth programme with an emphasis on our most deprived communities; Narrowing attainment gaps from Key Stage 2 to Key Stage 4; Narrowing attainment gaps between demographics of students, e.g. those in receipt of the Pupil Premium and their less disadvantaged peers; Thriving local businesses; Promote ongoing access to training and development which will further residents' career prospects; Responsible private organisations which act in the public interest.
Raise the living standards of local residents	<ul style="list-style-type: none"> A local workforce which is fairly paid and positively supported by employers; A local workforce with increasing ownership share over local businesses through, e.g., worker buyouts or the establishment of cooperatives; Increasing numbers of residents in receipt of the Living Wage;
Build the capacity and sustainability of the voluntary and community sector	<ul style="list-style-type: none"> An effective and resilient third sector; Communities becoming self-resilient; Increasing levels of grant-funding coming into the town, directly to third-sector organisations; Increasing levels of participation of residents in/with third-sector organisations
Promote equity and fairness	<ul style="list-style-type: none"> A reduction in poverty, health and education inequalities; Improved physical and mental health through early assessment and treatment that enables people to live independently; Supported families and carers who maintain independence via choice of health and social care; Vulnerable children and adults protected from avoidable harm.
Promote environmental sustainability	<ul style="list-style-type: none"> Protect our physical environment and contribute to climate change reduction/reversal; Investment into green infrastructure to make it easier and safer to cycle/walk/access public transport; Promote and protect THE AREA's natural environment; Promote green energy solutions and reduce THE COUNCIL's own energy use; Promote 'Plastic Free' status.

Further, for each objective there are some indicative and non-exhaustive suggestions for what this may mean and require of suppliers, or what it could involve them delivering:

Social Value Objective	Possible impact(s) on suppliers
Promote training and employment opportunities for the people of THE AREA	<ul style="list-style-type: none"> ▪ Recruitment from local community ▪ Recruitment of apprentices ▪ Work experience for local community ▪ Create x number of (new) jobs in the local economy ▪ Create x number of traineeships (including apprenticeships) for local residents ▪ Provide x number of days of meaningful work experience for local residents ▪ Support x number of people back to work by providing career mentoring for job clubs, including mock interviews, CV advice, and careers guidance ▪ Supporting young people into work by delivering employability support (e.g. CV advice, mock interviews, careers guidance) to x number of school and college students ▪ Release staff to support school governance, and reward this work positively as an employer ▪ Employ x number of ex-offenders (or other groups of people who typically face additional challenges in competing in the labour market) ▪ Commitment to support businesses in THE AREA ▪ Support x number of new business start-ups by running practical workshops with enterprise clubs ▪ Support the local economy by spending x% of total expenditure in the local supply chain ▪ Support the local supply chain by spending x% of total expenditure within THE AREA ▪ Attract £x worth of inward investment into the town ▪ Secure positive profile for the town/council through x number of positive stories in the national media ▪ Support the Fairtrade status by ensuring that x% of food products in the supply-chain is Fairtrade ▪ Secure £x-worth of investment in, or in-kind contributions to, fuel poverty initiatives in town
Raise the living standards of local residents	<ul style="list-style-type: none"> ▪ Work towards paying staff the Living Wage ▪ Increase rates of pay for lowest-paid staff by x% ▪ Improve the skills levels of existing staff by training x% of the workforce to NVQ Level 2/3/4 (for example) ▪ Reduce average sickness absence by x% through an improved health, wellbeing and support package for staff ▪ Identify all staff who are carers and ensure flexible working practices are implemented to support these responsibilities within x weeks of contract start date

	<ul style="list-style-type: none"> ▪ In instances of partial/whole sale of company, offer to workers
Build the capacity and sustainability of the voluntary and community sector	<ul style="list-style-type: none"> ▪ Contribute x number of hours of business planning support / financial advice / legal advice / HR advice to community and voluntary organisations through an Employer-Supported Volunteering scheme ▪ Provide facilities for use by community and voluntary organisations for x number of hours per year ▪ Work with community and voluntary organisations to create x number of new volunteering opportunities in THE AREA ▪ Support local third sector organisations through the supply chain by spending x% of total expenditure with community and voluntary sector providers based in THE AREA
Promote equity and fairness	<ul style="list-style-type: none"> ▪ Supporting young people into work by delivering employability support (e.g. CV advice, mock interviews, careers guidance) to x number of school and college students ▪ Support prevention by running education and publicity campaigns with specific targets (e.g. support x number of staff / residents / service users to stop smoking / increase their physical activity / access money advice)
Promote environmental sustainability	<ul style="list-style-type: none"> ▪ Reduce the amount of waste generated by x% per year ▪ Reduce carbon emissions by x% per year ▪ Reduce overall energy consumption / water consumption by x% per year ▪ Increase the use of renewable energy / community generated renewable energy as a proportion of total energy consumption by x% over the lifetime of the contract (without increasing overall energy consumption) ▪ Include and improve green spaces within developments. ▪ Support x number of households to better manage their energy demands through improvements in the fabric of their homes, bringing them out of fuel poverty and contributing to climate change goals ▪ Reduce the utilisation of single-use plastics by x% per year.