

# Brentwood Borough Council Social Value Policy

## Introduction

Value for money is at the core of public sector procurement decisions, including Brentwood Borough Council. Over the last few years there has been a shift in how value for money should be calculated, namely that it should include social and economic requirements. This resulted in a number of policy developments including the Public Service (Social Value) Act 2012.

The Public Services (Social Value) Act 2012 came into force in January 2013 cementing the responsibilities of a contracting authority when procuring service contracts subject to public procurement regulations to take into account the “economic, social and environmental well-being of the relevant area” in its procurement activity.

How the Council considers the ‘economic, social and environmental wellbeing of the relevant area’ is set out in this Social Value Policy.

While the Council looks at the economic, social and environmental wellbeing opportunities as part of its procurement or commissioning processes it can also consider its own contribution to the Public Service (Social Value) Act 2012. Currently the social value that the Council generates is reported annually in the Medium-Term Financial Plan

### 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:

The Services (Social Value) Act 2012 states:

The authority must consider –

- (a) How what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and
- (b) How, in conducting the process of procurement, it might act with a view to securing that improvement

In order to really deliver social value and have it fully embedded and considered, commissioners must move away from just considering the core value service being delivered by a supplier to one that recognises the overall value of outcomes delivered.

## Why are we doing this?

Brentwood Borough Council wants to ensure that social value runs through its procurement and commissioning processes. While Social Value is mentioned in the Council's Procurement Strategy, the Council needs to ensure that it is considered and embedded throughout the whole process. From advertising an Invitation to Tender through to awarding of the contract, the Council must ensure providers articulate how they will provide social value. For instance, in Section 106 agreements planners are asking developers for local improvements as a condition of planning consent, although this has been around for a considerable time it can be also be used to add social value.

Requiring suppliers to deliver social benefits while they deliver the main element of their contract means that there is a magnified benefit to the borough. Incorporating social value into our commissioning and procurement process is not difficult and can make tangible difference to people in the community, to service delivery and to the Council's spending plans as a whole.

### **Adoption of this policy can provide advantages such as those set out below:**

- Encouraging a diverse base of suppliers: Promoting supplier diversity; including the participation of small and medium sized enterprises (SME's) and third sector (voluntary and community) organisations and local suppliers in general;
- Promoting fair employment practices: Ensuring workforce equality and diversity within supply chains;
- Meeting targeted recruitment and training needs: offering a range of apprenticeship, training and skills development opportunities as well as employment opportunities;
- Community benefits: maximising opportunities for Brentwood organisations to participate in the Council's supply chains and encourage suppliers to make social contributions to the local area;
- Ethical sourcing practices: Ensuring compliance with UK, EU and international standards, promoting fair trade and fair pricing policies, tackling corruption, child labour, animal welfare, blacklisting of union members and similar social issues; and
- Promoting greater environmental sustainability: Minimising waste and pollution, supporting carbon reduction initiatives, furthering energy efficiency and other sustainability programmes.

## Policy and Legislative context

This Social Value Policy fully supports the Council's Corporate priorities including the Council's Procurement Strategy and The Brentwood Compact.

As noted in the introduction, the Public Services (Social Value) Act 2012 is now in force and places a duty on the Council to consider and secure improvements in the wellbeing of the areas through procurement activity.

With procurement being crucial to the commissioning process, social value benefits must be considered at the outset and a clear, consistent and unambiguous message about this intent should be ensured at all stages.

In addition, this policy supports the delivery of the Council's duties under the Equality Act (2010) by moving beyond the assessment of how commissioning decisions can affect groups of people. The Council should also look for opportunities, through social value benefits, to advance opportunities for disadvantaged groups.

### What does it look like in practice?

Council representatives are required to seek measurable, verifiable social value outcomes that:

- a) Are relevant to the purpose of commissioning where possible;
- b) Can reasonably be included in contract specifications and
- c) Can contribute to achieving the Council's priorities

This list is not intended to be definitive but will be used to determine the priority of benefits offered.

### Below are some examples of how the Council can use social benefits to bring long-term good to the borough:

- Creating skills and training opportunities (e.g. apprenticeships or on the job training);
- Creating employment opportunities for workless residents including the long term unemployed or NEETs (those not in education, employment or training);
- Offering work placements to students and young adults;
- Providing career advice and information for young people;
- Offering curriculum support to schools and colleges on careers relating to the services delivered by contractors;
- Providing additional opportunities for individuals or groups facing greater social or economic barriers;

- Creating supply chain opportunities for SMEs and social enterprises;
- Developing the capacity of local SME's;
- Creating opportunities to develop third sector organisations;
- Improving market diversity;
- Encouraging community engagement with groups of individuals who might otherwise feel disengaged;
- Supporting local community initiatives like targeting hard to reach groups;
- Encouraging ethical and fair-trade purchasing; and
- Promoting greater environmental sustainability.

There are a number of developments in the social value space that are looking to offer innovative solutions to contracting authorities allowing them to maximise the social value benefits achieved through the procurement and commissioning process. Through the implementation of this policy, the council will look to explore these as necessary to ensure the Council receives the most advantageous outcomes as possible.

## **Delivery and Reporting**

The Council has a social value in procurement cycle (Appendix 1) which supports officers involved in procurement in advises how to include social value criteria in their approach and in the procurement documentation.

Once the procurement exercise is concluded, the responsibility for ensuring the committed social value benefits are actually delivered falls to the officers responsible for the contract management of that individual contract. Each service area should be able to demonstrate the effective management of the contracts they are responsible for, including the social value deliverables.

This is further supported by the Community Services team who will report annually on benefits achieved on all contracts with social value under the EU threshold, all those above the EU threshold of £4.1m for construction contracts and £181,000 for service contracts will be reported directly back to committee as part of their monitoring of the contract.

## **Review**

Brentwood Borough Council will periodically review its Social value Policy. In doing so, it will take account of any change in legislation pertaining to the Public Services (Social Value Act) 2012, the Local Government Act, EU Regulations and any changes to the Council's priorities when they are reviewed.

## Social Value Guide through the cycle

Initiation (Review)	Needs Analysis (Analyse)	Consultation:Stakeholder / marketplace (Plan)	Designing the service (Do)	Setting the objectives	Contract Management
<p><b>Examine the existing contract</b> What social value is already being achieved? Investigate existing activities that can become measurable 'added value' (are they working?)</p> <p><b>Consider the 'fit'</b> Are there particular priorities or policy objectives that could be met through the new contract? Is there a need to revise policy?</p> <p><b>What other action could be taken before a new procurement exercise is commenced?</b> Amendments/additions to commissioning plan or specification and contract</p> <p><b>Stakeholder/service user engagement</b> Identify which priorities are most relevant to stakeholders and service users, and which should be reflected in an expanded commissioning plan or specification</p>	<p>Have service users changed?</p> <p>Have the wider community needs changed?</p> <p>Are there different social issues to tackle now?</p> <p>Are there new ways of resourcing the requirement – e.g. other sources of public funding or through collaboration?</p> <p>Has the landscape of potential providers changed substantively?</p>	<p><b>Consider undertaking consultation</b></p> <p>What are the social, economic or environmental "needs"</p> <p>How could this best be delivered?</p> <p>What are the capabilities and willingness of the market?</p> <p>How can Social Value be monitored and measured?</p> <p>What evidence already exists?</p> <p>Share proposed requirements and monitoring and evaluation model</p> <p><b>Consider publishing a Prior Information Notice</b></p> <p>Alerts the market to the consultation exercise and market engagement event, and enables:</p> <ul style="list-style-type: none"> <li>• Views to be captured</li> <li>• A market to be created</li> <li>• Potential suppliers to consider collaboration /forming consortia</li> </ul>	<p><b>Ensure the Social Value requirements are threaded throughout the tender documents</b></p> <p>Should flow naturally from needs analysis and stakeholder/market</p> <p>Where should the Social Value element be included?</p> <p>Does this form part of the contracts subject matter?</p> <p>To what extent should social, economic and environmental requirements be reflected in the commissioning plan or service specification?</p> <p>Where Social Value does form part of the subject matter, it can be taken into account when evaluating a bidder's suitability (this should be reflected in all stages of the procurement process)</p> <p>Specify ways in which service performance of requirements can be verified</p> <p><b>NB: unverifiable requirements are unlawful</b></p>	<p>The evaluation criteria cannot be changed through the procurement process at any stage (includes sub-criteria/weightings)</p> <p>Social and environmental characteristics will be most relevant to the "quality" aspects of the evaluation criteria</p> <p>The weightings allocated to social characteristics must relate to their importance to the contract (typically these might be between 5-10%)</p> <p>Rationale for adopting particular weightings must be documented</p>	<p>Deploy enough resource to monitor the contract effectively</p> <p>Review with the service provider, its performance of a full commissioning plan or specification (including any Social Value aspects)</p> <p>Track value for money work together to identify how service delivery can be enhanced collaboratively</p> <p>The contract is the starting point for unleashing social impact and value for money</p>