
Social Value Policy

Date of Committee:	Executive on 18 November 2021
Portfolio Member:	Councillor Ross Mackinnon
Date Portfolio Member agreed report:	22 September 2021
Report Author:	Karen Felgate
Forward Plan Ref:	EX4153

1 Purpose of the Report

This report is seeking approval from the Executive to adopt the West Berkshire Social Value Policy which formalises the approach to implementing Social Value in the District in line with the 2012 Public Services (Social Value) Act.

2 Recommendations

- 2.1 The Executive approves the adoption of the West Berkshire Council Social Value Policy.
- 2.2 The Executive grants delegated authority to Executive Director Resources to agree minor changes to the adopted Social Value Policy.

3 Implications and Impact Assessment

Implication	Commentary
Financial:	The West Berkshire Social Value Policy will set out the methodology by which West Berkshire Council spends public money to secure social, economic and financial benefit from public procurement processes to deliver services
Human Resource:	N/A
Legal:	<p>The Public Services (Social Value) Act 2012 sets out the responsibilities for local Councils when procuring service contracts subject to public procurement regulations.</p> <p>Procurement Policy Statement (6/20) has now set specific requirements for Local Authorities to consider the following priorities:</p>

Social Value Policy

	<p>(a) Creating new businesses, jobs and skills</p> <p>(b) Tackling climate change and reducing waste</p> <p>(c) Improving supplier diversity innovation and resilience</p>			
Risk Management:	Please refer to risk table in section 5.17 below.			
Property:	N/A			
Policy:	<p>Public Contract Regulations 2015</p> <p>Public Services (Social Value) Act 2012</p> <p>National Procurement Policy Statement 06/20</p>			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?	X			The policy will help to positively impact upon inequality through better spending of public money for the benefit of disadvantaged groups.
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?	X			The policy will help to positively impact upon the lives of people with protected characteristics through better spending of public money for the benefit of disadvantaged groups.

Social Value Policy

Environmental Impact:	X			<p>The following environmental outcomes have been identified:</p> <ul style="list-style-type: none"> • Reducing carbon emissions to help achieve carbon neutrality by 2030 and beyond • Seeking to reduce air pollution or eliminate where possible • Contributing to the protection, restoration and enhancement of West Berkshire's natural environment • Resource efficiency and up to date processes for re-use and recycling • Encouraging local innovation and skills to help tackle climate change in West Berkshire
Health Impact:	X			<p>The following health outcomes have been identified:</p> <ul style="list-style-type: none"> • Supporting the reduction of social exclusion, isolation and inequalities • Generating education, training and employment opportunities for people in the community with disabilities • Designing services which take account of different needs • Generating positive health outcomes for local people
ICT Impact:		X		
Digital Services Impact:		X		

Social Value Policy

Council Strategy Priorities:	X			<p>The Social Value Policy will help to achieve all six Council priorities:</p> <ul style="list-style-type: none"> • Ensure our vulnerable children and adults achieve better outcomes • Support everyone to reach their full potential • Support businesses to start, develop and thrive in West Berkshire • Develop local infrastructure, including housing, to support and grow the local economy • Maintain a green district • Ensure sustainable services through innovation and partnerships
Core Business:	X			<p>The Social Value Policy will enhance third party services through effective tendering and contract management and therefore improve the core business of the Council.</p>
Data Impact:	X			<p>Data impact will be addressed on a contract by contract basis and as part of each procurement process.</p>

Social Value Policy

Consultation and Engagement:	<p>Ross Mackinnon -Council Member for Bradfield and Executive Portfolio Holder: Finance and Economic Development</p> <p>Tony Linden - Council Member for Tilehurst Birch Copse</p> <p>June Graves - Head of Service Commissioning and Procurement</p> <p>Sam Robins - Economic Development Officer</p> <p>Paul Coe - Service Director ASC</p> <p>Jenny Graham Environment Delivery Manager</p> <p>Helen Ramsey – Environment Delivery Officer</p> <p>Vicki Murphy – Procurement Officer</p> <p>Shiraz Sheikh – Service Lead Legal and Democratic Services</p> <p>Claire Say - Principal Lawyer -Property & Procurement</p> <p>Katharine Makant – Economy Manager</p> <p>Sue Butterworth - Programme Support Officer - Healthy Communities</p>
-------------------------------------	---

4 Executive Summary

- 4.1 The 2012 Public Services (Social Value) Act places an obligation upon all Councils to consider how they can secure social, economic and environmental benefits from the procurement of public contracts. A recent Procurement Policy Statement (6/20) has now set specific requirements for Local Authorities to consider the following priorities:
- (a) Creating new businesses, jobs and skills
 - (b) Tackling climate change and reducing waste
 - (c) Improving supplier diversity innovation and resilience
- 4.2 In early 2021, a Members Task and Finish Group was set up to develop a West Berkshire Social Value Policy and oversee the implementation of the policy.
- 4.3 The West Berkshire Social Value Policy sets out the principles which will allow social value principles to be embedded in West Berkshire contracts. The policy focuses upon 'additionality' or added value to ensure that additional economic, social or environmental benefits are achieved through the lifetime of a contract.

Social Value Policy

- 4.4 An evaluation methodology and model evaluation questions have been included in an Appendix to the policy as guidance for officers in the procurement and contract management of Social Value
- 4.5 The recommendation is that The Executive approves the adoption of the Social Value Policy.

5 Supporting Information

Introduction

- 5.1 This report is seeking permission from Executive to approve the adoption of the West Berkshire Council Social Value Policy. The policy ensures that the Council meets its requirements under the Public Services (Social Value) Act 2012 and that the principles of the Act are incorporated into all aspects of our commercial and procurement activity.
- 5.2 Procurement Policy Statement (6/20) has now set specific requirements for Local Authorities to consider the following priorities:
 - (a) Creating new businesses, jobs and skills
 - (b) Tackling climate change and reducing waste
 - (c) Improving supplier diversity innovation and resilience
- 5.3 To maximise the opportunity Social Value has to contribute to the delivery of the Council Strategy, 2020-2023; the proposal is to go beyond the requirements of the Act and require that 10% of the overall evaluation score for Social Value is considered on all Council procurements, where it is possible to do so.
- 5.4 The Appendix to the policy includes an evaluation methodology and model evaluation questions for guidance to assist officers in the application of the policy.
- 5.5 The policy will be used by all services across the Council with guidance from Commissioning and Procurement. It will also serve as a guide for bidders to understand the purpose of Social Value when bidding for services, taking into consideration the additional social, environmental and economic benefits that that can be secured from Council spend. The Social Value Policy is designed to be a flexible and live document and may be amended from time to time to reflect changes in government or local policy.

Background

- 5.6 The Public Services (Social Value) Act 2012 came into force in January 2013. The Act sets out the responsibilities for local Councils when procuring service contracts subject to public procurement regulations to take into account the “economic, social and environmental wellbeing of the relevant area” in its procurement activity.
- 5.7 The National Procurement Policy Statement 6/20, requires all public bodies to give due regard to the use of social value in procurement. The statement highlights that the requirement for Local Authorities to use their spending power to drive sustainability in the supply chain and support the requirement for community resilience and wealth. The

Social Value Policy

effect of the Covid-19 pandemic on local communities in the District has impacted most significantly on disadvantaged groups as well as the local economy.

- 5.8 Councils are now requested to actively consider the provision of social value through external contracting arrangements and undertake a greater level of scrutiny around the delivery of social value considerations.
- 5.9 Social Value requires the Council to think about how it achieve outcomes in a more integrated way at the pre-procurement stage. This will require even more emphasis on pre-market engagement and category planning to ensure strategic objectives are achieved through the procurement process. Consideration will need to be taken around long term costs and benefits to the community or the environment and the local economy, rather than thinking about services in isolation or in the short term.

Methodology

- 5.10 There are a range of metrics available for public organisations to use to evaluate Social Value. A national framework for measuring Social Value is the TOMs Framework (TOMs: Themes, Outcomes and Measures).
- 5.11 A Task and Finish Members Group was set up to consider all the options for Social Value delivery in West Berkshire. Regard has been given to some aspects of the TOMs framework in the development of this policy. However the principles and evaluation processes have been modified to specifically reflect the requirements of West Berkshire Council and enable a best fit into our Constitution and Council Strategy aims.
- 5.12 The resulting methodology, which is attached as an appendix to the policy, enables a range of qualitative and quantitative questions that can be posed to third party suppliers as part of the technical procurement process. It will also enable contract managers to embed these as key performance indicators as part of the contract management process to ensure that the Social Value agreed metrics are maintained. Examples of good practice questions and answers have been included in the methodology to help guide service areas to develop their metrics and for suppliers to understand the context by which the policy will be driven.
- 5.13 A key element of the policy is focused around 'additionality' or 'added value'. Additionality enables extra economic, environmental and/or social benefits to be achieved from West Berkshire contracts with third party providers that would have not have generally been included as essential criteria in the specification.
- 5.14 For example, a building contract may require the contractor to consider using local labour; 'local' will be defined in the pre-tender work in conjunction with potential stakeholders such as suppliers at a 'Meet the Buyer' event. Alternatively it may consider opportunities for the use of supported employment options in relation to a building contract for people from disadvantaged groups. Questions will be developed as part of the tender evaluation criteria to score the responses and the metrics will then be included in the ongoing monitoring of the contract as key performance indicators (KPI's).
- 5.15 The West Berkshire Social Value Policy is a live document and there will be continuous learning as part of the implementation of the policy. Where third party suppliers are struggling to meet a Social Value KPI; this will be the subject of contract monitoring

Social Value Policy

meetings between the service area and the supplier. In exceptional cases it may be necessary to revise a KPI with mutual consent. Where work has been carried out with the supplier to ensure the KPI is achievable and delivery is still not improving, then the contract conditions will apply and the supplier will be managed in accordance with the provisions in the contract.

5.16 The policy will be reviewed six months after implementation to consider its effectiveness and consider any potential areas for change that may have been identified during the initial six month period.

Risk Management

5.17 The following risks have been identified with mitigation measures.

Identified Risk	Impact	Mitigation
Scoring mechanism may discourage bidders, particularly voluntary organisations and small businesses from bidding on procurements	1. Reluctance in market, particularly VCSE and SME's to bid in procurement processes. 2. Lack of bids for services and knock on inability to deliver services effectively	SME's and voluntary sector included in pre-tender consultation events/workshops.
Not adopting a Social Value Policy	1. West Berkshire is non-compliant with legislation. 2. Limiting chances for disadvantaged groups to benefit from services procured by West Berks. 3. Lack of guidance on Social Value to inform strategic decision making 4. Limited opportunities to obtain best value for communities from procurement spend	Adoption of Social Value Policy
Insufficient Member support and/or officer resource available to implement the Social Value Policy	Policy is not able to be implemented due to Member support/lack of resources	Members are keen to see Social Value Policy adoption

Social Value Policy

Identified Risk	Impact	Mitigation
		<p>Task and Finish Group attended by Members and officer representatives from across the Council to formulate the policy</p>
<p>Lack of awareness of Social Value across the Council and externally</p>	<p>Social Value policy is not used by service areas</p>	<p>1. Communications plan is being developed to ensure that the Social Value Policy is promoted both internally and to external stakeholders.</p> <p>2. Service area buy in will be established through attendance at corporate meetings to promote the policy</p>
<p>Third Party Suppliers are unable to meet requirements in Social Value Policy</p>	<p>Policy fails due to unrealistic Social Value targets</p>	<p>1. Pre-tender work and 'Meet the Buyer' events will be undertaken with third party suppliers including SME's and the voluntary sector to ensure that Social Value requirements are realistic and achievable</p> <p>2. Council are committed to investing in greater support to voluntary sector</p>

Policy Review

5.18 The Social Value Policy is a live document. We will work closely with our partners to further build upon our Social Value offer and refine the metrics used to measure outcomes. This is a learning process for all parties. A review will take place 6 months after implementation to establish whether any changes need to be made to ensure the policy is meeting objectives.

Social Value Policy

6 Other options considered

Do nothing. This is not an option. Consideration of social value in procurements over the Find a Tender (FTS – formerly OJEU) levels is now mandatory. Public authorities are recommended to consider Social Value in all procurements where it is possible to do so. The Council does already take account of Social Value principles in procurement and contract management; this policy sets out a formal framework by which Social Value should be implemented in all future procurements.

7 Conclusion

- 7.1 It is recommended that The Executive approves the adoption of the West Berkshire Social Value Policy. This will help to ensure that the approach by which the Council spends public money and carries out procurement process is targeted towards disadvantaged groups and minorities as well as for economic and environmental benefit to the District.
- 7.2 It is also recommended that The Executive grants delegated authority to Executive Director Resources to agree minor changes to the adopted Social Value Policy.

8 Appendices

- 8.1 West Berkshire Social Value Policy