

Social Value Policy



WORKING TOGETHER

Introduction

Chorley Council and South Ribble Borough Council are neighbouring local authorities who have shared finance, procurement and assurance services since 2009. Since April 2020, the two councils have expanded their shared services to share a single leadership model covering all corporate areas including legal and democratic, communications and visitor economy, transformation and partnerships and more recently ICT.

Both boroughs are relatively affluent and have high levels of employment in comparison to other areas in Lancashire and across the country. Both council's corporate plans have a commitment to a strong local economy, including supporting local businesses and high-quality employment and education opportunities. The local authorities are also both supportive of the green agenda and have a high proportion of rural space and green-belt designated land.

However, both councils still face challenges. There are some pockets of deprivation across both local authorities, with 3 small neighbourhood areas in each borough falling within the 10% of most deprived areas nationally. Whilst employment is high across the authorities, a large number of residents commute outside of the borough, increasingly so for high skilled and well-paying roles. The boroughs also have greater than average carbon dioxide emissions, partly due to the impact of local transport links.

Chorley Council and South Ribble Borough Council recognise the important role they can play in enabling Social Value through procurement activity. The introduction of this Shared Social Value Policy will contribute to the current successes of Chorley and South Ribble Councils and will support plans to address key challenges, particularly in relation to the local economy, environmental sustainability and delivering on the Green Agenda.

The aim of this policy is to set out our approach to social value and how we will integrate economic, environmental and social responsibility into our procurement processes.

Background

The Public Services (Social Value) Act 2012 (the Act) came into force in January 2013, cementing the responsibilities of a contracting authority before procuring services contracts (subject to public procurement regulations) to consider the "economic, social and environmental wellbeing of the relevant area" in its procurement activity. Public procurement legislation also permits contracting authorities to consider social aspects when assessing the quality of a tender whether relating to goods, supplies or works. This allows authorities to select a bidder based on the most economically advantageous tender (MEAT), rather than at just a low price.

The Act states the authority must consider:

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

In addition, the Act requires that in relation to the above duty, contracting authorities must only consider matters that are relevant to what is to be procured and must consider the extent to which it is proportionate in all the circumstances to take those matters into account.

The Act also requires the authority to consider whether to undertake public consultation, to understand further the improvements that can be secured through a Services tender opportunity, and how they can be realised. For example, a local authority consulted with service users on their 'Meals on Wheels', seeking feedback for improvement. Isolation and loneliness were identified as key concerns, and with this information the local authority subsequently secured a service which aimed to bring people into a local community centre to meet with others.

In order to deliver Social Value properly, and have it fully embedded and considered, commissioners must move away from just considering the core service being delivered by a supplier to one that recognises the overall value of outcomes delivered. South Ribble Borough Council and Chorley Council intend to further commit itself to the Act, by going beyond the Act's requirements and implementing this policy into all aspects of its commercial and procurement activity where it is practicable to do so. In doing this, both the detail and spirit of the Act can be delivered in all South Ribble and Chorley Councils commercial and procurement activity.

However, it should be emphasised that there is not a one-size-fits-all approach to Social Value. Each contract must be considered individually for its ability to deliver on these priorities where it is both relevant and proportional to do so.

What is Social Value?

Social Value is the additional economic, social and environmental benefits that can be created when the Councils purchase from an outside organisation, above and beyond the value of the Services purchased.

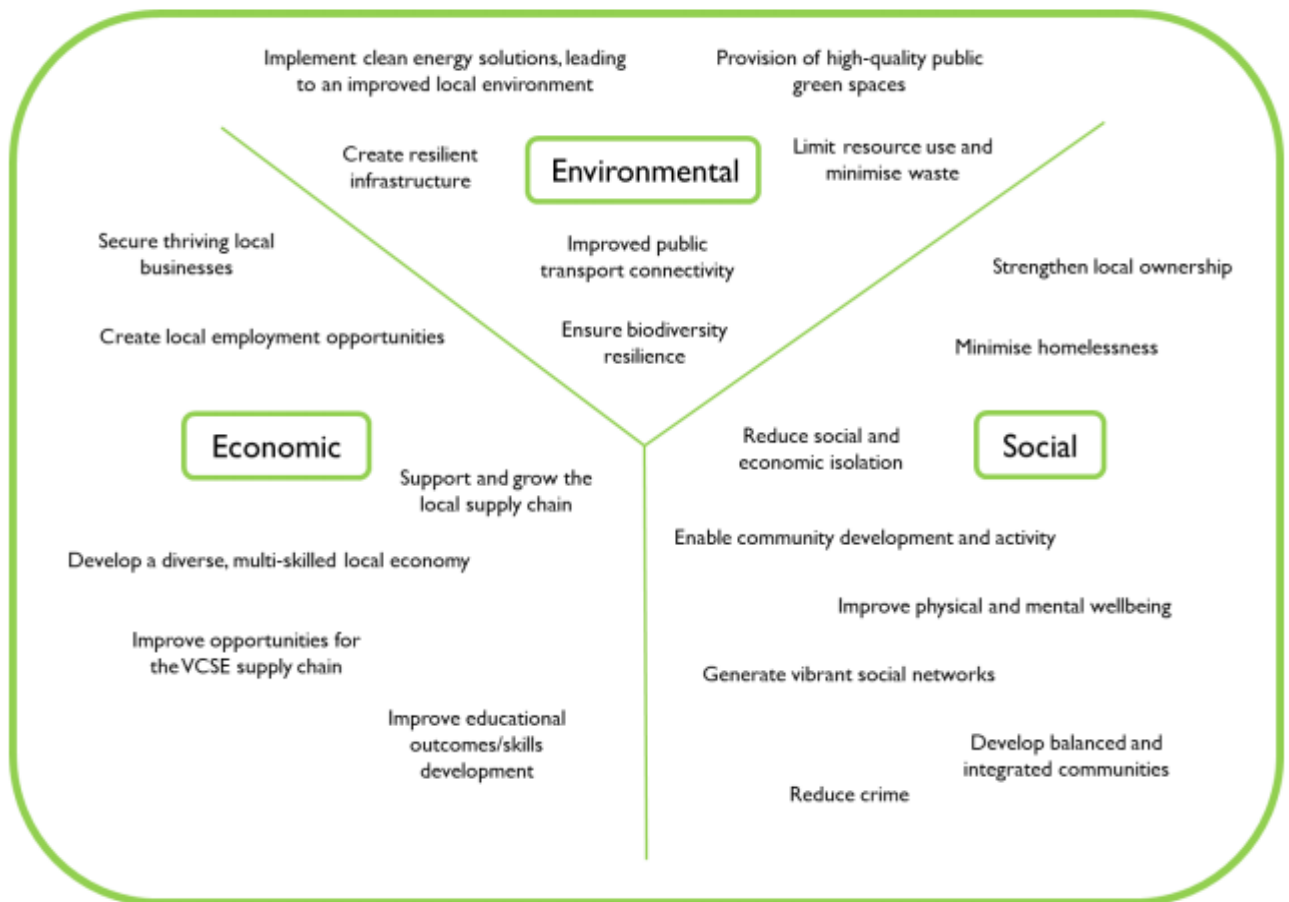
Social Value is defined by The Social Value Portal as:

"An umbrella term for the wider economic, social and environmental effects of an organisations activities. Organisations that make a conscious effort to ensure that these effects are positive can be seen as adding social value by contributing to the long-term wellbeing and resilience of individuals, communities and society in general."

- Economic effects relate to the creation and maintenance of a strong local economy, and the encouragement of local innovation to make the economy more efficient.
- Social effects relate to ensuring equality and diversity and maximising social inclusion.
- Environmental effects relate to ensuring local biodiversity, reducing carbon emissions, recycling and controlled consumption.

Examples of how these three 'pillars' of sustainable procurement can benefit the local community - economic, social and environmental- are set out in the diagram below.

In some instances, outcomes will cross over multiple areas. Interventions that meet multiple objectives are possible and should be pursued where deliverable.



Why are we doing this?

By accounting for social value directly through spending decisions and procurement processes, Chorley Council and South Ribble Borough Council can further deliver on their primary functions and corporate priorities through maximising benefit for the community that they have been established to serve.

Requiring suppliers to deliver social benefits while they deliver the main element of the contract means that there is a magnified benefit for the Councils. Incorporating social value into commissioning and procurement process can make a 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 the following benefits: -

➤ Encouraging a diverse base of suppliers

Promoting supplier diversity; including the participation of small and medium sized enterprises (SME's) and 3rd sector organisations, and local suppliers in general.

➤ Promoting fair employment practices

Ensuring workforce equality and diversity within supply chains, promoting and encouraging fair working practices in general including promoting and encouraging our contractors and suppliers to pay the real Living Wage

➤ **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 organisations to participate in the Councils' supply chains and encouraging suppliers to make a social contribution 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.

➤ **Promoting greater environmental sustainability**

Minimising waste and pollution, supporting carbon reduction initiatives, furthering energy efficiency and other sustainability programmes.

Both councils place great importance on the climate emergency / green agenda, and are fully committed to being carbon neutral by 2030

Policy Context

Each Council's Corporate Strategy sets out the Council's vision and how the Council will improve the lives of everyone who lives, works in and visits the borough through delivery of Corporate Priorities. Implementation of this Social Value Policy and the delivery of Social Value through procurement will help to deliver the Vision and Priorities which underpin this Social Value Policy.

South Ribble Borough Council Corporate Strategy

Vision: *A healthy and happy community, flourishing together in a safer and fairer borough that is led by a council recognised for being innovative, financially sustainable and accountable".*

Corporate Priorities:

- Thriving Communities
- Good homes, green spaces and healthy places
- A Fair Local Economy that works for everyone

- An Exemplary Council

Chorley Council Corporate Strategy

Vision: *A proactive community leader, supporting the borough and all its residents, whether in rural or urban areas, to reach their full potential through working in partnership to deliver services that achieve the best outcomes for local people and protect vulnerable people.*

Corporate Priorities:

- Involving residents in improving their local area and equality of access for all
- Clean, safe and healthy homes and communities
- A strong local economy
- An ambitious council that does more to meet the needs of residents and the local area

The Social Value Policy is also informed by and feeds into both Councils wider policy frameworks such as the Climate Emergency Strategy.

Delivery - How will we implement this policy in practice?

In practice this policy will be applied as follows:

- 1) As a minimum, all officers undertaking procurements over £100,000 will be required to consider
 - a. if and how what is being procured could improve the social, economic and environmental wellbeing of the area in accordance with the Council Corporate Strategy and
 - b. how social value elements could be included as part of the specification and as part of the scoring and evaluation process.
- 2) The Councils must ensure that, in accordance with Section 1(6) of the Public Services (Social Value) Act 2012, Social Value elements are included only where they are relevant to what is being procured, and that the Social Value elements are proportionate. They must also be such so as not to discriminate against bidders from outside of the local area.
- 3) The standard weighting for Social Value will be a minimum 15% of the overall evaluation score for all Contracts above £100,000 at SRBC and for all Construction and Services Contracts above £100,000 at Chorley, with other contracts above £100,000 at Chorley to have a minimum Social Value weighting of 5%. At both authorities this shall exclude Consultancy and IT contracts which should be considered on a case by case basis. Where it is feasible and beneficial, the weightings may be higher than the specified minimum. Approval for proposed evaluation criteria and weightings shall be obtained in accordance with the thresholds included in the relevant Council's Contracts Procedure Rules.

- 4) For relevant contracts the Councils may require potential suppliers to submit details on how they will deliver social value through delivery of the contract across the five following areas:
 - Promoting local skills and employment (Jobs)
 - Supporting growth of responsible regional business (Business)
 - Creating healthier, safer and more resilient communities (Social)
 - Decarbonising and Safeguarding our World (Environment)
 - Promoting social innovation (Innovation)
- 5) The National Social Value Measurement Framework (the 'National TOMs') as agreed by the Local Government association, will be used to embed Social Value into the procurement process, and to contract manage its delivery through regular data entry and reporting. Chorley and South Ribble Borough Councils have partnered with the Social Value Portal to help support and facilitate this process.
- 6) The National TOMs Framework contains 5 principal issues or 'Themes', 20 core 'Outcomes' and 48 core 'Measures' ('TOMs'):
 - Themes – overarching strategic themes
 - Outcomes – objectives or goals that will realise the delivery of the Themes
 - Measures – specific and measurable initiatives or activities that can be delivered to achieve the Outcomes.

The National TOMs Framework is designed to provide Measures that suppliers can deliver as part of their local authority contracts. A customised lite version of the National TOMs will be used to measure the additional Social Value generated through Chorley and South Ribble Borough Council's procurement process. Larger Strategic procurements may use a customised version of the full core set of National TOMs. Further information on the TOMs framework can be found [here](#)

7) Supporting and Encouraging the Local Supply Chain, VCFS and SME's

Spending money locally generates value across our supply chain and effectively delivers it to local people. A higher proportion of money re-spent in the local economy means more income is retained locally, resulting in more jobs and potentially higher pay. All of these outcomes may lead to better living standards for local people.

It is therefore important that we place appropriate value on the spending of money in our local economy. To do this, where the market and the law allows, we will aim to target our procurement spend towards Lancashire based organisations. We will do this by:

- Inviting at least one local supplier wherever possible when inviting quotations. This has been built into, and is a requirement, of the Council's Contracts Procedure Rules.
- Training and raising awareness with all officers who may be involved in the procurement process of the importance of understanding and proactively engaging with the local market.
- Using simple streamlined, template procurement documents.

- Advertising tenders and inviting quotes using the regional, easy to access and free of charge, regional e-portal, The Chest.
- Maintain a procurement information area on the Council's website including a link to the Chest and a "How to" guide for contractors and suppliers.
- Pay our suppliers promptly and ensure prompt payment down the supply chain.
- Consider reserving the procurement by supplier location and for Small and Medium sized Enterprises (SMEs) / Voluntary, Community and Social Enterprises (VCSEs) as provided for in Procurement Policy Note (PPN) 11/20 where appropriate and relevant to do so. In such cases, approval will be obtained in accordance with the Council's Contracts Procedure Rules

8) Contractualisation of Social Value Offers

Once a procurement is concluded the winning bidder's social value offer shall be "contractualised", i.e. it will be incorporated in the contract documentation as part of the service the supplier is required to deliver. The council contract manager shall monitor and report on these periodically as part of the contract management process to ensure the benefits are delivered.

9) This policy will be communicated to all staff, providers and partners. It will be published and promoted on the Tenders and Contracts area of each Council's website and a link to the policy shall be included in the Council's template quotation and tender documentation, providing a clear guide to bidders as to our aims and objectives and how they can offer social value in their bid submission.

10) A Social Value Toolkit will be developed and published in the coming months outlining the Councils' approach to achieving Social Value for residents and communities and providing support, information and guidance to suppliers when considering working with the Council and bidding for council contracts.

Review

Chorley and South Ribble Borough Councils will periodically review their Social Value Policy. In doing so, the reviews will take into account any changes in legislation pertaining to the Public Services (Social Value Act) 2012, the Local Government Act, Public Contracts Regulations 2015 and any changes to the Council's priorities. Periodic review will also measure the impact of the policy including what has been achieved through contracts with social value offers.

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