

# Social Value Policy

## 1.0 BACKGROUND

- 1.1 On the 31st January 2013 the Public Services (Social Value) Act 2012 became fully operational. The **Social Value Policy** described here sets out the key principles and actions whereby the Council endeavours to embed practical, proportionate and effective **inclusion of social value** in every aspect of its procurement, commencing (as the legislation requires) at the pre-procurement stage and continuing throughout the lifecycle of the contract including Contract Management.
- 1.2 Social Value is a process whereby public bodies meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis whilst additionally generating benefits to society and the economy, whilst minimising damage to the environment.
- 1.3 Any revisions to the Act will be considered and incorporated into the process for achieving social value through our procurement activities.

## 2.0 SCOPE

- 2.1 While the Act only requires relevant authorities to consider social value in service contracts (and goods or works contracts where there is a service element) above a prescribed financial threshold, the Council's implementation of the duties in the Act will be as wide as practicable and the Council will seek to secure meaningful social value outcomes from its procurement activities:
  - (i) with all suppliers, providers and contractors,
  - (ii) for goods, services, and works, and
  - (iii) for all contract values as indicated in Appendix A.
- 2.2 The Council will adopt the Social Value Portal's Themes, Outcomes and Measures (TOMs) Framework. The TOMs framework is a tool that allows the Council to attribute a proxy financial value against a range of social value activities committed to by suppliers, providers and contractors through the procurement process.
- 2.3 The Council may also consider other tools and methodologies that may be available to calculate social value outcomes.

## 3.0 WHAT WE MEAN BY SOCIAL VALUE

- 3.1 The Act states:

"If the relevant authority proposes to procure or make arrangements for procuring the provision of services, or the provision of services together with the purchase or hire of goods or the carrying out of works.... The authority must consider how what is proposed to be procured might improve the **economic, social and environmental well-being** of the relevant area and, in conducting the process of procurement how it might act with a view to securing that improvement". It must also "consider whether to undertake any consultations as to matters to be considered" under that process.

3.2 For the purposes of this policy we refer to this **improvement of wellbeing as social value**. In order to implement this, we seek measurable, verifiable **social value outcomes** that:

- (i) are achievable and proportionate to the size, value and scope of the contract.
- (ii) are secured as a result of the supplier, provider and contractor being awarded the contract with the Council and
- (iii) contribute to achieving the Council's Key Strategic Priorities (as described in the Council Plan)

3.3 Key Themes of social value as identified in the Social Value TOMs Framework include;

- (i) Jobs: Promoting local skills and Employment

Encouraging more Stockton people in employment, more opportunities for disadvantaged people from Stockton, improved skills for Stockton people and improved employability of young people from Stockton.

- (ii) Growth: Supporting growth of responsible regional business

Supporting opportunities for Stockton SMEs and VCSEs, improving staff wellbeing, ethical procurement is promoted and social value is embedded in the supply chain.

- (iii) Social: Healthier, safer and more resilient communities

Creating a healthier community for Stockton residents, more working with the community in Stockton, initiatives to reduce crime in Stockton and vulnerable people in Stockton are helped live independently.

- (iv) Environment: Protecting and improving our environment

Measures aimed at reducing air pollution, tackling climate impacts and encouraging better places to live in Stockton.

3.4 This list is not exhaustive and additional or innovative means of achieving social value can be suggested by either the Council or its suppliers, providers or contractors delivering goods, services or works where appropriate.

#### **4.0 THE POLICY CONTEXT**

4.1 The strategic context for social value outcomes derives from the Council Plan:

*We want the Borough of Stockton on Tees to be:*

**A place where people are healthy, safe and protected from harm, meaning;**

- **People live in cohesive and safe communities,**
- **People are supported and protected from harm, and**
- **People live healthy lives.**

**A Place that is clean, vibrant and attractive, meaning;**

- **Great places to live and visit,**

- **Clean and green spaces, and**
- **Rich cultural experiences.**

**A place with a thriving economy where everyone has opportunities to succeed, meaning;**

- **A growing economy,**
- **Improved education and skills development, and**
- **Job creation and increased employment**

- 4.2 The Council has aligned and prioritised the measures in the calculator with the outcomes across the above three strands of the council plan. This prioritisation steers bidders towards how they can support us in delivering our vision for the borough as they will score more highly for delivering measures that are strategically more important to us when their tenders are evaluated.
- 4.3 This Social Value Policy will be linked with the objectives included within the Council's Inclusive Growth Strategy, A Fairer Stockton-on-Tees Strategic Framework and the Environmental, Sustainability and Carbon Reduction Strategy.

## **5.0 IMPLEMENTATION**

- 5.1 The Council will embed the Social Value Portals TOMs Framework, or any equivalent methodology agreed by the Council, in its procurement exercises to encourage suppliers, providers and contractors to commit to social value measures above and beyond the scope of the contract.
- 5.2 Where social value is deemed appropriate, we will communicate clearly to our suppliers, providers and contractors the importance of social value to the Council through market engagement, briefings, meet the buyer events and on the Council's Corporate Social Responsibility internet pages.
- 5.3 Social value will be applied in procurement exercises in accordance with the table identified at Appendix A. This will ensure a directed, proportionate and targeted approach that steers suppliers, providers and contractors to social value that will encourage more measures being committed to that will help meet the Council Plan objectives and those detailed within the supporting Inclusive Growth, A Fairer Stockton-on-Tees and Environmental Sustainability and Carbon Reduction Strategies
- 5.4 Upon commencement of each and every procurement exercise, the Council will where appropriate:
- a) Ask bidders to complete the TOMs calculator detailing and describing the social value outcomes and measures that they will deliver when providing the contract for goods, services or works.
  - b) Include a proportionate weighting in the tender evaluation model to assess the social value commitment submitted by bidders.

- c) Include social value contract clauses in the contract terms and conditions and communicate these to all bidders.

5.5 Upon completion of each and every procurement exercise, the Council will through Contract Management;

- a) Record and monitor the social value commitments made as a result of the procurement process.
- b) Monitor the delivery of social value over the life of the contract through regular supplier, provider and contractor review meetings.
- c) Capture the proxy financial value of social value delivered and demonstrate outcomes through relevant case studies.

## **6.0 REPORTING ON SOCIAL VALUE**

6.1 The Council will:

- a) Report social value outcomes achieved through its procurement activities via the Inclusive Growth Strategy, A Fairer Stockton-on-Tees Strategic Framework and the Environmental Sustainability and Carbon Reduction Strategy

Appendix A

**TOMs Priorities linked to the Council's Strategic Plans.**

<b>Ref</b>	<b>Category</b>	<b>Value</b>	<b>Priority 1</b>	<b>Priority 2</b>	<b>Priority 3</b>
<b>1</b>	<b>Construction</b>	<b>£177k - £1m</b>	Yes – Mandatory	Yes – Discretionary on a case by case basis	No
<b>2</b>	<b>Construction</b>	<b>&gt; £1m</b>	Yes – Mandatory	Yes – Discretionary on a case by case basis	Yes – Discretionary on a case by case basis
<b>3</b>	<b>All Categories except Construction</b>	<b>Up to £177k</b>	Yes – Discretionary	No	No
<b>4</b>	<b>All Categories except Construction</b>	<b>&gt; £177k</b>	Yes – Mandatory	Yes – Discretionary on a case by case basis	No
<b>5</b>	<b>All Categories except Construction</b>	<b>&gt; £1m*</b>	Yes – Mandatory	Yes – Discretionary on a case by case basis	Yes – Discretionary on a case by case basis

- 6 The Councils generic award question is to be used if the TOMs calculator is deemed not appropriate for the procurement exercise. This will ensure social value is considered and social value benefits may be achieved through the process of the procurement exercise.**
- 7 The Councils generic award question is to be used if the TOMs calculator is deemed not appropriate for the procurement exercise. This will ensure social value is considered and social value benefits may be achieved through the process of the procurement exercise.**
- 8 Bespoke social value methodology applicable to the contract being tendered. This should link to the TOMs. (for example as used in the minor works framework)**