



Rutland County Council

DRAFT

SOCIAL VALUE POLICY

Version Control	Version 1.3
Document Owner / Authorising officer	Head of Commissioning/ Director of Resources
Target Audience	All staff undertaking any procurement.
Publication Date	May 2017
Review Date	May 2018
Links to other policies/processes	Contract Procedure Rules

Contents

1. INTRODUCTION	3
2. WHAT IS 'SOCIAL VALUE'	3
3. POLICY AND LEGISLATION.....	4
4. RUTLAND'S SOCIAL VALUE OUTCOME FRAMEWORK.....	4
5. THE SCOPE OF RUTLAND'S APPROACH.....	5
6. NEXT STEPS.....	7
Appendix A – Application of Rutland's Social Value Policy	8
Appendix B – Example Measures of Social Value	11

1. INTRODUCTION

- 1.1 The aim of this Policy is to set out how Rutland County Council will deliver social value through its commissioning and procurement activities and to set the Council's priorities in relation to social value.
- 1.2 Local authorities are required to consider how economic, social, and environmental well-being may be improved by services that are to be procured, and how procurement may secure those improvements under the provisions of the Public Services (Social Value) Act 2012.
- 1.3 Rutland County Council already include Social Value for all procurements over the relevant EU thresholds (as defined by the legislation); this Policy provides a framework for this to ensure consistency across the Council regardless of the goods and services being procured.
- 1.4 In addition, it is the Council's intention for Social Value considerations to be included within all procurement activity by 2020. Officers will be kept up to date with requirements via the Procurement and Contracts Management Team (People Directorate) and Welland Procurement Unit.

2. WHAT IS 'SOCIAL VALUE'

- 2.1 There is no single definition of Social Value. The term refers to approaches which maximise the additional benefits that can be created through the delivery, procurement or commissioning of goods and services, above and beyond those directly related to those goods and services. In particular relating to:
 - Health and wellbeing
 - The wider economy
 - The environment
 - Community cohesion and empowerment
- 2.2 The Public Services (Social Value) Act 2012 does not provide a definition of Social Value, but states that:

*"If a 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.”

3. POLICY AND LEGISLATION

- 3.1 The Public Services (Social Value) Act 2012 came into force on 31st January 2013. It provides 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 not to alter commissioning and procurement processes, but to ensure that, as part of these processes, councils give consideration to the wider impact of the services delivery.
- 3.2 It allows authorities, for example, to choose a supplier under a tendering process who not only provides the most economically advantageous service, but one which goes beyond the basic contract terms and secures wider benefits for the community.
- 3.3 The wording of the Act states that the authority must consider:
- How the proposed procurement might improve the economic, social and environment well-being of the relevant area.
 - How the process of procurement could help bring about that improvement.
 - Whether to consult relevant stakeholders on how social value could be created through the procurement.
- 3.4 The Act specifies that the authority must consider only matters that are relevant to what is proposed to be procured; and, in doing so, must consider the extent to which it is proportionate in all the circumstances to take those matters into account.
- 3.5 Social value is therefore about using the money we have more strategically, to produce a wider benefit than would otherwise have been achieved.

4. RUTLAND'S SOCIAL VALUE OUTCOME FRAMEWORK

4.1 Our Social Value outcomes are divided into 4 themes and relate to the four main strategic aims of the Council's Corporate Plan 2016-2020:

1. Deliver **sustainable growth** in our County
2. **Support** the **health & wellbeing** needs of our community
3. Plan and support future population and economic growth to allow our businesses, individuals, families and communities to **reach their full potential**
4. Deliver the **best possible value for the Rutland pound**

4.2 The Framework sets out the outcomes Rutland wants to achieve via Social Value. Some of the outcomes may cut across more than one theme.

Rutland Social Value Framework

Theme	Outcomes
<p>Sustainable growth</p>	<ul style="list-style-type: none"> • Local people in sustainable employment • Reduction in waste and greater recycling • Promotion of opportunities for small and medium sized enterprises (SMEs), social enterprises and voluntary and community organisations • Increased proportion of services and goods provided locally
<p>Support health and wellbeing</p>	<ul style="list-style-type: none"> • Improved standard of living for local people • Reduction in health inequalities • Reduction in those families experiencing poverty • Improved local environment
<p>Reaching full potential</p>	<ul style="list-style-type: none"> • Local communities and people are enabled and empowered to support themselves and each other • Increased skills and training opportunities for local people • Increased community-led activity, resilience and problem-solving • Better connections across services and a greater understanding of how services

	interact to support the wider community
Best possible value for the Rutland pound	<ul style="list-style-type: none"> • Greater circulation of the Rutland pound in local supply chains; • Additional funding brought into the county • Better value for money through capturing longer term savings for the Council as a whole • Savings through reductions in demand across a range of service areas.

These outcomes will support Rutland to meet our Corporate Plan Strategic Aims and to meet the needs of the Rutland population.

5. THE SCOPE OF RUTLAND'S APPROACH

5.1 The Social Value approach encompasses the full commissioning cycle: service planning and review; decision making and policy development; and the procurement of both goods and services.

5.2 To achieve the outcomes we will:

- Invest in ways that most benefit our local communities.
- Use community capacity building approaches as a means of regenerating local communities, both socially and economically.
- Recognise that solutions which are jointly developed and owned by communities, the Council and businesses offer practical and sustainable outcomes.
- Improve cross-service connections, recognising how commissioning in one service or business area can support delivery of targets on another.
- Value and grow our relationship with the voluntary and community sector and small businesses.
- Embed our approach to social value in all of procurement activity; and promote social value in our relationships with other organisations – recognising that the more we apply social value the greater the overall outcomes for Rutland.
- Promote equity and fairness – targeting efforts towards those in the greatest need or facing the greatest disadvantage and deprivation.
- Share good practice and communicate how we are delivering social value to our partners and communities.

5.3 We will engage with and consult relevant stakeholders at the earliest opportunity to understand the scope of Social Value within a potential procurement. By knowing what local providers can do, we will:

- i. Understand what the potential Social Value could look like, including things we may not have considered;
- ii. Avoid asking for outcomes which are not relevant or proportionate;
- iii. Consider the role of smaller providers.

5.4 Measuring the impact of Social Value

- 5.4.1 The impact of social value activities on the local community and on people's wellbeing will be measured to ascertain the extent to which this policy is supporting the delivery of improved outcomes.
- 5.4.2 As part of the procurement process, providers will be expected to suggest their own opportunities for social value and set out how they will measure and monitor them. It is not envisaged that all contracts will achieve all outcomes, but that as a minimum, suppliers will be working towards at least three and across more than one theme. Examples of measurements which providers might use are provided in Appendix B.
- 5.4.3 Providers will be monitored via contract monitoring mechanisms to ensure that the social value targets and actions they set out in tender documents are achieved and continue over the lifetime of the contract.
- 5.5 Social value measurement and evaluation is an evolving field. There is currently no single best practice. We will continue to work with partners locally and regionally to further build our understanding of measurement and evaluation of Social Value, and to share expertise and best practice. We will continue to adjust our methods as we learn and will involve providers and communities in this process.

6. NEXT STEPS

- 6.1 To support continual development, the Council will share (with permission) good practice examples between providers, and will promote successes to encourage growth in Social Value across the local supply chain.
- 6.2 Staff and residents can contribute to the Policy and its implementation by suggesting how else Rutland County Council can consider Social Value within its own business and through its contracted services.
- 6.3 The Social Value Policy will be implemented on a phased basis across the Council, and will be monitored and reviewed on an annual basis.

Appendix A – Application of Rutland’s Social Value Policy

This Appendix gives overview guidance on how the policy will be applied.

The Policy ***must be*** applied to all procurements as set out in legislation. Wider implementation of the Policy will be phased in across the Council – this Appendix will be updated accordingly as the Policy is rolled out.

1. Legal Requirements

The Act only applies to service contracts above the current European Union threshold, but not to works and supply contracts. At present the thresholds are £164,176 and £589,148 for Schedule 3 services, and are subject to change.

If the procurement is carried out in emergency circumstances and it is impractical to comply with the Act, then the Council may disregard the requirements to the extent that it is not practicable to comply with them.

Officers must comply with these requirements.

2. Consultation

Under the Public Services (Social Value) Act 2012, the Council must consider only those matters that are relevant to the proposed procurement, and it must be proportionate in all the circumstances to take those matters into account.

The Act only requires the Council to consider whether to consult; there is no duty actually to consult. Further, the Act does not set out who should be consulted.

The Act does not prescribe how the results of any consultation should shape a procurement which is then undertaken. However, any decision taken whether to consult or not, or how much weight should be given to any consultation response, should be taken fairly and reasonably.

The Council will consult on its website unless circumstances dictate that it is not appropriate. According to the nature of the service the Council may consult in other ways. Consultation responses will be considered carefully and taken into account.

However the weight to be given to such responses will be a matter for the Council’s discretion, balancing all relevant factors.

3. Specification Development and Tender Evaluation

The manner in which evidence of Social Value benefits are to be provided is not prescribed by the Act or this policy. Dependent on the requirements of each procurement exercise, the Council may choose to specify requirements explicitly within a tender or ask suppliers to come up with their own innovative ideas, bearing in mind the themes and outcomes set out in this policy.

Irrespective, the Council must be clear as to how Social Value elements have been weighted in the evaluation and decision-making process. Individual officers undertaking tenders will be responsible for ensuring that Social Value has been considered, and as part of the procurement process, must record how this policy has been applied. This should be clearly set out in any Cabinet report requesting approval for procurement.

Tender documents should require suppliers to be clear within their tender responses which outcomes they will be achieving and how they will measure these, in order to report to the Council.

4. Best Value

Under the duty of Best Value, local authorities must consider overall value. This will include economic, environmental and social value but the duty also requires the Council to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

Whilst looking at Social Value, the Best Value duty remains paramount and should continue to be a key factor in the weighting and evaluation of bids.

5. Monitoring of Social Value

As part of the contract monitoring mechanisms, contract managers are expected to ensure social value is captured on, at least, an annual basis. This must be clearly recorded and monitored against the original tender submissions, within which suppliers should have stated what they were going to achieve and how it would be measured. Any additional Social Value outcomes achieved during the life of the contract by suppliers should also be captured and recorded.

6. Compliance with Social Value Requirements

As noted, the Council is required to meet Social Value under the Public Services (Social Value) Act 2012, and as such this policy will be subject to internal monitoring and to monitoring by the Crown Commercial Services (CCS) division of the Cabinet Office.

Internally, spot-checks may be undertaken on behalf of the Director of Resources on individual procurement activity and/or on a corporate or Directorate basis. In addition, the compliance with this policy may be subject to Internal Audit and/or review by Audit & Risk Committee.

Nationally, CCS undertakes 'Mystery Shopping' exercises of local authorities and can request information on compliance with the Act at any time. CCS can impose requirements on the Council where it believes it is non-compliant and/or where the Council cannot provide sufficient evidence of compliance; this can include requirements to suspend, or abandon and restart procurements.

Further advice on Social Value and ensuring that it is appropriately considered and included within procurements can be obtained from the Welland Procurement Unit.

7. Further Information

Further information and guidance is available from the Cabinet Office at:

<https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources>

Appendix B – Example Measures of Social Value

Outcome – What are we trying to achieve?	Example Measures – What could this mean for suppliers?
Theme: Sustainable growth	
Local people in sustainable employment	<ul style="list-style-type: none"> • Create x number of traineeships (including apprenticeships) for local residents • Employ x number of any group of people who typically face additional challenges in competing in the job market
Reduction in waste and greater recycling	<ul style="list-style-type: none"> • Reduce overall energy consumption / water consumption by x% per year • Achieve x% of staff travelling to work by sustainable transport to reduce carbon emissions • 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)
Theme: Support health and wellbeing	
Improved standard of living for local people	<ul style="list-style-type: none"> • Increase rates of pay for lowest-paid staff by x% in line with the Living Wage guidance • Improve the skills levels of existing staff by training x% of the workforce to a minimum NVQ standard • Identify all staff who are carers and ensure flexible working practices are implemented to support these responsibilities within x weeks of contract start date
Improved local environment	<ul style="list-style-type: none"> • Increase the planting on unused areas of land on premises/ have a minimum of x% green space for employees to make use of • Litter pick in the surrounding area x times per year with employees
Reduction in health, inequalities	<ul style="list-style-type: none"> • Reduce average sickness absence by x% through an improved health, wellbeing and support package for staff • 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)
Theme: Reach their Full Potential	
Local people and communities are enabled and empowered to support themselves and each other	<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 organisations for x number of hours per year • Support local third sector organisations through the supply chain by spending x% of total expenditure with community and voluntary sector providers
Improved standard of living for local people	<ul style="list-style-type: none"> • Increase rates of pay for lowest-paid staff by x% in line with the Living Wage guidance • Improve the skills levels of existing staff by training x% of the workforce to a minimum NVQ standard • Identify all staff who are carers and ensure flexible working practices are implemented to support these responsibilities within x weeks of contract start date
Theme: Best possible value for the Rutland pound	
Additional funding is brought into the county	<ul style="list-style-type: none"> • Attract £x worth of inward investment into the county • Secure positive profile for Rutland through x number of positive stories in regional or national media
Thriving local businesses	<ul style="list-style-type: none"> • Support the local economy by spending x% of total expenditure in the local supply chain • Support the local economy by spending x% of total expenditure with SME businesses through the supply chain