

Social Value Guidance

January 2018



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1. Introduction

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

Ealing Council intends to further commit itself to the Act by going beyond the Acts requirements and implementing this policy and related guidance into further aspects of its commercial and procurement activity where it is practical to do so. In doing this, both the detail and spirit of the Act can be delivered in all Council commercial and procurement activity.

Due to the wide range of services provided by the Council there is no ‘one size fits all’ model and, as such, this document should be considered alongside advice from the Commercial and Procurement, Legal and Employment Skills teams to ensure specific service or departmental needs are fully considered.

2. 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 works

The Public 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 service being delivered by a supplier to one that recognises the overall value of the outcomes that are to be delivered.

3. Myths about Social Value

It is worth noting that there are a number of commonly held myths about social value in commissioning and procurement which can be usefully dispelled.

For example, many assume that taking a social value approach to commissioning will cost more. Actually 52% of local authorities and housing associations say social value in fact delivers cost savings.

Report from Social Enterprise UK, Wates Living Space, PwC, the Chartered Institute of Housing, and Orbit Group launched at Chartered Institute of Housing Conference, Manchester, 26 June states that:

- 71% say delivering social value has led to better service delivery.
- 52% say it has resulted in cost savings.
- 82% report that it has led to an improved image of their organisation.
- 78% say it has led to better community relations.
- Additional benefits for communities include improved wellbeing and quality of life for tenants and residents; keeping spend in local economies; reductions in crime.
- Additional benefits for housing associations and local authorities include increased staff motivation and supporting innovation by changing mind-sets about how services can be delivered.
- The majority (80%) of local authorities and housing associations say that employment is the number one local social value priority, followed by youth employment (54%) and training / volunteering (51%).
- More than a third (39%) say the Public Services (Social Value) Act has had a high impact.

Many believe that EU procurement regulations may be a barrier to social value in the future. Again, in most cases, the opposite is true and EU procurement regulations are increasingly supportive of commissioning for wider social and environmental value. Public Services (Social Value) Act 2012.

4. What does Social Value look like in practice?

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

- i. are relevant to the purpose of commissioning where possible;
- ii. can reasonably be included in contract specifications and
- iii. contribute to achieving the Councils priorities

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

5. Social Value in Procurement.

STAGE 1: The Commercial Strategy

By considering Social Value prior to the procurement, commissioners can shape or adapt the approach and outcomes of the specification.

In including and evaluating Social Value, it allows the Council to choose a supplier under a tendering process who not only provides the most economically advantageous core service, but one which goes beyond the basic contract terms by securing wider benefits for the community to truly offer significantly increased overall value for the council and its residents.

STAGE 2: The OJEU Notice

The incorporation of the social benefits must be set out in the OJEU Notice (if the procurement is above OJEU thresholds). Wording used should be framed as broadly as possible to ensure maximum flexibility throughout the process.

The following is example wording:

Section III: Legal, economic, financial and technical information

III.1.4) Other particular conditions

The performance of the contract is subject to particular conditions: yes

Description of particular conditions: Under this contract the contractor and its supply chain will be required to actively participate in the achievement of social and/or environmental policy objectives relating to recruitment, training and supply chain initiatives, and sustainable working. Accordingly, the contract performance conditions may relate in particular to social and/or environmental considerations.

STAGE 3: Tender

Bids from suppliers will need to demonstrate their, and where appropriate, their supply chains, ability to add economic, social and environmental value to the Council above and beyond simply providing the tendered service and provide evidence which would contribute to the outcomes specified. Bids are to be evaluated in line with the outcomes specified in the tender documentation.

The method statements provided should enable the evaluator to score the bidders approach, taking pro-activeness and innovation into consideration.

The criteria must be in line with EU regulations and must therefore:

- Be relevant to the subject of the contract
- Be specific and objectively quantifiable
- Represent an economic benefit to the authority

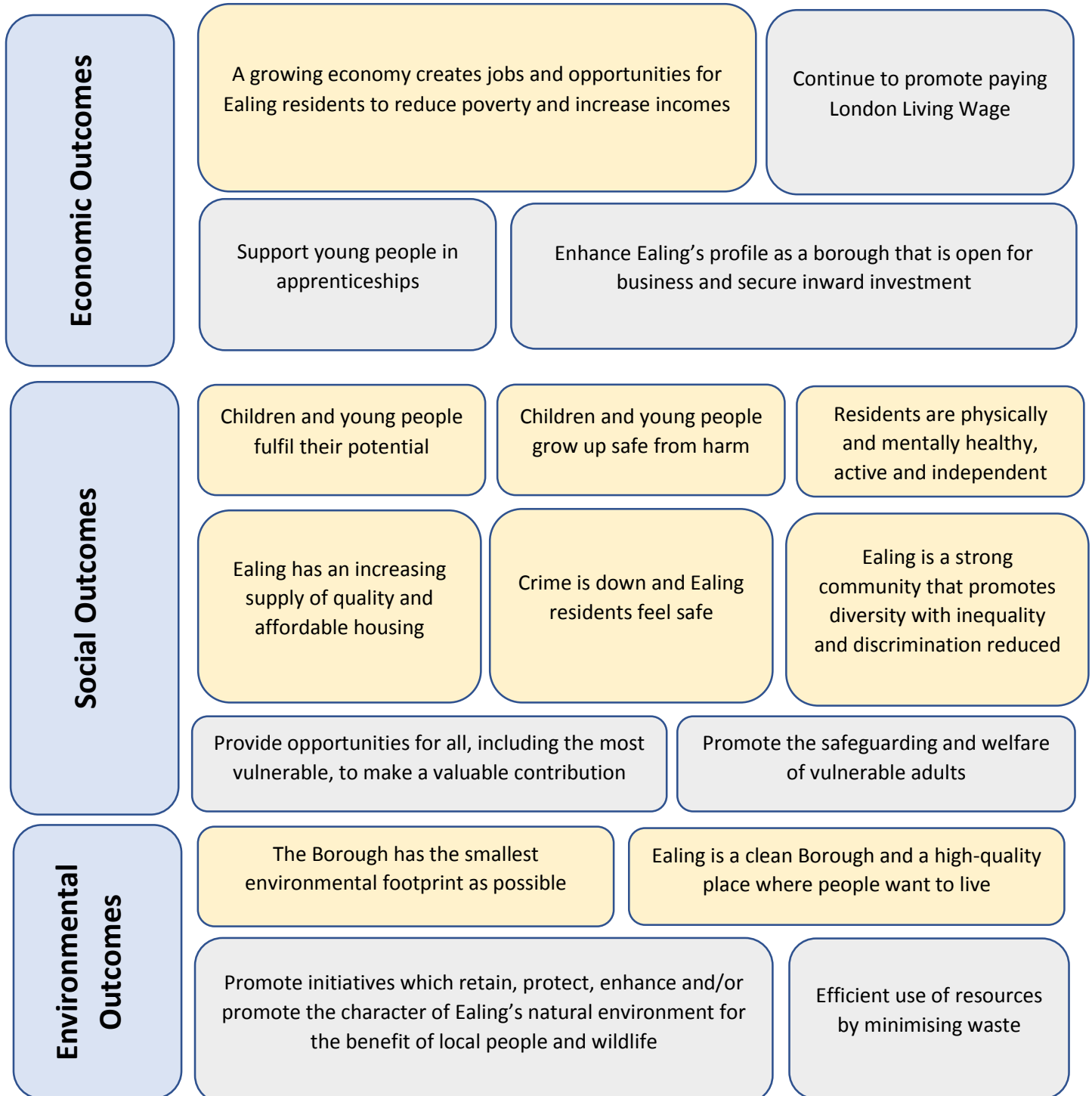
STAGE 4: Contract Monitoring and Management

Following the award of contract(s), Social Value should be included in the monitoring and reporting arrangements agreed with suppliers. It is important that the economic, social and environmental aspects are captured using key performance indicators, where possible, in order that the success of Social Value can be measured and quantified. Social Value should be included on the agenda for on-

going performance and monitoring meetings, as well as annual contract review meetings, in order to evidence the Social Value benefits achieved and help identify actions where appropriate.

6. Social Value Outcomes

The outcomes below will allow Council officers to consider the economic, social and environmental well-being of the Borough and its residents during the procurement of contracts.



7. Social Value Indicators

	Outcomes	Indicators
Economic Outcomes	A growing economy creates jobs and opportunities for Ealing residents to reduce poverty and increase incomes.	<ul style="list-style-type: none"> - Number of new jobs created within the borough - Number of local people in employment within services commissioned
	Continue to promote paying London Living Wage	<ul style="list-style-type: none"> - Number of suppliers paying London Living Wage
	Support young people in apprenticeships	<ul style="list-style-type: none"> - Number of Business operating apprenticeship schemes - Number of local people accessing apprenticeships
	Enhance Ealing’s profile as a borough that is open for business and secure inward investment	<ul style="list-style-type: none"> - Number of new investment projects - Amount of new money invested into the borough - New business registration rate
Social Outcomes	Children and young people fulfil their potential	Indicators based on individual service requirements
	Residents are physically and mentally healthy, active and independent	
	Children and young people grow up safe from harm	
	Crime is down and Ealing residents feel safe	
	Ealing has an increasing supply of quality and affordable housing	

	Outcomes	Indicators
Social Outcomes	Provide opportunities for all, including the most vulnerable, to make a valuable contribution	Indicators based on individual service requirements Examples: - Increase in volunteering
	Promote the safeguarding and welfare of vulnerable adults	Indicators based on individual service requirements
	Ealing is a strong community that promotes diversity with inequality and discrimination reduced	- Collating statistics from residents
Environmental Outcomes	The Borough has the smallest environmental footprint as possible	- Reduced carbon footprint of business
	Ealing is a clean Borough and a high-quality place where people want to live	- Environmental policy in place
	Efficient use of resources by minimising waste	- Amount of waste sent to landfill - Recycling rates - Reduced packaging
	Promote initiatives which retain, protect, enhance and/or promote the character of Ealing's natural environment for the benefit of local people and wildlife	- Increased biodiversity - Amount of green space available

8. Social Value Questions examples

In order to achieve Social Value outcomes, the Council has developed a number of questions for use during the tender process. As a general rule, a minimum value of 5% should be attributed to the scoring criteria, although each contract requirement should be reviewed on a case by case basis.

Social Value

London borough of Ealing will seek to engage with providers who will be able to promote and deliver to the economic, social and environmental well-being of the borough as part of the contracts, as covered under the Public Services (Social Value) Act 2012.

Please demonstrate where your organisation is able to meet Social Value considerations as part of the wider impact of goods, works or services, giving specific details of what will be delivered in line with this contract. Your response should consider the following areas:

Economic example questions

1. How will you create jobs through the growth of business and investment in the borough?
2. How will you support the recruitment of people from surrounding area, for example, using the job centre?
3. How will you help more residents improve their employment prospects within the borough and improve their skills through appropriate training, support and long term job prospects?
4. How will you support local people gain access to the employment opportunities that your contract will produce? For example, this could include targeting specific priority target groups (NEETs, Care Leavers, Minority Ethnic Groups, people with physical or learning disabilities, older people, unemployed ex-offenders, ex-forces, those with low or no qualifications).
5. How will you consider pre-employment support through labour forecasting? This could include consideration to the types of jobs likely to be required and the skills set needed.
6. What work experience will you provide and how will this be achieved? For example, this could include different age groups (e.g. under and over 18s).
7. What work place schemes and opportunities will you provide for apprenticeships, traineeships, high apprenticeships or other?
8. What training opportunities will you offer and to whom? For example, entry-level employment, engaging the unemployed, specific priority target groups, existing workforce, customer staff.
9. What education engagement will you offer? For example, with schools, colleges or training providers and how will this be achieved? For example, through site visits, careers talks, work placements etc.
10. What support will be provided to the local supply chain through this contract, including activities, information, resources and organisations? For example, promoting supply-chain opportunities to local voluntary and community sector organisations, social enterprises and small and medium-size enterprises or allowing access to and use of facilities.
11. What opportunities are there for voluntary work and what benefits will volunteers receive?
12. What will be done to ensure your organisation and sub-contractors support workforce development? For example, this could include additional training and development for existing employees, supporting qualifications, mentoring and support.

Social example questions

1. How will you promote the safeguarding and welfare of children, young people and vulnerable adults?
2. How will you provide opportunities for all, including the most vulnerable, to make a valuable contribution and promote social integration? For example, this could include work opportunities for disadvantaged people.
3. How will you consider equality and diversity in the provision and operation of services? For example, this could include ensuring the workforce is representative of the communities served as part of this contract.
4. How will you protect and support the most vulnerable people?
5. How will you work towards improving the health and wellbeing of local residents and employees?
6. How will you work towards reducing health inequalities?
7. How will your supply chain ensure ethical considerations? For example, this could include ethical sourcing practices.
8. How will your organisation work to help others? For example, local charities, local community groups, local resident engagement, supporting local culture and heritage. This could include funding specific events and groups, sponsorship or sharing expertise, knowledge or facilities and equipment.

Environmental example questions

1. What are the main environmental impacts associated with delivering the contract outputs and how will impacts be reduced, managed and verified?
2. Have you set any specific environmental objectives to improve environmental performance during the duration of the contract? If so, what are they and how will environmental objectives be managed and verified?
3. Please confirm what will be delivered, as part of contract delivery, in relation to any of the following and how this will be achieved: the re-use of resources, increasing recycling levels to reduce the amount of waste, use of environmentally friendly goods, reducing the carbon footprint, pollution reduction, improving fuel and energy efficiencies
4. Will you operate an environmental management system certified to ISO 14001 or equivalent throughout the period of the contract?

Generic Social Value Question

1. Please detail what your Social Value offer will be in relation to this contract and how it will be of benefit to the borough and its residents. This could include social, economic or environmental well-being or benefits and should demonstrate value to be delivered in addition to the requirements of the specification.