

Policy	Social Value Policy under the Public Service (Social Value) Act 2012
Date	DD-MM-YYYY
Policy Number	XXXXXXXXXXXX
Revision Due	YYYY
SRO	Please insert name of Senior Responsible Officer
Contact	Please insert contact email address for revisions or queries

1. Introduction and background

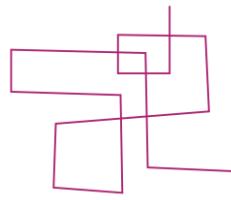
All public sector organisations are required to procure goods and services with due consideration to value for money. Value for money is a complex calculation which includes mandated services, need by proportion of population vs extremity, effectiveness, availability and impact, in addition to cost to budget.

The Public Service (Social Value) Act 2012 supports the requirement to prioritise value for money in public sector commissioning. For the first time there is an explicit legislative requirement that contracting authorities consider the “economic, social and environmental well-being of the relevant local area” when procuring service contracts subject to public procurement regulations. [Organisation] has developed this policy with the intention of embedding the Social Value Act’s requirements into all relevant procurements for goods, products and services where reasonably practicable following both the letter and the spirit of the Social Value Act.

This policy should be regarded as a guide, with advice taken from the [organisation]’s legal, procurement and other teams as appropriate and should be used in connection with other [organisation] policies as appropriate. There is a statutory duty on [organisation] to consider social value in procurement, and an ethical duty to ensure maximum benefits for the people [organisation] serves.

2. Intended benefits to [Organisation]

The Social Value Act enables publicly funded bodies to demand additional benefits from procurement. In practice this means that when procuring goods or services they can use their significant purchasing power to provide benefits which may not have been realised previously. Whereas in the past [organisation] would have received only that which it commissioned directly and specifically it may now fill gaps in funding via these additional benefits or may use them to provide the ‘nice to have’s’ improving overall service delivery.



Examples from around the UK since the Social Value Act came into force have shown that many lives have been positively impacted by social value. For example [include good examples with provable and tangible benefits]. It is expected and intended that [organisation] will use social value to provide similar benefits.

3. Defining social value

Social Value is defined as “the additional benefit to the community from a commissioning/procurement process over and above the direct purchasing of goods, services and outcomes” (Social Value Portal).

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.

Commissioners and procurement teams are advised to use local priorities to judge the most beneficial social value offers from suppliers. Provided lists and information are transparent and open to all potential suppliers throughout the tender process it is possible to prescribe a targeted ‘marketplace’ where local priorities are advertised and suppliers have the opportunity to ensure their social value offer is relevant to local need.

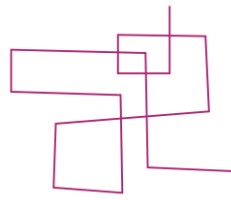
[NB: It is possible to connect these priorities further with a ‘marketplace’ which provides a long list of specific social value opportunities needed in the local area. It is up to the organisation to decide whether to progress a marketplace or leave open]

Some areas which could be considered social value include, but are by no means limited to, those below:

Local health and wellbeing priorities: supporting education on healthy lifestyle; supporting and facilitating physical activity in the community, perhaps specifically for older people or other groups; providing meeting room space for health and wellbeing related groups, i.e. mutual aid groups, communities of practice, post diagnosis support groups; providing stop smoking support in the community or for staff; support staff and others to attend Mental Health First Aider and Dementia Friend training [*insert other current health and wellbeing priorities*]

Sustainability: waste reduction and recycling targets; carbon emission reduction targets and energy efficiency initiatives; offsetting/neutralising carbon footprint; protection of areas of historical, cultural or biodiversity interest; flooding protection or other severe weather impact resilience schemes.

Community: facilitating staff to engage in voluntary community activities (some organisations allow ‘volunteer days’ as paid leave by way of personal development); supporting local charities by providing supplies or skills relevant to business; reduction of fuel poverty locally or help with



insulating homes of older people or people in poverty; structural or cosmetic improvements to communities facilities, such as schools, libraries or green spaces.

Supply chain: ensuring fair trade purchasing and ethical trading throughout supply chain; providing supply opportunities to social enterprise organisations, third sector, or companies which otherwise benefit the community; promoting the use of local resources, goods and products; improving market diversity; directly tackling child labour, animal welfare, people trafficking, modern day slavery and other issues.

Employment: development opportunities such as apprenticeships or STEM outreach into schools and colleges; creating training or employment opportunities for the long-term unemployed, youths from troubled families or care leavers; ex offenders; people with physical or learning difficulties; increasing opportunities for people returning to paid employment from caring responsibilities; increasing flexible working for carers; opportunities for people past state retirement age; paying living wage or more throughout organisation structure; providing career advice to schools in field of specialisation (i.e. construction, STEM).

4. Application of social value in procurement

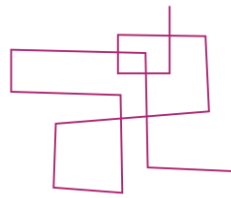
Commissioners and procurement teams are required to consider social, economic and environmental impacts at the pre-procurement stage, i.e. to consider what the benefits of the goods or services being procured are socially, economically and environmentally for the local area and how these benefits can be maximised. It may be that a consultation is required to ensure these benefits are fully appreciable by the people [organisation] serves.

Although the Social Value Act legislates a statutory duty to consider social value on contracts covered by the EU Public Procurement Regulations it is [organisation]'s policy is to consider social value on all contracts [*in excess of* [£] *exclusive of VAT*].

There is no statutory duty to document consideration given to social value, however [organisation] aims to be transparent and to work within the spirit of the law as well as the letter. Therefore it is a requirement of [organisation] under this policy that where social value is not applied to any procurement process [*over* [£] (*ex VAT*)] reasons for this are recorded in writing along with the commissioning documentation. Additionally [organisation] may use this information, comparing it to information from procurements where social value was applied, to assess the efficacy and benefits from social value over time.

It is vital that the commissioning process remains fair to all potential suppliers. As such information on social value's weighting within tender specifications, opportunities to connect social value to local priorities must be clearly communicated in the same way to all potential suppliers. Opportunities and recommendations must not be so restrictive that they may only reasonably be carried out by certain providers. Communicating a wide array of potential social value opportunities based on local need is advised.

Under the EU Public Procurement Regulations and World Trade Organisation (WTO) Government



Procurement Agreement suppliers from all EU member states and those covered by the WTO must be treated equally and not at a disadvantage. However, it is reasonable to demand that the benefits from social value are for the people that [organisation] serves.

To support suppliers and ensure that market diversity is encouraged a Supplier Information Event may be advisable. This would have the aim of explaining to existing suppliers what will be expected of them and ensuring support to those suppliers who may not have bid writing resources to the same degree as other suppliers.

5. Contract management

Forming part of the formal specification requirements, and subsequently part of the contract, social value must be treated as a formal key performance indicator with measurable outcomes which suppliers are held to. Quality of provision, quantities committed to and timescales should be adhered to and deviation recorded, monitored and acted upon appropriately.

For advice on a deviation from contract terms commissioners are advised to contact the [organisation] legal and procurement teams.

6. Review

This policy will be reviewed every [] years