



Spelthorne Borough Council Procurement Policies & Procedures

03_Delivering Social Value through Procurement

Delivering Social Value through Procurement

Version	v 1.0
Author	Hilary Gillies Corporate Procurement Manager
Date Approved	7 October 2021
Review Date	October 2022

CONTENTS

1.	Introduction1
2.	Purpose1
3.	What is Social Value in Procurement1
4.	Specifying Social Value outcomes from your Procurement project2
5.	Tracking Social Value benefits2
6.	References to other SBC Policies3
Appendix A	National TOMs (Themes, Outcomes and Measures)4
Appendix B	Social Value Benefits Tracking Template6

1. Introduction

The Public Services (Social Value) Act 2012 came into force on 31 January 2013. It requires public authorities to ‘have regard to economic, social and environmental well-being in connection with public services contracts’.

With effect from September 2020, there is an expectation that contracts which fall under the Public Contracts Regulations (PCR) 2015 should explicitly evaluate Social Value (as well as quality and price criteria) rather than to simply ‘have regard’ to this.

2. Purpose

This Procedure (Delivering Social Value through Procurement) is designed to help Spelthorne Borough Council (SBC) procuring officers to identify the opportunities for delivering social value – either through the way we procure; how we specify our requirements; or how we engage with the provider market - in order to maximise the benefits delivered for our community.

3. What is Social Value in Procurement?

Social value through Procurement is regarded as the wider, additional social, economic and environmental benefit which can be secured through the procurement or commissioning of works, goods and services.

As a public sector organisation with a large influenceable spend across a wide range of markets, SBC is well-positioned to secure social value benefits through the procurement of its contracts, delivering positive enhancements to the wider Spelthorne community.

Before starting the procurement process, officers should consider the social value which the procurement might offer. Whilst the primary aim of any procurement is to deliver the best commercial outcome (that is, the best quality achievable for the most suitable price), social value can often be delivered at little cost or burden to the provider. In particular, as communities start to recover post-COVID-19, social value benefits could potentially have a huge impact.

The National Social Value Task Force, sponsored by the Local Government Association (LGA), published the National Social Value Measurement (National TOMs) Framework in 2017. The TOMs (Themes, Outcomes and Measures) identify and measure social value delivery through a procured contract, whereby each benefit opportunity is given a measurable value under 1 or more of 5 themes:

- Promoting Skills and Employment
- Supporting the Growth of Responsible Local Businesses
- Creating Healthier, Safer and More Resilient Communities
- Protecting and Improving our Environment
- Promoting Social Innovation

Further information can be found at Appendix A and here:

<https://www.local.gov.uk/sites/default/files/documents/District%20Councils%20Social%20Value%20Toolkit%20Final.pdf>

4. Specifying Social Value outcomes from your Procurement project

When procuring your new contract for works, goods or services, you should always try and include social and environmental aspects into the key evaluation criteria.

However, for contracts which are subject to the Public Contracts Regulations 2015, social value **must** contribute to a minimum of 10%¹ of the award criteria. So, for example, the award criteria may be structured as follows:

Technical / Quality Criteria	50%
Price	40%
Social Value	10%

The subject-matter of the method statement questions used to evaluate supplier capability to deliver the contract must be relevant to the subject-matter of the contract.

¹ The only permissible exception to this minimum 10% of the overall score rule is where pre-market engagement demonstrates that the approach would significantly reduce competition due to a lack of market maturity in delivering social value.

Social value requirements also need to be proportionate; for example, it would not be proportionate to ask a provider to take on 3 apprentices at a cost of £15,500 per year for a 1-year contract worth £50,000.

In the same way, a build contractor who has won a contract worth £25,000,000 over 2 years should be asked to provide a minimum number of apprenticeships, local employment opportunities and training placements, in addition to a range of other social value deliverables, suited to a build contract.

The model at Appendix A gives further information about the type of social value benefits that could be required from the delivery of your tendered contract. If you are not clear how to include subject-related, proportionate benefits into your contract requirements, contact the Procurement Team at Procurement@Spelthorne.gov.uk.

5. Tracking Social Value benefits

It is as critical to check the social value benefits delivered through your projects as it is to specify them in the project procurement requirements, and officers with responsibility for the management of any contracts should track accordingly.

Stipulating that it is the provider's responsibility to monitor, measure and report their own performance against social value targets and specifications can reduce the burden on SBC's own resources to do so.

The Contract Manager should plan to discuss performance against the social value targets regularly, and this should be a standing item on the contract management meeting agenda.

A template for the recording of social value benefits is included at Appendix B. Contract Managers are required to monitor social value delivery and report the benefits achieved against the contractual requirements on a regular basis, on a frequency to be determined according to the contract length, but no less frequently than every six months, and preferably quarterly.

6. References to other SBC Policies and other resources

Contract Standing Orders
01_Procurement Policy
04_Advertising and Reserving Spelthorne Procurement Opportunities

Link to Local Business Directory:
<https://sbf.biz/directory/>


Contact Procurement@spelthorne.gov.uk for any further information

**Appendix A – National TOMs (Themes, Outcomes and Measures) Minimum Requirements
for inclusion in a procurement**

Ref.	Measure – Proposed Minimum Requirements	Unit	Value
NT1	No of local people (FTE) employed on the contract for 1 year or the whole duration of the contract, whichever is shorter	No. of people FTE	
NT2	% of local people employed on the contract (FTE)	% local	
NT3	No. of employees (FTE) taken on who are long term unemployed (unemployed a year or longer)	No. of people FTE	
NT4	No. of employees (FTE) taken on who are not in employment, education or training (NEETs)	No. of people FTE	
NT5	No. of employees (FTE) taken on who are rehabilitating young offenders (16-24 yrs.)	No. of people FTE	
NT6	No. of employees (FTE) created for people with disabilities	No. of people FTE	
NT7	No. of hours dedicated to supporting unemployed people into work by providing career mentoring, including mock interviews, CV advice and career guidance (over 24 yrs.)	No of hours x no of attendees	
NT8	Local school and college visits e.g. delivering careers talks, curriculum support, literacy support, safety talks (no of hours includes preparation time)	No of staff hours	
NT9	No of training hours on contract (BTEC, City & Guilds	No of weeks	
NT10	No of apprenticeships on the contract that have either been completed during the year, or that will be supported by the organisation to completion in the following years – Level 2, 3 or 4+	No of weeks	
NT11	No of hours dedicated to support young people into work (e.g. CV advice, mock interviews, careers guidance) (under 24 yrs.)	No of hours x no of attendees	
NT12	No of weeks spent on meaningful work placements or pre-employment courses; 1-6 weeks student placements (unpaid)	No of weeks	
NT13	Minimum work placements that pay Minimum or national Living wage according to eligibility – 6 weeks or more (internships)	No of weeks	
NT14	Total amount (3) spent with VCSEs within your supply chain	£	
NT15	Provision of expert business advice to VCSEs and SMEs (e.g. financial advice / legal advice / HR advice / HSE)	No of staff expert hours	
NT16	Equipment or resources donated to VCSEs (£ equivalent value)	£	
NT17	Number of voluntary hours donated to support VCSEs (excludes expert business advice)	No of staff volunteering hours	

NT18	Total amount (£) spent in LOCAL supply chain through the contract	£	
NT19	Total amount (£) spent through the contract with LOCAL SMEs	£	
NT20	Demonstrable commitment to work practices that improve staff wellbeing, recognise mental health as an issue and reduce absenteeism due to ill health. Identify time dedicated for wellbeing courses	No of hours x no of attendees	
NT21	Diversity training provided for contractors and subcontractors	No of hours x no of attendees	
NT22	Percentage of procurement contracts that includes commitments to ethical procurement, including to verify anti-slavery and other relevant requirements	% of contracts	
NT23	Percentage of contracts with the supply chain on which Social Value commitments, measurement and monitoring are required	£ invested including staff time	
NT24	Initiatives aimed at reducing crime (e.g. support for local youth groups, lighting for public spaces, private security, etc.)	£ invested including staff time	
NT25	Initiatives to be taken to tackle homelessness (supporting temporary housing schemes etc.)	£ invested including staff time	
NT26	Initiatives taken or supported to engage people in health interventions (e.g. stop smoking, obesity, alcoholism, drugs, etc.) or wellbeing initiatives in the community	£ invested including staff time	
NT27	Initiatives to be taken to support older, disabled and vulnerable people to build stronger community networks (e.g. befriending schemes, digital inclusion clubs	£ invested including staff time	
NT28	Donations or in-kind contributions to local community projects (£ & materials)	£ value	
NT29	No. of hours volunteering time provide to support local community projects	No of staff volunteering hours	

Appendix B – Social Value Benefits Tracking Template

 <p>PROCUREMENT PROJECT SOCIAL VALUE BENEFITS TRACKER</p>					
Name of Project			SBC Contract Manager		
Provider			Contract dates	Start:	End:
Reporting Period			RAG Status		
Social Value benefits specified	1	Measure	1	Target	1
	2		2		2
	3		3		3
	4		4		4
	5		5		5
	6		6		6
Performance Reporting Please provide details to explain the benefits that have been delivered in the period. If targets have been missed, please outline why, and describe the measures that will be implemented to ensure the project social value gets back on track,					

--