

*Social Value Policy*  
*2020-2022*

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## **Executive Summary**

Gloucester City Council's Social Value Policy outlines the how the City Council intends to deliver on a broad range of local commitments through the delivery of its procurement activity. To summarise, for procurement activity exceeding £50,000, the City Council will require potential suppliers for contracts to submit details on how they expect to deliver social value through deliver of the contract. This will be given a total 10% weighting on assessment on submissions.

Social Value deliverables cover the five following areas:

- Promoting local skills and employment (Jobs)
- Supporting growth of responsible regional business (Business)
- Creating healthier, safer and more resilient communities (Social)
- Protecting and improving our environment (Environment)
- Promoting social innovation (Innovation)

This document outlines the rationale behind the implementation of this policy, the methodology for its application, and how potential suppliers can best engage with the framework that has been created.

## Introduction

Since 2017, Gloucester City Council has worked towards delivering its vision to create “A City that Works for Everyone” (Gloucester City Council: Council Plan, 2017-2020). A proactive approach to asset-based regeneration has served as a key driver for improving outcomes for local people; creating new employment opportunities, a stronger economic environment for businesses, and healthier and more resilient communities.

However, Gloucester still faces a number of challenges surrounding deprivation, with the City containing 9 of the 12 areas of Gloucestershire in the 10% most deprived areas nationally. Income deprivation, unemployment, lack of qualifications, health disabilities and crime are persistent in certain wards of the City. Gloucester has an uneven spread of these challenges, leaving some wards in greater need than others.

Much work has already been done to engage and empower communities at the local level; realised through a variety of initiatives including the City’s pioneering approach to Asset-Based Community Development (ABCD), and the establishment of a Community Interest Company (CIC) to deliver a Community Building programme in specific City Wards.

However, Gloucester City Council recognises that it also has role to play in generating social value for local people through its day-to-day activity, particularly through procurement. Through the implementation of this policy, Gloucester City Council will be able to integrate economic, environmental and social sustainability into its procurement processes.

## Background and History

### Overview

The Public Services (Social Value) Act 2012 (the Act) came into force in January 2013, cementing the responsibilities of a contracting authority before procuring services contracts subject to public procurement regulations to consider the “economic, social and environmental wellbeing of the relevant area” in its procurement activity. Public procurement legislation also permits contracting authorities to consider social aspects when assessing the quality of a tender whether relating to goods, supplies or works. This allows authorities to select a bidder based on the most economically advantageous tender (MEAT), rather than just a low price.

The Act states the authority must consider:

- (a) how what is proposed to be procured might improve the economic, social and environmental wellbeing of the relevant area;
- (b) how, in conducting the process of procurement, it might act with a view to securing that improvement.

In addition, the Act requires that in relation to the above duty, contracting authorities must only consider matters that are relevant to what is to be procured and must consider the extent to which it is proportionate in all the circumstances to take those matters into account.

The Act also requires the authority to consider whether to undertake public consultation, to understand further the improvements that can be secured through a tender opportunity, and how they can be realised. For example- a local authority consulted with service users on their ‘Meals on Wheels’, seeking feedback for improvement. Isolation and loneliness were identified as key concerns, and with this information the local authority subsequently secured a service which aimed to bring people into a local community centre.

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 outcomes delivered. Gloucester City Council intends to further commit itself to the Act, by going beyond the Act’s requirements and implementing this policy into all aspects of its commercial and procurement activity where it is practicable to do so. In doing this, both the detail and spirit of the Act can be delivered in all Gloucester City Council commercial and procurement activity.

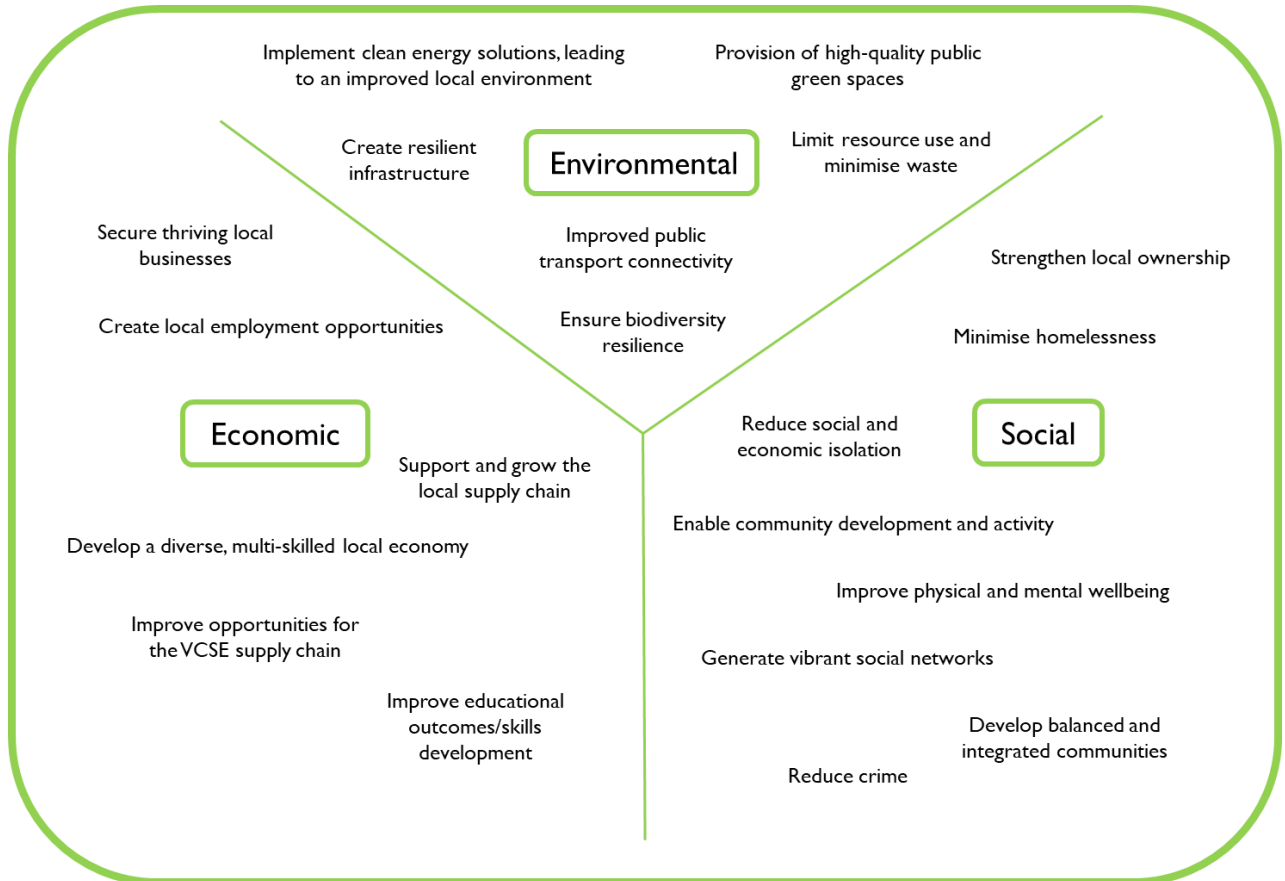
However, it should be emphasised that there is not a one-size-fits-all approach to Social Value. Each contract must be considered individually for its ability to deliver on these priorities where it is both relevant and proportional to do so.

Social Value is defined by The Social Value Portal as:

*“An umbrella term for the wider economic, social and environmental effects of an organisations activities. Organisations that make a conscious effort to ensure that these effects are positive can be seen as adding social value by contributing to the long-term wellbeing and resilience of individuals, communities and society in general.”*

- Economic effects relate to the creation and maintenance of a strong local economy, and the encouragement of local innovation to make the economy more efficient.
- Social effects relate to ensuring equality and diversity and maximising social inclusion.
- Environmental effects relate to ensuring local biodiversity, reducing carbon emissions, recycling and controlled consumption.

Examples of how the three ‘pillars’ of sustainable procurement can benefit the local community- economic, social and environmental- are set out in the diagram below. The diversity of Gloucester’s community- and specifically, their needs- means the impact of these interventions will vary.



In some instances, outcomes will cross over multiple areas. Interventions that meet multiple objectives are possible and should be pursued where deliverable.

### Why do this?

Gloucester City Council’s Council Plan 2017-2020 stipulates that:

*“Gloucester has a strong and growing economy but ensuring all our communities share in that is a key challenge.”*

At the same time, Social Value UK defines Social Value as:

*The quantification of the relative importance that people place on the changes they experience in their lives... Social Value has huge potential to help us change the way we understand the world around us and make decisions about where to invest resources.”*

Through accounting for Social Value directly through spending decisions, Gloucester City Council can further deliver on its primary function through maximising the benefit for the community it has been established to serve.

Requiring suppliers to deliver social benefits while they deliver the main element of their contract means that there is a magnified benefit for Gloucester City Council. Incorporating social value into the commissioning and procurement process is not difficult and can make a tangible difference to people in the community, to service delivery and to the council's spending plans as a whole.

Adoption of this policy will provide the following benefits:

**Encouraging a diverse base of suppliers**

Promoting supplier diversity; including the participation of small and medium sized enterprises (SME's) and 3rd sector organisations, and local suppliers in general;

**Promoting fair employment practices**

Ensuring workforce equality and diversity within supply chains;

**Meeting targeted recruitment and training needs**

Offering a range of apprenticeship, training and skills development opportunities as well as employment opportunities;

**Community benefits**

Maximising opportunities for organisations to participate in the council's supply chains and encouraging suppliers to make a social contribution to the local area;

**Ethical sourcing practices**

Ensuring compliance with UK, EU and international standards, promoting fair trade and fair pricing policies, tackling corruption, child labour, animal welfare, blacklisting of union members and similar social issues; and

**Promoting greater environmental sustainability**

Minimising waste and pollution, supporting carbon reduction initiatives, furthering energy efficiency and other sustainability programmes.

## Policy Context

The corporate Council Plan 2017-2020 establishes how Gloucester City Council intends to deliver Social Value and sets the foundation framework for the policy.

### Our Priorities

The Council Plan explains how Gloucester City Council will improve the lives of everyone who lives in, works in and visits Gloucester. The following priorities underpin this Social Value Policy:

**Working to Create a Vibrant and Prosperous City:** to ensure the local economy is grown for the benefit of all. This covers the ongoing Council-led asset-based regeneration of Gloucester City Centre, but also working with stakeholders/developers to bring vacant sites and buildings back into active use in the interest of the community. The Culture Board have a key role to also broadening the City's diverse cultural offer, and a variety of partners will also be engaged to attract new investment, businesses and jobs to the City to the benefit of local people.

**Working to Maintain a Safe and Attractive City:** to ensure Gloucester is a safe and pleasant place for residents to live in. This covers the creation of a safe and attractive City Centre through the day and night, action to address environmental crime, clean streets, and community involvement in both the management and ongoing maintenance of both public and green spaces.

**Working to Build Strong and Resilient Communities:** to prioritise community strength and diversity, whilst improving the lives of all residents. This covers empowering communities to manage existing Council assets, the tackling of crime and anti-social behaviour through community partnerships, actions taken to address the City's housing requirements, and addressing social deprivation.

**Working to Provide Great Services that Ensure Value for Money:** to ensure Gloucester City Council can continue to provide value for money in the services it delivers. This covers how processes can be appraised and evaluated for ways they can be improved.

The implementation of a Social Value Policy will allow Gloucester City Council to generate significant opportunity for the community of Gloucester, whilst maintain its statutory commitment to the delivery of services.

Gloucester City Council expect its partners and suppliers to commit to its values and behaviours framework, that builds on the above priorities. These are:

- **Efficiency and Value for Money:** striving to provide great services affordably for all
- **Forward Thinking with Innovation:** adopting an entrepreneurial approach
- **Making Residents Lives Better:** supporting communities to use their own strengths whilst supporting the most vulnerable who need additional support
- **Passionate about the City:** putting Gloucester at the heart of everything we do
- **Working Together to Make it Happen:** building strong and trusted relationships with the community of Gloucester and partner organisations to achieve the best outcome

The Social Value Policy is also informed by and feeds into a number of other Corporate Strategies, including:

- Regeneration & Economic Development Strategy 2016-2021
- Cultural Vision and Strategy 2016-2026
- Economic Growth Strategy 2019-2022



## Actions

In practice this Policy will be applied as follows:

- (i) As a minimum, all officers undertaking procurements over £50,000 will be required to consider
  - a. if and how what is being procured could improve the social, economic and environmental wellbeing of the area in accordance with the Council Plan and
  - b. how social value elements could be included as part of the specification and as part of the scoring and evaluation process.

However, wherever possible to do so, procurements below this value should also seek social value benefits from contracts.

(ii) Gloucester City Council must ensure that, in accordance with Section 1(6) of the Public Services (Social Value) Act 2012, Social Value elements are included only where they are relevant to what is being procured, and that the Social Value elements are proportionate. They must also be such so as not to discriminate against bidders from outside of the local area.

(iii) The standard weighting for Social Value will be a minimum 10% of the overall evaluation score and, where it is feasible, this may be higher. This will be determined on a case by case basis.

(iv) For the purposes of assessment, Social Value will be considered as part of the quality measurement but will need to form 10% of the overall tender score.

(v) The Gloucester National Themes, Outcomes and Measures (TOMs) measuring tool as agreed by the Local Government Association will be used to capture Social Value offers from bidders to ensure offers can be evaluated in an open, fair and transparent way. The responsibility for reviewing and adjusting the TOM's measurement framework is delegated to the Head of Communities.

(vi) The policy will be communicated to all internal staff, providers and partners, and a programme of training and development will be created to improve understanding of social value across the organisation, including our approach and practice.

Gloucester City Council will periodically review its Social Value Policy. In doing so, it will take account of any changes in legislation pertaining to the Public Services (Social Value Act) 2012, Public Contracts Regulations 2015 and related guidance and any changes to Gloucester City Council's priorities when it is reviewed.

A public report will be produced every six months, allowing Gloucester City Council to adjust its approach according to experience. This report will include monitoring information in line with the TOM's measuring tool, evidence of the benefit to local communities, and an analysis of the impact of the policy on the local economy.

Suppliers should read the Social Value Policy in combination with the Social Value Toolkit, which goes into more detail on what Gloucester City Council aspires to see delivered through the policy, and the impact it has on both the procurement process and contract management process.

## **Conclusion**

Gloucester City Council has long been committed to delivering Social Value, and this policy builds on the foundation created by the Social Value Act (2012), ensuring contracts over the value of £50,000 directly contribute to the delivery of various initiatives.

Potential suppliers are encouraged to read this document alongside the Gloucester City Council Social Value Toolkit, as this document provides further information relating to how the Social Value commitments this Policy secures can be delivered for maximum impact.