

Social Value Policy

January 2015

Contents

1.0	Introduction	2
2.0	What is Social Value?	2
3.0	Why are we doing this?	3
4.0	Policy and legislative context	3
5.0	What does this look like in practice?	4
6.0	Delivery and reporting	5
7.0	Review	5

This Social Value Policy supersedes the council's previous Sustainable Procurement Policy published in 2011.

1.0 Introduction

Value for money is the over-riding factor that determines all public sector procurement decisions, including that of Harrow Council. Over recent years, there has been a shift in understanding how value for money should be calculated, namely that it should include social and economic requirements. This resulted in a number of policy developments including the Public Service (Social Value) Act 2012.

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 take into account the “*economic, social and environmental well-being of the relevant area*” in its procurement activity.

Harrow 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 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 Economic Development teams to ensure specific service or departmental needs are fully considered.

2.0 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 outcomes.

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 outcomes delivered.

3.0 Why are we doing this?

Requiring suppliers to deliver social benefits while they deliver the main element of their contract means that there is a magnified benefit for the borough. Incorporating social value into our 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 can provide advantages as noted below:

- **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 Harrow 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.

4.0 Policy and legislative context

This Social Value Policy fully supports the council's corporate priorities in:

1. Making a difference for the most vulnerable;
2. Making a difference for communities;
3. Making a difference for businesses; and
4. Making a difference for families.

As noted in the introduction, the Public Services (Social Value) Act 2012 is now in force and places a duty on the council to consider and secure improvements in the wellbeing of the area through procurement activity.

With procurement being a subset of the commissioning process, it follows therefore that social value benefits must be considered at the outset and a clear, consistent and unambiguous message about this intent should be ensured at all stages.

In addition, this policy supports the delivery of the council's duties under the Equality Act (2010) by moving beyond the assessment of how commissioning decisions can affect groups of people. The council should also look for opportunities, through social value benefits, to advance opportunities for disadvantaged groups.

5.0 What does this 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 council's priorities.

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

Below are some examples of how the council can use social benefits to bring long-term good to the borough:

- Creating skills and training opportunities (e.g. apprenticeships or on the job training);
- Creating employment opportunities for workless residents including the long-term unemployed or NEETs (those not in education, employment or training);
- Offering work placements to students and young adults;
- Providing career advice and information for young people;
- Offering curriculum support to schools and colleges on careers relating to services delivered by contractors;
- Providing additional opportunities for individuals or groups facing greater social or economic barriers.
- Creating supply chain opportunities for SMEs and social enterprises;
- Developing the capacity of local SMEs;
- Creating opportunities to develop third sector organisations.
- Improving market diversity;
- Encouraging community engagement with groups of individuals who might otherwise feel disengaged;
- Supporting initiatives like targeting hard to reach groups;
- Encouraging ethical and fair trade purchasing; and
- Promoting greater environmental sustainability.

There are a number of developments in the social value space that are looking to offer innovative solutions to contracting authorities allowing them to maximise the social value benefits achieved

through the procurement and commissioning process. Through the implementation of this policy, the council will look to explore these as necessary to ensure the council receives the most advantageous outcomes as possible.

6.0 Delivery and reporting

The council has in place a *Social Value in Procurement*¹ guide to provide support to officers involved in a procurement in how to include social value criteria in their approach and in procurement documentation.

Once a procurement exercise is concluded, the responsibility for ensuring the committed social value benefits are actually delivered falls to the officers responsible for contract management of that individual contract. Each directorate has its own Directorate Procurement Board (DPB) and at a layer above these is the Commissioning and Commercial Board (CCB). Each of these boards have the ability to call in any contract and relevant contract manager to demonstrate effective management of the contract they are responsible for, including on social value deliverables. This is further supported by the council's Economic Development team who will report on benefits achieved on all contracts above £250,000.

¹ Internal link: http://harrowhub/downloads/download/2878/social_value_in_procurement_a_guide

7.0 Review

Harrow 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, the Local Government Act, EU Regulations and any changes to the council's priorities when it is reviewed.

Author: Anand Pajpani

Next review date: September 2018

DRAFT