

## **Appendix A**

### **Walsall Council Revised Social Value Policy - December 2020**

#### **1. Aim - Policy Statement**

Walsall Council 'The Council' recognises the important role it can play in enabling Social Value through its procurement activity. In 2019/2020 approximately £165 million of revenue of third party spend was channelled through procurement activities. Through our approach to social value, we will secure benefits for Walsall residents, communities and businesses by integrating economic, environmental and social sustainability into our procurement processes, in accordance with the Public Services (Social Value) Act 2012 'the Act'.

#### **2. Objectives**

The Council intends to further commit itself to the Act by going beyond the requirements of the Act and implementing this policy into all aspects of its commissioning and procurement activity, where it is practicable to do so.

The overarching intent of this policy is to set out the Council's approach and ambition to realise meaningful Social Value benefits from our suppliers in accordance. The policy objectives will:

- Ensure that all applicable contracts demonstrate the addition of real Social Value (where relevant and proportionate to do so)
- Promote equity and fairness by targeting effort towards those in the greatest need or facing the greatest disadvantage
- Promote the local economy, so that micro, small and medium sized enterprises and the voluntary and community sector in Walsall can thrive.
- Create and/or promote local employment, training and inclusive economic sustainability by tackling unemployment in general and targeted to disadvantaged groups
- Raise the living standards and prosperity of local residents by living wage employment, maximise employee access to entitlements and guidance and encourage suppliers to source local labour
- Ensuring ethical sourcing by promoting fair trade and fair pricing policies, tackling modern slavery, child labour, corruption and similar social issues
- Promote environmental sustainability by reducing wastage and climate impacts, limiting energy consumption, improving and procuring materials from renewable and sustainable sources.
- Build the capacity and sustainability of the voluntary and community sector by accessing and actively supporting local voluntary, community groups and co-operatives

#### **3. Background**

The Act came into force in January 2013, cementing the responsibilities of a 'Contracting Authority' when procuring services. A subsequent Cabinet Office review of Social Value Act, review coincided with the implementation of new Public Contract

Regulations (2015) 'PCRs' in February 2015, resulting in more clearly defined duties for public sector organisations.

A previous Social Value Policy was approved by Cabinet on 27 June 2016 and updated in March 2018 but required further review in order to ensure that it remained fit for current purpose in 2020.

This policy has been reviewed revised in consultation with key stakeholders and supersedes all previous social value policies.

### **3. Defining Social Value**

The Act does not define what is meant by 'Social Value'. Therefore the Council will adopt the definition of social value as set out by the UK Sustainable Procurement Taskforce. Social Value is defined as:

*"A process whereby organisations meet their needs for good, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and economy, whilst minimising damage to the environment."*

What it is Social Value?

Social Value is about improving economic, social and environmental wellbeing from public sector contracts over and above the delivery of the services directly required at no extra cost. If used properly, additional social value can be beneficial to both suppliers and Council's and represent a joint effort to exploit maximum value from procurement.

In doing so the Council must consider the following:

- a. How what is being procured might improve the economic, social and environmental well-being of the relevant area
- b. How, in conducting the process of procurement, it might act with a view to securing that improvement.

In order to really deliver and fully imbed social value, commissioners must not just consider the core service being delivered by a supplier but also recognise the overall value of outcomes delivered.

### **4. Why Social Value is important to the Council?**

Experience from procurements let by Council's that have fully and successfully imbedded social value requirements has shown that up to 20% social value 'additionality' can be obtained on contract value by way of direct community benefits.

Requiring suppliers to deliver social benefits while they deliver the main element of their contract means that there is a magnified benefit for the Council.

Incorporating social value into our commissioning and procurement process is not difficult and can make a tangible difference to Walsall residents, communities and businesses, to service delivery and to the council's spending plans as a whole.

Adoption of this policy can provide the following benefits:

- Encouraging a diverse base of suppliers

- Promoting supplier diversity; including the participation of small and medium sized enterprises (SME's), third 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
- Maximising opportunities for local 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
- Promoting greater environmental sustainability - Minimising waste and pollution, supporting carbon reduction initiatives, furthering energy efficiency and other sustainability programmes

#### **4. Legislative Context**

This policy will be delivered within a significant and complicated legislative framework, including but not exclusively:

- (Public Services) Social Value Act 2012
- Public Contract Regulations 2015 (PCRs)
- Local Government Act 2000
- Equality Act 2010
- Competition Act 1998
- Local Government Transparency Code 2015

**The (Public Services) Social Value Act 2012** placed upon all local authorities and other public bodies a legal obligation to consider, prior to undertaking a procurement process, how any services procured might improve economic, social and environmental well-being.

The Act applies to public services contracts and framework agreements to which the PCRs apply. It does not apply to public work contracts or public supply (goods) contracts.

The aim of the Act is not to alter the commissioning and procurement processes, but to ensure that, as part of these processes, Council's give consideration to the wider impact of the services delivered.

**Public Contract Regulations 2015** - The Council have a duty to comply with all relevant statutory provisions including PCRs or subsequent equivalent.

Due care and attention shall therefore be applied in the implementation of this policy, to ensure that it is not breached in pursuit of social value benefits.

**The Local Government Act 2000** reminds us that fundamentally, the objective of any local authority should be:

*“The promotion or improvement of the economic, social and environmental well-being of their area”.*

The Council must get the maximum possible value out of every pound that we spend. If we do not give due regard to the impact of our contracts on our local economies, on our society, or on the environment, we are failing in our basic duty as public authorities.

**The Public Sector Equality Duty ‘PSED’ is defined by the Equality Act 2010 -**

Where social value is considered as part of a commissioning exercise, the PSED will apply. This means that equality will continue to be considered at every stage of the commissioning cycle, including consultation at pre-procurement stage. The Act and the Equality Act 2010 thus complement each other.

## **5. Policy Context**

This policy has been developed with consideration of a number of approved strategic and policy documents, including but not exclusively:

- Walsall Council's Corporate Plan
- The 25 Year Environment Plan
- National Procurement Strategy for Local Government in England 2018
- West Midlands Combined Authority Social Value Policy

The Social Value Policy is aligned to the Council's Corporate Plan priorities and benefits delivered through this policy link back to the commitments in the Council's has made in the overarching Corporate Plan.

## **7. Applying the Policy**

In practice this policy will be applied as follows:

- This policy applies to all service and supplies contracts with a value above £50,000
- Although the Act does not apply to public work contracts or public supply (goods) contracts, the approach for all other contracts should be to maximise social value outcomes where possible
- In a procurement process, the standard weighting for social value will be a minimum 5% of the overall evaluation score. Where it is feasible, this may be higher, if after considering the contract and its subject matter, it is identified as needing to be appropriately adjusted, enabling social value to be proportionate and relevant in all contracts.
- Procurement scoring criteria include the following factors as a minimum to inform how tenders are scored and weighted:
  - Service Delivery capability
  - Price
  - Social Value associated with the contract

- Capability of suppliers to meet the needs of the local area
- Social value bids will be assessed against the criteria laid out within the Invitation to Tender 'ITT', based on a combination of a quantitative and qualitative assessment. The quantitative and qualitative component of the offer will usually be evaluated based on the highest offer scoring the maximum mark, with all of the other offers being scored relative to that where
- Opportunities to 'Purchase Local' for 'Minor' contracts, in accordance with statutory and regulatory requirements will be promoted. This means wherever possible and appropriate to do so, for 'Minor' contracts, quotations would be sought from local suppliers in the first instance. *For the purpose of this policy 'local' is defined as suppliers/businesses that are registered within the Borough of Walsall and pay business rates to Walsall Council. 'Minor' contracts are as defined by the Council's Contract Rules*
- Localism will be embedded within specifications from the design stage of the project, in a manner which does not directly disadvantage organisations which are not local. This means that specification of requirements within a contract will focus on specific requirements to serve local need
- Enabling small and medium-sized enterprises (SMEs), social enterprises and voluntary and community organisations and more emphasis on 'social innovation' across the commissioning landscape. *For purpose of this policy we will use employee 'head count' to define micro, small, medium and large businesses and categorise these in the following way:*

Category	Number of Employees
Micro	0 – 9
Small	10 – 49
Medium	50 – 249
Large	250+

- Social Value benefits will be targeted against the priorities set out in the Council's Social Value Charter
- Social Value benefits will be measured in accordance with the Council's Themes, Outcomes and Measure Framework
- All staff who are involved in procurement and commissioning of Council's services, supplies or works must understand and adhere to this policy.
- The Council procures a wide range of things, and it is recognised that there can be no "one size fits all" model. This policy will need to be applied in a proportionate manner and be tailored to reflect the service, supplies or works being procured. It is the role of the service commissioners and procurement leads to consider, on a contract by contract basis, the potential social value outcomes that could be delivered through the procurement process and the most appropriate procurement strategy to achieve this
- Once a procurement exercise is concluded, the responsibility for ensuring the committed social value benefits are actually delivered will fall to those officers responsible for contract management of that individual contract

The implementation of the policy will be delivered through:

- a. A Social Value Charter which sets out the Council's Social Value Priorities aligned to the Corporate Plan
- b. Themes Outcomes and Measures 'TOMs' for measuring impact on objectives
- c. A published Social Value Toolkit which provides detailed guidance on the processes required to embed social value in how we achieve outcomes for local people
- d. A programme of training and development to improve understanding of Social Value, the Council's approach and practice for internal staff and the marketplace

## **8. Policy review**

The Council will periodically review this Social Value Policy. In doing so, it will take account of any changes in legislation pertaining to the legislative framework that underpins this policy and any changes to the Council's Corporate Plan priorities as required.