



Walsall Council

Social Value Policy

Report to: Schools Forum

Date: 14 January 2014

Subject: Implementation of a Social Value Policy

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Purpose of the report: To inform Schools Forum of the Social Value Policy developed following the implementation of the Social Value Act 2012 and seek comments on the draft Social Value Policy.

Recommendations: To note the contents of the report and comment on the draft Social Value Policy attached.

Social Value Policy

1. Background

The purpose of this report is to advise the Schools Forum of the implications of the Social Value Act 2012 and the potential adoption of a Social Value Policy, by Walsall Council. Cabinet will consider the draft policy and ways in which the Council and its partners can embed the consideration of Social Value within the relevant commissioning and procurement activity to maximise the benefits for Walsall people and its businesses.

2. Social Value

- 2.1 'Social Value' is a short-hand term used to describe the wider, social, economic and environmental benefits that can be secured by commissioners through direct purchasing of services. Such benefits need not necessarily mean extra costs but can often be achieved through the commissioning cycle simply by designing and specifying services early in the process and in a different way, through focusing on a wider range of outcomes.
- 2.2 The Public Services (Social Value) Act, which became law in March 2012, came in to force in January 2013. The Act requires for the first time all public bodies in England and Wales to consider how the services they commission and procure might improve the economic, social and environmental well being of the area. It is intended that this Act will transform the way public bodies choose to buy services.
- 2.3 To support this aim a strategic approach to Commissioning should be adopted which:-
 - a) Reviews why the service is being commissioned - is it still relevant, what are we trying to achieve and does it add value to the customer? Is it affordable?
 - b) Undertakes service-user, community or marketplace consultation or research to redefine or confirm needs and create opportunities for co-design / co-production?
 - c) Identifies additional social value outcomes including those undertaken through Corporate Social Responsibility (CSR) that could also be derived from commissioning and how these will be measured.
- 2.4 The legislation has been designed to complement existing procurement legislation rather than replacing it as existing arrangements already allow for the taking into account of social, environmental and economic benefits in procurement.
 - a) The Act does not change the procurement rules in any way but is targeted at the planning stage of the commissioning cycle. Therefore public bodies are now asked that, when they are planning purchasing services they consider, at the pre-procurement stage, not only the price and quality but also the way it benefits the economic, social and environment well-being of the relevant area.
 - b) The act does however make it very clear that only those matters relevant to what is proposed to be procured can be considered as part of the procurement process and in any event must be proportionate in all the circumstances to those matters.
 - c) The Act does not mean that public authorities can simply seek undefined 'added value' from their procurement. They are free to specify the social value they seek to realise but it must be relevant to the procurement in question and specific, measurable and verifiable in terms of performance.

Used appropriately this new duty will compliment the Council's strategic aims around community well being, environmental and economic regeneration.

- d) The Act requires public bodies, by law, to consider how the economic, social and environment well-being of the relevant area can be benefited as part of each commissioning decision, except where an urgent need to arrange the procurement makes it impractical to comply with the requirements.
- e) In developing a policy the Council is making a statement on what it is trying to achieve and influence its key partners to adopt this approach.

2.5 The Social Value Policy, attached Appendix 1, sets out a commitment from across the Council, that through all our commissioning and procurement activity we will consider and secure wider social benefits for Walsall as a whole.

2.6 The opportunity to secure Social Value through contracts is not limited to future activity but also through its existing arrangements. The opportunity exists to undertake a review of current contracts to explore with current suppliers how they can support the wider objectives set out in the Social Value Act.

2.7 The Council already has significant experience in delivering social benefits through the Think Walsall initiative and other projects. For example:-

- a) Capital Programme set out a requirement that the refurbishment of the Council House must be undertaken with a local labour force. This resulted in 84 % of the labour being local from Walsall
- b) The Development and Delivery Team and Regeneration are working with the prime contractor on the development of the new Primark / Co-op store, to open the supply chain to local businesses and to support employment for local people
- c) The Regeneration Team have been championing an online local supply chain website, called Think Walsall, to raise the profile of businesses in the area and as a means to raise awareness of procurement opportunities, from the Council and other partners
- d) The Contract Review project have secured additional apprenticeships in addition to reduced rates whilst renegotiating current contracts

2.8 There are however, some key considerations which need to be addressed in order for social value to be fully integrated.

- Monitoring and measuring the impact
- Ensuring the Market has the capacity and capable of meeting Social Value requirements
- Communication Strategy to ensure wider understand of the approach to Social Value

2.9 The Council's priorities are:-

- Improve Walsall's economic well being
- Create job opportunities for the people of Walsall
- Contribute to local business growth through supply chains, enterprise and innovation
- Assist the growth of the social enterprise sector
- Be an enabler for local community support
- Reduce the Council's impact on the environment

Examples of activity which contribute towards these include:-

- a) Creating skills and targeted training opportunities (e.g. apprenticeships or on the job training);
- b) Creating employment opportunities for care leavers, the long-term unemployed or NEETs (those not in education, employment or training);
- c) Offering work placements to school children and young adults;
- d) Providing career advice and information for young people on specific careers, such as construction, architecture or engineering;
- e) Offering curriculum support to schools, with contractors sharing knowledge and expertise about their discipline;
- f) Providing additional opportunities for individuals or groups facing greater social or economic barriers;
- g) Creating supply chain opportunities for SMEs and social enterprises;
- h) Encouraging the use of sustainable products;
- i) Evaluating the full life cycle cost of delivery;
- j) Creating opportunities to develop third sector organisations;
- k) Improving market diversity;
- l) Encouraging community engagement;
- m) Supporting initiatives like targeting hard to reach groups;
- n) Making facilities (such as school libraries, leisure facilities, meeting spaces or computers) available to targeted groups that otherwise would struggle to access such facilities;
- o) Encouraging ethical and fair trade purchasing; and
- p) Reducing its carbon footprint and use of resources;

3 Recommendations

- 3.1 Schools Forum is asked to note the implications of the Social Value Act 2012.
- 3.2 Schools Forum is asked to comment on the draft Social Value Policy.

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Appendix A

Walsall Council Social Value Policy

Socially Responsible Commissioning and Procurement

The Council recognises that our activities have an effect on the communities and the environment in which we work and those of others. We are committed, as far as is possible within available resources, to achieving environmental, social and economic aims that address these effects. These are set out in the Corporate Plan. The strategy outlines the aims of commissioning and procurement in relation to the social responsibility agenda. It relates to areas of sustainability and the long term effects of our procurement practices, environmental management, equality and diversity, fair trade and ethical procurement and regeneration.

It is acknowledging that the austerity measures planned for government and local councils will reduce available budgets and impact on, or constrain, the scale and scope of measures the Council may be able to adopt. Our main aims are set out below.

Sustainability and environmental management

The Council is fully committed to conserving energy, water and other resources, reducing waste, phasing out the use of ozone-depleting substances and minimising the release of greenhouse gases and substances damaging to health and the environment. The Council wants to procure from suppliers and to use goods, services and works that have the least impact on the environment, minimise energy consumption whilst maintaining quality and value for money. Consequently, the Council will evaluate the whole life costs and not just the initial price, when making procurement decisions. Wherever possible, suitable green and energy efficient goods and services will be specified.

Equality and Diversity

Equality of opportunity is a right for all. The Council can use procurement to promote a positive approach to equality and diversity. For the purposes of this policy we specifically refer to the following equality groups: Age, Disability, Gender, Ethnicity, Religion/Belief, Sexual Orientation or Gender Identity.

We will endeavour to ensure that we give our suppliers advice on equality issues and make sure that contracts promote equality and diversity and that contractors are monitored to ensure they can demonstrate the same level of commitment to equality as the Council does, and can evidence such in their delivery of the services and in their own employment practices.

Fair Trade

The term Fair trade covers a range of activities aimed at helping producers and workers which promotes fair trading conditions and sustainability, in developing countries. To keep this status we have and will continue to review our buying policy and where appropriate we will increase our usage of Fair Trade products, and raise awareness of fair trade and support its principles.

Ethical Procurement

Our procurement activities affect people who are not directly involved in the delivery of the contract. Ethical procurement concerns the living standards of people who may for whatever reason be affected by our procurement activities in a negative way. The aim of the strategy is to raise awareness of ethical issues in the procurement process and introduce the consideration of ethical issues to our key suppliers.

Local Regeneration

Contracting opportunities will be offered on a level playing field to all suppliers, regardless of the sector or locality in which they operate. The Council will ensure that purchasing activity promotes the social, economic and environmental well being of the borough in a manner that is consistent with statutory and mandatory public procurement regulations and other requirements, including the EU procurement regulatory framework.

To encourage the participation of local enterprises, we will:

- Actively engage with local businesses to inform them of what we expect from suppliers and how to do business with the Council
- Seek to package contracts in a way that does not restrict opportunities but supports local enterprises to compete for the work
- Include the requirement to employ locally based people or train existing employees to fulfil contracts if the terms of the agreement allow this.
- Uphold and maintain the principals of Think Walsall, by providing a supplier web site portal to provide information on opportunities, help with downloading tender documentation, provide assistance with the Council

Third Sector

In line with the National Procurement Strategy, the Council wants to promote a sound commercial relationship with the third sector (community, voluntary and social enterprise sector) and will endeavour to remove barriers to entry for potential providers. Consideration will be given to extending opportunities for social enterprises and the not for profit sector in any appropriate procurement activity. However, contracting opportunities will be offered on a level playing field to all suppliers, regardless of the sector they operate in.