

# **Social Value Policy**

**Public Services (Social Value) Act 2012**

**and the**

**Public Contracts Regulations 2015**

*'to take into account the "economic, social and environmental well-being of Maidstone Borough Council" in its procurement activity'*

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## 1. Introduction

Maidstone Borough Council is committed to delivering best value for its residents in every area of service. The Council has taken the opportunity to review and develop its policies in a number of areas in regards to the procurement of its goods and services.

The Public Services (Social Value) Act 2012 came into force in January 2013 and laid out the responsibilities of a contracting authority when procuring goods and 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.

The Council’s intention is to commit fully to the Act by embedding its principles into our procurement processes and procedures where it is feasible and appropriate to do so.

Due to the diverse nature of the goods and services provided the Council, this policy cannot be considered as standard for every contract, but will be considered by Procurement and Legal at commissioning stage prior to any tender being released.

## 2. What is Social Value?

Social Value has been defined as the additional benefit to the community from a commissioning or procurement process, over and above the direct outcome of the purchasing of the goods and services (the outcome of the tendering or quotation process).

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 fully embed and embrace social value, commissioning/contracting officers must consider more than the core services or goods being delivered by the contractor and look for opportunities to enhance the value of the contract to the wider community.

### 3. What are the advantages and disadvantages of adopting this policy?

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:

- **Promoting greater environmental sustainability:** Minimising waste and pollution, supporting carbon reduction initiatives, furthering energy efficiency and other sustainability programmes to retain, protect, and promote the character of Maidstone's natural environment for the benefit of residents and wildlife;
- **Promoting fair employment practices:** Ensuring workforce equality and diversity within supply chains, compliance with the National Living Wage and Modern Slavery Legislation etc;
- **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 Maidstone 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 and international standards, promoting fair trade (including payment terms to subcontractors) and fair pricing policies, tackling corruption, child labour, animal welfare, blacklisting of union members and similar social issues; and
- **Encouraging a diverse base of suppliers:** Promoting supplier diversity; including the participation of small and medium sized enterprises (SME's) and third sector organisations, and local suppliers in general.

The potential **disadvantages** of adopting this policy are:

- The social value elements of new tenders and contracts are likely to add additional cost;
- Contract managers will have an additional responsibility for the delivery of social value clauses within contracts, which many will not be familiar with. This will require further training and development.

## 4. How does this policy fit with organisational priorities?

This Social Value Policy fully supports the Council's 4 corporate priorities of:

1. Embracing Growth and Enabling Infrastructure;
2. Homes and Communities;
3. A Thriving Place; and
4. Safe, Clean and Green.

The policy will also support the Implementation of the Biodiversity and Climate Change strategy and action Plan. As noted in the introduction, the Public Services (Social Value) Act 2012 places a duty on the Council to consider and secure improvements in the wellbeing of the area through procurement activity.

This policy may also support the Council's obligations under the Equality Act (2010) by seeking to advance opportunities for disadvantaged groups through the provision of social value benefits within our contracts.

## 5. How will the Social Value Policy work 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.

In order to maximise the opportunity for social value benefits to be achieved, the commissioning/contracting officer should be considering any potential added social value from the very start of the commissioning process. This needs to be communicated in a very clear and consistent manner to the potential contractors in the tender documentation in order to ensure there are no misinterpretations of the Council's expectations.

Some examples of how the Council can use social benefits to bring long-term good to the Borough are:

- 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, such as:-
  - Increased biodiversity/available green space
  - Efficient use of resources and minimising waste
  - Reduced energy and fuel consumption in the provision of services
  - Improvements in Environmental Management Performance

This list is not intended to be exhaustive, and contractors should be encouraged to bring innovative ideas to the Council in respect of added social value when they submit their tender responses. We can and will however provide examples of possible ideas for adding social value to the contractors in order to aid their understanding.

## 6. Delivery

The way in which the Council will incorporate the policy into its procedures is as follows:

- For contracts with a value of less than £75k (or latest level as per the Constitution), the commissioning / contracting officer will need to show evidence that they have given due consideration to social value opportunities. If any are identified, they must be included in the tender documents and given a sufficient and proportionate weighting in the overall score for the evaluation process.
- For contracts with a value exceeding £75k (or latest level as per the Constitution), the commissioning officer **must** include social value criteria within their tender specification, which should be weighted as a minimum of 10% of the overall score. The figure of 10% places sufficient emphasis on social value within the tender process, but is not considered too onerous as to be a deterrent to potential tenderers. It is also comparable with other local authority's social value policies.

Once a procurement exercise is concluded, the responsibility for ensuring the committed social value benefits are actually delivered falls to the officers responsible for management of the contract. Department heads should be informed of the social value benefits committed to by the contractor and should in turn commit to providing the contract manager with the support they need to ensure it is delivered.

## 7. Review

Maidstone Borough 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, the Local Government Act and any changes to the Council's priorities.