

# Social Value in Commissioning and Procurement – Statement

## What is Social Value?

Social Value is defined through the Public Services (Social Value) Act 2012, which requires all public sector organisations, including the Council, and their suppliers to look beyond the financial cost of a contract to consider how the services they commission and procure can improve the economic, social and environmental wellbeing of an area.

This statement sets out more detail about why Social Value is important to the Council and the steps we are taking to seek this added value in the commissioning cycle and procurement of goods, works, services and utilities.

It is important to recognise that this statement is focused on approach to seeking Social Value in the goods, works, services and utilities that we buy; and that we ensure that Social Value is considered in the commissioning cycle and decision making process.

There are also services we deliver ourselves, with partners and communities, that also deliver Social Value – and this is being explored further and not covered in this statement.

## Why is Social Value important to W&F Council?

### Council Plan

We are an ambitious council, and we place people at the centre of everything we do as we look to deliver the best possible outcomes. We are ambitious for our communities too and will work to enable all our villages and towns to thrive; and for our residents to lead healthy, happy lives.

Our natural environment provides opportunities for improving health and wellbeing and we will work hard to maximise those opportunities and to ensure that we protect our natural resources, whilst striving to become carbon net zero and addressing biodiversity loss.

Most importantly we are committed to working to ensure that Westmorland and Furness is a great place to live, work and thrive. Our Council Plan Delivery Framework and other important policies such as our Carbon Management Strategy, Climate Change Action plan, and Customer Strategy all highlight the need for us to be seeking added value in contracts with providers, for example:

- The climate and our ambition to be carbon net zero for scope 3 emissions by 2050. This can only be achieved through enhanced collaboration and a shared commitment from our stakeholders, including our supply chain. Through monitoring and managing social value in contracts we will continue to develop and provide mechanisms for suppliers to engage with us on this crucial target and to use mechanisms to effectively track outcomes related to carbon reduction

- Sustainable, inclusive and economic growth; supporting new business creation and actively supporting the cultural economy to thrive. Through seeking social value in contracts, we will be able to support local businesses, enhance skills, and increase the number of good quality employment and apprenticeship opportunities available to local people. Social value can be achieved through collaboration and adoption of innovative approaches to service delivery
- Ensuring our customers are at the heart of everything we do, whilst promoting greater inclusion of our residents from diverse backgrounds, including those from under-represented groups. Anyone commissioning services must consider the social value of the decisions to maximise the benefits of public spend. If additional value can be identified at the commissioning stage, then more targeted outcomes can be achieved through the procurement process and through subsequent contract monitoring

## Our Commissioning Cycle

In the commissioning cycle – when we make decisions whether to deliver a service ourselves or procure – we take the following into account when developing a commissioning plan:

- The impact of the decision on our commitment to reverse bio diversity loss
- Whether or not the decision has an adverse impact on climate change or whether there are other options which would have more impact
- How the plan can support the vision for achieving carbon net zero (even through the supply chain)
- Whether there is any impact on the equality of opportunity for all to live and active and healthy life as a result of the decision and implementing the plan
- How the plan supports our growing economy, providing people with access to good range of diverse work opportunities and business with the opportunity to continue to develop and diversify

In development of a commissioning plan, we will consider social value as part of the decision making process.

For more information on the commissioning cycle, please refer to the **Commissioning Strategy**.

## Procurement Process

If the approval of a commissioning plan results in the agreement to start the procurement process, we will be looking to explore through this process how providers can support our commitment to the sustainability principles of equality, economy and environment. Specifically:

- **Equity** - ensuring that procurement process highlights and drives out in any inequalities, especially those resulting from poverty and rural sparsity. We will focus on the wider determinants that drive those inequalities in a way that is fair and equitable.
- **Economy** - looking for providers that support our commitment to increase productivity and improve educational outcomes for residents in Westmorland and Furness, whilst broadening opportunities and increasing the diversity of the economy. We are looking to support sustainable and inclusive growth which benefits our diverse population whilst protecting the environment.
- **Environment** - as a new Council we recognise our environmental responsibilities, including taking action on climate change and biodiversity loss. We will seek to redress damage and protect our environment for the long term – and expect any provider we work with to do the same too.

For more information about our procurement process, please see the **Procurement Strategy**.

## Community Wealth and Community Power

Our Council Plan Delivery Framework includes a commitment to agree our community wealth building approach and the role we can play through our commissioning and procurement practices and delivery of environmental and social value through how and where we spend our resources.

Through embedding Social Value in procurement and commissioning and focusing on how suppliers and contract decisions can support social, environmental and employment considerations - outcomes and contract decisions can be measured and made on Social Value as well as price and quality.

'Community Power' is based on the principle that communities have a wealth of knowledge and assets within themselves, which if understood and nurtured by practitioners and policymakers, has the potential to strengthen resilience and enable prevention-focused public services (New Local)

This is a key focus within the Council Plan with a priority for confident, empowered, resilient communities; and a commitment that the council will work closely with the residents and businesses it serves to enable them to shape their own destiny and thrive. This also includes supporting a growing social enterprise sector.

A specific Community Power Strategy is currently under development, however as part of this wider work a Grant Giving Policy has already been established. As an enabler, the Grant Giving Policy also supports community mobilisation and needs to consider how these opportunities can add Social Value.

## Anchor Institutions

We are a member of the Bay Anchor Network (BAN; formerly the Morecambe Bay Anchor Collaborative), a network of anchor institutions with links to the Morecambe Bay area. An anchor institution is a large organisation, such as the Council or our Health Partners, that have a significant stake in their local area and have sizeable assets which can be used to support local community health and wellbeing.

As part of the BAN, we will work with other anchor institutions to continue to develop opportunities for building community wealth and address other inequalities. We do this by working together across the network to manage our resources and operations strategically and intentionally, which can help address local social, economic, and environmental priorities.

The network identified six domains of activity intended to build local community wealth, each with various component indicators. One of these domains is focused on purchasing and commissioning for social value. Working together we will continue to identify opportunities to address local priorities, through joint contracts and frameworks where possible or sharing information and intelligence to inform our decision making.

## Why will we measure social value?

As well as considering social value in our decision making, measuring any Social Value 'gains' through contracts is crucial for several reasons:

- 1. Accountability:** we need to be accountable to residents and stakeholders – demonstrating how we are achieving Social Value through contracts
- 2. Improvement:** By measuring Social Value and reviewing what we are doing, we can work over time to improve our approach and performance
- 3. Informed Decisions:** Understanding social value informs commissioning and procurement decisions
- 4. Impact Assessment:** measuring social value allow us to track progress, identify intended and unexpected outcomes and demonstrate how providers are making a difference to the delivery of our ambition for our residents

## How will we decide what is Social Value?

How providers intend to achieve Social Value in the delivery of contracts for us will be assessed and determined through the tendering process. Each tendering opportunity will have specific questions included, that will be evaluated by the panel.

These questions will allow us to determine how the provider intends to add value when delivering our contract – and will allow us to assess each on its merits and opportunities. They are part of the overall scoring methodology, along with price and quality.

The actual detail and the approach taken will be relevant and proportionate to the nature and value of each of the contracts that are being tendered for. The commissioning plan stage of the decision making process will provide the information needed to develop these questions and approach.

We have clearly defined procurement processes in place which will document our decision making around contract awards and Social Value.

## Measuring Social Value

Once a provider (or providers) has been successfully awarded a contract – the information provided in the tenders around this additional value will be translated into a key performance indicator (or a suite of indicators – depending on the nature of the contract). These key performance indicators will be used to monitor the Providers' commitment and allow us to measure and manage the impact of their service or goods.

The Council has committed to the development of a 'Contracts Dashboard' in 2024/25 – this will allow us to collect, monitor and manage a wide range of performance indicators associated with our contracts. This will include those associated with measuring social value.

This is a priority area for us – and without the dashboard we won't be able to collect the data to demonstrate how successful we have been in adding social value into our contracts. It is hoped we can then develop this further to include calculating the financial benefit of social value.

The dashboard will also underpin the procurement pipeline and feed into the commissioning cycle (see the Procurement and Commissioning Strategies).

We know now that we are consistent in considering Social Value in the tender evaluation process – but then not as consistent in monitoring and managing the contract and therefore the Social Value added. This is a priority area for 2024/25 and 2025/26.

Appendix A gives examples of the key performance indicators that could be used for monitoring and managing the impact of Social Value through contracts. This is not an exhaustive list and additional indicators may be developed and used that are more relevant to different contracts, which are likely to be identified in the commissioning cycle.

# Embedding Social Value

Commissioning, procurement and contract management are all critical to ensure we are achieving social value through our providers and suppliers. To embed Social Value and maximise opportunities in contracts we will ensure that:

- For 2024/25, all new tenders will continue to include tender evaluation questions exploring how the provider is proposing to add value through their contract delivery
- For 2024/25, 50% of these **new** tenders over the annual contact value of £100,000 will have the Social Value criteria included within their evaluation process, translated into key performance indicators that will be monitored and managed– these will be relevant to each contract
- This target will increase to 60% in 2025/26 and 75% in 2026/27
- By including stretching targets, we can focus on ‘getting the fundamentals’ right in the first year and then fully embed the approach in the coming years
- For the end of 2024/25 – we will produce a report from the Contracts Dashboard – highlighting what contract information we have collated to support embedding social value and agree targets for 2025/26 and 2026/27
- We review the weighting given to Social Value responses in the tendering process and agree a consistent approach for evaluating in the procurement process including increasing the weighting given where appropriate (at the moment, there is not consistent weighting, and we want to consider increasing from the suggested 10%)
- Social Value indicators will be relevant and proportionate to the services or works being commissioned and procured
- We will review these indicators for 2024/25 to determine whether there is a ‘standard’ set of indicators to be used across all contracts and how this could be implemented
- Suppliers and partners are supported to contribute to delivering this social value approach; and we will be working in 2024/25 to help suppliers understand our expectations for social value.

In 2024/25 as we better understand the implications and requirements of the Procurement Act 2023, there will need to be a focus on ensuring we are collating contract and service performance information to support our commitment to, and demonstrating the positive impact of, social value.

As we become more confident with managing and monitoring Social Value in our contracts and exploring opportunities through the commissioning cycle, there will be other opportunities to develop this further and working with innovative providers to continue to challenge our expectations. This could mean more opportunities for us and will require additional capacity.

# Appendix A – How providers may bring Social Value to contracts

**These are some examples of how providers and suppliers may bring Social Value to residents in Westmorland & Furness. This isn't an exhaustive list and there will be others not included – the key point is that any will need to be relevant and proportionate to the contract on which they are intended.**

- Creating skills and training opportunities
- Creating local employment opportunities for the long term un-employed or those not in education, employment or training
- Promoting greater inclusion of people from diverse backgrounds, including those from underrepresented groups
- Creating equal opportunities for all and eliminating barriers
- Offering work placements
- Providing career advice, and information on specific careers
- Creating supply chain opportunities for the Voluntary, Community and Social Enterprise organisations in W&F
- Encouraging community engagement
- Supporting local and national projects or initiatives for hard to reach groups
- Make facilities available to groups that would otherwise struggle to access them
- Leveraging additional investment into Communities in W&F
- Support our requirements as a LPA for Biodiversity Net Gains
- Investing in renewable energy, not only provides business to local companies but also creating new jobs and developing new and existing local infrastructure
- Approach to supporting scope 3 net carbon target by 2050
- Approach to supporting ICT strategy
- Opportunities and support for our Care Leavers
- Promoting and implementing the Armed Forces covenant



## Translation Services

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