

Report title: Social Value Policy and Toolkit

Wards affected: All

Strategic Director: Max Wide, Business Change

Report Author: Patricia Greer, Service Director, Business Change

RECOMMENDATION for the Mayor's approval:

1. To approve the approach outlined in the Social Value Policy and Toolkit for implementation from 1st April 2016.

Key background / detail:

a. Purpose of report:

To seek approval of the Social Value Policy and Toolkit which will refocus the Council's approach to commissioning and procurement.

b. Key details:

1. It is a statutory requirement for the Council to implement a policy on social value. The Public Services (Social Value) Act 2012 requires the Council to consider how the services it buys may improve economic, social and environmental well-being.
2. The development of a Social Value Policy began with a Scrutiny Inquiry Day: Making Our Money Go Further – Social, Environmental and Economic Procurement, April 2015. Development of the Policy was then taken forward by a working group with representation from VOSCUR and the Federation of Small Businesses (FSB).
3. A 12 week consultation began on October 12th 2015 and finished on January 8th 2016. The overarching consultation feedback and responses from the Council are attached at Appendix 3. Over 500 responses were received, feedback was broadly positive but a number of refinements and clarifications have been made to the Policy and Toolkit in response to the comments made.
4. The Policy will require commissioners to apply a methodology that ensures 10% of the quality element of the price/quality ratio in tenders will be allocated to social value, when it is identified in the commissioning process that additional social value outcomes are relevant and appropriate.
5. The Policy includes an objective to spend at least 25% of the Council's total procurement budget with micro, small and medium size businesses, social enterprises and voluntary / community organisations in 2016/17.

**BRISTOL CITY COUNCIL
CABINET
1 March 2016**

REPORT TITLE: Social Value Policy

Ward(s) affected by this report: All Wards

Strategic Director: Max Wide, Strategic Director, Business Change

Report author: Patricia Greer, Service Director, Business Change

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Purpose of the report:

- To seek approval of the Social Value Policy and Toolkit which will refocus the Council's approach to commissioning and procurement.

The draft Policy is attached at Appendix 1 and the Toolkit is at Appendix 2. It is a statutory requirement for the Council to implement a policy on social value. Cabinet approval is sought to use the approach set out in the Policy and Toolkit.

RECOMMENDATION for the Mayor's approval:

1. To approve the approach outlined in the Social Value Policy and Toolkit for implementation from 1st April 2016.

The proposal:

1. The Public Services (Social Value) Act 2012 requires the Council to consider how the services it buys may improve economic, social and environmental well-being. Social value requires consideration beyond the price of each investment to look at what the collective benefit to a community is when a contract is awarded or a service delivered.
2. Bristol City Council already includes social value outcomes in some of its contracts, but now proposes a consistent approach across all contracts awarded through procurement or commissioning through the implementation of a Social Value Policy.
3. The development of a Social Value Policy began with a Scrutiny Inquiry Day: Making Our Money Go Further – Social, Environmental and Economic Procurement, April 2015.

4. The policy has since been developed by a Working Group with representation from VOSCUR and the Federation of Small Businesses (FSB) and input from a Reference Group (including Cllr Tim Malnick, Margaret Firth, Office for Civil Society).
5. A 12 week consultation on a draft Social Value Policy and Toolkit began on October 12th 2015 and finished on January 8th 2016. Over 500 responses were received and feedback was broadly positive.
6. 69% of respondents were supportive of our proposal to allocate 10% of the quality weighting to social value in future procurement processes. This has been included in the policy the impact of this will be assessed as part of evaluation of the policy. The majority of respondents also endorsed our proposal to target a minimum of 25% of procurement spend on micro, small and medium-sized organisations (including the voluntary/community sector and social enterprises). We will also monitor spend with local organisations through postcode data.
7. In response to the consultation a number of refinements and clarifications have been made to the Policy and Toolkit. Comments will also inform the training and implantation plan. The overarching consultation feedback and responses from the Council are attached at Appendix 3.
8. The draft Policy outlines our approach to creating social value and how we seek to maximise this in all of our expenditure. The draft Toolkit is more detailed and will support Council officers, particularly commissioners and procurement officers as well as potential provider organisations in any sector. Social value outcomes will be proportionate and relevant to a contract. They will always link to the Council's strategic priorities.
9. The Social Value Portal describes social value as the "wider financial and non-financial impacts of programmes, organisations and interventions, including the wellbeing of individuals and communities, social capital and the environment." Social value can thus cover a wide spectrum of activities and measuring impact means that we should focus on evaluating outcomes rather than just tracking outputs.
10. The Policy will be reviewed annually by a multi-agency advisory group. The draft Policy outlines our approach to evaluation and includes a commitment to report annually on the Policy's implementation to:
 - The Business Change & Resources Scrutiny Commission
 - A cross-sector challenge group which will include Council officers from procurement and performance management as well as representatives from the business sector, the VCS and equality groups.
11. The policy proposes that our annual reports include the following information:
 - a. Performance monitoring of contracts which deliver social value;

- b. Total procurement spend with micro, small and medium sized organisations (broken down into these categories);
- c. Evidence to show how local people have been involved in determining social value outcomes;
- d. A case study of a commissioning process where social value has been applied;
- e. Analysis of how the Policy benefits the local economy.

12. Our approach to measuring the impact of the policy on the local economy will be developed over the course of the first year. This will enable the Council to demonstrate progress towards the policy's objective of 'promoting the local economy'. It also has potential to support the Council's work on Economic Regeneration.

Consultation and scrutiny input:

a. Internal consultation:

Business Change & Resources Scrutiny
BCC staff including Commissioning and Procurement Officers, Policy and Planning officers and the Council's Extended Leadership Team.

b. External consultation:

Social Value Working Group has representation from VOSCUR and the Federation of Small Businesses (FSB) with input from a Reference Group (including Margaret Firth, Office for Civil Society).

12 week consultation was via questionnaire (online and hard copy, 447 responses), email and consultation events with the business sector, the VCS, equalities groups and the wider public.

Twitter was also used to raise awareness of the survey and events by tweeting via the BCC twitter account and the Supply to Bristol twitter account and wider use of the hashtag: #bristolsocialvaluepolicy

Information was shared via established mailing lists and e-newsletters and a feature was included in the Bristol Post.

As detailed above, consultation feedback directly informed the development of the policy and toolkit and will inform the ongoing development of the training and implementation plan. Further information on the consultation is set out in Appendix 3.

Other options considered:

Implementation of Social Value is a statutory requirement and therefore not optional.

Risk management / assessment:

FIGURE 1

The risks associated with the implementation of the (subject) decision :

No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK		RISK OWNER
		(Before controls)			(After controls)		
		Impact	Probability		Impact	Probability	
1	Nnnnnnnnnnnnn	High	Medium	Mmmmmmmmmmmmm	High	Low	
2	Legal challenge on the basis of unclear application of tender evaluation criteria	High	Medium	Training for commissioning officers on evaluating social value in tender evaluations Training to include explanation of the legal parameters Ensure robust record keeping in tender evaluation Ensure information for providers about evaluation processes is clear about how bids will be assessed Social value priorities should be clearly set out in the paperwork	Low	Medium	Service Director, Legal Services
	The policy does not promote long term outcomes because some social value outcomes may not be apparent within the timeframe of the contract	Low	High	- Ensure tender questions do not restrict providers to offering outcomes that are deliverable within the timeframe of the contract but ensure that there are relevant measures in place and that these are contract managed. - Factor this into the design of evaluation process.	Low	Low	Head of Procurement
	Commissioners are unable to consistently measure and quantify the social outcomes they are seeking, making it difficult to differentiate the additional social value offered by one bidder over another, resulting in an inability to secure the best value for money.	Medium	Medium	Continue to develop and embed the Toolkit and the methodology for measuring outcomes. Develop and roll out training programme Ensure robust record keeping of decision making in procurement processes Ensure evaluation of policy includes exploration of value for money	Low	Medium	Head of Procurement
	Small organisations have less capacity to develop their social value contribution and are disadvantaged in tender processes. There is potential for this effect to be amplified amongst organisations of/for equalities communities and/or people with protected characteristics.	High	Medium	Mitigating actions to be included within the SME action plan Ensure training is targeted at SMEs and diverse providers Monitor the impact of the policy on SMEs Engage equalities groups as part of evaluating the policy	Medium	Low	Head of Procurement

FIGURE 2

The significant impacts of this proposal are:

The approval of the Social Value Policy has no impact in itself. Because of its extremely wide scope social value will need to be applied on a case-by-case basis. Therefore, the policy does not commit the council to take action in any specific topic area (only examples are given). The policy does commit the council to various actions to develop consistent implementation of the Public Services (Social Value) Act and the Equality Act during the council's procurement activities. If the policy is successful in this aim, it will generate strong positive impacts in all seven of the categories covered by the Eco-Impact Assessment.

The proposals include the following measures to mitigate the impacts:

There are unlikely to be any negative impacts to mitigate. However, in order to ensure the successful implementation of the policy, the following concepts will be included in the guidance document that is being developed to sit alongside the policy (the Social Value Toolkit).

The following key targets and pledges fall within the scope of social value and will be used as sources of reference during the implementation of social value. These include:

- The UN Sustainable Development Goals that were launched during 2015. They have broadly the same scope as the legislation, but identify 17 specific goals. These will be referred to because they are very high profile are likely to be subject to a significant level of public interest, and because they are useful in breaking down the broad overall concept of social value into more manageable topics.
<https://sustainabledevelopment.un.org/sdgs>
- High profile public pledges made by the council (such as carbon neutrality by 2050) will be considered when implementing the policy.
- High profile campaigns run by the council (such as Learning City) will be considered when implementing the policy.
- Circular economic concepts are a good way to help people to consider alternative methods for the resource and cost efficient provision of goods and services and will be considered when implementing the policy.

The net effects of the proposals are:

There is likely to be a significant positive impact, although units of measurement have yet to be developed across the whole spectrum of topics covered by the social value concept.

Resource and legal implications:

Finance

a. Financial (revenue) implications:

There are no direct financial implications arising from this report. Any incidental costs in training of staff, raising awareness will be contained within existing budgetary provision.

Social value requires consideration beyond the price of each investment to look at what the collective benefit to a community is when a contract is awarded or a service delivered.

The achievement of social value benefits may therefore offset direct savings for some contracts. This will be defined by the evaluation criteria and the quality/price ratio. The commissioning and procurement process will secure 'best value' for the Council.

Advice given by Robert Woollatt, Interim Service Manager Corporate Finance
Date 28 January 2016

b. Financial (capital) implications:

There are no direct financial (capital) implications arising from this report

Advice given by Robert Woollatt, Interim Service Manager Corporate Finance
Date 28 January 2016

Comments from the Corporate Capital Programme Board: None

c. Legal implications:

Both the draft policy and the toolkit recognise that their implementation is subject to the limitations imposed by procurement rules and regulations, (in particular the Public Contracts Regulations 2015) but that nonetheless there may be scope for achieving social value objectives, particularly in respect of those contracts falling below the relevant EU thresholds (above which full application of the regulations is normally required). The draft toolkit highlights that supporting the delivery of social value through procurement can potentially be achieved through two routes i.e. through award criteria or by making social value requirements as contract performance obligations or a combination of the both. Furthermore the new Regulations seek to reflect the EU Commission view that to achieve the better integration of social and environmental considerations in the procurement procedures, contracting authorities should be allowed to use award criteria or contract performance conditions relating to the works, supplies or services to be provided under the contract in any respect and at any stage of their life cycles, and that these may include qualitative, environmental and/or social aspects, provided they are linked to the subject-matter of the contract in question. According there is scope for using both award criteria and performance obligation for achieving social value objectives in procurement, albeit their scope may be limited and will need to be applied within the legal constraints referred to.

Advice given by Eric Andrews, Team Leader, Legal
Date 27/01/16

d. Land / property implications: None

e. Human resources implications: None

Appendices:

Appendix 1 – Social Value Policy

Appendix 2 - Social Value Toolkit

Appendix 3 – Summary of Consultation and Council responses

Appendix 4 – Equalities Impact Assessment.

Access to information (background papers):



Social Value Policy 2016

DRAFT

Correct at: 27th January 2016

Introduction

Bristol has a growing reputation as the most liveable city in the UK and the Council is committed to making that a reality for everyone. This means supporting people to reach their potential and creating successful places for everyone to live, work and play. Social value is about maximising the impact of public expenditure to get the best possible outcomes, and recognising that local people are central to determining how these can be achieved, and what it is that makes Bristol a successful city.

The Council recognises the important role it can play in enabling sustainable development through its procurement activity. In 2014/2015 we spent approximately £330 million via procurement. Through our approach to social value, we will integrate economic, environmental and social sustainability into our procurement process

This policy outlines the approach that will be taken in order to ensure that all resources are used wisely, that we protect and enhance the environment whilst ensuring the efficient use of resources and delivery of value for money. An accompanying Toolkit has been created to support colleagues across the council, particularly commissioners and procurement officers, and potential provider organisations in any sector ('providers') to embed social value in how we achieve outcomes for local people.

There is no 'one size fits all' model for achieving social value; it is an area where providers and commissioners nationally are learning about how best to achieve and evidence it. The aspirations of this Policy and the guidance within the Toolkit will continue to be informed by national developments and our local learning.

What is Social Value?

The Public Services (Social Value) Act 2012 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 asks public bodies to consider the ways that they could most benefit society as part of each decision made.

Social value requires commissioners to think about how they achieve outcomes in a more integrated way. Rather than thinking about services in isolation or in the short term, this approach requires commissioners to consider long term costs and sustainability and how inclusion of additional social value outcomes can potentially reduce pressures in other areas.

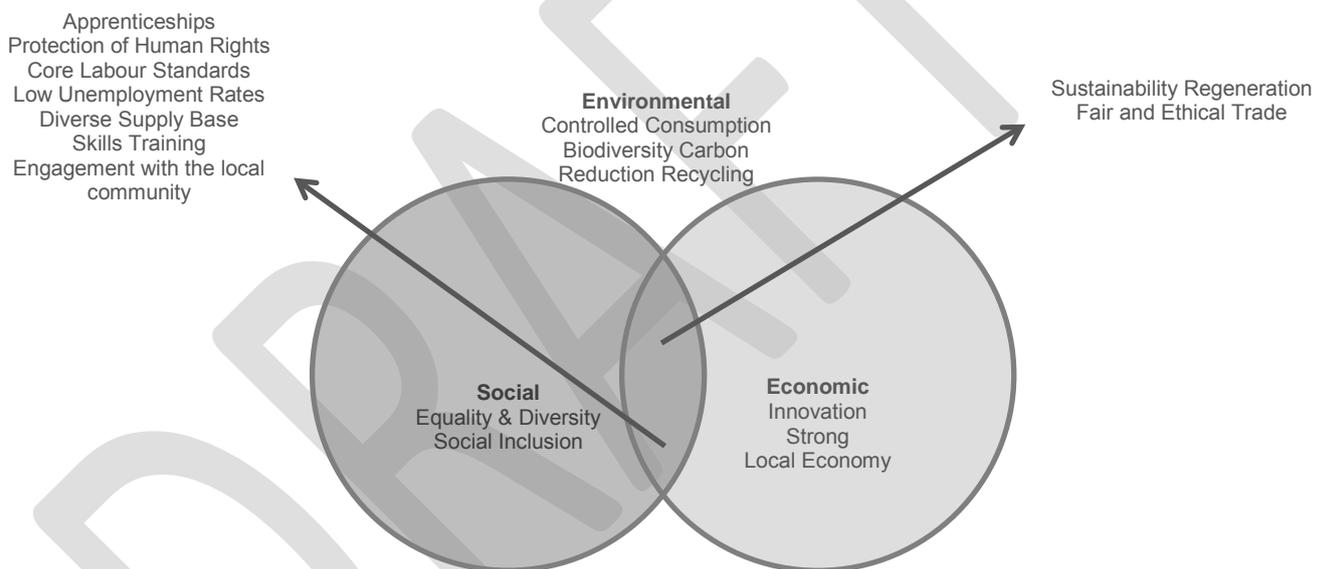
For example, Social Enterprise UK suggest that in practice this could mean that a mental health service is delivered by an organisation that actively employs people with a history of mental health problems to help deliver the service. Social value outcomes are achieved as a result of the person with mental health problems:

- having a job where they may otherwise have been unemployed

- becoming more socially included, and
- having a say in how mental health services are run. It also means a local job for a local person.

In this example investing in a service to improve mental health also has a positive impact on other strategic objectives of increased employment and social inclusion. This way of working promotes an integrated and coherent approach to the delivery of city priorities.

In many ways, a focus on social value is an extension of the “three pillars of sustainability¹” – society, the economy and the environment. As a consequence, where commissioners are already choosing a “sustainable” route through procurement they will also be providing social value to their area. Examples of social value outcomes that fall under these “three pillars of sustainability” are set out in the diagram below:



Economic² contributions to the local economy and economic growth that supports social outcomes. Retaining, re-circulating and leveraging funds in local areas – a wider contribution to skills, tackling worklessness and maintaining employment.

Example: Increasing local employment

Social outcomes contribute to a vibrant and healthy community. Community based actions. Equality, diversity, inclusion and cohesion - local relationships, partnerships and people we find it harder to reach.

Example: Reducing anti-social behaviour

Environmental outcomes are about protecting, promoting and enhancing the environment. Supporting local activities to improve the environment.

Example: Reducing local congestion

¹ Extract from Anthony Collins Solicitors, Social Value and Public Procurement, a Legal Guide January 2014

² Based on extract from Islington Council' "Commissioning, procuring and contract managing Social Value in Islington Supply Chain" (2013)

Aims and Objectives of the Policy:

The overarching intent of this policy is to ensure commissioning activity maximises social, economic and environmental benefit for the city while delivering value for money. Our aims are:

1. To further our sustainable procurement objectives to protect and enhance the environment
2. To promote the local economy by supporting micro, small and medium sized enterprises and the voluntary and community sector in Bristol to thrive³
3. To tackle disadvantage and address inequalities of health, wealth and opportunity in the city
4. To involve local people and organisations in how we meet the needs of local communities through the commissioning cycle

Objectives:

In order to achieve our aims we will:

1. Involve local people and organisations in determining social value outcomes by beginning engagement and/or consultation at the earliest possible opportunity in a commissioning process.
2. Agree proportionate and relevant social value outcomes with the marketplace at pre-procurement stage, and ensure that they are linked to the strategic priorities in the Corporate Plan.
3. Apply a methodology that ensures 10% of the quality element of the price/quality ratio will be allocated to social value, when it is identified in the commissioning process that additional social value outcomes are relevant and appropriate.
4. Spend at least 25% of the Council's total procurement budget with micro, small and medium size businesses, social enterprises and voluntary / community organisations in 2016/17 and be ambitious in our endeavour to improve on this figure.
5. Work with internal staff, the marketplace and communities to improve understanding of social value, our Policy and evaluation methods.

³ Small and medium sized enterprises, black, minority ethnic owned enterprises, those with majority ownership/ leadership from a group protected by legislation and voluntary and community sector organisations.

The Principles of the Policy

The following principles underpin our policy, and have been developed through discussion with partners:

- **Creativity**
 - To use social value as a platform to encourage innovation both within and external to the Council
- **Flexibility**
 - To embed flexibility and a 'can do' approach to social value to secure the best outcomes by opening up the commissioning/procurement process to a broader range of organisations and businesses
- **Collaboration**
 - To develop a shared vision for social value between the Council, communities, stakeholders and organisations and businesses to benefit the whole city.
 - To promote collaboration within the Council so that procurement processes impact on shared priorities for the city.
- **Leadership**
 - To ensure key messages are effectively communicated and progress is monitored with strong leadership, guidance and co-ordination, making sure the Council delivers an effective social value policy
- **Sustainability**
 - To recognise longer term social value outcomes over quick wins.
- **Equality**
 - To ensure that groups with protected characteristics participate in the shaping, delivering and monitoring of our social value policy.

The Public Services Act requires public bodies to consider social value in service contracts (and contracts for goods or works where there is a service element) above a prescribed financial threshold. However our implementation of the duties in the Act will be as wide as practicable so that we can achieve maximum impact.

This policy does not set out a single approach to the creation of social value in Bristol. However, social value will be considered during the commissioning cycle and procurement process of all contracts, including those that are below the EU Procurement Thresholds. Proportionate and relevant social value requirements will always be included in contracts.

Engagement with people and communities is vital to encourage innovation and ensure services are well designed for the people who use them. Engaging and consulting at the earliest opportunity will enable us to find out what the potential social benefits could be and to learn about benefits that we may not have considered. Knowing what local providers can offer also avoids the Council asking for outcomes which are not relevant or proportionate to what their business or organisation can deliver. It also helps us to take into consideration the needs of smaller providers.

Commissioners are required to determine social value outcomes in discussion with providers at pre-procurement stage. Outcomes should be proportionate and relevant to a contract and linked to the strategic priorities in the Corporate Plan. This ensures that social value is:

- *relevant* to our strategic objectives
- *valuable* in terms of meeting specific needs that have been identified and supporting a wider strategy to meet these needs.

The Strategic Outcomes sought by our Corporate Plan are:

Theme	Outcomes
Healthy & Caring	A city where the cared for and the caring, young and old are respected and valued members of our society; and where healthy, happy and safe lives and homes are shared aspirations for every citizen
Keep Bristol Working & Learning	A learning city where every citizen has access to good education and is able to acquire the skills they need to join Bristol's world class workforce
Keep Bristol Moving	A city where public transport provides an affordable quality alternative to the car, where streets are no longer clogged with traffic, our air is cleaner and it is increasingly attractive to walk and cycle
Building Successful Places	A city of well-connected neighbourhoods with a strong sense of identity and belonging, where a diverse mix of housing types and tenures ensures that homes are increasingly affordable to all that need them including the most vulnerable
Vibrant Bristol	A city where the streets are alive with activity and where every citizen and community participates in the cultural life of our city
Global Green Capital	To harness the energy of everyone in the city to maximise the opportunity of our Green Capital status as a platform for promoting the city on the world stage, to attract investment and jobs
Active Citizens	A city where we celebrate and champion the diversity of our population and every individual, organisation, business and community is encouraged to play an active role in the life of the city
Addressing Inequality	Working to address inequalities of health, wealth and opportunity in the city, by providing the right kind of help and support, at the right time
Empowered City	A city more in control of its own future and where its governance is modernised
Flexible & Efficient Council	A city where it is simpler for individuals and organisations to seek information, request services and engage with the Council and transforming the way we work at a whole council

The Council's position on priorities for social value outcomes will be considered as part of the annual review of the Policy in order to ensure equity and fit with overall corporate strategy. When the Corporate Plan is next rewritten/revised, a more prescriptive framework for social value outcomes may be developed in dialogue with partners.

Social Value and Equality

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

The public sector Equality Duty is defined by the Equality Act 2010. It requires public bodies to respect the needs of all individuals when shaping policy and delivering services. As part of this, public bodies must consciously consider protected characteristics such as age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, pregnancy and maternity, and marriage and civil partnerships.

The Equality Act requires that public bodies have due regard to the need to:

- eliminate discrimination;
- advance equality of opportunity; and
- foster good relations between different people.

These points link naturally to our social value priorities which are set out in the Council's Corporate Plan. For example, the Corporate Plan includes a cross-cutting objective to 'address inequalities of health, wealth and opportunity in the city'. Other objectives, such as 'Keeping Bristol Working and Learning', emphasise that every citizen should have access to a good education and the skills they need to build a successful career. It is thus a central aim of the Social Value Policy to promote positive equality outcomes.

Implementation of the Policy

The implementation of the policy will require:

- Application of the accompanying Social Value Toolkit
- Embedding processes for measuring impact on objectives
- An Action Plan for supporting micro, small and medium sized businesses (<250 employees) including social enterprises and voluntary/community organisations and diverse suppliers

- Positive action in respect of organisations of and for equalities groups or groups of people with protected characteristics.
- A programme of training and development for internal staff and the marketplace.

The **Social Value Toolkit** provides detailed guidance on the processes required to embed social value in how we achieve outcomes for local people. The Toolkit will continue to be developed in partnership with stakeholders via a cross-sector challenge group.

We aim to spend at least 25% of the Council's total procurement budget with micro, small and medium size businesses, social enterprises and voluntary / community organisations in 2016/17. In order to be able to identify progress towards this target we will **expand our monitoring** to include the size, sector and location of the organisations that we commission, directly and indirectly (through the supply chain). Our current baseline is 16% based on direct spend. In our first year of implementation we will expand our data collection to include local spend within the supply chain⁴.

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+

We will use provider postcode data from the new e-procurement system to establish a baseline for local spend for the first time. This can be analysed against spend and business /organisation size.

In order to support progress towards this target we will agree and deliver an **Action Plan** for supporting micro, small and medium sized businesses (<250 employees) including social enterprises and voluntary/community organisations and diverse suppliers to bid for contracts with the Council. We anticipate that many of these will be local organisations.

This Action Plan will also take account of the need **for positive action in respect of organisations led by or for equalities groups, and for the development of small**

⁴ The 16% baseline of known current spend with SMEs and the VCS is based on direct spend and does not include indirect (supply chain) spend. Raw data is based on spend reports that are analysed to identify organisation size. In future the plan is to utilise the improved data capability of the new e-Procurement system to enable reporting to include geographical makeup of our suppliers, the supply chain and indirect spend.

and micro organisations and businesses. The Action Plan will seek to nurture positive relationships and promote the engagement of these organisations in tendering. This would include actions to ensure that engagement with the marketplace and communities at pre-procurement stage is accessible to small and micro organisations and equalities groups, including older people, people with disabilities and BME communities.

We will communicate the Policy to all internal staff, providers and partners and develop **a programme of training and development** to improve understanding of social value and our approach and practice. This will include a specific focus on smaller providers and also seek to build social value commissioning expertise within evaluation panels and for the development of evaluation criteria.

The Social Value Policy will inform the ongoing development of the **Council's Commissioning Framework** and contracts that include social value outcomes will be managed in line with this framework. This includes compliance with relevant UK and EU statutory regulations and legislation.

Evaluating Our Approach

We will evaluate the impact of this Policy to show how we are delivering on our aims and objectives. As part of this, we will conduct an annual review of the Policy and the way it is applied. We will also further develop our understanding and use of different evaluation techniques to show which interventions are successful in producing positive social, economic and environmental outcomes in Bristol.

Reviewing our Social Value Policy

We will report annually on the Policy's objectives and implementation to:

- The Business Change & Resources Scrutiny Commission which is comprised of elected members.
- A cross-sector challenge group which will include Council officers from procurement and performance management as well as representatives from the business sector, the VCS and equality groups.

This will provide an opportunity to adjust our approach as we learn from current practice and feedback. The following information will be made available as part of the annual review:

- Collated performance monitoring information about all contracts delivering social value outcomes in the relevant financial year. This will include postcode data analysis of providers (both potential and successful) as well as feedback from providers, communities and other stakeholders;
- Total spend with micro, small and medium size businesses, social enterprises and voluntary / community organisations which demonstrates our performance against the 25% spending target;

- Evidence of how local people and communities have been involved in determining social value outcomes;
- Minimum one case study of a commissioning process where the social value policy has been applied;
- Analysis of how the Policy benefits the local economy.

Developing our methodology

Social value evaluation is a rapidly evolving field. Over 1,000 different metrics are being used around the globe to measure social value, ranging from carbon emissions over jobs created to the Happiness Index. There is currently no 'gold standard' but we can broadly distinguish between financial indicators (measuring, for example, how much money an intervention saved) and non-financial indicators which track progress towards social outcomes (e.g. whether a person feels more connected, more empowered or less isolated).

We will work with partners to further build our understanding of measurement techniques. This will involve working with colleagues across the Council and city partners to share expertise and best practice on social value evaluation. We will continue to adjust our methods as we learn and will involve providers and communities in this process.

Appendix 2



Creating Social Value in Bristol

*This Toolkit has been developed for use by the
Council's commissioners and external organisations*

Correct at: 20th January 2016

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This document accompanies the **Social Value Policy – Creating Social Value in Bristol**.

This **Partnership Toolkit** has two parts. The first is our **Guidance for Provider Organisations**, the second is our **Guidance for commissioners and procurement officers**, responsible for commissioning and procurement on behalf of the Council.

Using this toolkit

Where you see a grey text box you will find a case study we felt illustrated a good example of social value that would contextualise a preceding point. We are actively seeking ‘local’ case studies that will replace those included.

Look out for the handy jargon busters where you see this symbol^{JB}.

Where further information is available click on the icon to view.

This document will be available in text format and online. Some of the embedded documents will become links to other web pages.

Social Value Partnership Toolkit

Introduction

In order for our city to reap social benefits, we have to work in partnership, so that we can identify commission, procure, deliver and secure social benefits. This approach not only applies to our own activities, but also to engaging with those other organisations that commission and procure services in the City and neighbouring authorities. The Council wants to capture the differing perspectives of everyone involved with commissioning^{JB} and procurement^{JB} in Bristol.

This toolkit has been developed in partnership with Voscur, the local organisation that supports, develops and represents Bristol's voluntary and community sector and the [Federation of Small Businesses](#), the UK's largest campaigning pressure group promoting and protecting the interests of the self-employed and owners of small firms.

The process we use when we are thinking about the services we need, allocating resource and/or buying, is called the 'commissioning cycle'. We include social benefits when we commission and review services. This process is also applied to services provided by the Council. Sometimes the Council's internal service providers compete for an opportunity to provide services alongside external organisations.

What the toolkit will do

This toolkit will follow the commissioning cycle used by the Council. It complements the Council's Enabling Commissioning Framework.

More information about the Enabling Commissioning Framework can be found [here](#).

The toolkit explains how we commission services and it will answer questions about when and where we will look for opportunities for social benefit.

The toolkit will also:

- Explain how social value can help us achieve our priorities
- Explain what provider organisations and communities can expect from the Council
- Provide guidance for provider organisations preparing for and giving social value
- Explain how social value can be applied and embedded throughout the commissioning cycle
- Provide some sample outcomes and measures of social value

Jargon Buster:

Commissioning is the process of specifying, securing and monitoring services to meet people's needs at a strategic level. This applies to all services, whether they are provided by the local authority, NHS, other public agencies, or by the private and voluntary sectors.

Procurement is the process of acquiring goods, services and construction projects from providers/suppliers and managing these through to the end of the contract or disposal of assets".

We have used a range of case studies¹ to show how social benefit has already been achieved in Bristol and elsewhere and encourage new and innovative ideas.

Legal Framework & Local Policy Context

We are using the Social Value Act to help us to achieve the ambitions we have for the people and communities of Bristol. The following key targets and pledges fall within the scope of social value and will be used as sources of reference during the implementation of social value. These include:

- The UN Sustainable Development Goals that were launched during 2015. They have broadly the same scope as the legislation, but identify 17 specific goals. These will be referred to because they are very high profile are likely to be subject to a significant level of public interest, and because they are useful in breaking down the broad overall concept of social value into more manageable topics.
<https://sustainabledevelopment.un.org/sdgs>
- High profile public pledges made by the council (such as carbon neutrality by 2050) will be considered when implementing the policy.
- High profile campaigns run by the council (such as Learning City) will be considered when implementing the policy.
- Circular economic concepts are a good way to help people to consider alternative methods for the resource and cost efficient provision of goods and services and will be considered when implementing the policy.

Bristol is a Learning City. We want to ensure children, young people and adults can access a range of options that will enable them to acquire the skills they need to join the workforce. Additional Employment, Skills and Learning opportunities are one of these options and will be actively sought within the commissioning and procurement processes.

Guidance for Providers: Employment, Skills and Learning can be viewed below



Guidance for
Providers: Employment

Sustainable procurement is embedded within our commissioning and procurement processes. Additional Environmental Social Value benefits are encouraged and are key to our continuing to promote our city's Global Green Capital Status. A focus on 'green' issues secures environmental protection and enabling measures to reduce carbon emissions, energy efficiency, waste minimisation and recycling. Further guidance is available below and throughout the commissioning and processes.

Our **Creating Social Value In Bristol, Social Value Policy** is an emerging approach. It needs to be dynamic and flexible enough to enable us to use our experience, practice and learning to develop it as our knowledge, understanding and evidence grows.

¹ Courtesy of Cabinet Office, Social Value Review Report 2015
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/403748/Social_Value_Act_review_report_150212.pdf

Our **Creating Social Value In Bristol, Social Value Policy** can be found here [insert link].

Our partners worked with us on a '**Making our Money go Further – Social, Environmental & Economic Procurement** Scrutiny Inquiry Day, that has formed the building blocks of the policy and partnership toolkit and in securing social benefits and more value for money when buying services.

How does this new approach fit with the Council's other priorities?

The Council's Corporate Plan 2014-2017 sets out its strategic priorities and outcomes which informs its priority areas for commissioning and procurement.

A summary the Strategic Outcomes Sought by our Corporate Plan can be viewed below.



Strategic Outcomes
Sought by Our Corpo

Jargon Buster:

Outcomes are *specific changes in behaviour, condition and satisfaction* for the people that are served by a project or a service.

Further information about the Legal Framework and Local Policy Context can be found here



Local context & Legal
Policy Framework

Commissioning and Procuring for Social Value

Social Value can help us to get more value from the money we spend on services, enabling our funding to go further and securing better outcomes^{JB}. This can be in the form of cost savings or by achieving more outcomes for the same cost, or finding innovative ways of reducing waste - *see the Whole Life Hierarchy below for more information.*



Whole Life Hierarchy

We recognise that micro, small to medium businesses; social enterprises and voluntary and community organisations are often well placed to deliver the social benefits that local

communities identify, introducing innovative and flexible new ways of working and finding creative ways to support them. We encourage those organisations to work in this way.

Case Study 1: a small business providing Social Value - Station Taxis

Station Taxis, contracted by Sunderland Council, is a small business that is able to provide Social Value. They deliver benefits to their local area in a way that fits with their business model (that is, the additional service and benefits provided are a natural adjunct to what they do anyway).

This small business provides the following Social Value:

- helping to safeguard University of Sunderland students by allowing them to take taxis back to their accommodation even when they don't have any cash by accepting their Student Union Membership Card as guarantee of payment;
- supporting 100 of their 400 self-employed drivers to undertake maths and English courses
- employing six apprentices
- providing two business mentors
- publicising local firms and retailers by producing a loyalty card brochure that promotes local businesses and uses lower advertising rates to maximise the benefit to those firms and the community

How some organisations are defined

Micro, Small to Medium Businesses and Organisation (Size)

In this document we have used the following employee 'head count' to define Micro, small to medium businesses, social enterprises and voluntary and community organisations.

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

Micro, Small to Medium Businesses and Organisation (Classification)

Voluntary community sector organisations are all organisations that are neither part of government (public or state sector) nor the private (for profit) sector, this includes charities. Social enterprises are businesses that trade to tackle **social** problems, improve communities, people's life chances, or the environment. They make their money from selling goods and services in the open market, but they reinvest their profits back into the business or the local community.

Organisations or enterprises may also be defined as those owned and or community led by a group protected by legislation.

How some organisations are giving added social value benefits

Social benefits can be achieved in a variety of ways by, for example:

- enabling a positive impact on the environment
- helping to get people into employment by improving their skills and offering

- work experience and volunteering opportunities
- regenerating communities and contracting with micro, small to medium businesses, social enterprises and voluntary and community organisations
- encouraging community engagement and community benefit projects.

Examples of organisations creating social value²

- ❖ A community based childcare organisation that invests in programmes to help local long-term unemployed people into childcare training, qualifications and employment
- ❖ A transport company that tenders for a contract to run bus routes and offers to provide added value through the delivery of a community dial-a-ride service
- ❖ A housing management organisation that wins a contract to undertake property maintenance and repair work, and offers to also promote careers in construction and trades to local schools, and commit to employing young people

How the Council will promote social value

- We will look for opportunities to increase social benefits in all Council activity and services.
- We will provide resources and training to raise awareness, promote take up and share good practice.
- We will improve; early engagement with local communities, businesses and organisations in delivering services and securing the best social, economic and environmental outcomes for people; and market engagement with businesses, including micro, small to medium businesses, social enterprises and voluntary sector and community organisations.
- We will deliver value for money, taking into account whole life or 'life cycle' costs^{JB}.
- We will look for benefits to best meet the needs of a particular 'area' or community.
- We will look to create Employment, Skills and Learning opportunities through our commissioning and procurement processes.
- Sustainable procurement is embedded within our commissioning and procurement processes. Additional Environmental Social Value benefits will be sought.
- We will encourage innovation and new ways of working - informed by good

Jargon Buster:
Whole life or life cycle cost means taking into account all relevant costs and revenues associated with the delivery of a service or the provision of goods and/or works.

² Extract of The Social Value Guide, Implementing the Social Value Act https://www.cips.org/Documents/Knowledge/social_value_guide.pdf

engagement, consultation, imaginative commissioning and procurement and creative service design

- We will reduce bureaucracy and timescales for tendering^{JB}, increasing accessibility and opportunities for bidders and the efficiency and effectiveness of our commissioning and procurement processes.
- We will improve the commissioning of realistic and sustainable outcomes.

Jargon Buster:
A **tender** or bid is a written response offering to contract services, goods or works at a specified cost or rate.

Our Approach to Commissioning and Procuring for Social Value

Thinking differently in innovative ways

Case study 2: BUZZ Community Shop – Lockleaze

Bristol City Council recently transferred one of its assets – a building on a row of shops on Gainsborough Square in Lockleaze – to the North Bristol Advice Centre to convert into a community shop. As well as helping to solve a long-running lack of fresh fruit and vegetables in the area, NBAC has converted the upper floors of the building to house its employment support project and to create workspace for new social enterprises. Instead of selling off the building the Council has used it to help resolve long-standing issues identified by residents of this area.

Considering social value in all of our commissioning and procurements

Below are some of the key elements that inform whether or not social benefit opportunities can be achieved through commissioning and procurement. These issues are explored for each individual contract.

What a Social Value question in a tender looks like

Below in a sample question used in a high value tender. Further examples can be found on page 10 [insert link].

In developing questions we will:

- Provide context



Sample Social Value Question

- Identify priority groups
- Set out initiatives sought through the tender
- Share monitoring arrangements
- Set out the Council's commitments

How Social Value has been considered and the decisions taken at the different stages of the commissioning and procurement cycles will be documented and will be monitored as part of the ongoing evaluation of the impact of our Social Value Policy.

Think Social Value - where to start....

<p>Concept What is the Service to be commissioned? Who will the recipient of the service be?</p>	<p>Review</p> <ul style="list-style-type: none"> • Performance against existing Contract • Lessons Learnt • Sustainability Assessment 			<input checked="" type="checkbox"/>	
<p>Consult Should consultation be carried out? If not why? Who are the stakeholders</p> <ul style="list-style-type: none"> • Service Users • Market Suppliers • Community Groups • Other Public Services/LA's 	<p>What are the issues that may be affected by the Service: Example:</p> <ul style="list-style-type: none"> • Loneliness • Social Isolation 	<p>Can the issues be addressed by the Service?</p> <ul style="list-style-type: none"> • Approach to a Service • Delivery model 	<p>How can the issues be addressed by the Service? Example:</p> <ul style="list-style-type: none"> • Taking the service user to the service (instead of home delivery) 	<input checked="" type="checkbox"/>	
<p>Impact What impact on Social Value could be delivered through this Service? Example:</p> <ul style="list-style-type: none"> • Improving community cohesion for service users • Improving health and/or access to care facilities for service users 					<input checked="" type="checkbox"/>
<p>Inform Specification</p> <ul style="list-style-type: none"> • Delivery model • Sub-Contracting • Consortia 	<p>Inform Selection</p> <ul style="list-style-type: none"> • Technical ability • Experience of working with specified service user group • Experience of providing specialist aspects of the service 	<p>Inform Evaluation</p> <ul style="list-style-type: none"> • Criteria • Weighting • Evidence 			<input checked="" type="checkbox"/>
<p>Outcomes How could this impact be delivered through the Outcomes of the Service?</p>	<p>Measures How would each Outcome be measured – see examples provided</p>	<p>Relevant Are these Outcomes relevant to the type of Service to be commissioned?</p>	<p>Proportionate Are these Outcomes proportionate in relation to the Service to be commissioned?</p>	<input checked="" type="checkbox"/>	
<p>Contract Management</p> <ul style="list-style-type: none"> • Monitor against KPI's • Evidence 	<p>Manage & develop supplier performance</p>			<input checked="" type="checkbox"/>	

Bringing Social Value into procurement

There are two 'routes to procurement'. These are the ways that social value can be brought in to a procurement process.

Award Criteria	Performance Obligation
<p>Award criteria is the criteria against which aspects of a bid's content are scored. This evaluation and scoring directly affect the decision about which bidding organisation will be awarded a contract.</p> <p>This route enables commissioners evaluating a bid to test a provider organisation's experience in delivering social value benefits.</p> <p>The award criteria will be clearly set out within the tender documents, if this route is used the requirement must be relevant to the subject matter of the contract.</p> <p>Examples of the types of questions that may be asked are:</p> <p>"Bidders are invited to give brief details of how they intend to add to the economic, social and environmental well-being of their local area through the delivery of the service specified, as required under the Public Services (Social Value) Act 2012. The commissioner is seeking information on the benefits Bidders might look to achieve in relation to social & community, labour & employment, and environmental factors associated with delivery of the services specified, including how they might demonstrate innovation" ³(Primary Care Mental Health tender for Wirral CCG)*.</p> <p>or</p> <p>Using the matrix provided please indicate the intended target in this area – see example below.</p> <p>The social benefits a provider organisation offers within its tender submission become a requirement of the contract and are monitored appropriately.</p> <p>*The responses to these questions are evaluated in the same way that commissioners would evaluate a method statement.</p>	<p>Performance Obligation is a commitment in a contract that a provider will perform an agreed task or activity. These obligations are specified and become a requirement of a contract.</p> <p>Performance Obligations are imposed and cannot be considered and scored as part of the tender evaluation.</p> <p>The importance of the social benefits associated with a particular contract, as minimum requirements will be explained from the outset and within the tender documents.</p> <p>These must seek to secure additional social benefits.</p> <p>Performance obligations are monitored as part of the contract monitoring process.</p>

³ Example used Primary Care Mental Health tender for Wirral CCG

Sample matrix

Occupation	Labour Requirement				Person-weeks delivered by New Entrant Trainees						
	Total for Contract		Apprentices		Employed operatives		Non-employed Trainees		Total No.		% of total
	P/wks	No	P/wks	No	P/wks	No	P/wks	No	P/wks	No	
Trades Apprenticeship for Young People and Adults											
Employed Operatives semi-skilled and unskilled employees											
Total in employment											
Non-employed trainees all levels and occupations											
Total in employment and training											

Notes⁴:

P/wks – A person-week is the equivalent of one person working for 5 days either on site, or through a mix of on-site work and off-site training. The total person-weeks utilised on the contract to include time provided by management and professional staff, trades and operative staff, and ancillary staff.

No – enter here the number of individuals that you anticipate using for each occupation and category.

A new entrant trainee is a person that is leaving an educational establishment (e.g. school, college or university) or leaving a training provider, or a nonemployed person that is seeking employment that includes on-site training and assessment or offsite training, or a mix of these.

An Apprentice is a person registered as an apprentice with an industry recognised body. Each apprentice can be counted as a new entrant trainee for up to 104 weeks.

NB: When the Social Value benefit is not a core requirement (i.e. relevant to the subject matter of the contract) it can still be included within the contractual terms of the contract. However it would not form part of the evaluation award criteria.

Examples of where Social Value can be directly connected to the subject matter include*

- a contract to build houses that includes the ability to target recruitment and training for construction related skills;
- a catering contract which requires eco-friendly ingredients are used;
- the provision for refuse collection specifying that items for recycling are separated out (which is also, incidentally, a legal requirement on local authorities);
- a grounds maintenance contract requiring the use of indigenous plants only.

⁴ Graphic adapted from Croydon's Inspiring and Creating Social Value in Croydon, Social Value Toolkit <https://www.croydon.gov.uk/sites/default/files/articles/downloads/socialvalue.pdf>

Guidance for 'Providers'

How can provider organisations use social value when bidding for contracts?

We recognise that many businesses including micro, small to medium businesses, social enterprises and voluntary and community organisations 'provider s' are already delivering additional social value. We want to encourage and give you opportunity to tell us about these during engagement, consultation and tender processes, and for these to be recognised as part of the tendering process.

In this section we encourage organisations to prepare for social value when bidding for contracts and offer some practical guidance.

Below are some top tips to think about in preparing to bid for contracts:

1. Understand the needs of the local area and the Council's priorities and how these fit with your organisation's ethos and core service.
2. Recognise what social benefits are already provided as part of your core business and then consider how additional social, economic or environmental value might be created:
 - a. consider the Social Value Outcomes and Measures (see below) and think about how they may link with your organisation's own activities,
 - b. gather evidence that demonstrates how and when your organisation has created social value outcomes and impact.

Feedback and evaluation are rich sources of data for this purpose. Identify what measures you can incorporate within your existing systems and processes to capture relevant information. Use this to inform your social value objectives.

Sample of Social Value Outcomes and Measures.



Outcomes & Measures

This list isn't exhaustive. Relevant and proportionate Outcomes and Measures will be considered for each individual contract and with the engagement of the relevant providers, communities and commissioners.

3. Think about the relevance of different types of social value benefits to the types of contract your organisation is likely to bid for.

4. Set out clearly the value for money that the social benefit can bring. A good source of help in understanding developing this aspect can be found at the New Economy website⁵ which brings together more than 600 cost estimates in a single place.

The Case Study below provides an example of the way social benefits can be presented in monetary values. There are a range of resources that offer cost estimates like these.

Case Study 3: Back in the Game – Social Value offer

Back in the Game is a programme run between Isos Housing and Sunderland FC which aims to inspire, motivate and up-skill unemployed adults.

It has calculated the return on investment for one quarter of an annual delivery contract as follows:

- 5 people in employment, at £8,700 per job = total: £43,500
- 27 people with raised career aspirations, at £4,800 per person = total £129,600
- 32 participants with increased fitness levels, at £2,354 each = total £75,328
- 24 people improved their self-confidence, at £1,195 each = total £28,680
- 27 people gained a certificate in work skills, at £947 each = total £25,569

5. Help commissioners during engagement and tendering to understand the full range of innovation you can provide.
6. Ensure services will work well for the people who will use them by engaging with them and commissioners in shaping and designing those services.
7. Register to receive information about upcoming engagement and tendering opportunities, see further details [here](#).
8. Plan how to explain the added social value you will bring. Start to prepare for the tender process and the ways in which you may be asked to demonstrate your social value in tenders.
 - Ensure you are able to demonstrate how social value is embedded, monitored and reported within your organisation's structure and routine processes. Be prepared to capture unexpected outcomes as well as those intended.

⁵ New Economy's Unit Cost Database http://neweconomymanchester.com/stories/832-unit_cost_database

What will commissioning and procurement for social value look like in practice?

Below is a brief summary of the key points during the commissioning cycle when stakeholder^{JB} and providers organisations may be directly involved.

At the beginning of our commissioning process we try to identify the relevant groups, organisations and people who we wish to consult with to help us to develop our solutions if your organisation is identified you may be invited to participate in engagement and consultation activities.

Jargon Buster:

Stakeholder is anybody who can affect or is affected by an organisation, strategy or project. They can be internal or external.

During pre-procurement engagement we'll ask the provider market, communities and other key stakeholders to participate in the review of any existing services and invite feedback, this will inform draft service design and commissioning planning, identifying potential for social benefits and whether those proposed are achievable.

Once a commissioning plan is drafted we will consult key stakeholders inviting them to comment on the proposal.

This is the point at which, if it appears contracts may not be of a manageable size and/or organisations do not possess all of the required technical ability necessary, some providers may consider forming partnership arrangements with similar providers to enable them to bid effectively. Early engagement opportunities are ideal for initiating these discussions with other provider organisations.

There is a range of guidance available on collaboration and forming consortia. Once formalised these are contractual arrangements and due diligence should be regarded. The Direct.Gov Guidance can be found [here](#)

Needs Assessment

Commissioners may ask for help with needs assessment to help them to identify gaps in service provision and the market.

We sometimes have discussions with external groups to assess current and future needs and expectations.

Communications

Once a provider organisation is identified they are kept informed of developments through the process, as part of an agreed communications plan.

Commissioning Strategy/Plan

This will be informed by a purchasing plan (see the Checklist for Commissioners for further detail of what the documents referenced include) and is usually subject to consultation prior to being finalised. A draft service specification may be issued with this for consultation.

Following consultation amendments are made, informed by the consultation and the commissioning strategy / plan is produced.

Market Engagement Event

Once these tasks are complete it is usual practice for a market engagement event to be held, this event is promoted and advertised widely and aims to introduce the market to the tender opportunity, process and contract arrangements. This is an opportunity to ask questions and meet the commissioning and procurement team.

Advert/Publication

An advert is usually published in a range of media we recommend providers register on the Council's [e-procurement portal](#) which will provide alerts to your expressed areas of interest. When the tender is advertised or 'published' we provide a tender pack. This includes the following documents:

- **Specification**
- **Suitability Assessment** / Pre-Qualification Questionnaire (PQQ)
Includes an Economic and Financial Assessment
- **Invitation or instruction to tenderers (ITT)**
guidance including tender questions, evaluation matrix, award criteria, evaluation methodology, minimum criteria and price schedule.
- **Terms and conditions**
- **Price schedule**
- **TUPE information** (if applicable)

Once a tender is submitted and the 'deadline' for submission has passed a suitability assessment and tender evaluation is carried out.

Contract Award / rejection

The successful and unsuccessful bidders are notified of the outcome of the evaluation process and are provided with feedback on their own and the successful bidder's bid.

Monitoring and evaluation

Once a contract is awarded a contract manager will work with the provider organisation to monitor and review service delivery and performance.

Sources of guidance and resources for provider organisations

If your organisation is already delivering and measuring social benefits effectively, we encourage and support the continued use of your own tried and tested approaches and models, and would very much like you to share these with us.

Here are some resources that have been used elsewhere that you might find helpful, there are many many more available via the internet.

Confederation of British Industry's (CBI) guide to creating social value and aligning market strategy with local authority priorities.

Social Enterprise UK provide pointers to help charities and social enterprises to understand and measure their social impact. Although this guidance is targeted at charities and social enterprises much of the content is relevant to providers in all sectors and sizes.

The Charities Evaluation Service (CES) part of The National Council for Voluntary Organisations **NCVO** offer a wide range of tools and resources, available on their website that can help plan your work. These include interactive tools, informative guides and downloadable resources to help you to get started.

Selling to the Council Guide has been developed for suppliers and potential provider organisations planning on tendering with the Council. This document explains the procurement process in more detail.

Prove and Improve is an online tool for proving and improving the benefits that an organisation provides. It offers a Quality and Impact Toolkit for use by charities, voluntary organisations and social enterprises.

Voscur Support Hub a local service that helps voluntary and community organisations improve their performance, including service development, business planning, outcomes monitoring and proving impact.

Guidance for Commissioning and Procurement Officers

How Commissioners apply the Commissioning Cycle to Social Value

In this section we will look at where to start, issues the commissioner must consider, offer clarification and pullout some key points when applying social value through the commissioning cycle.

This section is intended as a guide for commissioners and for information for potential provider organisations.

The commissioning process is dealt with in four 'stages': analyse; plan; do and review. This is known as the commissioning cycle and is shown in the graphic below.

The Enabling Commissioning Framework was designed by the Council and representatives of organisations that are commissioned by the Council. It includes advice, guidance, tools, templates and examples of good practice.



The guidance in this toolkit seeks to enhance, and not fundamentally change the commissioning or procurement processes we already use. It ensures that social value is incorporated as part of our existing practice.

[Comprehensive checklist for commissioners and procurement officers can be found below.](#)



Checklist for
Commissioning & Proc

Social value is considered at all stages of the commissioning cycle.

This includes:

- identifying opportunities for creating /realising social value through the assessment of needs, resources and assets, stakeholder engagement and consultation, and market analysis /development;
- embedding social value in strategies and commissioning plans; and
- incorporating social value into the procurement process:
 - service specifications
 - tender questions
 - performance monitoring /evaluation

Joint Commissioning and Procurement

Where the Council is undertaking a joint procurement with other organisations it is essential that a memorandum of understand or an inter-agency agreement be drawn up. The lead commissioner for the Council must ensure this includes a requirement that our approach to Creating Social Value in Bristol is incorporated.

Engagement and Consultation

The Enabling Commissioning Framework provides extensive guidance on engagement and consultation that can be found [here](#).

The Bristol Compact, the Statement of Community Involvement and the Code of Good Practice (CoP) on Public Consultation, is the guidance the Council uses when considering, and embarking on engagement and/or consultation. View the full set of documents [here](#).

The seven key principles of the CoP are to:

1. time consultation well and allow sufficient time to respond
2. clearly present relevant information and encourage informed opinion
3. be well targeted and reach out to seldom heard groups
4. offer genuine options and ask objective questions
5. be well planned, managed and co-ordinated
6. be listed on Contracts Finder^{JB} and be well communicated
7. provide fair, accessible feedback

Commissioning planning and plans are open and transparent.

We identify and engage with a broad spectrum of stakeholders.

We respect the knowledge and experience communities and providers bring.

We invite and value the co-design of services with communities and providers.

Jargon Buster:

Contracts Finder is an online directory and repository where details of tender opportunities (includes market engagement events) and contracts let must be stored (for all contracts over £25,000.)

NB: A range of other systems may be used to ensure maximum dissemination of information and invitations to contribute.

We recognise the social value that already exists and welcome providers to include this when they tender with us.

We use a range of media to communicate our up-coming Engagement and Consultation activities.

We publish our tender opportunities as far in advance as possible.

As commissioners we must consider social value and whether we should engage with and consult local communities about this.

Engagement and/or consultation must start at the earliest possible opportunity to find out what the potential social benefits could be and to learn about benefits we have not considered.

We need to record what consultation tells us and ensure it informs the way we commission services.

Points for the commissioner to remember pre-procurement

1. incorporating the 'Whole Life' Hierarchy
2. understanding of the needs of the population and identifying what kinds of outcomes are important for a specific contract and the additional social, economic and/or environmental benefits that will meet the needs of the population
3. identifying how value for money can be secured through the contract
4. finding out what the market can feasibly provide, if there are any gaps in the market and clarifying the range of options available:
 - looking for social benefit outcomes that are relevant to a bidder's core business and proportionate to what they can provide;
 - knowing what the local market can provide (this avoids seeking outcomes which are not relevant to the businesses and/or organisations that are likely to bid for a contract, or disproportionate to what they can provide).
5. ensuring the procurement process doesn't exclude certain providers (especially micro, small to medium businesses, social enterprises and voluntary sector and community organisations).

NB: Excessive documentation, high financial thresholds, large contract sizes and/or lengthy timescales can unintentionally exclude the types of provider who would be best placed to provide the kinds of benefits the commissioner needs.

6. identifying what balanced, clear requirements, that encourage innovation, social value outcomes could be written into the commissioning plan and/or service specification.
7. deciding how best to clearly communicate to bidder how to articulate their social value offer within a bid.

Case Study 4: Veolia Environmental Services

Veolia, an environmental services firm, provides recycling, waste management and heating services to residents in the London borough of Southwark. Veolia delivers a number of Social Value benefits that are additional to its core environmental services business, but are relevant to this core business.

For example over one year Veolia recorded the following:

- a Community re-paint programme that has diverted 16 tonnes of paint from landfill, benefitting 69 community groups and 400 individuals
- generating £18,000 in re-sale value for the British Heart Foundation by diverting 12 tonnes of material from landfill
- donating 340kg of tools to the Conservation Volunteers
- inviting 741 pupils to the Recycling Discovery Centre to raise awareness about recycling amongst young people
- sending 16 tonnes of small WEE and cathode ray tube lights to CRISP who use them to train unemployed people in electronics before sending them on for recycling.

A Guide to Social Value through the cycle

Initiation (Review)	Needs analysis (Analyse)	Consultation stakeholder / marketplace (Plan)	Designing the service (Do)	Setting the objectives	Contract management
<p>* Examine the existing Contract</p> <ul style="list-style-type: none"> - What Social Value is already being achieved? - Investigate existing activities that can become measurable 'added value' (are they working) <p>* Consider the 'fit'</p> <ul style="list-style-type: none"> - Are there particular existing priorities or policy objectives that could be met through the new contract? - Is there a need to revise policy? <p>* What other action could be taken before a new procurement exercise is commenced</p> <ul style="list-style-type: none"> - Amendments/additions to commissioning plan or specification and contract <p>* Stakeholder / service user Engagement</p> <ul style="list-style-type: none"> - Identify which priorities are most relevant to stakeholders and service users, and which should be reflected in an expanded commissioning plan or specification 	<p>* Have service users' needs changed?</p> <p>* Have the wider community's needs changed?</p> <p>* Are there different social issues to tackle now?</p> <p>* Are there new ways of resourcing the requirement - e.g. other sources of public funding or through collaboration?</p> <p>* Has the landscape of potential providers changed substantively</p>	<p>* Consider undertaking consultation</p> <ul style="list-style-type: none"> - What are the social, economic or environmental "needs" - How could these best be delivered - What are the capabilities and willingness of the market - How can Social Value be monitored and measured - What evidence already exists - Share proposed requirements and monitoring and evaluation model <p>* Consider publishing a Prior Information Notice</p> <ul style="list-style-type: none"> - Alerts the market to the consultation exercise and market engagement event, and enables: <ul style="list-style-type: none"> - views to be captured - a market to be created - potential suppliers to consider collaboration / forming consortia 	<p>* Ensure the Social Value requirements are threaded throughout the tender documents</p> <p>* Should flow naturally from needs analysis and stakeholder /market</p> <p>* Where should the Social Value element be included?</p> <ul style="list-style-type: none"> - Does this form part of the contract's subject matter? - To what extent should social, economic and environmental requirements be reflected in the commissioning plan or service specification? <p>* Where Social Value does form part of the subject matter, it can be taken into account when evaluating a bidder's suitability (this should be reflected in all stages procurement process)</p> <p>* Specify ways in which service performance of requirements can be verified NB: unverifiable requirements are unlawful</p>	<p>* The evaluation criteria cannot be changed through the procurement process at any stage (includes sub-criteria/weightings)</p> <p>* Social and environmental characteristics will be most relevant to the "quality" aspect of the evaluation criteria</p> <p>* Non "local" language should be used: all bidders from anywhere in Europe should be able to comply with the requirements</p> <p>* The weighting allocated to social characteristics must relate to their importance to the contract (typically these might be between 5-10%)</p> <p>* Rationale for adopting particular weightings must be documented</p>	<p>* Deploy enough resource to monitor the contract effectively</p> <p>* Review with the service provider, its performance of the full commissioning plan or specification (including any Social Value aspects)</p> <ul style="list-style-type: none"> - track value for money work together to identify how service delivery can be enhanced collaboratively <p>* The contract is the starting point for unleashing greater social impact and value for money</p>

Some points for clarification:

Sustainability Assessment

We use a sustainability assessment to help us assess how sustainable a service can be to inform what social benefits can be sought through the contract, in preparation for consultation.

Strategic Priorities

Commissioners will determine the strategic 'fit' of a service (the fit with outcomes, priorities and needs) and how the proposed activity contributes toward the Council's overall vision and objectives. This should then be outlined within a service specification (services).

Case Study 5: Selwood Housing Mission

Selwood Housing's mission is to improve homes and communities. Within this, it wants to promote better communities by improving the neighbourhoods that its residents live in, for example through financial inclusion for tenants, employment opportunities, and reducing homelessness. Selwood has opted to use Social Value as a way to achieve this strategic objective, and includes a Social Value clause (the 'Silva' clause) in its contracts. To date, this has secured 63 work placements, one full apprenticeship, 42 community labour days where organisations work on community projects, and £14,000 pledged towards tenant events and prizes.

Lot

Commissioners will always consider breaking large value contracts into smaller contracts to maximise the opportunity for micro, small to medium businesses, social enterprises and voluntary and community, often locally based organisations to bid. The rationale for lotting (and not lotting) must be recorded and included within the tender documentation. Contracts can be lotted by geographical area.

Case Study 6: Durham County Council Adult Learning

Recognising that small, local businesses might be better placed to provide learning for adults who find it difficult to engage with mainstream learning, due to their ability to provide specialist forms of learning. They therefore split their contract into smaller lots, allowing organisations to bid for the elements of the contract they felt best suited them. The Council also opted not to apply a financial turnover threshold or credit score to this tender, recognising that this is often a barrier for smaller or newer organisations. As a result, the majority of the 13 bidders were small local organisations, community groups, and social enterprises.

Economic and Financial Assessment

Where the value of a contract meets the EU Procurement threshold there is now a 'turnover cap'. This cap is set at a minimum yearly turnover of not more than two times the estimated contract value, except in justified circumstances⁶.

For procurements below these thresholds a risk based approach can be adopted, with agreement of our Finance team. This means we have the flexibility of being able to look at what the consequence of an organisation's turnover falling below the minimum, and decide how detrimental a failure could be to the Council, instead of having to apply a rigid formula.

Case Study 7: Durham County Council Cathedral Bus Service

When re-tendering its Cathedral Bus service which links various locations in Durham, the Council simplified its tender process and removed the financial turnover threshold and credit score requirements. This resulted in the contract being won by local SME Stanley taxis, which was also able to cut emissions by using electric vehicles.

As a result of its approach to lotting and financial assessment, in 2013/14 51.8% of the Council's spend (just under £272 million) was with SMEs, 31.4% of this went to small or micro businesses, and 31.2% of the Council's spend was with SMEs in County Durham.

Evaluation

The cheapest price is not always the best value. We consider impact and wider social benefits that services deliver beyond what is simply the most economically advantageous. This secures wider benefits for the community.

We want to achieve greater value for money through social value and will seek to evidence whether this is being achieved. This requires an understanding of cost savings, both in the short term and longer term. Where theories of cost avoidance can be used we intend to develop our evidence base.

We use the Most Economically Advantageous Tender (MEAT) method to assess value for money. This allows us to specify the ratio between quality and price. Where the estimated value of a contract exceeds the EU Thresholds this is the only approach we can adopt.

When assessing the best price-quality ratio we determine the economic and qualitative criteria **linked to the subject-matter of the contract** that will be used for this purpose. Those criteria should allow for a comparative assessment of the level of performance offered by each tender, as defined in the specification.

⁶ Refer to regulation 58(9) Public Contracts Regulations 2015

A cost effectiveness approach is considered such as a whole life or 'life-cycle' costing. This means internal costs, such as research, development, production, use, maintenance and end-of-life disposal costs but can also include costs relating to environmental externalities, such as pollution caused by extraction of raw materials used in the product or caused by the product itself or its manufacturing, provided they can be monetised and monitored. Lifecycle costing can include⁷:

- a. costs, borne by the council or other users, such as:
 - i. costs relating to acquisition;
 - ii. costs of use, such as consumption of energy and other resources;
 - iii. maintenance costs;
 - iv. end of life costs, such as collection and recycling costs.

- b. costs attributable to external environmental factors linked to the product, service or works during its life cycle, provided their monetary value can be determined and verified.

Life-cycle costing forms part of the 'price' weighting of the tender evaluation, as although these attributable costs should be clearly set out within the tender submission, they should form part of the overall pricing structure.

Weighting

As part of the Award Criteria route commissioners will agree what weighting will be given to social value outcomes. Note: One of our key policy objectives is to apply a 10% quality weighting to social value during the tender process.

If the Award Criteria route is selected, social value forms part of the quality weighting for a tender and is clearly set out in the evaluation methodology included in the tender documents. The 'weighting' represents how important this question is in relation to the others. This score contributes to the overall evaluation score.

A question or suit of questions will be designed (see sample social value question [link to be inserted] on page 8) to ensure bidders have the opportunity to articulate the social benefits they can deliver in context of a specific contract.

Each contract is considered on its own merits. However when it is identified in the commissioning process that additional social value outcomes are relevant and appropriate, a methodology will be applied that ensures 10% of the quality element of the price/quality ratio will be allocated to Social Value.

Procurement Routes

There are two ways or 'routes' to including a requirement into a contract. Social value can be achieved through one of, or a combination of both routes; Award Criteria and/or Performance Obligation. The rationale supporting the chosen route must be clearly set out within tender documentation.

Contracts of a value above the prescribed EU threshold are subject to strict regulatory regime and caution must be taken to ensure the applicable legal provisions are kept in view while trying to achieve social value objectives through the award criteria or contract performance obligations.

⁷ See regulation 66, Public Contracts Regulations 2015 for further guidance

Award Criteria

The Award Criteria route offers greater opportunity for providers to be innovative. Commissioners are required to design procurement processes and tender documentation to allow potential providers to outline how they will deliver social value *in addition to* the core requirements of the contract. Commissioners must ensure that this remains proportionate and relevant, and that evaluation criteria include consideration of how the people and communities of Bristol have been involved in determining the outcomes. Commissioners will ensure that outcomes are linked to the council's strategic objectives.

It is possible within this approach to specify the outcomes but not how these will be achieved, this can be left open for providers to develop proposals.

Award Criteria is considered and scored as part of the evaluation of a tender. Award Criteria must adequately relate to the subject matter of the Contract. The experience (track record) of a bidder and/or their proposal to deliver Social Value can form part of the selection and award criteria. Criteria as a core requirement of the Contract should be supported in local strategy and policy.

When the Social Value is not a core requirement (i.e. relevant to the subject matter of the contract) it can still be included within the contractual terms of the contract. However it cannot form part of the evaluation criteria.

Performance Obligation

The Council may ask a provider to deliver additional social benefits that are not considered or scored as part of a tender evaluation, but which are included as requirements of a contract and will be monitored by the commissioner. This is what is known as 'performance obligation'. These will be set out in the terms and conditions issued with the tender documentation.

Where this approach is taken the social value outcomes will have been agreed by the commissioner through consultation with potential providers, and the people and communities of Bristol. The commissioner will also ensure that the outcomes relate to the council's strategic objectives.

Performance Obligations are not considered and scored as part of the tender evaluation but are specified as a requirement of a contract and will be monitored as part of performance monitoring. Social value can be imposed as a Performance Obligation. This must seek to secure additional social benefits. This obligation, as minimum requirement(s) must be set out at the outset of the procurement.

Where social benefit is incorporated as performance obligation and not an award criterion, bidder submissions that make reference to this performance obligation can have no bearing on evaluation or award during the tender process.

Subject Matter

Guidance on establishing what is linked to the subject matter or the Contract is limited. We must ensure analysis of the Service to be commissioned is thorough, what the social benefits sought are and whether these can be regarded as 'linked' to the core requirement of the Contract.

Examples of where Social Value can be directly connected to the subject matter include⁸:

- a contract to build houses that includes the ability to target recruitment and training for construction related skills;
- a catering contract which requires eco-friendly ingredients are used;
- the provision for refuse collection specifying that items for recycling are separated out (which is also, incidentally, a legal requirement on local authorities);
- a grounds maintenance contract requiring the use of indigenous plants only.

Tender Documents

Social value should be threaded through commissioning, procurement and tender process and documents with specific requirements reflected in the published tender documentation, including the OJEU (*where applicable*) and the Contract Notice, ensuring the EU Treaty obligation of transparency is met.

It is best to consider that the social value itself is being procured and ensure the commissioning plan or service specification describes 'what' the service being procured is. In doing this care should be taken not to shut down innovation by predetermining what bidders will be able to offer. Whilst it's appropriate to describe the outcomes sought, commissioners may wish to leave the market to suggest ways the outcomes can be delivered in their tenders.

Specific 'labels' cannot be required, where applicable technical specifications should be defined. Labels can be referenced by way of evidencing that technical specification are met, however, these labels must be accessible and available to all interested parties that meet the required standard.

⁸ [Anthony Collins Solicitors, Social Value and Public Procurement, a Legal Guide January 2014](#)

Case Study 8: Knightstone Housing Maintenance and Repairs Contract

Knightstone Housing wanted to ensure that Social Value was an integral part of its new maintenance and repairs contracts, to support its strategic aim of helping residents to access work.

In the contract notice Knightstone included a reference to Social Value: “Under this contract the contractor and its supply chain will be required to actively participate in the achievement of social objectives relating to participation in community investment projects and employment and training programmes within the locality of the contract.”

In the ITT^{JB}, Knightstone asked bidders to commit to the percentage of person-weeks to be delivered by trainees, the amount of work placements available as a percentage of person-weeks needed to complete all the work, and the value of community investment opportunities provided as a percentage of the total contract value. They weighted this question in the ITT at 4%.

In terms of contract management, Knightstone asked for recruitment and training statements to be provided, progress schedules and reports on recruitment and training every 13 weeks, the required number of person-weeks to be delivered by trainees, and for vacancies and work placements to be advertised with Knightstone’s nominated organisations.

Testing a bidders offer

There are broadly two ways to ‘test’ a bidder’s offer in relation to social benefit:

Specific Requirements:

This is where bidders address each social value requirement, defining figures and outcomes which then form part of the Contract⁹. This option allows for structured scoring at evaluation. This can be done in two parts:

1. Asking a bidder to describe the steps that will be taken to ensure the minimum specific requirements will be achieved.
2. Completing a matrix, table or similar pre-prepared format defining figures that will form part of the monitoring and evaluation schedule of the contract.

Jargon Buster:

ITT Invitation or Instruction to Tenders this document is the initiating step in a competitive tender process. It indicates the process is open and usually includes details on how to bid for a particular contract.

Open Questions:

These are where bidders respond to and address social value issues set out in the tender pack. This option offers the opportunity for bidders to exceed the Commissioner’s requirements. It can enable innovation but presents challenges for Commissioners when evaluating because it can be harder to judge bids against each other. This is not dissimilar to the evaluation of a case study. Evaluation criteria and sub-criteria should be clearly defined.

⁹ See the range of Social Value case studies and example questions collated in Blackpool Council’s Inspiring & Creating Social Value Toolkit <https://www.blackpool.gov.uk/Business/Working-with-the-Council/Documents/Inspiring-and-creating-social-value-in-Blackpool.pdf>

Outcomes and Measuring Social Value

We commission outcomes and not outputs. Outcomes based commissioning shifts the focus away from what providers can offer, to the outcomes the service(s) to be commissioned will achieve. The approach is the same when considering social benefit.

When measuring social value, the Council will consider both soft and hard outcomes.

- Soft outcomes are things that cannot be directly measured e.g. wellbeing and distance travelled ^{JB}.
- Hard Outcomes can be clearly defined, are tangible and more easily measured in figures.

Jargon Buster:
Distance travelled is usually defined as progress toward Soft Outcomes.

See the list of example social value outcomes and measures that can be incorporated into a tender provided.

Measuring Social Value

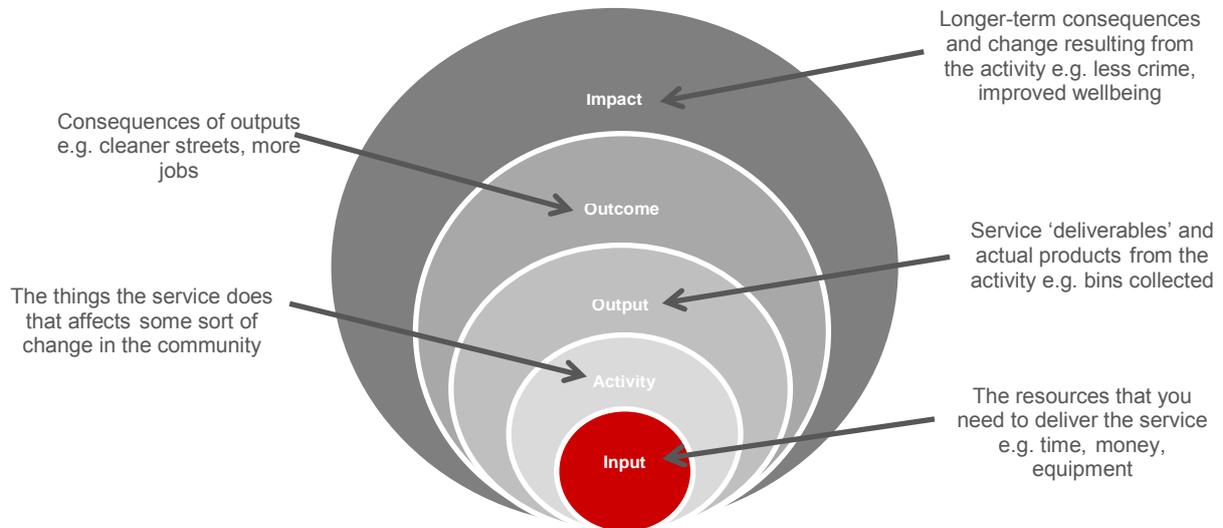
In Bristol we don't specify a particular approach to measuring social value. Social value measurement is about understanding the *additional* value provided by a social value contract. There is still a lot to be learned about this but we want this process to be appropriate (to the services and providers organisations using them), clear, proportionate and realistic. We will use national examples in Bristol, but we will also develop our approach as we learn and want to agree a suite of measures with our partners, commissioners and providers.

Commissioners and providers will agree measures for social value outcomes during the commissioning and procurement processes.

If the Award Criteria approach is used potential providers will need to set out their intended measures in their tender submission.

When the 'Performance Obligation' approach is used we will be clear about what needs to be measured and how.

There are many approaches to measuring social value. A combination may be necessary to understand the impact of an activity. The key is considering what input, activity, output, outcomes, and impacts are required to measure the social benefit.



Measuring social value can be done in financial and non-financial terms.

Financial measurements may focus on ratios or net estimates of the benefit.

Measuring social benefits in financial terms can be very interesting and involve a very in depth focus on the benefits of a service. Seeking to measure a return on social investment can be expensive and time consuming and should not be considered for the majority of contracts. This can be onerous for micro, small to medium businesses, social enterprises and voluntary and community organisations in particular.

Further information, guidance and resources we have identified that are currently in use can be found below.

Nationally progress has been made in the development of unit cost databases and financial proxies for social outcomes. Provider organisations and commissioners can use these resources to evaluate the difference made by services, however, we recognise that social value provides a range of benefits and it is not always possible to quantify these in monetary terms. We will also be developing resources that enable us to capture the more intangible benefits such as increased personal wellbeing alongside more readily quantifiable outcomes.

[Social Value UK](#)

[Inspiring Impact](#)

[Cabinet Office Guidance](#)

[Communities and Local Government Report](#)¹⁰

Non-financial assessments include:

- Narrative reporting
- Case studies

¹⁰ Research into the financial benefits of the Supporting People Programme 2009

- Non-financial data such as savings in carbon emissions

Placing a monetary value on social benefits allows commissioners to make simple comparisons between different services. In itself this is indicative and regard should be given to 'additionality', meaning that the less tangible benefits which are often difficult to assign a monetary value, are not to be dismissed.

Commissioners will also need to consider the sustainability of a social benefit, beyond the immediate lifetime of the contract. We may receive a particular social benefit that is not part of a core service. However over the lifetime of a contract, evidence and feedback from service users/customers, professionals and/or the provider market may demonstrate the value of retaining this additional benefit. As part of exit/decommissioning planning and analysis, consideration should be given to how a particular social benefit may be sustained. This may result in this social value forming a core element or performance obligation of any future service specification. An example of this might be a mentoring and buddying scheme offering particular support to a specific group. This may have originally been offered as an additional social benefit, but evolve to be a valued and 'needed' service in its own right or deemed key to any further service.

Case study 9: Oldham's Graffiti removal contract

Bidders were asked to set out any specific measures within their tender that would effectively add a Social Value element to their offer.

The successful bidder, an SME, offered to:

- provide a work experience placement
- sponsor awards for local gardens
- clean the community centre exterior and provide one week of community work free of charge
- clear pathways for elderly residents
- use local suppliers to repair and maintain equipment.

Here is an indication of the value that the free services and work experience in this contract might bring. However, there are other benefits that have not been quantified here due to lack of data, e.g. the increase in social cohesion and local wellbeing from well-maintained gardens.

Free services

Value of community work: £481

- It is assumed that one week (37 hours) of community work is provided each year of the two year contract: $37 \text{ hours} \times 2 \text{ years} = 74 \text{ hours}$
- The community work has been valued at the national minimum wage of £6.50 per hour: $£6.50 \times 74 \text{ hours} = £481$

Value of path clearing: £113

- The clearing of elderly resident's pathways should reduce the risk of falls – to illustrate the value of this activity, it is assumed that at least one such fall resulting in an A&E attendance might be prevented during the two-year contract.
- New Economy's unit cost database estimates the average cost of one A&E attendance as £113: $1 \text{ prevention} \times £113 = £113$

Total value of free services therefore stands at: $£481 + £113 = £594$

Work experience

Value of savings to Job Seeker's Allowance:

- According to a DWP study¹¹, work experience is expected to reduce unemployment benefits claimed by the equivalent of 5 days off benefits over 21 weeks. For a year, it is assumed impacts continue for at least two such periods (42 weeks) and result in the equivalent of 10 days off benefits. It is assumed that this level of impact will apply to the person completing the placements under this contract, either through helping an unemployed person move into work, or, in the case of someone currently in education, through helping to prevent a period of worklessness when they leave school¹².
- New Economy's unit cost database estimates that the Exchequer saves £10,025 per year for each workless JSA claimant entering work¹³. 10 days = 2.7% of a year. It is assumed 2 people are involved over the two years of the contract. The total value can therefore be estimated as: $£10,025 \times 0.027 \text{ years} \times 2 \text{ people} = \mathbf{£549}$

Value of increase in employment:

- A DWP study estimates that one work experience placement will increase employment by 8 days over 21 weeks¹⁴. For a year, it is assumed impacts continue for at least 42 weeks and result in 16 days extra employment. It is assumed a day's work consists of 7.5 hours.
- It is assumed that one placement is provided in both years of the contract.
- The total employment increase will therefore be: $16 \text{ days} \times 2 \text{ people} \times 1 \text{ placement} \times 7.5 \text{ hours per day} = 240 \text{ hours}$.
- If this work is valued at the national minimum wage of £6.50 per hour it can be estimated that the total value from increased employment is: $240 \text{ hours} \times £6.50 = \mathbf{£1,560}$

The total value of work experience from Job Seekers Allowance savings and increased employment can therefore be estimated as: $£549 + £1,560 = \mathbf{£2,109}$

Total Social Value from this contract might therefore be: $£594 \text{ (free services)} + £2,109 \text{ (work experience)} = \mathbf{£2,703}$

Graffiti removal contract – potential Social Value

It is possible that the Social Value benefits from this contract may be worth 9% of the £30,000 cost of the contract over two years¹⁵.



¹¹DWP, April 2012, work experience programme impact analysis: www.gov.uk/government/statistics/work-experience-programme-impact-analysis

¹² The DWP study is based on participants who are currently out of work and receiving JSA. We are aware that impacts may differ for those who are still in school, but in the absence of appropriate data here we assume that a similar amount of worklessness is prevented for in-school participants as reduced for out-of-work participants.

¹³ This figure is mostly composed of savings in benefits payments (estimated at £9,446), but also fiscal benefits from improved health (estimated at £579)

¹⁴ DWP, April 2012, work experience programme impact analysis: as (25) above

¹⁵ Figures are provided to the nearest £1000.

Monitoring Performance

We want the process for monitoring performance to be clear for providers and commissioners. The commissioner or contract manager will work with provider organisations to ensure that monitoring is achievable and proportionate.

Monitoring how well the provider is performing and their compliance with the contract helps both the provider and the commissioner to check that social benefits are being achieved. This process is repeated at regular points throughout the life of a contract. A combination of data, evidence and/or case studies is shared between the provider and commissioner. They will look at and note the achievements and any areas of improvement to ensure the agreed targets can be met. The commissioner or contract manager will offer advice and guidance to ensure the provider is accessing all of the resource and support available – depending on the types of social benefits being sought.

Incentives and dis-incentives will be agreed between the provider and commissioner in support of this process, maximising the impact and outcomes of the contract.

The reporting of outcomes and measures is an integral part of performance management. It ensures that the deliverables of the contract remain linked to the achievement of the principles of social value and the Council's strategic priorities.

We aim to build a picture of social value, benefits and impacts across the city. We will use this information and data to inform future commissioning, procurement planning and decision making to ensure we continue to make the greatest positive impact.

Some examples of measures that may be included within a tender are included at the beginning of the toolkit - Social Value Outcomes and Measures.

Understanding the Supply Chain

The Council aims to spend at least 25% of its commissioning and procurement budget with micro, small to medium businesses, social enterprises and voluntary and community organisations.

During the tender process bidders will be asked if they intend to sub-contract any part of the contract and if so to provide details of the key sub-contractors and their performance and monitoring arrangements. It is worth providers noting that any key sub-contractors they have may be invited to participate in an interview process by the Council. After the award of a contract, if a provider makes changes to the sub-contractor arrangements, they will need to seek the Council's approval beforehand.

We want to support the cash flow of organisations and businesses by aiming to promptly pay valid and undisputed invoices within 30 days. Performance in this area is monitored and published. There is a requirement expectation that this standard be replicated down the supply chain.

Evaluating our Approach - how will we know that our Policy & Toolkit has been effective?

We will evaluate the impact of the application of our **Creating Social Value In Bristol, Draft Social Value Policy** and whether we are delivering on the principles and aspirations we have set out.

The Service Director for Legal and Democratic Services is the lead Director for implementation of the Social Value Policy and for developing a joint approach with city partners as this work will be driven by the Partnerships, Procurement and Commissioning Service.

The Head of Procurement, Service Manager Partnerships, Procurement & Commissioning will take the role of Policy lead.

Evaluation of the impact of the Policy will be led by the Policy, Strategy and Communication Service Director.

The Information and Performance Service will lead on providing statistical data and performance information.

The FSB and Voscur will be asked to continue to contribute toward evaluation and review forming a cross sector scrutiny and challenge function.

We will report to our Business Change Directorate Leadership Team six monthly and Business Change Scrutiny Commission annually with a statistical (quantitative) and narrative (qualitative) report to show:

- total direct and indirect spend with micro, small to medium businesses, social enterprises and voluntary and community organisations and monitoring of our performance against our current target of 25%, this target will be reviewed on an annual basis and
 - tracking activity and trends to further understand how we may further increase our spend in this area.
- the number of contracts awarded to micro, small to medium businesses, social enterprises and voluntary and community organisations
 - monitoring the number of these organisations known to have bid,
 - using feedback invited after a tendering process to inform our approach, systems, processes and practice during commissioning and procurement processes and to inform ongoing training and resources for commissioners and potential providers.
- the collated performance monitoring information of each of the contracts delivering social value outcomes each financial year.
- progress toward our SME Action Plan.

We will use feedback and 'lessons learned from the people of Bristol and our communities, bidders and providers, commissioners and procurers, decision makers and elected Members, and other key partners and stakeholders impacted by our Social Value Policy and Partnership Toolkit to monitor and review our success in achieving the objectives of our policy.

We will develop and share examples of local learning and good practice, that will include a programme of information and training for providers and officers.

We will use the *new* E-Procurement system to help build management information that will be used to understand activity and trends and where appropriate manage contracts and social value benefits.

As this work progresses, we will work with other local public sector organisations, such as the NHS, so that we can look at the social benefits of commissioning/procurement activity across the city.

The **Creating Social Value in Bristol Policy and Toolkit** will be reviewed at 6 monthly intervals to ensure learning, evidence and best practice can be incorporated in a timely way. Unless fundamental policy changes are sought these revisions will be presented and agreed by the Strategic Leadership Team and Business Change Scrutiny Commission during the first 3 years post implementation.

Substantial policy revision will be presented to Cabinet as appropriate.

Acknowledgements

We would like to thank the following groups and organisations for sharing their resources and contributing toward this Toolkit:

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We welcome any comments about our Policy and Toolkit.
Please contact us at email: socialvalue@bristol.gov.uk

Owner: Partnerships, Procurement & Commissioning Service
Contact: socialvalue@bristol.gov.uk
0117 922 2726
Date adopted:
A physical copy of this toolkit may not be the latest available version. The latest version, which supersedes all previous versions, is available at (insert link to BCC website)

History of Policy & Toolkit Changes

Date	Page	Change	Origin of Change (e.g. TU request, change in legislation etc)

Summary of Consultation on the Draft Social Value Policy and Toolkit

Consultation Process Overview

1. The development of a Social Value Policy began with a Scrutiny Inquiry Day: Making Our Money Go Further – Social, Environmental and Economic Procurement, April 2015.
2. The policy was then developed by a Working Group with representation from VOSCUR and the Federation of Small Businesses (FSB) with input from a Reference Group (including Cllr Tim Malnick, Margaret Firth, Office for Civil Society).
3. A 12 week consultation on the draft Social Value Policy and Toolkit began on October 12th 2015 and finished on January 8th 2016.
4. There were over 500 responses to the consultation via questionnaire (online and hard copy), email and consultation events.
5. Events included workshops with VOSCUR members (60 attendees), the Federation of Small Businesses (FSB) (40 attendees), discussion with the BEING Equalities Network, the Compact Partners Group, BCC Commissioning and Procurement staff, the BCC Policy and Planning Network and BCC Extended Leadership Team.
6. There were 447 online responses to the survey on Citizen Space which generated qualitative and quantitative data
 - 70% of respondents that answered the question said were from the private sector (including micro (<9 employees) and large (250+ employees) businesses delivering across a full spectrum of ‘categories’); and
 - 27% of respondents that answered the question said they provide or commission an organisation or service that is run by or for a particular group with protected characteristics (as defined under the Equality Act 2010)
7. Twitter was also used to raise awareness of the survey and events by tweeting via the BCC twitter account and the Supply to Bristol twitter account and wider use of the hashtag: #bristolsocialvaluepolicy

8. Information was shared via established mailing lists and e-newsletters and a feature was included in the Bristol Post.
9. A diverse range of stakeholders from the private, public and voluntary sector responded to the consultation including BCC employees, Healthwatch, nurseries, city farms, independent consultants, national organisations, Universities, Wiltshire CC, Police Crime Commissioner, Corporate Social Responsibility Officers in large corporations, a taxi driver, architects, theatre groups, environmental groups, campaign groups and advice centres.

Overarching views on the draft Policy and Toolkit	Response
<p>There is broad support across all stakeholder groups for the principles and objectives set out in the draft policy (see Headline Data below).</p>	<p>The Council is pleased to see the level of support but notes all comments and will review the application of the Policy and Toolkit in January 2017. A multi-agency advisory group will be set up, in line with the Council's 'test and learn' approach to the introduction of social value requirements in all contracts. This group will consider the impact of the Policy and report back to Business Change & Resources Scrutiny after the planned review. Reviews will take place in January each year to allow sufficient time for evaluation.</p>
<p>It was felt that the Policy needs to be more specific about how we propose to measure social value outcomes within contracts, and how we will evaluate the impact of the policy.</p>	<p>Social value outcomes will be proportionate and relevant to a contract and firmly linked to the Council's strategic priorities (set out in the Corporate Plan). There is enthusiasm for aligning priorities for social value to those for the VCS Prospectus when these are finalised (they are currently out to consultation). This would bring consistency and further strengthen our collective efforts. An alignment or 'blend' of priorities is likely to allow for the slightly different focus of each workstream.</p>
<p>69% of online respondents were supportive of the 10% quality weighting for social value in procurement; there was a similar level of support at workshops. Those that were not supportive</p>	<p>When it is identified in the commissioning process that additional social value outcomes are relevant and appropriate, a methodology will be applied that ensures 10% of the quality</p>

<p>tended to want to see this higher than 10% or were dissatisfied that this was 10% of the quality weighting rather than the total.</p>	<p>element of the price/ quality ratio will be allocated to Social Value. The 10% weighting will be evaluated after 10 months to determine the impact for all stakeholders and may be revised for 2017-18.</p>
<p>Respondents were keen to see the Social Value Policy used as a tool to support local businesses and organisations and wanted to see 'local' defined within the policy.</p>	<p>The Council is developing an Action Plan for supporting micro (< 8 employees), small and medium sized businesses (9<250 employees) including social enterprises and voluntary/community organisations to bid for contracts. For the purpose of this report these are referred to as 'SMEs'.</p> <p>It is highly likely that many of these will be local organisations, resulting in a beneficial impact on Bristol's economy. The Action Plan will emphasise the need to 'level the playing field' for organisations of/for equalities groups as these may experience additional barriers (eg language, experience of writing bids). The impact of the Policy and Toolkit on these organisations will be included in evaluation and the Equalities Impact Assessment updated.</p> <p>The introduction of new IT systems in summer 2016 will enable the Council to monitor the size, sector and location of the organisations it commissions (directly, and indirectly through the supply chain). This will support evaluation of the Council's aim to spend at least 25% of total procurement spend with SMEs and monitor progress from the current 16% baseline. It will also enable much easier measurement of spend by geographic area. The Council 's evaluation will determine the success of its approach and the impact on SMEs and local organisations. If evaluation shows that the Policy and/or Toolkit are not supporting a good level of engagement from SMEs and local organisations, the Council will take further action to improve its performance in these respects.</p>

	<p>The Council has taken legal opinion, including the commissioning of independent legal advice, and is unable to restrict the award of contracts to organisations based in Bristol.</p>
<p>A number of respondents recognised this policy as an important development and were very supportive of Bristol's ambitions. They were keen to be involved in the further development of the policy and resources through a "community for ongoing work" and were looking forward to seeing the approach evolve and mature through joint learning.</p>	<p>In line with the Council's 'test and learn' approach to the introduction of social value requirements in all contracts, it will set up a cross-sector group to evaluate the impact of the Policy and report back to Business Change & Resources Scrutiny after the planned reviews of the Policy and Toolkit. Reviews will take place in January each year to allow sufficient time for evaluation.</p>
<p>Respondents felt strong leadership and a programme of training and development would be required to embed the policy and achieve the objectives.</p>	<p>The Service Director for Legal and Democratic Services will lead implementation of the Social Value Policy and development of a joint approach with city partners.</p> <p>The Council's approach to the introduction of social value represents a significant change in much of its commissioning practice. To support this, the Council's pre-procurement engagement with organisations will be strengthened. A Training and Development Programme for commissioning teams, evaluation panels and organisations will address evaluation criteria, market support and development. It will have a specific focus on the needs of smaller organisations. The Social Value Policy will inform ongoing development of the Council's Commissioning Framework.</p>
<p>A number of respondents highlighted the risk that the additional social value requirements would require increased resources for engagement in commissioning and felt this needed to be balanced with improvements in the process (e.g. user</p>	<p>The Council notes and is planning improvements in the procurement and commissioning processes.</p>

experience of e-procurement system and early publication of commissioning intentions).	
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Headline data from the online survey

1. To what extent do you agree or disagree with the following?:

	Strongly agree	Tend to agree	Neither / nor	Tend to disagree	Strongly disagree	Total
The Principles of the Policy (see page 5 of the policy)	42.57% 106	43.37% 108	10.84% 27	2.81% 7	0.40% 1	249
The objectives set out in the Policy (see page 6 of the policy)	41.06% 101	43.50% 107	10.16% 25	4.47% 11	0.81% 2	246
The approach to evaluating the impact of the policy (see page 7-8 of the policy)	27.27% 66	49.59% 120	16.12% 39	5.79% 14	1.24% 3	242

2. We are proposing a 10% weighting on Social Value as part of commissioning processes. This means that 10% of the possible quality weighting in each tender will be allocated to social value outcomes.

	Strongly agree	Tend to agree	Neither / nor	Tend to disagree	Strongly disagree	Total
To what extent do you agree or disagree with this proposal?	26.12% 64	42.86% 105	17.14% 42	10.61% 26	3.27% 8	245

Appendix 4

Bristol City Council Equality Impact Assessment Form

(Please refer to the Equality Impact Assessment guidance when completing this form)



Name of proposal	Creating Social Value in Bristol
Directorate and Service Area	Business Change Directorate
Name of Lead Officer	Kay Russell

Step 1: What is the proposal?

Please explain your proposal in Plain English, avoiding acronyms and jargon. This section should explain how the proposal will impact service users, staff and/or the wider community.

1.1 What is the proposal?

We are proposing to integrate a social value approach into Bristol City Council's commissioning and procurement processes. For this purpose, we have developed a **Social Value Policy** and a **Social Value Toolkit** jointly with the voluntary and community sector (VCS) and the business sector.

This approach will implement the **Public Services (Social Value) Act 2012** which requires public authorities to consider how procured services can contribute to the social, economic and environmental wellbeing of the area. Social value is thus broadly defined. As part of the policy, we propose to align the council's social value priorities to the priorities set out in the 2014-17 Corporate Plan which includes a cross-cutting objective to "address inequalities of health, wealth and opportunity in the city".

Earlier in 2015, the Council set up a Social Value Working Group which included representatives from the voluntary and business sectors, elected members and officers from the Council's strategy, procurement and performance management teams. The Working Group jointly developed the Social Value Policy and Toolkit which were put out to public consultation for 12 weeks between October 2015 and January 2016.

The policy sets the overall framework for applying Social Value while the Toolkit is a guide for commissioners and providers. The policy is based on a five **principles**: creativity, flexibility, collaboration, leadership and sustainability.

Key **aims/objectives** of the policy include:

- 1) To increase the Council's procurement spend with micro, small and medium-sized enterprises as well as VCS organisations and social enterprises to minimum 25% (from a current estimate of 16%);
- 2) To allocate 10% of quality weighting in tender evaluations to social value.

A series of further objectives are included to achieve this, such as engaging with diverse suppliers and ensuring the involvement of local people and communities early in the commissioning process.

Step 2: What information do we have?

Decisions must be evidence-based, and involve people with protected characteristics that could be affected. Please use this section to demonstrate understanding of who could be affected by the proposal.

2.1 What data or evidence is there which tells us who is, or could be affected?

This assessment needs to take a broad, **city-wide view** of potential impacts on equality groups. The reason is that the Council's procurement spend covers a broad range of services/works/supplies, spanning from major construction projects over care homes to notebooks for Council staff. Procurement spend potentially affects all wards, so there is no geographic limitation to the policy.

Overall, the Social Value Policy will affect (1) providers who bid for council contracts and (2) the communities where services and works are delivered, or those individuals who are involved with and/or benefit from social value activities. We use the following sources of data to assess impact on these groups:

- (1) Providers:** The Council currently holds limited data about its provider base. We know that approximately 16% of procurement spend is with micro, small and medium-sized organisations. We do not hold a breakdown of providers by equality groups (e.g. staff diversity or service user statistics). Thus our main channel to identify provider needs has been our 12-week public consultation (see 2.3).

(2) Communities/individuals: The Council produces a range of high-quality datasets which highlight needs across the city. These include the State of Bristol Key Facts, the Joint Strategic Needs Assessment and the Quality of Life Survey. These reports informed the Council's corporate objectives which we suggest should also become BCC's social value priorities. We have also gathered feedback from the VCS, the wider public and equality groups through our consultation (see 2.3).

2.2 Who is missing? Are there any gaps in the data?

We do not currently hold **comprehensive data on the council's provider base**. We can analyse direct spend on SME organisations but we do not hold information on diversity among providers (e.g. diversity breakdown of staff/management teams, or how many providers serve groups with protected characteristics). Likewise, we cannot currently analyse how much of our procurement spend benefits particular groups, communities or geographies. This was highlighted during our meeting with the Black South West Network who were interested to hear how much of BCC's procurement spend goes to organisations led by/for BME communities.

2.3 How have we involved, or will we involve, communities and groups that could be affected?

We have involved providers and the wider public through a **12-week public consultation**. We received over 440 responses through our **online survey** where 75% of respondents were providers – both with and without experience of delivering contracts for the Council. Most responses came from the private sector (70%). 27% indicated that they are run by or for a group with protected characteristics, including young people (17%), people with disabilities (14%), older people (12%) or people with a particular ethnicity (9%) or gender (9%). *Note that these categories are not mutually exclusive.*

The consultation also included **meetings** with the voluntary sector (60 attendees) and small businesses (40 attendees) as well as smaller meetings with the BEING Equality Network and the Black Southwest Network. These highlighted a number of equality concerns which are explained under 3.1.

Step 3: Who might the proposal impact?

Analysis of impacts on people with protected characteristics must be rigorous. Please demonstrate your analysis of any impacts in this section, referring to all of the equalities groups as defined in the Equality Act 2010.

3.1 Does the proposal have any potentially adverse impacts on people with protected characteristics?

The following **risks** were identified by stakeholders:

- Many organisations which are led by or for equality groups are small and some already lack capacity to bid for council contracts. Introducing an additional requirement into the procurement processes – such as Social Value - could potentially add another hurdle.
- Equality groups often feel excluded from commissioning processes, including at the early consultation stage. There is a risk that commissioners recommend social value activities without having consulted those who are harder to reach (including people with disabilities, those digitally excluded, speakers of other languages).
- ‘Social value’ is a relatively new term which would benefit from a clear definition. This applies to all stakeholders but particularly to speakers of other languages.
- The social value agenda risks detracting from challenges around inequality if they are not explicitly referred to in the policy.
- Lack of inclusion by providers in terms of their service users and workforce will not be addressed unless it is measured and action is taken when providers do not enact best practice.
- Not all objectives in the policy are measurable. This creates a situation where stakeholders may be unable to challenge the Council over whether or not it has delivered on its policy intent.

3.2 Can these impacts be mitigated or justified? If so, how?

Yes – We have identified actions to mitigate against these risks under 4.2.

3.3 Does the proposal create any benefits for people with protected characteristics?

Yes – The policy’s intent is to maximise the social, economic and environmental wellbeing of the city, including reducing inequalities. The overwhelming majority of people we consulted welcomed the introduction of a social value policy (over 80% of survey respondents agreed with the principles and objectives of the policy). The question was less ‘if’ this was a good idea but consultation responses focused on the ‘how’ and the detail of the policy.

3.4 Can they be maximised? If so, how?

Actions to maximise benefits for equality groups and address risks in not doing so are outlined in 4.2. One important aspect of doing this is to **involve equality groups in the (regular) review of the social value policy and toolkit**. This will ensure that equality groups are able to challenge the policy and its application, and can influence its shape going forward.

Step 4: So what?

The Equality Impact Assessment must be able to influence the proposal and decision. This section asks how your understanding of impacts on people with protected characteristics has influenced your proposal, and how the findings of your Equality Impact Assessment can be measured going forward.

4.1 How has the equality impact assessment informed or changed the proposal?

Following this equality impact assessment, we are proposing the following changes to the policy:

- Add ‘equality’ to the principles of the social value policy.
- Explain in the policy document how social value links with the Equality Duty on the Commissioner.
- Review objectives to ensure they are focused and measurable.
- Reference strategic documents such as the Manifesto for Race Equality and the Women’s Commission Strategy in the Policy and/or Toolkit.
- Revisit our definition of social value to ensure it is as clear as possible. Use example and case studies prominently to clarify what we mean.

4.2 What actions have been identified going forward?

In addition to the changes outlined under 4.1, we have identified the following actions to maximise the benefit for equality groups and mitigate against the risks outlined in 3.1:

- The Council will develop an Action Plan for supporting micro, small and medium sized businesses (<250 employees) including social enterprises and voluntary/community organisations to bid for contracts with the Council.
- A Training Plan will be developed for staff who are undertaking commissioning and procurement. This will include training on early engagement with communities and different channels to engage harder to reach groups.
- We will ensure that our approach to evaluating social value captures the equality impact of the policy. We will also consider how we can collect better data about the type of providers who deliver contracts and the distribution of our procurement spend.
- The Council will set up a challenge group to review the policy and toolkit on an annual basis. This will include representatives from the VCS, the business sector and equality groups.

4.3 How will the impact of your proposal and actions be measured moving forward?

Going forward, we will measure the impact of the above proposals by:

- Reviewing the social value policy and toolkit on an annual basis, together with representatives of the VCS and equalities groups;
- Working with independent evaluation experts to ensure we are measuring the equality impact of this policy.

Service Director Sign-Off:	Equalities Officer Sign Off: Anne James – Equality and Community Cohesion Team Leader
Date:	Date: 14/1/2016