



Bristol City Council Social Value Policy



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Purpose

The purpose of this policy is to ensure that Social Value principles are applied in a way that enables the council to maximise economic, social and environmental benefits for Bristol and its citizens.

The council will go beyond the limitations of the Public Services (Social Value) Act 2012, acting as a leader for Social Value in the city and ensuring that Social Value is included in everything it does, linking economic and social growth with maximising the value obtained from money spent.

This policy should be regarded as a baseline when making decisions. It is in no way intended to limit projects that seek to tackle different Council objectives in a joined-up and innovative way.

What are our aims for Social Value?

Social impact is a term designed to demonstrate positive or negative outcomes to people or the planet. The Covid-19 pandemic has further exposed inequalities in Bristol, with a disproportionate impact on many already disadvantaged communities and has made creating equality of opportunity through education much harder. The priorities when considering Social Value are therefore aligned with those of the 'A One City: Economic Recovery and Renewal Strategy':

- **Reduce poverty and inequality;**
- **Increase the city's resilience and environmental sustainability; and**
- **Enhance community economic and social wellbeing.**

It is crucial for Bristol to "build back better", and Social Value has a key role to play in tackling the city's economic, social and environmental challenges.

What is Social Impact?

- **Definition – Social Impact:**

Social Enterprise UK defines Social Impact as “The effect of an activity on the social fabric of the community and wellbeing of the individuals and families”, and **Social Value** is what is created.

- **Social Value asks the question:**

“If £1 is spent on the delivery of services, can that same £1 also produce a wider benefit to the community?”

Social Value aims to move beyond making decisions based on financial cost or price alone. Instead, it advocates seeking ‘Value for money’ in its widest sense by considering potential social benefits (involving people, culture and interactions), economic benefits (such as money flow and financial resources) and environmental benefits (involving the place in which people live, the planet and use of resources).

For example:

- Deciding to create a habitat for wildlife may also provide open space that improves the health and sense of community of local residents (wider social impact) and create opportunities for employing local people who are long term unemployed or Not in Education Employment or Training to deliver the project (wider social and economic impact).

The quality of life of local people is improved beyond the scope of the initial activity, creating a positive social change in the process:

- Air pollution is reduced from changes in a natural asset

Additionality:

- Local environment improved from the creation or management of green spaces
- Local people obtain jobs where they might otherwise have been unemployed

Considering Social Value during decision-making is not a replacement for evaluating the financial return or quality of core objectives, but an opportunity to do more social good alongside the generation of the wider benefit. The embedding of Social Value principles in service, investment and commissioning appraisals can result in more effective approaches to achieving the Council’s strategic objectives and tackling our most difficult challenges. The positive social impact of the investment should be fully evaluated alongside service quality and the investor return on investment (ROI).

Legislative and Policy context

When public bodies like the Council place contracts, the Public Services (Social Value) Act 2012 legally obliges them to consider how procurement and delivery of contracts might secure additional Social Value for their area. This legal obligation, however, applies only to high-value contracts that are predominantly for services, not to supplies or works. Bristol City Council has chosen to go beyond this in two ways. Firstly, we seek to apply the principles in the Act to all procurement decisions, including supplies and works. Secondly, we aim to secure additional Social Value from other types of decision.

The drive to achieve greater equality and inclusion in Bristol is central to our approach to Social Value. This approach is underpinned by the public sector Equality Duty, which applies when we consider Social Value as part of a commissioning exercise or activity. The [Equality and Inclusion Policy and Strategy](#) sets out how the Council will meet the statutory obligations defined within the Equality Act 2010, which are to:

- Eliminate discrimination;
- Advance equality of opportunity; and
- Foster good relations between different people.

This Social Value policy is also complemented by the Council's **Ethical Investment Policy**; commitments to payment of the **Living Wage** and eradicating modern slavery; and compliance with the **Construction Charter** through the supply chain.

Our 10 Key Social Value Objectives

The Council has identified 10 key objectives in order to deliver our three overarching aims for Social Value. Each of these 10 objectives is mainly focussed on meeting one particular overarching aim, but may well contribute to the other overarching aims as well.

Focussing specifically on **reducing poverty and inequality**, we will:

1. Support the creation, sustainability and growth of local micro, small and medium-sized enterprises
2. Support the creation and retention of high-quality, sustainable jobs for local people which pay at least the living wage
3. Support local people with opportunities for life-long learning, skills development and experiences of work

Focussing specifically on **enhancing community economic and social wellbeing**, we will:

4. Support the creation, sustainability and growth of local community groups, voluntary groups and social enterprises, in alignment with the VCSE strategy
5. Promote the involvement of local people and organisations in active citizenship such as volunteering and foster caring
6. Promote the mental and physical health and well-being of local people
7. Support the creation of high quality, affordable and sustainable homes and inclusive public spaces

Focussing specifically on **increasing the city's resilience and environmental sustainability**, we will:

8. Reduce air pollution and greenhouse gases (both direct emissions and those embodied in any supplies and services)
9. Reduce and reuse waste, particularly waste that is harmful and/or sent to landfill
10. Support Bristol becoming a more ecologically resilient and biodiverse city

Specific Social Value measures stemming from these 10 key objectives will be developed (and updated) in our evaluation toolkits based on available data, including community engagement and co-design where appropriate.

When will we consider Social Value?

Our commitments

The Council recognises the importance and potential benefits of taking local economic, social and environmental wellbeing into account when making decisions and setting out proposals that concern public spending and changes to the use of existing public assets and resources.

We therefore make the following commitments regarding Social Value:

1. We will encourage Social Value through the way we do business with other organisations

- Service delivery improvements
- Non-Treasury investments
- Enhancing / Securing inward impact investments
- Procurement
- Partnerships

When we decide how to deliver a service, who to partner with or what to invest in, we will use our Social Value impact assessments to take into account the additional benefits we can secure for Bristol, as well as any negative impacts we can avoid, and also support partners to build Social Value into their own business planning processes. Payment of a living wage, zero tolerance for modern slavery and compliance with the Council's ethical investment policy would reflect minimum expectations.

2. We will seek to influence and guide partners to incorporate Social Value into how they work

- Community led housing
- Community Asset Transfers / land proposals
- Regeneration, construction and physical development activity

We can use our Social Value evaluation toolkits to influence and build factors such as community wellbeing, sustainable construction and local jobs into development decisions and use signposting and facilitation to support community co-design and engagement. Consideration will be given to incorporating Social Value into complementary policies and decision frameworks such as the Local Plan.

3. We will promote, influence and support local organisations to measure their Social Value

- **Grant awards from the Council and grant applications made by the Council to other bodies**

When we make decisions on awarding grants to local organisations, in addition to the achievement of the objectives of the intervention in grant awards, we aim to help and encourage all organisations to measure and then demonstrate their Social Value and for Social Value to be considered in informing the choice of options at shortlisting / award stages. Social Value will not be the sole determining factor, but will help to identify the best way of achieving our goals. When we make grant applications to other organisations, we will include a Social Value section in our bids to strengthen and demonstrate the additional benefits our proposal would deliver.

Social Value in Procurement

The objectives, priorities and principles set out in this Policy equally apply to Procurement decisions. However, procurement decisions must also:

- meet the obligations of the Public Services (Social Value) Act 2012, which mandates consideration of Social Value when procuring contracts above certain threshold values
- comply with all relevant laws governing public procurement, including those relating to competition and public subsidy/state aid
- respond to central government policy (e.g. 10% default evaluation weighting for Social Value) as it develops, aimed at driving greater Social Value consideration during procurement processes

This policy sets three additional procurement requirements:

- A default expectation that Social Value should be sought from all contracts whose value is over the threshold requiring a formal compliant tender procedure under the Council's Procurement Rules. Examples of commitments that could be requested include: apprenticeships, staff training, local labour recruitment and high standards in relation to sub-contractors and supply chains

- As a starting point, 20% of the overall assessment score for a Procurement decision should be allocated to Social Value
- An aim of spending a proportion of the Council's procurement budget with micro, small and medium size businesses, social enterprises and voluntary / community organisations that is at least equal to the percentage of UK business's total turnover attributed to these types of organisation. For reference, this percentage for 2019 was around 52%. The government definition of SMEs will be used, which currently uses the number of employees: i.e. Micro (0-9 employees), Small (10-49) and Medium (50-249), combined with data on turnover where employee numbers are not available.

How we will apply Social Value to decision making?

We will take a rigorous and pragmatic approach to applying Social Value that's dependent on the type of decision being made. Some key principles should always be applied:

- **Aligned:** Social Value measures should always be aligned with the 10 key objectives above.
- **Relevant:** Assessments should be based solely on the Social Value that could reasonably be expected to flow from delivering the core objectives of a decision. For major decisions, identifying the relevant Social Value outcomes should be part of our engagement with the community and other stakeholders.
- **Proportionate:** The resources the Council and stakeholders spend on identifying, requesting, assessing, securing and monitoring additional Social Value should be proportionate to the additional Social Value that could be secured.
- **Accessible and inclusive:** Social Value application and evaluation processes must be designed to be as straightforward and accessible as possible for applicants and stakeholders. Particular efforts should be made to encourage and support applications from a diverse range of individuals and organisations – including those with characteristics protected under the Equality Act.
- **Consistent:** A consistent approach should be agreed and applied to similar decisions wherever possible. Such an approach builds familiarity and expertise amongst stakeholders, officers and decision-makers, and can also help to build and maintain a sense of fairness and trust.

- **Transparent:** A framework should be defined, documented and published (as appropriate), setting out: how Social Value will be assessed, how any scoring will be applied and how this will contribute to the overall decision. An audit trail of decisions should also be retained.
- **Robust:** Social Value assessment frameworks should allow fair comparison of outcomes: using robust financial proxy values, coupled with clearly-defined qualitative criteria.
- **Monitored:** Delivery of Social Value commitments should be monitored and reported on in a proportionate way, and organisations are held to account where necessary. Further guidelines on these monitoring and reporting measures are laid out in the next sections.

How will we develop our approach to Social Value?

Our aim is to apply Social Value in a consistent way within each type of decision the Council makes. For example, when we award grants, the way we consider Social Value should be the same, regardless of which service area is awarding the grant.

However, we expect there will be some variance across different types of decision. For example, the measures and approach to Social Value that are best for procurement decisions may not all be relevant or appropriate for partnership decisions.

Each decision type will therefore be at a different stage of maturity with regard to developing and embedding standard approaches and procedures. Our aim is to progress each decision type from **POTENTIAL** through **DEVELOPMENT** and on to **MATURITY**:

POTENTIAL

Social Value is not currently assessed, but there is potential to achieve wider Social Value

Target: Develop approaches to applying Social Value to that type of decision

Example actions:

- Draw on the experience of decision types that are further along in their development
- Engage stakeholders to identify relevant Social Value and how it should be targeted
- Use data to focus impact on our key aims (e.g. reducing poverty and inequality)
- Experiment with applying Social Value to pilot projects
- Evaluate, iterate, and start to formulate best practice on a wider scale



DEVELOPMENT

Social Value is applied, but only to a limited extent

Target: Establish a consistent approach to applying Social Value to all decisions of that type

Example actions:

- Draw on the experience of more mature decision types
- Engage stakeholders in developing our approach to Social Value for the decision type
- Assess and improve the focus on our key aims (e.g. reducing poverty and inequality)
- Iterate and learn based on experience gained from existing practice and pilot projects
- Standardise and embed best practice into toolkits and Social Value assessment templates



MATURITY

Application of Social Value is well-established

Target: Continuously improve & embed the application of Social Value to maximise the benefits

Example actions:

- Ensure that Social Value is applied consistently to all decisions of that particular type
- Ongoing consultation and communication with stakeholders
- Regularly measure and evaluate the success of the approach, including equalities impacts
- Continuously improve relevance checks, assessment templates, toolkits and guidance

How will we document our approach?

Social Value Toolkits, assessment templates and practical guidance are available to support and guide users through the Council's processes for applying Social Value to decision-making. As decision-making areas progress along the maturity path, this documentation will be enhanced and extended to new areas in consultation with the responsible Cabinet Member.

How will we monitor and report on outcomes?

Monitoring

While all Social Value commitments the Council makes should be delivered, monitoring and reporting on delivery is crucial in cases where Social Value commitments have influenced the allocation of public funds (e.g. when awarding a contract). Third parties (such as suppliers) should therefore be monitored and held to account for the delivery of Social Value commitments they have made to the Council.

If there are challenges forecast in the delivery of commitments made by third parties during the lifetime of the project or contract, the Council may, in the first instance, agree to accept a different Social Value outcome (of equivalent worth) as a suitable alternative. In exceptional cases, the Council may (at its sole discretion) agree instead to accept a cash contribution to the Council's Social Value Fund for the value outstanding, in place of agreed Social Value commitments that cannot be delivered. This alternative will only be considered by the Council if it can be clearly demonstrated that all other options have been exhausted.

All spend from the Council's Social Value Fund must be linked to Bristol's core priorities for Social Value. Allocation of this funding should be determined by an appropriate steering group. A list summarising the projects and initiatives to which the Social Value Fund has been allocated will be published, in order to ensure transparency and accountability to all of our stakeholders, including the Council's customers, contractors, suppliers, partners and auditors.

Reporting

An annual report will be prepared and published to demonstrate the difference that the Council has made as a result of its Social Value approach to doing business. The policy will be reviewed every three years whilst the toolkits that underpin it will be reviewed annually.