

Social Value Policy

Creating Social Value
in Bristol

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

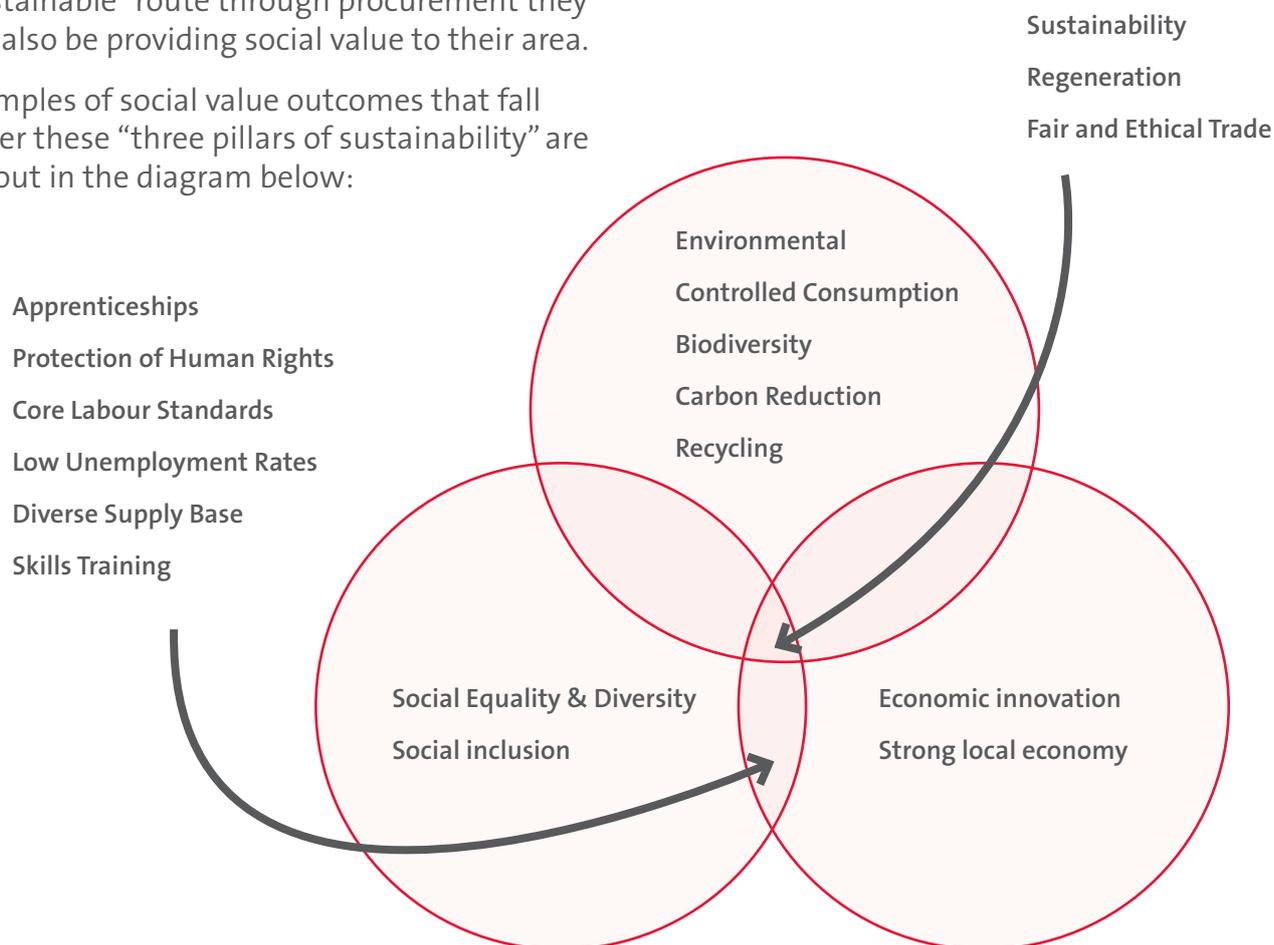
health service is delivered by an organisation that actively employs people with a history of mental health problems to help deliver the service. Social value outcomes are achieved as a result of the person with mental health problems:

- 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 level

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.

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.

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 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.

The Social Value Working group would like to thank the Federation of Small Business and Voscur for their valuable contributions to the development of Bristol's Social Value Policy and Toolkit, and for supporting the consultation.

We would also like to thank all of the individuals, businesses and organisations that attended the consultation workshops or responded to the survey.

For more information please contact:

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Documents available in other formats:

If you would like this information in another language, Braille, audio tape, large print, easy English, BSL video or CD rom or plain text please contact: 0117 922 2726

