Social Value Policy

Solihull Metropolitan Borough Council

October 2023

Social Value Policy

1. Purpose and background

1.1. The Council is required to consider, before commencing the procurement process, how the economic, social and environmental wellbeing of the borough may be improved through the procurement of its services as part of the Public Service (Social Value) Act 2012. The aim of the Act is not to alter the commissioning and procurement processes, but to ensure that, as part of these processes, councils give consideration to the wider impact of service delivery.

1.2. The Council has had a Social Value Policy since 2015 and have been applying the principles described in the Public Service (Social Value) Act 2012 to its procurement since that date. The policy establishes a consistent and collaborative approach to social value with the vision to create, deliver and sustain greater community benefits through the use of social value in the Council and region. The policy also encourages our partners and other businesses in the local community to work in the same way whether they have a contractual relationship with the Council or not.

1.3. The purpose of this policy is to formally embed Social Value into all procurement processes followed by the Council and to ensure that the Council uses its role as a procurer to deliver inclusive growth in line with the priorities in the Council Plan.

2. Defining Social Value

2.1. The Act does not define what is meant by "social value". Therefore, the Council will adopt the definition of social value as set out by the national Sustainable Procurement Taskforce. Social value is defined as:

"A process whereby organisations meet their needs for goods, services and works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment."

2.2. While this policy focuses on procurement, the Council also recognises that social value can also be delivered through other levers such as Planning and the use of the Council's land and property assets, as well as working with stakeholders in relation to the broader corporate social responsibility agenda. For example, in considering the "community asset transfers" of Council managed land and property to community organisations and trusts there is a need to consider the social value in the assessment of options and the principles of this policy are relevant to that decision making process.

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2.3. With regards to how social value can be achieved through, this is a continually evolving area. Whilst our adopted and draft local plan do not include an explicit policy on social value, they do contain policies which relate to key aspects of social value and the TOMs for the Council (Table 2). In particular planning policies focus on combating climate change; carbon reduction; promotion of active travel and reducing the need to drive; biodiversity net gain; delivery of affordable housing; enhancement of local health and wellbeing; and the creation of high quality, well connected communities. In effect therefore the achievement of social value through planning and development can be realised. We will therefore encourage the inclusion of a social value statement to be submitted either on its own or as part of a Planning Statement for all major planning applications through which the applicant can demonstrate their understanding of local needs and commitment to addressing them through measurable social value outcomes. Such statements will, where appropriate be considered as a material consideration through the planning process and be considered alongside other such matters as part of the planning balance. This approach will then allow us to build an evidence base to support future reviews of the Local Plan; reviews of existing Neighbourhood Plans and the development of new Neighbourhood Plans across the Borough.

2.4. This Social Value policy expects Solihull's business and third sector communities to:

a) Support the future prosperity of Solihull, its businesses and all its citizens

b) Value and respect the needs and aspirations of the diverse communities in Solihull

c) Enhance social opportunity and cohesion in a dynamic and changing business environment

d) Help to develop improvements for disadvantaged neighbourhoods and people, such as but not limited to looked after children.

e) Create and maintain a sustainable, clean, safe and attractive environment for living, work and leisure

f) Recognise and promote Solihull's diversity as a major asset

2.5. Social value requires commissioners to think about how they achieve outcomes in a more integrated way at the pre-procurement stage. Rather than thinking about services in isolation or in the short term, this approach requires commissioners to consider long term costs, sustainability and how inclusion of additional social value outcomes can potentially reduce pressures in other areas and provide capacity and funding for improved community benefits.

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3. Social Value Outcomes

3.1. All contracting authorities should consider the following national priority outcomes alongside any additional local priorities in their procurement activities in line with the National Procurement Policy Statement:

   a) creating new businesses, new jobs and new skills;

   b) tackling climate change and reducing waste, and

   c) improving supplier diversity, innovation and resilience.

3.2. Local social value priorities will be driven by the Council Plan which outlines the Council's vision, purpose and ambition for Solihull. Delivery of this policy will support delivery of the council priorities through wise use of our procurement power which ensures maximum benefit for our local communities when letting contracts.

3.3. Defining Themes, Outcomes and Measures (TOMs) to reflect both organisational and wider societal priorities, creates the "golden thread" from strategy to delivery. This is needed to set a framework in which stakeholders, business and community partners can engage to support the Council's social value objectives and deliver measurable change.

3.4. The Social Value policy asks contractors to consider where and how their activities can have a social impact. Table 2 outlines the Council's Social Value outcomes that directly support delivery of the Council Plan.

3.5. TOM Leads from the Council have been allocated to each Social Value outcome to encourage and support delivery in conjunction with the Contract Managers. The Council will work with local stakeholders, including the voluntary and community sector, to generate and share project ideas that can be delivered through social value in line with the TOMs.

3.6. The Council procures a wide range of goods and services, and it is recognised that there can be no "one size fits all" model. The policy will need to be applied in a proportionate manner and be tailored to reflect the works, services or goods to be procured. It is the role of the service commissioners and procurement leads to consider, on a contract by contract basis, the potential social value outcomes that could be delivered through the procurement process and the most appropriate procurement strategy to achieve this.

3.7. Social Value targets, where set, will be contractualised and will, along with other KPI's, form the basis of contract management and performance monitoring reviews.

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3.8. Table 1 below sets out further detail around processes by value.

Table 1 – Social Value Process by Value

Value	Process	Potential Outcomes
Under PCR threshold for Supplies and Services	Social value guidance will be covered by including a Social Value question in the Request for Quotation documents. Guidance can be found on the Corporate Procurement Service/ Social Value intranet pages.	Innovation around one or two issues in line with the priority TOMs. This will help small local businesses understand the issues and reward those that are already involved in their communities. Expectations will not be specific to a project but take into account what the organisation does as a whole. A 5% weighting is to be used on evaluation and agreed with the Social Value Programme Manager prior to tender publication.
Above PCR threshold for Supplies and Services	Category Managers will guide specifications and tender documents to ensure that Themes, Outcomes and Measures (TOMs) are included within the procurement process. It is an expectation that Social Value will apply to procurement requirements that fall within this threshold and any exceptions to this rule must be authorised by the Head of Procurement in line with the list of justified Exceptions.	Businesses will be expected to respond to the range of opportunities contained within the Council's TOM list, drawing on the proposed projects as appropriate. They will be assessed on their project specific proposals. Businesses will be expected to respond fully to the TOMs matrix and commit to project specific deliverables that will be included in KPIs. Weightings are recommended to be aligned with the PAD process and PCR threshold for Supplies and Services and set at: - Below PCR threshold for Supplies and Services – 5-10% - Above PCR threshold for Supplies and Services 15 – 20% Weightings above 20% are used where contract price is set, or there is a specific opportunity around Social Value to solve a specific need. Category Managers will provide guidance on what is expected although this will not be prescribed.

3.9. Exceptions to the Social Value Policy Table 1 processes for including Social Value could include but are not restricted to the following:

    a) Extensions to existing contracts – where the original procurement exercise did not include consideration of Social Value.

    b) Request to measure Social Value by alternative method – due to the procurement process being followed, we may be required to measure Social Value using an alternative tool, including offline measurement.

    c) Use of Frameworks – where Social Value was not included in the overarching framework tender or if we are awarding via a direct award process, we may not be able to include social value or the TOMs in our contract.

    d) Weighting exception – for complex procurements; where the social value element may produce a disproportionate weighting; or an increased risk of challenge, the weighting may need to be adjusted.

    e) SV Maturity of the market – market intelligence may identify that the sector in which the procurement applies, may not be mature in social value or corporate social responsibility. The weighting and process could require adjustment to reflect this.

4. Scope

The Act applies to services contracts and contracts which combine service with the purchase or hire of goods. However, the Council has for many years considered social, economic and environmental issues when procuring goods and services. Therefore, the Council will include social value outcomes in all contracts that require a tender process or are above the Public Contract Regulations' (PCR) threshold for Supplies & Services, unless an exception to the social value policy, in line with 3.9, is identified.

4.1. In order to ensure that the Council adheres to the Act and to legislation, the social value sought from a contract must be relevant and proportionate in respect of the proposed contract.

4.2. Where the Council procures through a framework it may not be possible to ask suppliers to consider or give a weighted score to the selection of the Council's TOMs. The Category Manager will advise on how the Council's social value priorities can be delivered within the scope of the framework and exceptions due to direct award, flexible arrangements and lack of social value in the framework contract will be monitored in line with section 3.9 of this policy.

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5. Consultation

5.1. In discharging its statutory duties, the Council is required to consider whether consultation should take place as part of the commissioning process, so as to allow the community and voluntary sectors to be more closely involved. Consultation should be considered as part of the commissioning/procurement process which would improve the area's economic, social and environmental well-being.

6. Implementation

6.1. The framework for social value delivery is described above.

6.2. We will encourage existing contractors to apply this policy to their own organisations on a voluntary basis.

7. Responsibility

7.1. The delivery of the Social Value Policy is the responsibility of the Director for Resources, reporting to Cabinet Member for Resources and Delivering Value. All procurement decisions will be managed through the procurement processes, as set out in the Council's Rules for Contracts.

7.2. All Council officers have a responsibility for the delivery of Social Value through effective contract management and relationships with Suppliers, communities and residents.

8. Monitoring and Review

8.1. The Social Value Policy will be monitored on an ongoing basis through reports to Procurement Board. In addition, social value will be included in relevant reports on delivery against the Inclusive Growth Programme and the Council Plan, which will be taken to Cabinet and where appropriate through the Cabinet Member responsible for individual projects.

8.2. The Council will periodically review its Social Value Policy in consultation with key stakeholders. In doing so it will take into account any changes in legislation pertaining to the Social Value Act 2012, the Equality Act 2010, Public Contracts Regulations and the Council's commitments in the Council Plan.

8.3. The Council's social value outcomes as detailed in Table 2 will be reviewed on an annual basis in line with the annual review of the Council Plan.

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Table 2 – Social Value TOMs for Solihull MBC

Theme	Outcome	NT Ref	Measure
Improving skills and access to good work	Creating local employment opportunities	**NT1**	Local people employed or retained (within 15 miles of Solihull Town Centre)
	Take Action to improve life chances in our most disadvantaged communities	**NT3**	Long-term unemployed people recruited
		NT4	Employees recruited who are Not in Education Employment or Training (16-24 years old)
		NT4a	Unemployed 16-25 year old care leavers recruited
		NT6	Unemployed individuals with disabilities recruited
	Developing skills and experience for future work	**NT8**	Support for students at local educational institutions
	Providing skills and experience for good work	**NT10**	Employment of new apprentices
		NT11	Personalised support to help unemployed people into work
	Improved employability of young people	**NT12**	Meaningful unpaid work placements while Not in Employment Education or Training
		NT13	Meaningful paid work placements
	Developing life and business skills	**NT97**	Digital literacy support for designated groups
	Pioneering approaches to increasing local skills and employment	**NT50**	Initiatives to promote local skills and employment
Building a vibrant economy	More opportunities for local MSMEs and VCSEs	**NT14**	Spend with VCSEs in the supply chain
		NT15	Expert support to VCSEs and SMEs
		NT18	Spend with local companies in the supply chain (within 15 miles of Solihull Town Centre)
		NT104	Personalised support to improve financial literacy (including budgeting)
		NT51	Initiatives to promote and support responsible business
Enabling communities to thrive	Vulnerable adults and children have care and support that meet their needs.	**SOL2**	Initiatives to support care leavers/care experienced young people within Solihull borough in – • Being better prepared to live independently • Having improved access to employment, education and training • Experiencing stability in their lives and feeling safe and secure • Having improved access to health support • Achieving financial stability

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			As outlined in Care Leavers Toolkit [Click here to view the Care Leavers Toolkit](#)
	Stronger, more connected, resourceful communities finding solutions to local problems.	**NT28**	Support for local community projects through donations
		NT29	Support for local community projects through volunteering
	Pioneering approaches to building resilient communities	**NT52**	Initiatives to promote more resilient communities
Actioning our climate change declaration	Enhance Solihull's natural environment: An enhanced, well connected natural environment.	**NT86**	Support for environmental conservation & ecosystem management
		NT87	Reductions in plastics used
	Resource efficiency and circular economy solutions are promoted	**NT90**	Leadership and advocacy to protect the environment
	Pioneering approaches to safeguarding the planet	**NT53**	Initiatives to safeguard the environment