



















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 and 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**















































## 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><b>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.</b></p> <p><b>This route enables commissioners evaluating a bid to test a provider organisation's experience in delivering social value benefits.</b></p> <p><b>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.</b></p> <p><b>Examples of the types of questions that may be asked are:</b></p> <p><b>"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 &amp; community, labour &amp; employment, and environmental factors associated with delivery of the services specified, including how they might demonstrate innovation" <sup>3</sup>(Primary Care Mental Health tender for Wirral CCG)*.</b></p> <p><b>or</b></p> <p><b>Using the matrix provided please indicate the intended target in this area – see example below.</b></p> <p><b>The social benefits a provider organisation offers within its tender submission become a requirement of the contract and are monitored appropriately.</b></p> <p><b>*The responses to these questions are evaluated in the same way that commissioners would evaluate a method statement.</b></p> | <p><b>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.</b></p> <p><b>Performance Obligations are imposed and cannot be considered and scored as part of the tender evaluation.</b></p> <p><b>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.</b></p> <p><b>These must seek to secure additional social benefits.</b></p> <p><b>Performance obligations are monitored as part of the contract monitoring process.</b></p> |

<sup>3</sup> 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                         |                    |    |             |    |  |    |                       |    |           |    |            |

**Notes<sup>4</sup>:**

**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.

<sup>4</sup> 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 website<sup>5</sup> 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.

<sup>5</sup> New Economy's Unit Cost Database [http://neweconomymanchester.com/stories/832-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<sup>JB</sup> 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<sup>JB</sup> 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><b>* Examine the existing Contract</b></p> <ul style="list-style-type: none"> <li>- What Social Value is already being achieved?</li> <li>- Investigate existing activities that can become measurable 'added value' (are they working)</li> </ul> <p><b>* Consider the 'fit'</b></p> <ul style="list-style-type: none"> <li>- Are there particular existing priorities or policy objectives that could be met through the new contract?</li> <li>- Is there a need to revise policy?</li> </ul> <p><b>* What other action could be taken before a new procurement exercise is commenced</b></p> <ul style="list-style-type: none"> <li>- Amendments/additions to commissioning plan or specification and contract</li> </ul> <p><b>* Stakeholder / service user Engagement</b></p> <ul style="list-style-type: none"> <li>- Identify which priorities are most relevant to stakeholders and service users, and which should be reflected in an expanded commissioning plan or specification</li> </ul> | <p><b>* Have service users' needs changed?</b></p> <p><b>* Have the wider community's needs changed?</b></p> <p><b>* Are there different social issues to tackle now?</b></p> <p><b>* Are there new ways of resourcing the requirement - e.g. other sources of public funding or through collaboration?</b></p> <p><b>* Has the landscape of potential providers changed substantively</b></p> | <p><b>* Consider undertaking consultation</b></p> <ul style="list-style-type: none"> <li>- What are the social, economic or environmental "needs"</li> <li>- How could these best be delivered</li> <li>- What are the capabilities and willingness of the market</li> <li>- How can Social Value be monitored and measured</li> <li>- What evidence already exists</li> <li>- Share proposed requirements and monitoring and evaluation model</li> </ul> <p><b>* Consider publishing a Prior Information Notice</b></p> <ul style="list-style-type: none"> <li>- Alerts the market to the consultation exercise and market engagement event, and enables: <ul style="list-style-type: none"> <li>- views to be captured</li> <li>- a market to be created</li> <li>- potential suppliers to consider collaboration / forming consortia</li> </ul> </li> </ul> | <p><b>* Ensure the Social Value requirements are threaded throughout the tender documents</b></p> <p><b>* Should flow naturally from needs analysis and stakeholder /market</b></p> <p><b>* Where should the Social Value element be included?</b></p> <ul style="list-style-type: none"> <li>- Does this form part of the contract's subject matter?</li> <li>- To what extent should social, economic and environmental requirements be reflected in the commissioning plan or service specification?</li> </ul> <p><b>* 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)</b></p> <p><b>* Specify ways in which service performance of requirements can be verified</b><br/><b>NB: unverifiable requirements are unlawful</b></p> | <p><b>* The evaluation criteria cannot be changed through the procurement process at any stage (includes sub-criteria/weightings)</b></p> <p><b>* Social and environmental characteristics will be most relevant to the "quality" aspect of the evaluation criteria</b></p> <p><b>* Non "local" language should be used: all bidders from anywhere in Europe should be able to comply with the requirements</b></p> <p><b>* The weighting allocated to social characteristics must relate to their importance to the contract (typically these might be between 5-10%)</b></p> <p><b>* Rationale for adopting particular weightings must be documented</b></p> | <p><b>* Deploy enough resource to monitor the contract effectively</b></p> <p><b>* Review with the service provider, its performance of the full commissioning plan or specification (including any Social Value aspects)</b></p> <ul style="list-style-type: none"> <li>- track value for money work together to identify how service delivery can be enhanced collaboratively</li> </ul> <p><b>* The contract is the starting point for unleashing greater social impact and value for money</b></p> |























































