



# Social Value Policy

Creating Social Value in Bristol



**The overarching intent of this policy is to set out our approach for doing more than sourcing the Council's supplies at a price that it is competitive and good value for money, it sets our ambition for meaningful Social Value from our suppliers.**

## Introduction

Bristol is one of the most liveable cities in the UK and the Council is committed to making that a reality for everyone. Bristol and the city region have the most productive economy outside of London. Bristol generates £14.3 billion Economic Output Gross Value Added (GVA) representing 43% (2016) of the city region's<sup>1</sup> total output and a 0.8% share of the national economy.

However, like all cities Bristol has its challenges. The Resolution Foundation<sup>2</sup> has previously suggested that Bristol is one of the worst cities in England in which to be born poor and long-standing health, social and economic inequalities exist within the city.

Economic success has also brought challenges such as rapidly growing population, congestion, environmental pollution and high house prices.

The council and its partners across the city have worked hard to address these issues and have created the [One City Plan](#)<sup>3</sup>, which looks at what needs to change in the short, medium and long term.

**Our vision is to play a leading role in driving a city of hope and aspiration where everyone can share in its success.**

## Policy Context

The [Corporate Strategy 2018-2023](#) starts to explain how the Council will contribute to social value and sets the overarching strategic framework for this policy.

### Our Principles

We develop people and places to improve outcomes, empower communities and reduce the need for Council services.

The following principles underpin our policy:

- a.** Maximise opportunities to work with partners and other stakeholders locally, nationally and globally.
- b.** Plan inclusively with everyone in mind, but with a particular focus on our children and their future.
- c.** Focus on planned long-term outcomes not short-term fixes, prioritising early intervention and prevention.

- d.** Contribute to safer communities, including zero-tolerance to abuse or crime based on gender, disability, race, age religion or sexuality.
- e.** Build city resilience, improving our ability to cope with environmental, economic or social 'shocks and stresses'.
- f.** Use our assets wisely, generating a social and/or financial return. Raise money in a fair but business-like way.
- g.** Secure value for money whilst maintaining efficient, high quality services and ensuring corporate overview and support maximises the value we get from our buying decisions. Aligning these to wider corporate objectives, annual service planning and the medium term financial plan.

<sup>1</sup> City region defined as the Local Enterprise Partnership geography, the four Unitary Authorities, Bath & North East Somerset, Bristol, North Somerset and South Gloucestershire., not the Combined Authority.

<sup>2</sup> The Resolution Foundation Report, Low Pay Britain 2018

<sup>3</sup> The One City Plan, co-authored by representatives from different sectors across the city, coordinated by the One City Office is high-level and links into the range of strategies that currently exist in the city, to provide a baseline for organisations across the city to align their own priorities to.

## Our Values and Behaviours

We expect our partners and supply chain to share our values and behaviours, together we are:

### **Dedicated**

We strive to make a difference

### **Curious**

We ask questions and explore possibilities

### **Respect**

We treat each other fairly

### **Ownership**

We accept personal accountability

### **Collaborative**

We come together to reach shared goals

**Social value extends to all services that we provide, in order to support the delivery of our vision.**

## What is Social Value?

The [Public Services \(Social Value\) Act 2012](#) came into force on 31st January 2013. Local authorities and other public bodies have a legal obligation to consider the social good that could come from the procurement of services, before they embark upon it. 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 the services delivered.

It allows authorities, for example, to choose a supplier under a tendering process who not only provides the most economically advantageous tender, but one which goes beyond the basic contract terms and secures wider benefits for the community.

In 2017/18 we spent approximately £600 million via third party spend.

**Together the Act and this policy provide an opportunity to integrate economic, environmental and social sustainability into our procurement processes, delivering a cohesive yet flexible and innovative approach to generating social value through public procurement.**

# Definition

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 UK Sustainable Procurement Taskforce.

## “Procuring the Future”

Social Value is defined as:

**A process whereby organisations meet their needs for good, services, 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 economy, whilst minimising damage to the environment.**

[The Local Government Act 2000](#) reminds us that fundamentally, the objective of any local authority should be:

**“The promotion or improvement of the economic, social and environmental well-being of their area”.**

We must get the maximum possible value out of every £ we spend. **If we don't give due regard to the impact of our contracts on our local economies, on our society, or on the environment, we are failing in our basic duty as public authorities.**

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:

- a. having a job where they may otherwise have been unemployed
- b. becoming more socially included, and
- c. 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.

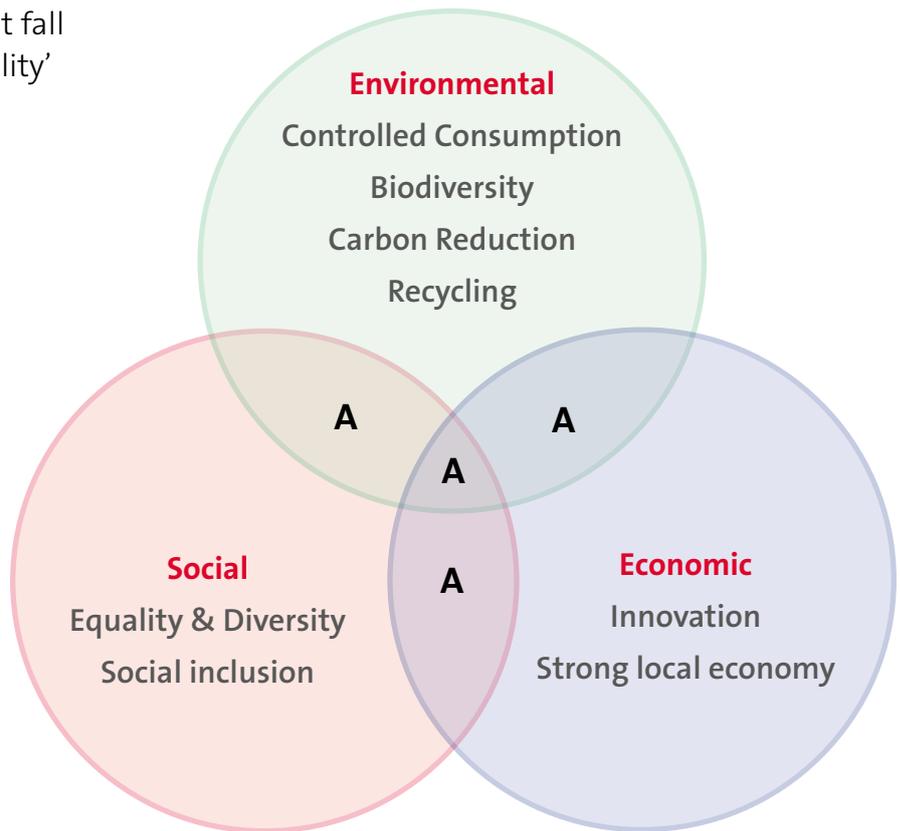
The Act refers to economic, social and environmental outcomes as the three pillars of sustainable procurement<sup>4</sup>. Sustainability in this context is most often defined as meeting the needs of the present without compromising the ability of future generations to meet theirs.



<sup>4</sup> Extract from Anthony Collins Solicitors, Social Value and Public Procurement, a Legal Guide January 2014

Examples of social value outcomes that fall under these ‘three pillars of sustainability’ are set out in the diagram below.

- A’s:** Sustainability; Regeneration  
 Diverse Supply Chain;  
 Fair and Ethical Trade  
 Low Unemployment Rates;  
 Skills Training;  
 Apprenticeships;  
 Protection of Human Rights;  
 Core Labour Standards



Outcomes are not necessarily confined to a single pillar of sustainability, they may be social, economic and/or environmental. Where these distinctions overlap a number of cross-cutting outcomes may be created.

**Economic**<sup>5</sup> 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.

**Examples:** Increasing local employment; preservation of the local high street; promotion of local business; increased usage of the [Bristol Pound \(£B\)](#); payment of the [Living Wage](#).

**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.

**Examples:** Reducing anti-social behaviour; raising awareness of mental health issues; eradicating [modern day slavery](#); compliance with the [Construction Charter](#) through the supply chain.

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

**Examples:** Reducing local congestion; reducing carbon emissions; reducing air pollution.

<sup>5</sup> Based on extract from Islington Council ‘Commissioning, procuring and contract managing Social Value in Islington Supply Chain’ (2013)

# Aims and Objectives of the Policy:

In delivering this policy our aim is to realise meaningful social value from the contracts we set in place by:

- a. Ensuring that our default position is that all contracts demonstrate the addition of real Social Value (where relevant and proportionate to do so).
- b. Promoting the local economy, so that micro, small and medium sized enterprises and the voluntary and community sector in Bristol can thrive.
- c. Involving local people and organisations in considering how we meet the needs of local communities through the commissioning cycle by encouraging resident participation, where appropriate and promoting active citizenship.
- d. Creating or promoting local employment, training and inclusive economic sustainability by tackling unemployment in general and targeted to disadvantaged groups such as disabled persons, long-term unemployed, ex-offenders, geographical areas and key sectors.
- e. Raising the living standards and prosperity of local residents by living wage employment, maximising employee access to entitlements and guidance and encouraging suppliers to source local labour.
- f. Building the capacity and sustainability of the voluntary and community sector by accessing and actively supporting local voluntary, community groups and co-operatives.
- g. Promoting equity and fairness by targeting effort towards those in the greatest need or facing the greatest disadvantage. Tackling deprivation across the city.

- h. Supporting fair and ethical trading in the supply chain, expecting our suppliers, service providers and contractors to observe and demonstrate a similar commitment of ensuring and, where necessary, improving ethical practices locally and globally.
- i. Promoting environmental sustainability by reducing wastage and climate impacts, limiting energy consumption and improving and procuring materials from renewable and sustainable sources.

**An accompanying Toolkit is being created to support colleagues across the Council, particularly commissioners, procurement officers, and potential provider organisations in any sector ('providers') to contractually embed social value in how we achieve outcomes for local people, including the use of a measurement toolkit to enable us to value the things that matter to us in achieving our priorities and a mechanism to ensure that these are delivered.**

# Ensuring Social Value is delivered

We will continue to encourage companies and organisations to provide opportunities directly where they can make an impact, and have a contract of the longevity and scale to deliver social value.

However, the introduction of the 'Social Value Fund' ensures that social value commitments that form part of the contract award are delivered.

During the lifetime of the contract, where particular Social Value commitments cannot be delivered the organisations contracting with us, subject to the agreement of the Council, will agree, in the first instance, a suitable alternative Social Value outcome.

At the end of a contract, if the agreed Social Value outcome(s) have not been delivered, at the discretion of the Council, a cash contribution to the Social Value Fund, for the value outstanding, may be agreed. This alternative will only be considered where it can be clearly demonstrated that all other options have been exhausted.

We will ensure that the spend from our Social Value Fund is linked to our social value core priorities and is relevant to the subject matter of contracts. Funding allocation will be determined by an appropriate steering group, that it is directed towards delivery of our social value core priorities.

Governance arrangements are to be agreed, in order to achieve transparency, and ensure accountability to all of our stakeholders, including our customers, contractors, suppliers, our partners and auditors. We will publish annually on our website, a list of spend summarising what projects and initiatives the Social Value Fund has been allocated towards.

## Achieving Our Aims and Objectives

In order to achieve our aims and objectives we will:

- a. 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.
- b. At the beginning of every commissioning exercise service specifications and/or existing service designs will be analysed to identify the additional social value outcomes that could be sought. The Social Value Toolkit will guide the commissioners in determining the relevant and proportionate outcomes and outputs that meet the Council's key commitments in the Corporate Strategy.
- c. Ensure that Social Value is referenced within the Bristol Local Plan so that the wider community and social aspects of a development can be considered.
- d. The Council will also consider other social value vehicles, including social enterprise, mutual models and 'Reserving' contracts, where such arrangements may deliver even greater social value.

Procurements for certain service contracts may be 'reserved' to organisations and companies whose main aim is the social and professional integration of disabled or disadvantaged persons, where at least 30% of an organisation's employees or programmes are fulfilled by disabled or disadvantaged workers.

- e. A Social Value section will be included in the internal approval and governance process documentation in seeking approval to procure. In the exceptional circumstance where social value outcomes are not considered relevant and/or appropriate this will need to be recorded prior to approval being sought.
- f. Apply a methodology that ensures the importance of social value is considered 'in its own right'. Starting with 20% of the overall assessment being attributed to social value. This level of importance can be higher or lower, if after considering the contract and its subject matter, it is identified as needing to be appropriately adjusted, enabling Social Value to be proportionate and relevant in all contracts.
- g. Aim to spend at least 40% of the Council's total procurement budget with micro, small and medium size businesses, social enterprises and voluntary / community organisations.
- h. In order to better 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).
- i. Work with internal staff, the marketplace and communities to improve understanding of social value, our Policy and evaluation methods.

Social value will be considered during the commissioning cycle and procurement process of all contracts, including those that are below the EU or applicable 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 additional 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.

**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.**



# Strategic Themes set out in our Corporate Strategy

## Theme

### Empowering and Caring:

Work with partners to empower communities and individuals, increase independence and support those who need it. Give children the best possible start in life.

### Fair and Inclusive:

Improve economic and social equality, pursuing economic growth which includes everyone and making sure people have access to good quality learning, decent jobs and homes they can afford.

### Well Connected:

Take bold and innovative steps to make Bristol a joined up city, linking up people with jobs and with each other.

### Wellbeing:

Create healthier and more resilient communities where life expectancy is not determined by wealth or background.

## Social Value and Equality

Where social value is considered as part of a commissioning exercise, the public sector Equality Duty will continue to apply. Full details of the Equality and Inclusion Policy and Strategy are available on the Council's [website](#).

This means that equality will continue to be considered at every stage of the commissioning cycle, including consultation at pre-procurement stage. [The \(Public Services\) 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:

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

These points link naturally to our social value aims and objectives which are set out in the Council’s Corporate Strategy.

For example, the Corporate Strategy includes an ‘Empowering and Caring’ theme to ‘work with partners to empower communities and

individuals, increase independence and support those who need it’.

Other objectives, such as ‘Fair and Inclusive’, emphasise the improvement of economic and social equality, pursuing economic growth which includes everyone and making sure people have access to good quality learning, decent jobs and homes they can afford.

**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:

- a. Application of the accompanying Social Value Toolkit.
- b. Embedding processes for measuring impact on objectives.
- c. 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.

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 have used provider postcode data BS1 – BS16 to establish a baseline for local spend of £134m (38%) for 2017/18.

This can be analysed against spend and business / organisation size.

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.

# 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.

## Reviewing our Social Value Policy

We will produce a public report twice a year on the benefits secured through this Policy to the Resources Scrutiny Commission which is comprised of elected members.

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

- a. 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.
- b. Total direct spend with micro, small and medium size businesses, social enterprises and voluntary / community organisations which demonstrates our performance against the 40% spending target.
- c. Evidence of how local people and communities have been involved in determining social value outcomes.
- d. Minimum one case study of a commissioning process where the social value policy has been applied.
- e. Analysis of how the policy benefits the local economy.

## Developing our methodology

There are many different metrics being used around the world to measure social value.

We will work with partners to further build our understanding of measurement techniques. This will involve working with colleagues across the Council, elected members, city partners and national groups 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.

With thanks to the Procurement, Contracts and Social Value Task and Finish Group, the Federation of Small Business and Voscur for their valuable contributions to the development of Bristol's Social Value Policy and Toolkits.

We would also like to thank all of the individuals, businesses and organisations that respond to our surveys.

For more information please contact:  
[socialvalue@bristol.gov.uk](mailto:socialvalue@bristol.gov.uk)

**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