

### **Procurement Strategy – Social Value**

#### **What is Social Value?**

Social value is defined through the Public Services (Social Value) Act (2013) which requires all public sector organisations and their suppliers to look beyond the financial cost of a contract to consider how the services they commission and procure can improve the economic, social and environmental wellbeing of an area.

The Act requires all Public Services contracts above the OJEU threshold to be subject to appropriate social value criteria. Whilst the Act is only compulsory for this category of contracts, Uttlesford District Council has committed to applying the use of social value criteria in below threshold awards, where appropriate. The act does however require these criteria to be relevant to the subject of the contract and proportionate to the value and potential impact that could be achieved.

The act requires that contracting authorities should consider not only how to improve the economic, social and environmental well-being of the area served by them through the procurement, but also how to undertake the process of procurement with a view to securing that improvement and measuring it during the life of the contract.

Councils are encouraged to use procurement to achieve wider financial and non-financial outcomes, including improving wellbeing of individuals, communities and the environment by making social value a decision-making criterion when awarding contracts.

#### **National Themes Outcomes and Measures Framework (TOMS)**

The National TOMS Framework is a tool to measure impact for over 100 social value measures, including environmental, skills and regeneration indicators.

These measures have been developed by the National Social Value Taskforce and are reviewed to ensure compliance with HM Treasury Green Book and are used across all public sector organisations. They are regularly updated and have local economic requirements considered.

They provide a financial matrix and standardised units to contextualise social value performance to compare activities using a common matrix and can be used at any point through the procurement and contract cycle.

## Worked Example.

In a tender submission for £2m building works - the suppliers were asked to provide social value benefits having a weighted score of 5% of the quality marks for tender evaluation within the theme of Creating new business, skills and jobs.

Two suppliers submit two different bid responses:

### Supplier A – response

#### **Business and skills**

If we are successful, we will employ 2 staff as result of the contract who were previously long term unemployed.

Our team will also commit 100 hours of staff time spent training at local schools and colleges.

### Supplier B - response

#### **Business and Skills**

We will employ 3 local staff as direct employees for at least one year or the whole duration of the contract.

As a result of this contract, we will provide 20 weeks apprenticeships on contract completed during the year.

Currently it is very difficult to quantify the impact of these commitments and therefore provide a fair score for social value impact as part of tender evaluation.

Using TOMS methodology and calculations the impacts can be qualified into a monetary value and scored in a consistent and fair way, used across all of the public sector.

### **Supplier A**

ID	TOMS	Units	Proxy Value	Total Value
NT4	No. Of employees (FTE) taken on who are not in employment, education, or training (NEETs)	2 staff	£12,776.32	£25,552.64
NT8	Local school and college visits e.g. delivering career talks, curriculum support, literacy support. No. Hours includes preparation time.	100 hours	£14.80	£1,480
	<b>Total Social Value Impact</b>			<b>£27,032.62</b>

## Supplier B

ID	TOMS	Units	Proxy Value	Total Value
NT1	No. Of local people hired or retained on contract for one year or whole duration of the contract or whichever is shorter.	3 people	£28,460	£85,380
NT9	No. Of training opportunities on contract (BTEC, City & Guilds, NVQ) that have either been completed during the year, or that will be supported by the organisation	20 weeks	£246.39	£4,927.80
	<b>Total Social Value Impact</b>			<b>£90,307.80</b>

In this example the weighted score for Supplier B would be 5 and Supplier A would be 2.

These scores would be combined with the overall quality score and evaluated as a normal part of the tender award process.