

# **Social Value Policy**

**Essex Procurement Partnership**

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# Introduction

Essex Procurement Partnership is formed of six Essex based Local Authorities as follows:

- Braintree District Council
- Castle Point Borough Council
- Epping Forest District Council
- Essex County Council
- Tendring District Council

This Policy sets out how we will help deliver each partner's corporate priorities and help reduce carbon emissions by using Social Value. Social Value through procurement is the additional benefit to the community which we can derive, over and above the direct purchasing of goods, services and outcomes.

Public authorities consider the wider financial and non-financial value created by an organisation through the way it delivers their contract and express it in terms of the wellbeing generated for individuals, communities, the economy and the environment. Essex Procurement Partnership (EPP) recognises the important role it can play in enabling Social Value through its commissioning and procurement activity.

In 2023/24 we collectively (excl. Essex County Council) spent approximately £200m via our procurement activity. Through our approach to social value in procurement, we will harness this expenditure to influence the way suppliers deliver goods, services and works to provide social value to our residents.

This document describes EPP's policy for social value achieved through procurement ensuring that these quality criteria are relevant and proportionate to the subject matter of the contract and non-discriminatory.

## Background

The Public Services (Social Value) Act 2012 confirmed the social value responsibilities of authorities procuring service contracts subject to public procurement regulations.

The 2012 Act states: That when procuring contracts for the provision of services, or services together with purchase or hire of goods or the carrying out of works by

- entering into a public services contract that is not a contract based on a framework agreement, or
- concluding a framework agreement as regards which public services contracts are likely to constitute the greater part by value of the contracts based on the agreement

we must consider:

- how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area
- how, in conducting the process of procurement, it might act with a view to securing that improvement.
- whether to consult

Whilst the Act initially required authorities to consider social value, there is now a requirement for authorities to evaluate social value for those procurements subject to the public procurement regulations, which will shortly be replaced by the Procurement Act 2023. This strengthens the need for this Social value policy.

Essex Procurement Partnership intends to seek social value through all its procurements over £100,000 where it is relevant, proportionate and non-discriminatory to do so. To achieve this effectively and deliver value to residents, commissioners must consider the value of commercial outcomes delivered to the authority in accordance with the Local Government Act 1988 which prohibits local authorities from using non-commercial considerations when awarding contracts unless it is necessary to comply with the law or to achieve the principles of best value. This will include consideration of the wider impact that the activities have on the economic, environmental and societal objectives of the partner authority.

These points should be assessed during the development of the strategic business case, procurement category strategy, specification, tendering process and contract management activities.

## Rationale for the policy

Requiring our suppliers to set out the social, economic and environmental benefits they achieve when performing our contract means that the true commercial impact is considered when tendering. It will encourage vendors to consider the way that they deliver goods, services or works, for example:

- promoting greater environmental sustainability: minimising waste and pollution, supporting carbon reduction initiatives, furthering energy efficiency and other sustainability activities.
- creating job opportunities for local residents, those not in education, employment or training, for care leavers or for people with disabilities
- providing support, advice or mentoring opportunities to the long term unemployed, schools or school leavers;
- providing sub-contracting opportunities for a diverse range of suppliers, including the participation of small and medium sized enterprises (SMEs) and 3rd sector organisations, and local suppliers in general
- offering a range of apprenticeship, training and skills development opportunities as well as employment opportunities

## Policy context

This Social Value Policy supports the delivery of our priorities. These are:

- A strong, inclusive and sustainable economy
- A good place for children and families to grow
- Health, wellbeing and independence for all ages
- A high-quality environment

## Inclusion of Social Value

Whilst Social Value can apply with any value of contract, there is an operational cost to preparing and scoring the evaluation model. Therefore, we will normally only require social value to be considered when we are procuring a contract with a value of over £100,000.

## How we score social value in our tenders

Like many Councils across the country, Essex Procurement Partnership has adopted the Local Government Association's National Social Value Taskforce 'National Themes, Outcomes and Measures' method of classifying and scoring social value in our tender processes. This method is frequently referred to as the 'National TOMs'. We adapted them to focus on the delivery of our partners' commercial objectives and policy outcomes as set out in the Policy Context above, and social value delivered locally. This resulted in the 'EPP TOMs'. The master list of EPP TOMs is called the 'EPP TOMs Social Value Calculator'.

The Social Value element of bids is scored in two parts: the value score (the commercial value of the social value bid expressed in monetary terms using the EPP TOMs Social Value Calculator) and the Supporting Statement score (which contributes to the evaluation of the commercial value to the relevant EPP partner by assessing the robustness of the delivery plan to achieve the Social Value bid by the supplier).

The EPP TOMs Social Value Calculator comprises:

- A set of social value 'Themes and Outcomes':
  - This is a list of the different categories of social value that contribute to our partners' commercial objectives. Please see Annex A below for a list of the Themes and Outcomes.
- A set of Units of Measure for each of the Outcomes:
  - These Units of Measure are used to compare bids on a like for like basis. They are set out as a description of the specific type of social value (the Measure) and a metric (the Unit). Social value will normally only count if it takes place in the relevant partner's administrative borough or district. If we are prepared to consider benefit arising elsewhere then this will be made clear in the tender documents.
  - They also enable us to collate the total benefits delivered by vendors to our communities – and sometimes more widely - and provide a consistent method of performance management reporting.
  - With the exception of measures that represent additional social value, we will not take account of benefit under more than one heading, to avoid benefits being double counted.
  - We will not allow a benefit to be counted at all unless we believe it is deliverable and measurable – such benefits will be assigned a zero score
- A set of Financial Proxies:
  - Each Unit of Measure is assigned a financial value based on our estimate of the commercial value of that unit. This represents the estimated value of social value in terms of things that we would like to deliver.
  - These all contribute to the continuous improvement of our services and thus help the us to deliver our duty under section 3 of the Local Government Act 1999 This enables us to calculate the total economic value of contributions that bidders offer.

The EPP Themes and Outcomes are set out in Annex A along with examples of the Measures.

The EPP Social Value Themes, Outcomes and Measures Priorities are selected to reflect our collective priorities. Any changes to the TOMs will be agreed by the EPP Strategic Officer Group.

The TOMs Calculator will be periodically reviewed to incorporate emerging leading practice (such as that published by the Local Government Association National Social Value Taskforce), to consider inflation and to ensure that they are effective, relevant, and proportionate measures to contribute to EPP’s objectives. Amendments to the Master EPP TOMs Social Value Calculator and Calculators for specific projects will be governed as set out in Table 1.

**Table 1: This table sets out the expectation as to which Officer or Member would usually take a decision to amend the EPP TOMS calculator subject to such decision being taken in accordance with the Scheme of Delegation**

Document	Approval required	Form
Amendments to the Social Value Themes and Outcomes and Priorities in the Master EPP TOMs Calculator	EPP Strategic Officer Group	Written confirmation
Amendments to the Units of Measure, Financial Proxies, in the Master EPP TOMs Calculator	EPP Strategic Officer Group	Written confirmation
Amendments to the guidance provided within the Master EPP TOMs Calculator	EPP Strategic Officer Group	Written confirmation
Amendments to the Social Value Procurement Procedures.	EPP Strategic Officer Group	Written confirmation
Addition or amendment of Measures in the EPP TOMs Calculator for a specific project.	EPP Manager	Social Value Assessment Form
Variation of Measures from the EPP TOMs Calculator for a specific project (e.g., to comply with Public Contracts Regulations)	EPP Manager	Social Value Assessment Form
Decision to allow some or all benefits outside the relevant Borough/District to be counted for a specific project	EPP Manager	Social Value Assessment Form

## Delivery

This Policy will be delivered as follows:

- (i) Via the learning materials in the Essex County Council Social Value Catalogue for bidders to explain how Social Value can be included in bids.
- (ii) We will educate our procurement and commissioning officers on social value and on the EPP TOMs.
- (iii) All procurements over £100,000 will normally be required to include social value as a part of the scoring and evaluation process where it is relevant and proportionate to do so. To comply with the Public Contracts Regulations 2015, any evaluation criterion must be relevant and proportionate to the subject matter of the contract and non-discriminatory. If EPP considers that it is not relevant and proportionate to include social value, a formal exemption will be requested using the Social Value Assessment Form; to be approved by the EPP Manager.
- (iv) The weighting for social value will form part of the quality evaluation in tenders and is flexible, up to a maximum of 20% of the total scores available in a tender. This is to be split 50% to Value Score and 50% to Supporting Statement.
- (v) The Social Value element of tenders is scored as set out above (using the Value Score and the Supporting Statement). Once a contract is awarded, EPP will record the social value committed by successful bidders. The responsibility for monitoring and ensuring the committed social value benefits are delivered will fall to the officers responsible for management of that individual contract.

## Review

Essex Procurement Partnership will review progress against the social value policy and how the policy is working in practice, reporting back to each Strategic Officer Group as a standard item every two months. Updates on delivery against the social value policy will be presented to the Members Advisory Group every six months. . In doing so, it will take account of any changes in legislation and changes to the partners' priorities.

## Monitoring and reporting progress

Essex Procurement Partnership will monitor the social value that is delivered against the commitments made in collaboration with its contracted suppliers on a regular basis.

As a minimum, the financial value of social value that is committed and delivered will be reported to senior council officer groups and appropriate political committees at intervals that is appropriate to the audience.

# ANNEX A: EPP Social Value Themes, Outcomes and Measures

Our Social Value Themes, Outcomes and Measures (TOMs) are set out in the table below. The TOMs have been agreed by our partners to directly contribute towards achieving each partner’s Corporate Priorities. TOMs will be used in the evaluation process and which ones are used will be dependent on the nature of the procurement. Tenderers will have to demonstrate they will achieve benefits in the TOM to score points.

It should be noted that not all of the agreed Measures are shown below nor in the full/exact detail that will be available at tender stage

The Measures represent added value that we would like our suppliers to deliver locally to the respective Borough, City or District of the Contracting Authority and as a result of the contract being tendered unless otherwise stated in the tender documents.

## Priority 1 (Theme) A strong, inclusive and sustainable economy

**Outcome**  
Borough/district residents in employment, skills gaps reduced and barriers to employment reduced for disadvantaged groups.

**Outcome**  
Business growth and the impact of public sector spend within the county maximised.

**Measures**  
Create employment opportunities including for the long term unemployed, armed forces veterans, NEETs and people with disabilities (EPP1-4 & 6)  
Develop a recruitment programme for care leavers and the rehabilitation of local young offenders (EPP5 & 7)

**Measures**  
Offer apprenticeships and training opportunities resulting in a recognised qualification (EPP9)  
Provide careers advice to local school leavers via visits to schools and including employment support for the long term unemployed (EPP8 & 10)

**Measures**  
Use suppliers local to the contracting authority when contracted to carry out a building refurbishment (EPP11)  
Donate staff volunteering hours to VCSEs (EPP30)  
Organise workshops/provide expert business advice VCSEs and SMEs (EPP39)



## Priority 2 (Theme)

### A good place for children and families to grow

#### Outcome

Outcomes improved for the most vulnerable and disadvantaged groups

#### Outcome

Businesses and communities support the achievement of education outcomes

#### Outcome

Our partners to help make our communities safer and address key issues such as violence and vulnerability, and safety for women and girls

#### Measures

Develop or support a local initiative to tackle homelessness such as supporting a temporary housing scheme (EPP13)

Provide equality, diversity and inclusion training for your contractors and subcontractors (EPP28)

#### Measures

Host sessions to provide CV advice, mock interviews and/or careers guidance for young people (EPP16)

Partner with a school or college to offer work placements and experience to students, deliver careers talks, curriculum or literacy support (EPP17 & 19)

#### Measures

Invest or donate staff time in a local youth group or sports teams (EPP29)

Fund or contribute towards the provision of lighting for public spaces, private security, personal alarms etc. (EPP29)

## Priority 3 (Theme)

### Health, Wellbeing and Independence for all Ages

#### Outcome

Partners and communities address the socio-economic drivers that underpin poor health outcomes, such as poor housing, poverty, economic insecurity, and low skills.

#### Outcome

Residents enabled to live independently and increased proportion of people able to live healthy lifestyles.

#### Measures

Donate staff time and/or materials to local community schemes (EPP32 & 33)

Donate equipment or resources to VCSEs (EPP40)

#### Measure

Donate staff time to help local community draw up their own Community Charter or Stakeholder Plan (EPP34)

#### Measure

Develop or support initiatives to engage local people in health interventions (e.g. stop smoking, obesity, etc.) or wellbeing initiatives focussed on physical activities (EPP14)

#### Measure

Develop or support an initiative to engage local people in health interventions or wellbeing initiatives focussed on mental health (EPP15)

#### Measure

Take initiatives to support local older, disabled and vulnerable people to build stronger community networks (EPP20)

#### Measure

Provide access to comprehensive and multidimensional wellbeing programmes for own employees engaged on the contract (EPP27)

# Priority 4 (Theme)

## A high-quality environment

### Outcome

Suppliers contribute to the delivery of net zero targets; reduced greenhouse gases; reduced waste; and strengthened climate resilience.

#### Measure

Saving car miles on the contract through green transport programmes such as cycle to work and car pooling programmes or public transport (EPP23a)

#### Measures

Reduce CO<sub>2</sub>e emissions on contract e.g. reduce carbon intensity of processes and operations (EPP21)  
Reduce use of plastics (EPP26a)

#### Measure

Activities to influence own staff, suppliers, customers & communities to support environmental protection and improvement (EPP45)

#### Measures

Divert hard to recycle waste from landfill or incineration through specific recycling partnerships (EPP47)  
Reduce waste by reuse of products & materials (EPP49)

#### Measure

Support your suppliers to demonstrate climate change and carbon reduction training for all staff (EPP50)