

## Wirral Council Social Value Approach Guidance

### 1. Introduction

- 1.1 The Council wishes to encourage any contracts which are through necessity delivered by suppliers in Wirral, by encouraging a 'Wirral first' approach, so that the positive impact of Social Value is evident in helping to support our residents, communities and the borough's economy. A Social Value Approach is vital in order to better integrate social, economic and environmental sustainability into the commissioning cycle and procurement process to maximise additional value in our contracts.
- 1.2 The aim of implementing a Social Value approach is to set out how Wirral Council will ensure that resources are used effectively, while delivering value for money and enhancing and protecting the environment. An accompanying Social Value Framework has been created to support commissioners, procurement officers and potential providers in any sector, as well as colleagues across the Council, to help embed social value and achieve positive outcomes.
- 1.3 There is no 'one size fits all' model for realising Social Value; rather, commissioners, procurement officers and suppliers nationally are still learning how best to realise, monitor and evidence Social Value in the procurement process. The aims and objectives of this policy, coupled with the Council's social value framework, will continue to be reviewed and updated to best reflect national developments and lessons learnt.
- 1.4 Raising living standards pay all directly employed staff the Living Wage and wherever possible make a contractual requirement for those who deliver services on behalf of the Council. The Council is committed to and pays the 'Real' Living Wage<sup>1</sup> for all employees and Apprentices. The 'Real' Living Wage rate is reviewed and updated by The Living Wage Foundation annually in November each year.

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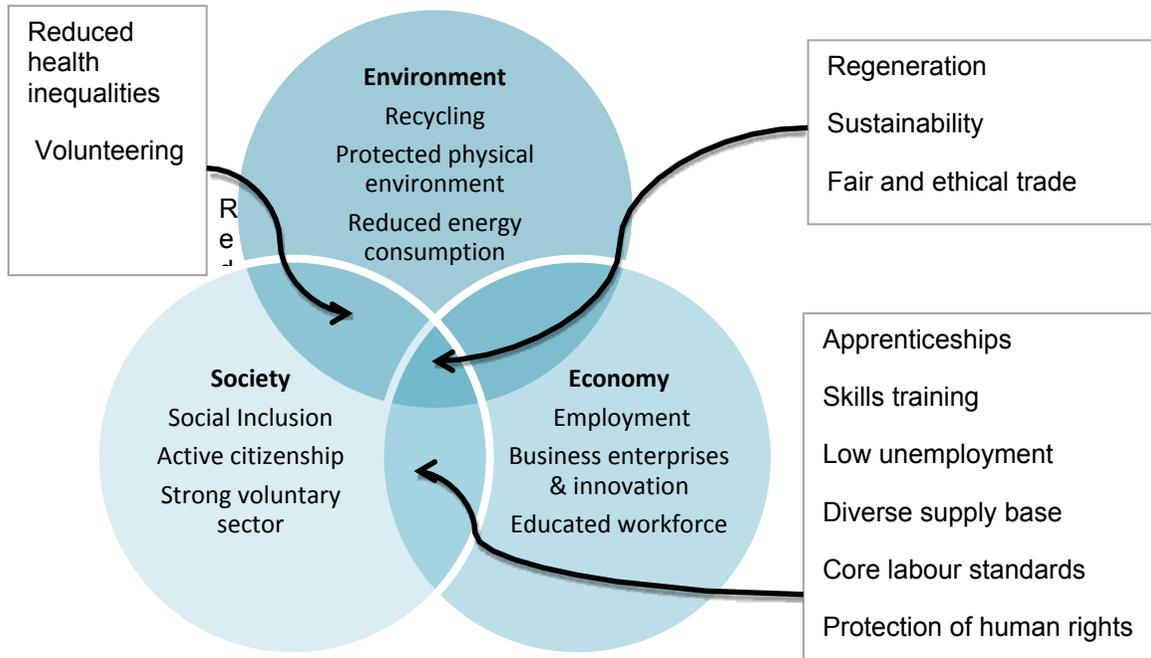
<sup>1</sup> The Real Living Wage is independently-calculated each year by the Living Wage Foundation, based on what employees and their families need to live, as compared with the lower rate National Living Wage which was introduced by Government in April 2016.

## 2. What is Social Value?

- 2.1 The term Social Value is derived from the Public Services (Social Value) Act 2012, which requires all local authorities and other public bodies in England and Wales, to consider the social implications of the procurement and commissioning of services. The Social Value Act itself does not define 'Social Value'. Therefore the Council has adopted the definition of Social Value defined as:

*“A commitment to using our influence and commissioning resources to help deliver the Wirral Plan; to drive economic growth, improve the local environment and support vulnerable people – while ensuring the best possible value for money when buying goods and services for the people of Wirral”*

- 2.2 The aim of the Act is not to change commissioning and procurement processes but to ensure that consideration is given to the broader impact of service delivery. The Act allows authorities to choose a supplier under a tendering process who not only provides the most economically advantageous service, but who goes beyond the basic contract terms and secures wider benefits for residents and communities. The Social Value Act and this policy provide an opportunity to deliver a consistent and flexible approach to generate Social Value through public procurement and contract management.
- 2.3 The Council views social value as an extension to its three priority themes - **protecting the most vulnerable; driving economic growth; improving the local environment**. Where commissioners are already choosing a sustainable procurement route, they will also be providing social value to their area. Examples of social value outcomes that sit beneath three priority themes are detailed in the diagram below:



**Economic outcomes:** contributions to local economic growth which supports social outcomes. Retaining, re-circulating and leveraging funds in local areas - wider contribution to skills, tackling worklessness and maintaining employment

**e.g. increasing employment**

**Social outcomes:** contribute to a thriving and health community. Active citizenship, equality, diversity, inclusion and cohesion - partnerships, relationships and those harder to reach

**e.g. reduce anti-social behaviour**

**Environmental outcomes:** protecting, promoting and enhancing the environment - supporting activities such as volunteering, recycling, carbon reduction to improve the environment

**e.g. reducing congestion**

### 3. Wirral Council Priorities:

3.1 The twenty Pledges below are linked to the three priority themes within the Wirral Partnership's five year plan:

#### **Taking Wirral Forward – A 2020 Vision:**

##### **PEOPLE - protecting the most vulnerable:**

1. Older people live well
2. Children are ready for school
3. Young people are ready for work and adulthood
4. Vulnerable children reach their full potential
5. Reduce child and family poverty
6. People with disabilities live independently
7. Zero tolerance to domestic violence

##### **BUSINESS - driving economic growth:**

8. Greater job opportunities in Wirral
9. Workforce skills match business needs
10. Increase inward investment
11. Thriving small businesses
12. Vibrant tourist economy
13. Transport and technology infrastructure fit for the future
14. Assets and buildings are fit for purpose for Wirral's businesses

##### **ENVIRONMENT - improving the local environment:**

15. Leisure and cultural opportunities for all
16. Wirral residents live healthier lives
17. Community services are joined up and accessible
18. Good quality housing that meets the needs of residents
19. Wirral's neighbourhoods are safe
20. Attractive local environment for Wirral residents

3.2 These twenty Pledges on which the Social Value approach is focused, and their alignment across the three overall themes set out in the Act, are summarised in the following table:

Pledges	Social Value Act themes		
	Economic	Social	Environmental
Older people live well		✓	✓
Children are ready for school		✓	
Young people are ready for work and adulthood	✓	✓	
Vulnerable children reach their full potential		✓	
Reduce child and family poverty	✓	✓	
People with disabilities live independently	✓	✓	
Zero tolerance to domestic violence		✓	
Greater job opportunities in Wirral Council	✓	✓	
Workforce skills match business needs	✓		
Increase inward investment	✓		
Thriving small businesses	✓	✓	
Vibrant tourist economy	✓		
Transport and technology infrastructure fit for the future	✓	✓	✓
Assets and buildings are fit for purpose for Wirral's businesses	✓		✓
Leisure and cultural opportunities for all		✓	✓
Wirral residents live healthier lives		✓	✓
Community services are joined up and accessible	✓	✓	✓
Good quality housing that meets the needs of residents		✓	✓
Wirral's neighbourhoods are safe	✓	✓	
Attractive local environment for Wirral residents	✓	✓	✓

#### 4. Social Value Implementation

4.1 It is proposed that Social Value is considered by the Council in every commissioning/ procurement exercise (i.e. every tendering process and every contract) valued at £100,000 or above, where proportionate and relevant; allowing exemptions where there are sufficient reasons to do so. Alongside the Council's Social Value Policy is a Social Value Framework (see Appendix 1) which outlines the policy objectives and gives examples of social value outcomes which might be achieved, suggested delivery mechanisms and ways to measure Social Value.

4.2 The policy and framework will be used to support the Council to shape and influence the following processes:

	Process	Owner
1	For each procurement exercise, the commissioner will identify what can support delivery of the Pledges and what is appropriate for inclusion, and encourage the supplier to offer suggestions as to the Social Value they think can be delivered as part of the contract. Where it is deemed that Social Value is <u>not applicable</u> , a statement explaining why, will be recorded.	Commissioner & Commissioning Support Unit (CSU)
2	Appropriate objectives will be identified for inclusion in each procurement exercise depending on what is <u>relevant</u> and <u>proportionate</u> for each contract. This means that the approach to Social Value is tailored for each contract.	CSU
3	Tender documentation will be drawn up to include questions about how prospective suppliers will deliver against the Social Value objective(s) identified. Suppliers' responses to these questions will be considered as part of the tender evaluation process.	CSU & Commissioner
4	Whilst Category Managers cannot formally score bids on suppliers' past-performance (under previous contracts they might have held with the Council) they can ask for case studies or examples of where suppliers have delivered Social Value in line with the Commissioner's specification. This offers a route to assess the suppliers' track record of delivery.	CSU & Commissioner
5	The responses of the winning bidder will be incorporated into the contract and the contract monitoring process, to ensure that the Social Value commitments in the contract are delivered in practice. This will be done through a number of relevant key performance indicators (KPIs) and performance information will be shared across Council teams where appropriate.	Contract manager, Legal and Commissioner

## **5. Implementing the Approach**

5.1 It is important to set out the recommended steps to be taken, to embed the Social Value Approach. See five key areas outlined below:

### ***Internal Communication of the Social Value Approach***

5.2 Communicate and publicise our approach across the Council to raise internal awareness and celebrate success. In addition, members will be able to play a key role in communicating our new approach and the rationale for it (e.g. attending business breakfasts to speak to suppliers; giving interviews to the press). This could be run as part of the Growth Advocates programme.

### ***Consultation and engagement***

5.3 A successful policy and framework is dependent on effective participation. We will consult with any internal partners including relevant trade unions.

5.4 We will need to engage with our suppliers, the private sector and third sector in order to seek feedback on the Social Value policy and framework, raise awareness of it, and improve suppliers' understanding about how to engage with it effectively. For example: the Corporate Procurement in collaboration with the Chamber of Commerce could hold Meet the Buyer Events, where a focused workshop could be run for suppliers to work through innovative approaches to incorporating Social Value in their contracts. As well as targeting existing and prospective suppliers, we will continue to look for opportunities to bring in wider positive PR for the Council.

5.5 We will engage with other local authorities' networks, particularly within the LCR, and with national and regional organisations to keep abreast of emerging best practise in this area including networks such as Social Value UK and Keep it Local.

### ***Refining the documentation***

5.6 Templates and documents used in the procurement and contract management processes will be updated to reflect the new framework. It may be helpful to produce guidance notes and other related material to both publicise our approach and assist potential suppliers in responding to it effectively when they bid for our contracts. It would also be useful for the Council's internal assessment team.

### ***Tracking participation***

- 5.7 Track suppliers we work with and how they engage with our Social Value approach. This will enable us to identify if there are particular industry sectors or types of business which we need to target more effectively. Once we have collected enough data, we could potentially rank our suppliers, indicating how successfully they are delivering Social Value. This approach could generate competition and incentivise positive participation in this agenda.

### ***Future amendments***

- 5.8 Delegate further changes to the framework to relevant Cabinet portfolio holders and officers, including the six-month review following full implementation. This will help to ensure that the framework can be strengthened on an iterative basis, so that it can respond as and when Council priorities shift, or if our monitoring and evaluation arrangements tell us that we need to make changes.

## **6. Policy Evaluation**

- 6.1 We also propose to use a number of indicators to help us measure what impact is being achieved as a result of our Social Value approach. We propose to use indicative measures such as:
- Number of new job-related opportunities created through our contracts (and sub-contracts). This would include jobs, traineeships, apprenticeships, work placements, job clubs and work-related volunteering and training;
  - Percentage of our total procurement spend with locally based organisations;
  - Percentage of our total procurement spend with voluntary and third-sector organisations;
  - Number of suppliers with a corporate social responsibility strategy/policy;
  - Number of people paid the Living Wage by our suppliers and/or in our supply chain.
- 6.2 We will also seek feedback from partners in our supply chain and appropriate trade unions to ensure that we understand the impact that our Social Value approach is having. We need to ensure that suppliers clearly understand our expectations and requirements on Social Value; and we need to ensure that we are not incurring unintended negative consequences such as increases in contract prices, which are not offset by the added value of the Social Value benefits delivered.
- 6.3 It is intended that the Council's Social Value Approach evolves so that it can respond accordingly as and when the Council's priorities shift or the performance monitoring arrangements tell us that we need to make changes. It is proposed to implement the Social Value Policy following the appropriate approval procedure.