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Social value policy

View of the South Downs

Foreword

As Cabinet Member for Finance, I am proud to sponsor West Sussex County Council's Social Value Procurement Policy. This policy is a key instrument in ensuring that our **commissioning and procurement activities deliver not only financial value, but also meaningful and lasting benefits for our communities**.

This policy is intended to support officers at West Sussex County Council and our suppliers to strengthen and enhance opportunities for delivering social benefit across the county. **Embedding Social Value into our commissioning and procurement activity can drive forward positive change in West Sussex**, helping to make our county the best place to live, work and visit. It ensures we continue to deliver the right services, to the right people, in a way that achieves value for money.

Our Council Plan sets out four key priorities:
- Keeping people safe from vulnerable situations
- A sustainable and prosperous economy
- Helping people and communities fulfil their potential
- Making the best use of resources

These priorities are underpinned by a cross-cutting commitment to protecting the environment, which is central to our long-term vision for West Sussex.

This policy directly supports those priorities by encouraging innovation, promoting inclusive growth, and ensuring that public spending delivers maximum impact. In order to meet the opportunities of the future, our approach to embedding Social Value provides greater freedom and responsibility throughout our commissioning and procurement activity—empowering our supplier base and partner organisations to demonstrate considerable impact.

West Sussex County Council is committed to its responsibilities under the Public Services (Social Value) Act 2012, and we will uphold the principles of this policy to influence and enhance the added social benefit throughout our procurement processes. By doing so, we ensure that we are maximising our resources to their full potential and delivering better outcomes for our residents.

I would like to thank all those who have contributed to the development of this policy – from the Procurement 'Ethical Procurement Working Group' and staff across the organisation that have contributed. Your insights and focus have helped shape a framework that reflects our values and ambitions.

Jane Davey
Cabinet Member for Finance and Property

Executive Summary

This policy framework sets out West Sussex County Council's (WSCC) approach to embedding social value into Sourcing ,Procurement, Commissioning and contract management, under the Public Services (Social Value) Act 2012 ("Social Value Act") in the context of WSCC's approach to securing the best achievable outcomes and value for money for the community of West Sussex.

WSCC renews its commitment to the Social Value Act and will embrace its statutory duty as a means of enabling community engagement, economic value, and sustainable development, developing local capacity and generally seeking to improve the social, environmental and economic wellbeing of the county.

The Social Value procurement policy sets out the steps by which WSCC will achieve the maximum benefit and impact for its residents through a process of embedding social value principles in its commissioning and procurement practices.

Difficult decisions have been taken to protect services and there are a number of challenges to address in the future. **Social Value forms a vital part of ensuring that innovative and potentially radical solutions are progressed to make public money deliver better outcomes.**

By embracing the Social Value Act, WSCC can secure addit benefit that can range from; securing jobs for the long-terr unemployed, sub-contracting opportunities for the VCSE sector or Small and Medium enterprises (SME) and supporting the Armed Forces community as part of the WSCC Military Covenant - to softer but equally important benefits such as, engagement with communities or groups that might otherwise be disadvantaged.

By requiring Suppliers to deliver social value whilst they deliver the main element/s of their contract it will ensure that West Sussex benefits. The result is that WSCC gets more, both directly and indirectly, for its money and can be confident in proving this.

If WSCC does not comply with the Social Value Act, it will not only fail to meet its legal requirements set out in the Act but will fail to maximise the value of public spending invested.

Purpose

The purpose of this Social Value Procurement Policy is to ensure that WSCC leverages its procurement and commissioning activities to achieve positive social, economic, and environmental outcomes. This policy aligns with our commitment to social responsibility, sustainability, and community engagement by incorporating social value into procurement decisions.

Including social, environmental and economic commitments in contracts for third party delivered services is a fundamental, if indirect, consequence of the Best Value duty and the evaluation of procured contracts based on the 'most advantageous tender' rather than just 'lowest price'. WSCC aims to measure and report on the social value outcomes of contracts awarded for goods, services or works.

This policy will enhance WSCC's ability to meet the communities' needs, enhance opportunities for local residents to benefit from social value outcomes and reduce health, wellbeing and social inequalities.

Scope

This policy **applies to all procurement and commissioning activities conducted by WSCC, including but not limited to the acquisition of goods, services, and works including contracts and grants where there is a mixture of services, goods and/or works**.

It aims to support WSCC officers to maximise social value outcomes through its commissioning activity and covers all departments and officers involved in procurement. It is applicable to all suppliers and contractors engaged by the Council.

The Social Value Act requires Procurement, Commissioners and those involved in externally sourcing to consider, at all stages of the commissioning cycle:

- ❑ **How what is to be procured may improve the social, environmental and economic wellbeing of a relevant area in addition to the contract deliverables.**
- ❑ **How they might secure any such improvement, and**
- ❑ **The need to undertake consultation on these matters.**

These principles will apply no matter whether the estimated value of the contracts is above or below the procurement contract Regulations (PCR24) applicable threshold.

Scope (continued)

Proposed commercial commitments with a total contract value greater than £1,000,000 will be subject to the Council's Commercial Panel and Procurement Board governance and Social Value award criteria shall have a target weighting of 10%, where agreed as proportionately beneficial.

The resulting Contracts should include Social Value measures. This should be the shared view of our trusted contracted Supplier partners and include specific, measurable achievable, relevant, time-bound, and affordable objectives and performance indicators.

The Procurement act 2023 establishes a new public procurement regime. The National Procurement Policy statement (NPPS) and the WSCC Sustainable procurement strategy should be read alongside this document which together cover not only environmental sustainability, but also economic sustainability and social responsibility.

The Social Value Act 2012 and the Procurement Act 2023 underpin these policies and strategies and represents a clear provision in UK legislation regarding the application of non-commercial requirements by public bodies in commissioning and sourcing. This policy does not replace any requirement to comply with the relevant statutory instruments.

The focus and the way we work should involve building relationships between commissioner and a potential Supplier and creating a connection with the customer experience. This is particularly relevant when working with Voluntary, Community and Social Enterprise (VCSE) organisations.

Considerations for social value will be made for every procurement, but it is generally accepted that social value may not always be relevant in the delivery of basic supply contracts for goods / services.

"Social Value is "A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a total cost basis across the entire lifecycle of the contract - in terms of generating benefits to society, the economy and positive impacts to the environment"

What is Social Value?

This policy evidences the Council's commitment to the Public Services (Social Value) Act 2012 "to have regard to economic, social and environmental wellbeing in connection with public services contracts; and for connected purposes".

WSCC's definition of social value is taken from The Sustainable Procurement Task Force and adapted as follows:

"**A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a total cost basis across the entire lifecycle of the contract, in terms of generating benefits to society, the economy and positive impacts to the environment"**

Social benefit is the outcome of the process of achieving social value over and above the nature of the commissioned goods, services or works. This can mean many different things to different people and WSCC makes decisions on social benefit every day including through decisions to focus on a particular need. Additionally, some VCSE organisations may already have social value measurements in use.

There are nationally accredited frameworks in place, WSCC has based their measurement on the **National TOM's framework**.

Roles & Responsibilities

- ❑ **Procurement and Contract management Team:** Responsible for implementing the policy, including incorporating social value criteria in procurement processes and engaging with suppliers.
- ❑ **Directorate Contract Managers:** Responsible for identifying and measuring specific Social Value outcomes with their contract portfolio.
- ❑ **Heads of Service and Commissioners**: Ensure compliance with the policy, to consider social value and unless deemed disproportionate include within contracts and support social value initiatives.
- ❑ **Suppliers / providers**: Required to align with the social value criteria set out in procurement documents and report on their contributions to social value outcomes.

Objectives & Principles

WSCC aims to:

- ✓ **Promote Local Economic Growth:** Support local businesses, SMEs, and social enterprises via Social Value, with suppliers considering their supply chain and opportunities for local employment, training, and economic development.
- ✓ **Enhance Environmental Sustainability**: Encourage suppliers to minimise their environmental impact through sustainable practices, including reducing carbon emissions, waste, and resource consumption.
- ✓ **Advance Social Equity**: Ensure procurement activities contribute to social equity by promoting diversity, inclusion, and fair working practices within the supply chain.
- ✓ **Encourage Innovation**: Support innovative solutions that deliver social value, including products and services that address social challenges or improve community well-being.

Social Value is about ensuring that we continue to deliver the right services, to the people that need them most, and in a way that delivers the greatest impact across West Sussex.

It means that WSCC is able to meet the needs for goods, services and works in a way that achieves value for money for all ages. The application of Social Value throughout WSCC's commissioning activities makes the most out of the assets we share and can also lead to cross-departmental savings that may otherwise be missed or left unrecorded.

The following **Principles** guide our procurement activities:

- ❑ **Transparency**: Procurement processes shall be open and transparent, ensuring that all suppliers have a fair opportunity to compete.
- ❑ **Fairness:** Evaluation criteria will be applied consistently, and suppliers will be treated equitably, regardless of size, location, or ownership.
- ❑ **Value for Money:** Procurement decisions will consider the whole-life cost of goods and services, including the social, economic, and environmental value generated.

A Thriving SME & VCSE sector

The VCSE sector can play a powerful and essential role in transforming the service landscape bringing innovation, investment, value for money and inherent social benefits.

Although social value can be generated from all public spending, WSCC acknowledges and values the pivotal role of local **Small Medium Enterprises "SME"** and **Voluntary, Community and Social Enterprise "VCSE"** organisations in creating social benefit.

The policy has therefore been designed to lay the foundation and contribute towards offering equal opportunities for SME's and VCSE's throughout WSCC's commissioning activities. This will encourage and promote new and innovative opportunities to improve outcomes and creatively support improvements.

To recognise the importance WSCC places on having a strong and effective relationship with the VCSE, a set of Partnership Principles has been developed to recognise the value of working together.

WSCC acknowledges VCSE's unique selling point and ability to achieve social value goals as part of its day to day business. Rather than a drive for profit, VCSE organisations reinvest any surplus into the pursuit of its purpose.

To this end, the sector can deliver wider social benefit, including:

- ✓ Social capital generated through the use of volunteering;
- ✓ Roots in the community and ability to engage locally;
- ✓ Access to wider networks and partnerships to benefit wider priorities;
- ✓ Leverage funding from external sources;
- ✓ Provide unique opportunities for community-led design and co-production; and
- ✓ Benefits the local economy by employing locally based staff

By utilising the Social Value Policy, Commissioners and Procurement officers can embed a policy that strengthens market competitiveness as well as utilising the core strengths of VCSE's by including the sector in its mainstream commissioning.

Additionally, fully utilising the Social Value Policy and firmly establishing its use it will harness the skills and expertise of all sectors to deliver significant outcomes.

Furthermore, by ensuring that WSCC and its voluntary sector partners are working closely together from the same set of principles, we increase opportunities to achieve those significant outcomes for residents in a more effective, timely and sustainable fashion.

Embedding Social Value

Commissioning, procurement sourcing and contract management are all critical to ensuring the council is achieving social value through its supply base.

In order to achieve this value WSCC has updated its commissioning, procurement sourcing and contract management processes to take into account the wider impact of the services delivered.

WSCC will make it an express requirement of its decision-making process, to formally record decisions taken and the rationale for such decisions with regard to social value considerations. This will be documented within the Sourcing process stage gate approval process for tenders with a total contract value greater than £100,000.

The Commercial Panel will record decisions where total contract value is greater than £1,000,000. The Head of Procurement and Contract services will be accountable for the proportionality of social value applied across the commissioning and procurement and contracting functions.

Lower value sourcing events and contracts will record the decision-making process within the business case or value for money assessment and the relevant Director will be accountable for the proportionality. Embedding this policy will ensure that WSCC delivers the greatest possible return on its investment through its commissioning and procurement function.

WSCC will:

Incorporate Social Value criteria:

- ❑ Every service redesign considers social value within the published framework. Social Value will be considered throughout WSCC's commissioning activity.
- ❑ Include specific social value criteria in all relevant tender documents and procurement evaluations. These criteria will vary based on the nature of the procurement but may include factors such as local employment, environmental impact, community engagement and ethical practices.
- ❑ Social value priorities will be relevant and proportionate to the subject matter of the services or works being commissioned.

Monitor and Report:

- ❑ An effective reporting mechanism is established to monitor the impact of social value. Regularly report on social value achievements and incorporate feedback to continually improve the policy's effectiveness.

Embedding Social Value (continued)

Develop partnerships & supplier engagement:

- ❑ The framework supports SME's and VCSE' wherever possible to be included as part of the supply chain to improve value for money and enhance social value outcomes
- ❑ Service design and social value considerations will be co-produced by the people who use the service and their representatives where this is relevant and proportionate
- ❑ Engage with suppliers, work collaboratively with the market to identify opportunities for generating social value and support them in implementing sustainable and socially responsible practices.

Build capacity and capability:

- ❑ Provide training and resources to procurement staff and suppliers on the importance of social value and how to incorporate it into their operations.
- ❑ Directorates have been engaged to generate a set of social value "asks" that can be referred to when building Social Value criteria into the procurement process. The benefit will be a more targeted Social Value offer specifically addressing the WSCC "ask".

Social Value Weighting

WSCC has made the commitment to target at least **10% of evaluation weighting will be applied to tender responses to social value wherever social value is included following consideration.**

This suggested weighting is in response to guidance from the National Procurement Strategy and meets the initial objectives for which this Framework will achieve.

It is recognised that in order to drive change, the emphasis and weighting of social value may need to increase.

It is therefore the intention of WSCC to embed social value throughout its practices, review and evaluate its effectiveness and where it is considered beneficial to the overall outcomes, to increase the weighting. The National Procurement Strategy will help inform and guide WSCC on furthering its social value ambitions.

Measuring Social Value

It is the ambition of West Sussex County Council to measure the effect that social value activity has on the local community including; the wellbeing benefits to residents. The outcomes from considering and implementing social value must be aligned to The West Sussex Plan.

In addition, Themes, Outcomes and Measures (TOMs) have been identified using the National TOMs Framework developed by the Social Value Portal. The West Sussex Social Value Indicators have been adapted to reflect the aims and objectives within The West Sussex Plan using data to rationalise its priorities from the Joint Strategic Needs Assessment and the Public Health Outcome Framework.

Review & Continuous Improvement

This policy will be reviewed annually, or as required, to ensure it remains relevant and effective. Feedback from stakeholders, including suppliers and community members, will be used to refine the policy and enhance its impact.

References

- Public Services (Social Value) Act 2012
- Procurement Act 2023
- Commissioning for Better Outcomes for West Sussex
- Partnership Principles
- West Sussex Joint Strategic Needs Assessment (JSNA)
- Public Health Outcomes Framework
- Indices of Multiple Deprivation
- National Procurement Strategy
- The West Sussex Plan
- National TOMs Framework
- Supporting the armed forces community - West Sussex County Council

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