

Draft Social Value Policy Statement

This policy statement sets out a commitment, that through our commissioning and procurement activity and under the Public Services (Social Value) Act 2012 we will consider and, where appropriate, seek to secure wider social benefits for Halton as a whole. It is recognised that under this policy, individual organisations may have their own set of operating procedures that they need to adhere to in their commissioning and procurement activity.

The Public Services (Social Value Act) 2012

The Public Services (Social Value) Act 2012 (the Act) came into force during 2013. The Act introduces a statutory requirement for public authorities to have regard to economic, social and environmental well-being in connection with 'public services contracts' within the meaning of the Public Contracts Regulations. The new duty, therefore, only applies to contracts for services where the value exceeds the OJEU threshold. The Act requires local authorities to consider how what is being procured might improve the well-being of the relevant area and how, in the procurement process, it might act with a view to achieving that improvement.

Whilst the Act positively encourages economic, social and environmental well-being to be taken into account, this still needs to be done within the context of existing constraints within EU public procurement rules and other legislation. This means that any specific benefits which may be sought from a procurement exercise must remain relevant to the contract and proportionate and not risk distorting the outcome of the competition by giving them undue emphasis.

What do we mean by Social Value?

The term 'social value' refers to approaches that maximise the additional benefits created through the delivery, procurement or commissioning of goods and services, beyond those directly related to those goods and services. Social Enterprise UK in their [Brief Guide to the Public Services \(Social Value\) Act 2012](#) define this as: "*If £1 is spent on the delivery of services, can that same £1 be used to also produce a wider benefit to the community?*"

For Halton, this means our commitment to meet our needs to provide goods, services, works and utilities in way that produces social, economic and environmental benefits for the borough. We will therefore wherever possible consider how economic, social and environmental well-being may be improved, and how procurement may secure those improvements.

Social value is about using the money we have more strategically, to produce a wider benefit. It also describes the values and principles which inform our behaviours and approaches.

The Act, in line with the statutory Best Value Duty, sets out three key themes to be addressed in seeking social value:

- Social
- Economic
- Environmental

For Halton, Social Value naturally sits within the overarching framework of the Halton Sustainable Community Strategy 2011-2026, the document that sets out our priorities and vision as a Borough and which is agreed by the Halton Strategic Partnership.

Our vision under the Sustainable Community Strategy is that:

“Halton will be a thriving and vibrant Borough where people can learn and develop their skills; enjoy a good quality of life with good health; a high quality, modern urban environment; the opportunity for all to fulfil their potential; greater wealth and equality, sustained by a thriving business community; and safer, stronger and more attractive neighbourhoods.”

The Sustainable Community Strategy sets out how we will seek to achieve our visions through the key priorities of:

- A Healthy Halton
- Employment, Learning and Skills in Halton
- A Safer Halton
- Halton’s Children and Young People
- Environment and Regeneration in Halton

In addition, this Social Value Policy Statements has been prepared alongside partnership work being undertaken UK as one of 4 national pilots looking at how we can create social value through commissioning for health. The 6 priorities of the Marmot review 2010 (Health Inequalities, Fair Society, Healthy Lives) have provided a context and focus of activity. The 6 priorities seek to:

- Give every child the best start in life;
- Enable all children, young people and adults to maximise their capabilities and have control over their lives;
- Create fair employment and good work for all;
- Ensure a healthy standard of living for all;
- Create and develop healthy and sustainable places and communities;
- Strengthen the role and impact of ill health prevention

We will therefore endeavour to align, wherever possible, the environmental, social and economic focus of the Act with the duty of Best Value, Halton Sustainable Community Strategy and the Marmot priorities as there are clear correlations and intersections across all of these documents in relation to social value

This policy statement acts as the overarching context for the Halton Social Value Procurement Framework and also supports the Halton Social Value Charter which has been developed in partnership across the borough.

Policy application

Within Halton we procure a wide range of goods and services, and it is recognised that there can be no ‘one size fits all’ model. This policy statement will therefore need to be applied in a proportionate manner and be tailored to reflect what is being procured and how. It is the role of service commissioners and procurement leads to

consider, on a contract by contract basis, what Social Value opportunities and outcomes may be relevant to that contract. However, our overall approach to implementing Social Value is set out below

The Act applies to services contract and contracts above the EU threshold which combine service with the purchase or hire of goods, but not work and supply contracts. However, we have for many years considered social, economic and environmental issues when procuring goods and services. We will therefore consider of social value outcomes in all contracts over a value of £1000 (i.e. both below and above the EU threshold set out in the Act), where it can be shown that it is **relevant and proportionate** and is compliant with EU regulation.

We will undertake, at pre-procurement stage, a social value opportunity assessment, alongside any consultation to help decide how what is procured or commissioned might improve the economic, social and environmental well-being of the area and how this may deliver outcomes relevant to the priorities of both the SCS and the Marmot Review.

If the procurement is carried out in emergency circumstances, not due to any delay on our part, making it impractical to comply with the Act, then we may need to disregard the requirements. This is as set out in the Act.

Under the duty of Best Value local authorities also need to consider overall value. Whilst this includes economic, environmental and social value, the duty also requires local authorities to secure continuous improvement in the way in which its functions are carried out and consider the combination of economy, efficiency and effectiveness. It should be noted that the Best Value duty has not been repealed by the Act. Therefore whilst looking at Social Value the Best Value duty remains throughout and is an important factor for local authorities in the weighting and evaluation of bids

How will we measure this?

It is the job of commissioning and procurement managers and officers to specify what social values outcomes are sought and relevant to each procurement or commissioning exercise.

At pre-procurement stage a Social Value Opportunity Assessment will be undertaken, linked to the Halton Social Value Procurement Framework, to decide what outcomes and benefits relevant to Halton's priorities may be possible from that opportunity.

The way in which evidence of Social Value benefits is measured is not set out either in the Act or this policy. Dependent on the requirements of each procurement exercise, commissioners and contract managers may wish to specify requirements explicitly within a tender or ask suppliers to come up with their own innovative ideas and voluntary clauses. In all cases it will be clear as to how Social Value elements have been weighted in the evaluation and decision-making process.

In addition to the Social Value Procurement Framework, organisations may have their own frameworks to identify and measure Social Value which may be used to facilitate this and which will be clearly referenced throughout each exercise.

Whilst the Act only requires Social Value to be considered at pre-procurement stage, officers commissioning or procuring goods (where social value has formed part of the awarding criteria) are encouraged to monitor and measure this as part of their contract management.

Supplementary documentation

[Public Services \(Social Value\) Act 2012](#)

[Procurement Policy Note](#)

[Best Value Guidance](#)

[Social Value Procurement Framework \(to be linked to when finalised\)](#)