

Social Value Considerations and Guidance for Suppliers

2021/22

Introduction

The Public Services (Social Value) Act 2012 came into force on 31st January 2013. Local authorities and other public bodies have a legal obligation to consider the social good that could come from the procurement of services, before they embark upon it. The aim of the Act is not to alter the commissioning and procurement processes, but to ensure that, as part of these processes, councils give consideration to the wider impact of the services delivered. It allows authorities, for example, to choose a supplier under a tendering process who not only provides the most economically advantageous tender, but one which goes beyond the basic contract terms and secures wider benefits for the community.

The Act itself states: ‘Social value seeks to maximise the additional benefit that can be created by procuring or commissioning services, above and beyond the benefit of merely the services themselves’.

Social Value can also be defined as: A process whereby organisations meet their needs for good, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and economy, whilst minimising damage to the environment. (Sustainable Procurement Taskforce 2006).

The Royal Borough of Kingston has made positive commitments to drive forward ethical practises in its procurement activity, to improve behaviours in its supply chain over and above the requirements set out within the legal framework governing public procurement. In particular this includes driving socio-economic and environmental improvements for its residents and society at large. The Council supports the United Nations 17 Sustainable Development Goals (SDGs), recognising that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, spur economic growth and tackle climate change.

The Council expects that all its supply base ensure that the products, services and supply chains are sourced in a responsible and sustainable way, and that the workers involved in the creation of these goods are making them in a safe and fair environment.

RBK Social Value Framework

The prospective bidders should consider the Council's Social Value local objectives, Social Value Measurement framework and [Inclusive Strategy](#) in the preparation of their tenders. The Social Value framework is based on National TOMs and Social Value deliverables will form part of the contractual obligations.

For Kingston Council, social value is about delivering additional social, economic and/or environmental benefits through a planned service. It looks at more than just the cost of a given contract to what further benefits can be achieved with the funding available.

RBK Social Value Objectives

1. Environment: Protecting and Improving Our Environment

Better place to live by minimising waste and pollution, supporting carbon reduction initiatives, furthering energy efficiency and other sustainability programmes

2. Social - Healthier, Safer and more Resilient Communities

Crime reduction initiatives; tackling homelessness and promoting health prevention and wellbeing initiatives; Promoting fair employment practices. Ensuring workforce equality and diversity within supply chains; Ethical sourcing practices - promoting fair trade and fair pricing policies, tackling corruption, child labour and modern slavery

3. Growth - Supporting Growth of Responsible Regional Business

Maximising opportunities for Kingston organisations to participate in the council's supply chains and encouraging suppliers to make a social contribution to the local area. Encouraging a diverse base of suppliers.

Promoting supplier diversity; including the participation of small and medium sized enterprises (SME's) and 3rd sector organisations, and local suppliers in general;

4. Jobs - Promote Local Skills and Employment

Improved skills for local people and increased employability for young people, more opportunities for disadvantaged people. Offering a range of apprenticeship, training and skills development opportunities as well as employment opportunities; Raising standards for local residents

5. Innovation: Promoting Social Innovation - to promote new ideas and find innovative solutions

Social Value Baseline

The SV framework offers the flexibility for bidders to select the social value outcomes and measurables they can deliver and work with the Council to develop a final SV offer that will be measured in the course of the service delivery. The delivery of Social Value commitments will be a contractual obligation.

Bidders are required to commit to delivering social value through the following mechanisms:

- To commit annually to the Authority's Social Value Requirements.
- To implement their commitments made in the Social Value Plan .
- To manage the commitments set out in the Social Value Plan including KPIs.
- To report progress against commitments made in the Social Value Plan as part of the contract governance.

Where we have added measures within the Social Value Framework we will seek agreement with suppliers effective means of measurement and develop methods by which they may evolve through the life of the contract as annual baselines are realised.

Completion of the Social Value Commitment Plan

Bidders are invited to:

- Submit a marked-up version on the Social Value Commitment Plan that details its position and offer against each of the KPIs.
- Confirm their proposed position outlined or they may propose alternative approaches for each contract requirement.

Bidder's responses should include:

- Detail of all social, economic, and environmental value benefits.
- How your social value commitments will impact the Authority.
- How you will manage and report these benefits to the Authority.
- How you will work with Authority to continue to develop these benefits.

Example: Measuring Social Value

- SV KPI: Delivery against social value commitments - % of commitments delivered
- With underperformance of x % triggering default; requiring payment or delivery of equivalent value (with an option to waiver if provider genuinely was unable to deliver)
- and mandate social value plans to include measures relating to employment and supply chain, where appropriate e.g.

No. of local people (FTE) employed on contract for one year or the whole duration of the contract, whichever is shorter.	no. people FTE
% of local people employed on contract (FTE)	%
Total amount (£ / %) spent in LOCAL supply chain through the contract.	£ / %
Total amount (£ / %) spent through contract with LOCAL SMEs	£ / %
Total amount (£ / %) spent with VCSEs within your supply chain	£ / %

Social Value Measurement Framework - Social Value Commitment Plan

Bidders Commitment (Annual Target)	Bidders Approach - proposal to include data collection methodology and proposed improvements.
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We will indicate a number of relevant outcomes and measurements for individual contracts, but this should not be limiting bidders from selecting any other outcomes and KPIs.