

## Social Value Framework – Procurement Guidance

### Introduction

Increasing demand for Council services combined with ongoing spending reductions means that it is more important than ever to ensure that the 'Derbyshire pound' achieves as much value as possible for residents. Securing additional social value through the money already spent on behalf of Derbyshire residents, provides the Council with an exciting opportunity to secure more positive outcomes and influence suppliers in line with the Council's priorities.

This guidance will be used by any officer undertaking commissioning and/or procurement activity. It will help to ensure that additional social, environmental and economic outcomes are systematically incorporated and embedded within the Council's commissioning and procurement processes.

### Social Value

The Public Services (Social Value) Act 2012 asks commissioners to consider how to improve the economic, social and environmental well-being of their area when they are buying services. In accordance with best practice, this has been extended to include all goods and services commissioned and purchased by Derbyshire County Council.

The introduction of a social value framework in Derbyshire will help the Council secure more value for money out of procurement by placing a requirement on procurement officers to think about how the goods or services they are going to buy could secure the most valuable benefits for Derbyshire. The additional outcomes achieved could be wide ranging from creating apprenticeships to providing support for smaller community projects, and will all link back to the Council's key priorities. Any Social Value outcome requested must be proportionate and relevant to the contract to which it is to be applied.

The Social Value Procurement Framework has been developed to enable commissioning and procurement staff throughout the Council to consistently apply Social Value to purchasing activities. Implementation of the strategy and framework is intended to enable providers to deliver social value alongside the services the Council traditionally procures from them by:

- Enabling providers to understand what social value they could provide that would be valued by the Council.
- Encouraging the concept of social value to be embedded within their organisations.
- Working with them to ensure that they are offering core services which also deliver additional social value.
- Helping them to generate new ideas which will provide social value that meets the local needs of Derbyshire.

## Procurement guidance

This document provides practical guide to Officers who have a role in the Council's procurement activity in applying the "Derbyshire Social Value Procurement Framework" in the format of a stepped approach.

- ❖ Step 1: Consider the relevance and proportionality of the procurement opportunity
- ❖ Step 2: Identify social value opportunities
- ❖ Step 3: Select an outcome or outcomes from the framework
- ❖ Step 4: Build the social value requirement into the procurement
- ❖ Step 5: Evaluate the social value offered in each bid
- ❖ Step 6: Confirm contractual requirements addressed
- ❖ Step 7: Monitor and measure the social value being delivered

## When to start the social value considerations

Begin the social value consideration at the earliest time possible, this should generally be: at the soft market testing / early market engagements stage (if applicable) or a minimum 5-6 months before the procurement opportunity is to be advertised.

<b>Step 1 - Consider the relevance and proportionality of the procurement opportunity</b>	
1.1	Identify if it is relevant and proportionate to include social value requirements within the procurement, taking into account factors including (but not limited to): <ul style="list-style-type: none"> <li>• The value</li> <li>• The contract length</li> <li>• The product / service / work being procured</li> <li>• The number of potential lots / providers</li> </ul>
1.2	If <b>No</b> , document the justification for not including social value requirements in the procurement. This information will need to be reported on a quarterly basis and included in Social Value consideration section of the Cabinet report.  (If <b>Yes</b> , move to step 2.)
<b>Step 2: Identify Social Value opportunities</b>	
2.1	Taking account of needs, resources and assets, identify what social value opportunities could be created or realised; this could include: <ul style="list-style-type: none"> <li>• Consultation with the current provider (where applicable)</li> <li>• Engaging with interested parties e.g.: <ul style="list-style-type: none"> <li>- Internal stakeholders, including front line workers</li> <li>- Service users / potential service users</li> <li>- Third sector organisations</li> <li>- Derbyshire residents</li> </ul> </li> <li>• Market analysis, including assessment of how social value has been delivered in similar contracts in other areas</li> <li>• Consultation with the wider market</li> </ul> (Move to step 3.)

<b>Step 3: Select an outcome or outcomes from the framework</b>	
3.1	Collate, review and assess the information to identify common themes or areas and/or proposals that would be relevant and proportionate to the procurement.
3.2	<p>Select one or more outcomes from the framework against which social value could be delivered.</p> <ul style="list-style-type: none"> <li>- It is usually advisable to limit the number of the selected outcomes e.g. to focus on one or two key outcomes.</li> </ul>
<b>Step 4: Build the Social Value requirement into the procurement.</b>	
4.1	<p>Decide how specific you want to be about the achieving the outcomes and use this information to formulate the question(s) you want to ask.</p> <p>Please see examples questions below:</p> <p><u>Example 1 – General Outcome</u></p> <p><i>In regard to this contract Derbyshire County Council would like to realise the potential for adding social value in respect of ensuring Derbyshire has a skilled and confident workforce.</i></p> <p><i>What are you company's proposals in respect of achieving this?</i></p> <p><i>(Please see outcome 2 on the attached Derbyshire Social Value Procurement Framework for more information)</i></p> <p><u>Example 2 – Specific Outcome</u></p> <p><i>Derbyshire County Council would like to realise the potential for adding social value in respect of ensuring Derbyshire has a skilled and confident workforce. In respect of this contract the Council would like opportunities for traineeships (including apprenticeship) for Derbyshire residents to be created.</i></p> <p><i>Please provide details of your company's proposals in respect of achieving the outcomes, including details of the opportunities that would be offered?</i></p> <p><i>(Please see outcome 2 on the attached Derbyshire Social Value Procurement Framework for more information)</i></p>
4.2	<p>Identify the success factors.</p> <p>Consider how the impact of the social value delivered will be measured both through the direct delivery of the outputs and the longer term impact on the outcomes.</p> <ul style="list-style-type: none"> <li>• How will you identify that social value is being delivered e.g. <ul style="list-style-type: none"> <li>- participation levels</li> <li>- wider social, environmental and economic benefits</li> <li>- a monetised value</li> </ul> </li> <li>• Can the reporting schedules and requirements be stipulated?</li> <li>• Can the social value KPIs be identified?</li> </ul> <p>Where the social value requirement is addressed in the form of an open question, it may not be possible to identify the social value measures and be more appropriate to ask the tenderer to detail how the social value could be measured, e.g.</p> <p><u>Example</u></p> <p><i>Please include details of how delivery against these outcomes would be measured</i></p>

	<i>and verified.</i>
4.3	Decide what weighting value will be assigned to the social value element of the procurement.
4.4	<p>Identify to bidders, in the tender documentation, that the social value component of their bid carries the same weight as the other qualitative elements and that failing to deliver against these measures could result in the application of remedies or termination of the contract.</p> <ul style="list-style-type: none"> <li>- Where applicable, include clauses/draft clauses in the contract or the terms and conditions of contract that are issued with the tender documents.</li> </ul>
<b>Step 5: Evaluate the Social Value offered in each bid</b>	
5.1	<p>The evaluation of the social value proposals will follow the format of the other qualitative aspect of the bid, taking into consideration how the direct outputs proposed would deliver against the longer term social value outcome identified in the tender documents.</p> <p>This should take into account:</p> <ul style="list-style-type: none"> <li>• The value of the social value activity proposed</li> <li>• The likelihood of it being achieved</li> </ul>
<b>Step 6: Confirm contractual requirements addressed</b>	
6.1	<p>Before finalising and sending out the formal contract (or award of contract letter) confirm that all relevant contractual clauses / terms are revised to take into account the specific social value offer. e.g.</p> <ul style="list-style-type: none"> <li>• KPI's and performance measures</li> <li>• Reporting schedule and requirements</li> <li>• Remedies and termination clauses</li> </ul>
<b>Step 7: Monitor and measure the social value being delivered</b>	
7.1	<p>The monitoring and measurement of the Social Value commitments made by the provider should be incorporated into the general performance management of the contract.</p> <ul style="list-style-type: none"> <li>• Winning bidders will be expected to report on the outcomes to evidence how they are achieving the social value they propose to deliver.</li> </ul> <p>The Council should be willing to assist the provider where appropriate,</p> <p>e.g. if a proposal aims is connected to a specific group of service user it may be appropriate to provide contact information to the teams within the Council who work with the service user group.</p>
7.2	Monitoring the social value delivered and working with the provider on the social value aspects of the bid can then help to produce new ideas that can be incorporated into future procurements.