

# Social Value Policy

## Summary

This policy sets out the Council's revised approach to delivering social value going forward. It aims to make every penny in every pound we spend matter. It focusses on maximising local spend where possible and maximising local benefits. It sets out our social value priorities, which are focussed on the biggest challenges facing the borough.

## Background

The [Public Services \(Social Value\) Act 2012](#) requires public bodies operating solely in England to give due consideration to the inclusion of Social Value when commissioning goods, services, and works to which the Public Contracts Regulations 2015 apply. The Act does not alter the procurement process, however, it ensures that the public sector gives due consideration to the wider impact (social, economic, and environmental) of the requirements to be delivered.

In Blackburn with Darwen our approach has looked to deliver Social Value in three ways:

- for contracts between £5k and £80k requiring that if there are capable local suppliers known to the authority they must be invited
- minimum ethical requirements included in tendering process
- on a case by case basis consideration of whether to include specific social value questions

For the Growth and Development framework an approach was trialled for evaluation of social value delivery based on number of criteria from the successful AGMA social value framework adapted to the requirements of BwD. This approach was successful securing a number of commitments from the successful bidders which are reported on regularly to the Growth team. This approach has been used as a basis for applying to a range of other tenders since where it has been considered appropriate.

The government has issued a Procurement Policy Note in relation to contracts below the thresholds where the Public Contracts Regulations apply. For central government bodies, the PPN permits procurements below certain thresholds to be reserved to suppliers from a specific location and/or to SMEs. The PPN suggests that non central government contracting authorities (such as local authorities) could follow a similar approach. However local authorities do not have complete freedom to follow the guidance because of Section 17(5)(e) Local Government Act 1988 (LGA 1988) which prohibits a local authority from taking into account in their procurement decisions "the location in any country or territory of the business activities or interests of contractors". There is however an exception within the Social Value Act 2012 for services contracts - to the extent that it is "necessary or expedient" to secure the social value, the local authority has decided to secure this through a services contract it is procuring. Unfortunately, though, this applies only to services contracts and not contracts for works or supplies.

## Approach

The Blackburn with Darwen approach to Social Value is split into the following elements:

- Minimum commitments
- Low value services contracts

- Low value works and goods contracts
- High value contracts

References to “low value” mean contracts up to or below the threshold for public supply and services contracts for sub-central authorities which from 1 January 2022 will be £213,477 inclusive of VAT. Please note that for the purposes of this policy only the supply and services threshold will also be used for determining whether other contracts are low or high value – i.e. for works and those subject to the light touch regime.

### Minimum Commitments

To ensure every contract (over a de minimis level of £25k) contributes social value to the borough every supplier will be expected to make certain commitments. These commitments are not intended to be onerous but designed to show that suppliers are willing to at least consider what they can do to support some key areas of focus. These commitments are set out in a table below which is split into levels to keep proportionate to the value of the contract:

Value	The supplier shall:
£25k to £80k	<ul style="list-style-type: none"> <li>• maximise the use of a local (preferably Blackburn with Darwen) supply chain where possible whilst maintaining value for money</li> </ul>
	<ul style="list-style-type: none"> <li>• commit to paying sub-contractors within 30 days</li> </ul>
	<ul style="list-style-type: none"> <li>• have a plan for developing and training employees</li> </ul>
	<ul style="list-style-type: none"> <li>• consider how they can implement the contract in a way which contributes to the Council’s target of being carbon neutral by 2030 and implement any financially reasonable measures to do so</li> </ul>
	<ul style="list-style-type: none"> <li>• have a plan to reduce waste (including single-use plastics) and increase recycling</li> </ul>
Low value over £80k	<ul style="list-style-type: none"> <li>• all of above</li> </ul>
	<ul style="list-style-type: none"> <li>• advertise suitable jobs locally in Blackburn with Darwen</li> </ul>
	<ul style="list-style-type: none"> <li>• consider offering apprenticeships to people from Blackburn with Darwen where suitable for their business</li> </ul>
	<ul style="list-style-type: none"> <li>• have a plan to improve the health and well-being of their staff</li> </ul>
	<ul style="list-style-type: none"> <li>• consider whether there are appropriate opportunities for volunteers as part of its activities</li> </ul>
High value below £1m	<ul style="list-style-type: none"> <li>• consider if they can be Fostering Friendly organisation</li> </ul>
	<ul style="list-style-type: none"> <li>• all of the above plus produce an annual report on progress against them</li> </ul>
Above £1m	<ul style="list-style-type: none"> <li>• All of the above plus provide a contract specific Carbon Reduction Plan consistent with PPN 06/21 including detailed information on current emissions, reporting mechanisms involved, the environmental management measures in place, including certification schemes or specific carbon reduction measures they have adopted that will be applied when performing the contract</li> </ul>

### Low value services contracts

Recognising that local providers are more likely to deliver social value benefits for Blackburn with Darwen. For contracts of this value it is disproportionate to expect bidders to provide detailed social value proposals to Blackburn with Darwen contracts. A proportionate and pragmatic approach to

delivering Social Value on these lower value service contracts will be to focus on local delivery where possible combined with a commitment to certain minimum standards.

Procuring officers must consider whether there is sufficient competition within Blackburn with Darwen to deliver value for money (minimum three organisations believed to have the capability to deliver the contract and likely to bid if invited). It is recognised that organisations based near to BwD are likely to deliver some social value to Blackburn with Darwen and so if there is not sufficient competition within BwD then procuring officers should consider if sufficient competition can be drawn from Pennine Lancashire (being the boroughs of Hyndburn, Burnley, Rossendale, Pendle and Ribble Valley).

If sufficient competition to deliver value for money cannot be found on this basis then the contract should be procured via a competitive exercise in accordance with the Contract Procurement Procedure Rules.

### Low value works and goods contracts

As these contracts cannot be restricted by area it is proposed that the existing rules are maintained, including the requirement to invite known local capable companies if known. In addition procuring officers shall consider including a simple social value question if it believes it is appropriate for the particular market (for example if there are local suppliers who regularly take on local apprentices).

### High value contracts

Being higher in value above these contracts have to be procured following open procurement. However as these have a higher value it is reasonable to ask for specific commitments in their submission on how (without increasing the cost of their bid) they will commit to help meeting Blackburn with Darwen's social value aims. The commitments can they help the decision to award, delivery of them can be monitored and if necessary non-compliance can be enforced through contractual mechanisms.

### Award

To ensure consistency across the Council it is proposed that all high value contracts should have 15% of the award criteria reserved for social value unless the Director of Finance decides that to do so would have a significant adverse effect on value for money. This criterion shall be assessed on the proposals ability to deliver social value in Blackburn with Darwen and the impact that will make. Different bidders and markets will be better suited to addressing different challenges so it will be emphasised that it will be the overall impact on the borough that will be scored. Doing one thing that will have a significant impact on just one challenge will score more highly than doing minor impact against multiple challenges. To deliver maximum impact for the borough that bidders should be asked how they will deliver social value in specific ways that help address some of the boroughs biggest challenges. The challenges are set out below and come with a brief example of what this could look like but these are only examples and are far from exhaustive and bidders will be encouraged to innovate and propose anything they believe helps the borough meet its challenges.

CARBON NEUTRAL	
The Challenge	To help the borough meet its target to be carbon neutral by 2030

<b>What it could look like</b>	Commitment to any sites in borough being carbon neutral, changing working practices to reduce carbon produced on this contract, ability to demonstrate any carbon neutrality including by way of measures that offset carbon produced
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<b>DISADVANTAGED CHILDREN &amp; YOUNG PEOPLE</b>	
<b>The Challenge</b>	To help disadvantaged children and young people in Blackburn with Darwen overcome the challenges those disadvantages bring
<b>What it could look like</b>	Offering jobs, internships and/or training to children in our care, care leavers and those with special educational needs, otherwise contributing to priorities of the corporate parent

<b>ECONOMIC RECOVERY</b>	
<b>The Challenge</b>	To help the people and businesses of the borough recover economically from the impact of Covid 19
<b>What it could look like</b>	Local apprenticeships (greater impact if it is for those from disadvantaged background), providing training and education for unemployed, maximising the use of an in borough supply chain,

<b>HEALTH INEQUALITIES</b>	
<b>The Challenge</b>	To help people in Blackburn with Darwen overcome some of the worst health inequalities in the country by addressing social determinants of health
<b>What it could look like</b>	Improving the health of workforce in the borough, working with local organisations to support ill-health prevention activities,

<b>COMMUNITY INTEGRATION</b>	
<b>The Challenge</b>	To help the Our Community Our Future Strategy by connecting our communities to improve integration across a diverse borough
<b>What it could look like</b>	Introducing workforce integration ambassadors into workplaces in the borough, supporting projects led by youth or community ambassadors, hosting events which help promote community

These priorities shall be reviewed annually and updated to reflect the latest challenges facing the borough.

#### Monitor, Report & Enforce

Asking for these requirements as part of tender submissions is only of value if efforts are made to monitor, report and enforce these requirements. Telling the success of promises made when awarding contracts is useless unless those promises are delivered upon. To ensure that all commitments made as part of tender submissions are delivered they will be recorded centrally by Contracts and Procurement team and then periodically check a sample of those for compliance with those commitments. The Council will publish details of commitments made and delivered upon. Failure to deliver against those commitments shall initially result in a letter reminding the supplier of commitments, if subsequently it is found that they have still not delivered then the Council may serve a notice on them informing them that their breach of their commitments will result in them not being considered for future Council contracts.

## Ethical Standards

It is proposed to keep the ethical standards currently in contracts. Breach of those ethical standards could result in the termination of the contract.