

Social Value Policy

1.0 BACKGROUND

- 1.1 In April 2013 Cabinet approved a Social Value Policy through which it would conduct its commissioning activities.

The revised **Social Value Policy** described here sets out the key principles and actions whereby the Council embeds practical and effective **commissioning for social value** in every aspect of its procurement and grants, commencing (as the Public Services (Social Value) Act 2012 requires) at the pre-procurement stage.

2.0 WHAT WE MEAN BY SOCIAL VALUE

- 2.1 The Public Services (Social Value) Act 2012 states:

“If a relevant authority proposes to procure or make arrangements for procuring the provision of services, or the provision of services together with the purchase or hire of goods or the carrying out of works...the authority must consider how what is proposed to be procured might improve the **economic, social and environmental well-being** of the relevant area and, in conducting the process of procurement, how it might act with a view to securing that improvement.” It must also “consider whether to undertake any consultations as to matters to be considered” under that process.

For the purposes of this policy we refer to this **improvement of wellbeing as social value**. In order to implement this we seek measurable and verifiable **social value outcomes** that:

- (i) are relevant to what is proposed to be procured and proportionate to the contract / grant value,
- (ii) can legitimately be included in contract / grant specifications and
- (iii) contribute to achieving the Council’s priorities.

3.0 THE POLICY CONTEXT

The Social Value outcomes sought, reflect the policy priorities of the Council. Improved partnerships with the private, third and other public sector organisations are key enablers to deliver these outcomes.

The strategic context for the Social Value outcomes identified below is derived from the key Council policy drivers. These are:

| Outcome | Why is this important? |
|---|--|
| Birmingham is an entrepreneurial city to learn, work and invest in | We want a city that invests in its people so that everyone can have opportunities to realise their potential through lifelong learning, skills and good jobs. We want to invest in the buildings and transport connections of our city to provide better places to live and work and enable businesses to prosper. HS2 will be a key milestone in the city's development and we must make the most of this opportunity to boost our economy and key growth sectors and enable citizens to access employment. |
| Birmingham is an aspirational city to grow up in | We want to respond to our unique profile as one of the youngest cities in Europe to give all children from every background and community the best start in life with a clear pathway to achieve success and realise their full potential. |
| Birmingham is a fulfilling city to age well in | We want citizens to live more active, longer, healthier and independent lives. We want to reduce social isolation so that people can make positive choices and take control of their wellbeing. |
| Birmingham is a great clean and green city to live in | <p>We want Birmingham to be a sustainable city of vibrant culture, flourishing neighbourhoods with good quality housing. A city with clean air, safe and clean streets and green spaces. We want to be a city where our citizens have pride in where they live, have a strong sense of belonging and a voice in how Birmingham is run.</p> <p>We want to eradicate homelessness in the city by preventing people from becoming homeless in the first place and supporting those who are homeless.</p> |
| Birmingham residents gain the maximum benefit from hosting the Commonwealth Games | Hosting the Commonwealth Games gives us a global stage to use the transformational power of sport and culture to project a positive image of our city, promote growth and provide a long-lasting legacy to the citizens of our city. |
| Birmingham a city that takes a leading role in tackling climate change | We want to be leaders in ensuring that all our development and redevelopment projects include issues that will benefit the communities within our city. |

4.0 IMPLEMENTATION

4.1 While the Public Services (Social Value) Act 2012 only requires relevant authorities to consider social value in service contracts (and goods or works contracts where there is a services element) above the appropriate threshold in the Public Contracts Regulations for the 2012 Act to apply, the Council also applies the approach to Goods, Works and Grants.

The Birmingham Business Charter for Social Responsibility (BBC4SR) and the Living Wage policies are the mechanisms for implementing the social value described in this policy. The BBC4SR includes the social value Themes, Outcomes and Measures.

In order to prioritise effort and achieve greater social value, a tiered approach is used to apply the Charter. The tiers have been determined following an assessment of our implementation to date:

| | Tier 1 | Tier 2 |
|-----------------|------------------|------------------|
| Contracts value | <PCR15 Threshold | >PCR15 Threshold |
| Grants | <£200,000 | >£200,000 |

PCR15 thresholds are published by Crown Commercial Services and are subject to change.

Both tiers require the payment of the Real Living Wage according to the Council's Living Wage policy and rules governing the Real Living Wage as stipulated by the Living Wage Foundation.

Contracts in tier 1 are encouraged to complete at least 1 project from the Match My Project portal for the duration of the contract.

Tier 2 contracts require the full consideration of social value and application of the BBC4SR including the delivery of at least 1 project which is relevant to the social value outcomes sought through the contract and where possible from the Match My Project portal, per year.

- 4.2** The Council will embed a clear and unambiguous message about its intention to secure social value through commissioning and procurement.
- 4.3** On commencement of every commissioning activity the Council will determine the social value outcomes to be achieved. These social value outcomes are defined in the BBC4SR and support delivery of the Council's priorities. Commissioners will determine which of these apply on the basis of a full understanding of the local need and consult where appropriate.
- 4.4** The default weighting for social value will be 20% of the overall assessment of bids, the remainder assessment criteria being Quality and Price. Any lower weighting, to a minimum of 10%, must be robustly justified and approved by the relevant Cabinet Member responsible for social value. Higher weightings may be used where justified.
- 4.5** The Council will consider social value when assessing alternative commissioning options including social enterprise, mutual models and co-operatives that promote local wealth-building. This supports work with the Centre for Local Economic Strategies (CLES) to increase local wealth-building with Anchor Institutions in Birmingham. <https://cles.org.uk/publications/local-wealth-building-in-birmingham-and-beyond/>
- 4.6** A Council-wide approach and robust contract management will ensure a consistent and efficient mechanism for the capture and reporting of social value data.

5.0 REPORTING ON SOCIAL VALUE

5.1 The Council will report on the social value outcomes achieved through its commissioning and procurement activities annually, ensuring that this report includes at least the following measures:

- Weeks of local employment
- Weeks of local apprenticeship
- Weeks of local work placements
- £ Amount of local spend
- £ Amount of Social Enterprise spend
- Hours of voluntary time
- £ Amount of money raised and / or donated