

# SOCIALLY RESPONSIBLE PUBLIC PROCUREMENT (UK)

3/10/2019

CINDY NADESAN MCIPS. MBA.

BCOM



# LEGAL REQUIREMENTS



Public Services (Social Value) Act 2012

The Public Services (Social Value) Act 2012 places a requirement on contracting authorities to consider, in respect of procurement for services

- (a) how the economic, environmental and social well-being of the relevant area may be improved by what is being procured and
- (b) how, in conducting the procurement, they might act with a view to securing that improvement.
- (c) Contracting authorities must also consider whether to consult the market on these issues before the procurement process starts.

2015 No. 102

**PUBLIC PROCUREMENT**

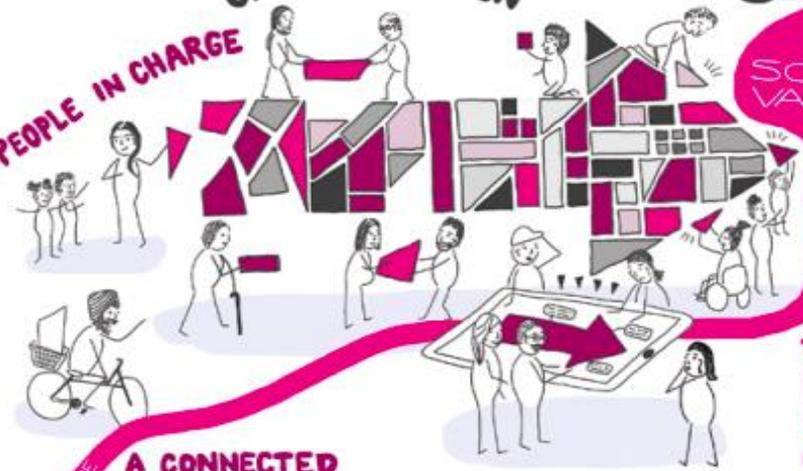
The Public Contracts Regulations 2015

- Award public contracts on the basis of the “most economically advantageous tender”
- Incorporate social and environmental aspects into specifications, award criteria and contract conditions, where these are **linked to the subject-matter of the contract**
- **Proportionate** to what is being procured or provided
- Will **not result in unequal treatment** of bidders
- Could include promoting innovation, employment and social inclusion, protection of the environment, energy efficiency, and combating climate change.

# PEOPLE

ENABLING A LIFETIME OF CONTRIBUTION

PEOPLE IN CHARGE



A CONNECTED, RESOURCEFUL SOCIETY

OPPORTUNITIES FOR YOUNG PEOPLE

# THE CIVIL SOCIETY STRATEGY

# PLACE

EMPOWERMENT & INVESTMENT IN LOCAL COMMUNITIES

INCLUSION

EMPOWERMENT



# THE PUBLIC SECTOR

ENSURING COLLABORATIVE COMMISSIONING

COMMISSIONING FOR SOCIAL VALUE



FUNDING THE FUTURE OF PUBLIC SERVICE



DESIGNS PUBLIC SERVICES +60V

A FRAMEWORK FOR COLLABORATIVE COMMISSIONING



# THE PRIVATE SECTOR

PROMOTING BUSINESS, FINANCE & TECH FOR GOOD

RESPONSIBLE BUSINESS

TECH FOR GOOD

FINANCE FOR GOOD



# THE SOCIAL SECTOR

SUPPORTING CHARITIES & SOCIAL ENTERPRISES

SOCIAL VALUE



A SECTOR CONFIDENT WITH DIGITAL

LEADERSHIP, SUPPORT REGULATION

FUNDING & FINANCING THE SECTOR

THE VOICE OF CIVIL SOCIETY

#CivilSocietyStrategy



@ZedPoa

# CENTRAL GOVERNMENT

- Reflects the government's approach to public service delivery- public services should be delivered with values at their heart
- Defines Governments commercial objectives for social value in terms of strategic policy priorities
- Mandatory Requirement: take account of social impact as part of the award criteria (linked to the subject-matter of the contract and proportionate to what is being procured)
- 10 % minimum weighting
- Flexibility: Procuring authorities will have the freedom to choose which themes and policy outcomes they apply in each procurement.
- Bidders' responses will be scored against the qualitative aspects, using a standard scoring methodology, in the same way that other 'quality' questions are treated in a tender.



# CENTRAL GOVERNMENT

Themes	POLICY OUTCOMES
Diverse Supply Chains	Ensuring supply chains are <b>accessible to all types of businesses, including Small and Medium-sized Enterprises (SMEs) and Voluntary, Community and Social Enterprises (VCSEs)</b>
	Ensuring <b>supply chains are accessible to all types of businesses</b> , including for business owned or led by under-represented groups including <b>women, BAMEs and people with disabilities</b>
Skills and Employment	Improved employability and skills
Environmental Sustainability	Environmental impacts are reduced
Safe Supply Chains	<b>Modern slavery</b> risks are reduced
	<b>Cyber Security</b> risks are reduced
Inclusion, Mental Health and Well-Being	Ensuring businesses in the supply chain encourage <b>improved gender pay balance</b>
	Ensuring businesses in the supply chain encourage <b>increased representation of disabled people in the workforce</b>
	Ensuring businesses in the supply chain encourage <b>increased representation of ethnic minorities in the workforce</b>
	Ensuring businesses in the supply chain encourage <b>inclusion and improved staff mental health and wellbeing</b>
	Ensuring businesses in the supply chain encourage <b>improved community cohesion</b>

# LOCAL GOVERNMENT



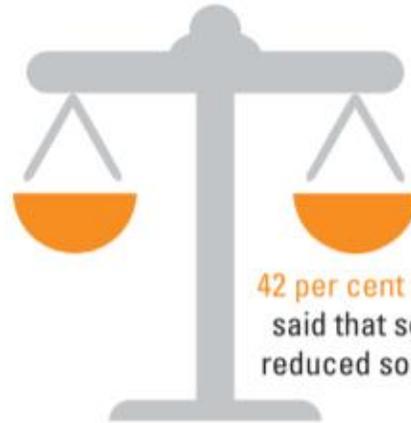
Two-thirds of local councils now have a good understanding of social value.



82 per cent of local councils believe that social value drives higher levels of growth.



Nearly 45 per cent of survey respondents reported having a social value policy - a large increase from the 24 per cent of councils in 2016



42 per cent of local councils said that social value has reduced social inequalities.

- Sponsors National Social Value Taskforce
- Supports National TOM's (Themes, Outcomes & Measures)
- Quantitative & qualitative evaluation

# LOCAL GOVERNMENT

## Jobs: Promote Local Skills & Employment

- More people in employment
- More opportunities for disadvantaged people
- Improved skills for local people
- Improved employability for young people

## Growth: Supporting growth of responsible regional businesses

- More opportunities for SME's & VCSE's
- Improving staff wellbeing
- A workforce and culture that reflects the local Community
- Ethical procurement is promoted
- Social value is embedded in the supply chain

## Healthier Safer & More Resilient Local Communities

- Crime is reduced
- Creating a healthier community
- Vulnerable people are helped to live independently
- More working with the community

## Environment: Protecting & Preserving

- Climate impacts are reduced
- Air pollution is reduced
- Better places to live
- Sustainable Procurement is promoted

## Innovation: Promoting Social Innovation

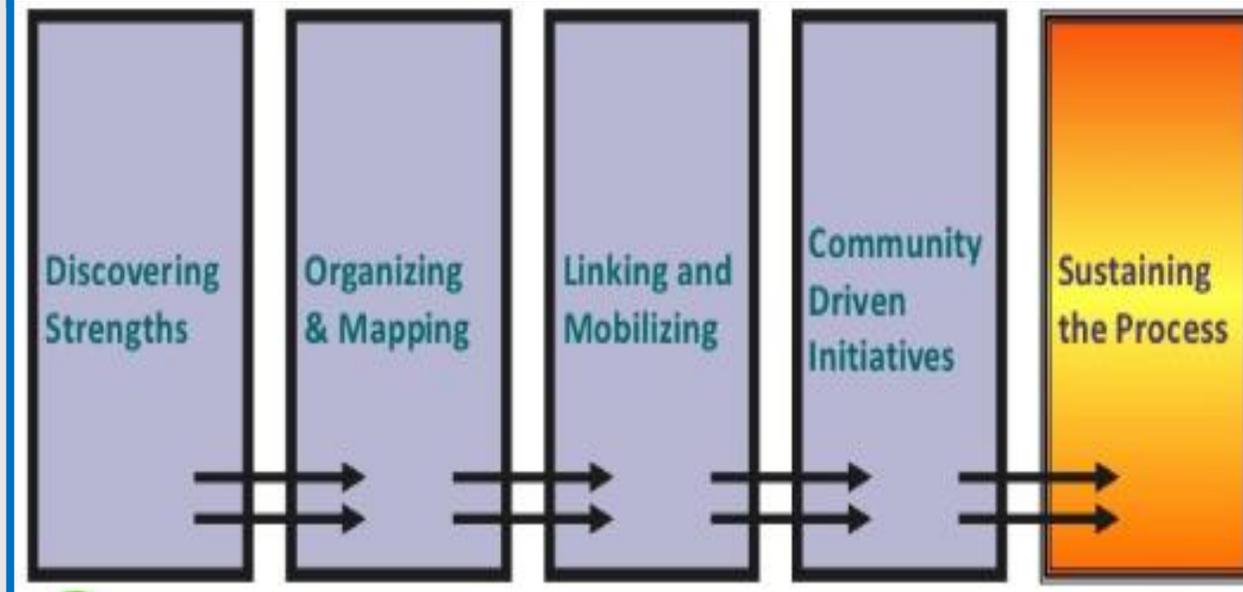
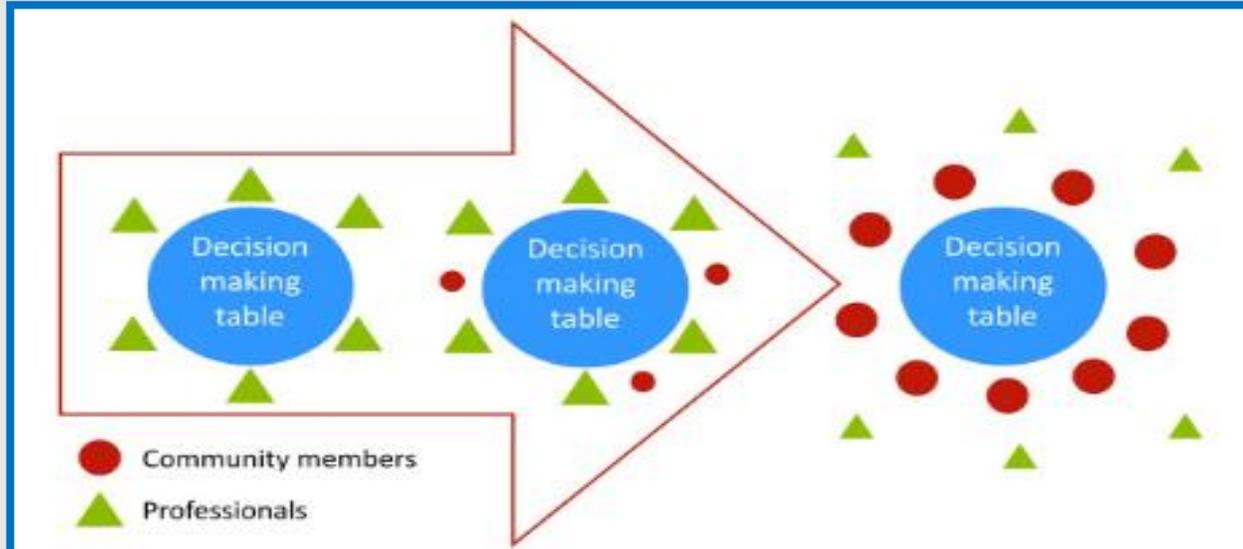
Other Measures

## PUTTING SOCIAL VALUE AT THE HEART OF INCLUSIVE GROWTH: (SE UK)

Three aspects which are critical for positive social value developments are:

- 1. Being More Strategic:** align and work with regional partners and anchor institutions to achieve more impact for social value. Provisions of the Act can further the wider strategic objectives of local authorities, and the communities they represent, by mobilising a council's purchasing power to support the social, environmental and economic wellbeing of a place. In particular, the Social Value Act can be a legislative tool to help achieve the inclusive economy and growth that many places need.
- 2. Embedding Social Value within Local Government:** Opportunities for leaders and senior officers to drive social value strategies forward in their councils. Research found that, to a great extent, social value is seen solely as the remit of procurement teams. However, for the Social Value Act to help foster inclusive growth, it is essential that it is embedded throughout councils and that leaders and chief executives are engaged in driving social value priorities forward.
- 3. Working with the Market:** need for a more collaborative relationship with providers to deliver social value outcomes. The last decade has seen councils' spending power diminish markedly. As a result, many have looked to build more collaborative relationships with providers and communities to address local challenges, bringing together their collective assets to deliver positive outcomes for their residents. Key to creating this trusting, collaborative relationship will be early engagement and clear communication with the market and communities, establishing a continuous dialogue during contract management.

## ORBIS (SURREY, EAST SUSSEX AND BRIGHTON & HOVE)



- Everyone has gifts
- Everyone has something to contribute
- Everyone cares about something and that passion is their motivation to act

# THE SOCIAL VALUE MARKETPLACE

## Vision

Our vision is for the public, private and social sectors in East Sussex to work together so we can combine our efforts and resources and collectively use these to improve the social, economic and environmental wellbeing of our residents and local communities.

- Enabling the sharing of resources for the benefit of our residents and local communities
- Encouraging partnership working and collaboration across the public, private and social sectors
- Securing additional value from public sector spending through the Public Services Social Value Act (2012)

# THE SOCIAL VALUE MARKETPLACE

Marketplace

## East Sussex Marketplace

Requests Offers Organisations Add New Post

search by request title or keywords Sort By: DAYS LEFT Show: MAP

Filter By Type

- Volunteers
- Goods
- Services
- Other

Crowdfund East Sussex

START NOW

4 results



**Training needed for young people**  
requested by ABC 5 months ago  
10 days left Lewes Services  
74% fulfilled OFFER HELP



**Foodbank Collections**  
requested by ABC 3 months ago  
10 days left Bexhill-on-Sea Goods  
20% fulfilled OFFER HELP

Marketplace About Go to Supply to East Sussex Account Log out

## East Sussex Marketplace

Requests Offers Organisations Add New Post

organisation by name Sort By: A - Z Show: MAP

11 results

-  **ABC**  
Education, Training & Employment 7 bridges built VIEW PROFILE
-  **East Sussex County Council**  
Consultancy 9 bridges built VIEW PROFILE
-  **Minted Box Ltd**  
IT & Digital 0 bridges built VIEW PROFILE
-  **NTA**  
Consultancy 0 bridges built VIEW PROFILE
-  **Playle & Partners LLP**  
Construction 0 bridges built VIEW PROFILE
-  **Reid Briggs & Co Ltd**  
Financial Services 0 bridges built VIEW PROFILE
-  **SVM Test Account**  
Community Projects 0 bridges built VIEW PROFILE

## Best Practice

- 1. Hackney Council:** has launched its own energy company that will supply clean affordable energy, investing in the borough's own capacity to generate renewable electricity and re-investing profits back into the local area. The council is taking into account food miles, use of plastic and emission targets in its school meal procurement specifications.
  - The Social Value Act is applied to contracts on a project by project basis, with no set weighting, so that there is flexibility to adapt to the market, organisation and service that is being provided.
  - Critically, social value is “not just followed as a tick-box” as they have implemented a Sustainable Procurement Impact Assessment (PRIMAS) since 2008. The PRIMAS assesses the negative and positive impact of what is being procured on social, economic and environmental outcomes for Hackney residents.
  - If it is assessed that the proposed procurement will have a negative impact on Hackney residents, then ways are looked for to mitigate that effect by changing the subject of the contract, amending the service specification or the tendering and social value questions. As a result suppliers bidding for council tenders are assessed by their ethical, economic, social and environmental impact on residents.
  - A recent school catering contract worth £5 million had a social value and environmental and sustainability weighting of 5 per cent and 15 per cent respectively, as well embedded sustainability and social value principles across the contract. It included KPIs such as reducing food miles, paying the London Living Wage, and using local suppliers and supply chains

## Best Practice

**2. Wirral Metropolitan Council:** have used the Social Value Act to help co-design their community care market, linking the market to local recruitment and retention. The authority is now developing a programme of opportunities, to enable care leavers to move into apprenticeships through their supply chain. They have also used the Act to take a greener approach to procurement; for example, using recycled plastics to build roads.

**3. Manchester:** the Social Value Act is seen as a tool to deliver on Greater Manchester's strategic priorities. It is something that the Mayor has taken ownership of and driven forward. Greater Manchester Social Value working group was established in 2015 that shares good practice. STAR Procurement – a shared procurement service for some of the 10 GM councils – works across the councils, guided by priorities that have been agreed by all. Social value is expressed as meaning fairer work, health and happiness for every Manchester resident. They use a 20 per cent social value weighting in procurement contracts to boost local neighbourhood economies, while minimising impact on the environment. In 2016-17, Greater Manchester spent £320 million on procurement, 71 per cent of this spend went to local companies, 70 per cent of suppliers paid all their staff an hourly rate in excess of the real Living Wage. The top 300 suppliers had created an estimated 1160 jobs within Greater Manchester, and an estimated 705 apprenticeships as well as an estimated 68,862 hours of volunteering & community sector support activities.

## Best Practice

**4. Sunderland City Council:** one of 12 local authorities that is part of NEPO (North-East Procurement Organisation) that has ensured that the political leadership of the 12 councils are engaged in shaping the strategic value and importance of public procurement to help communities. NEPO now has a commitment from the political and council leaders to recognise the strategic importance of procurement and how it can really shape service delivery and collaboration.

The Council operates “Area Committees” to address problems at the local ward level, which tackle challenges using grant funding, given to VCSEs. The priorities and values stem from the City Plan and encourage more interaction with local VCSEs to work towards local and city objectives, with the intention of producing social value for Sunderland, with no direct link to the Act. An example of this is the creation of an online marketplace for those in furniture poverty to buy upholstered furniture at heavily discounted prices. Local VCSEs worked with the council to collect furniture for free, instead of the usual £20 collection cost for an individual, and then upholster furniture to display on the online marketplace. Those identified as being in furniture poverty were given a code that gave a heavily discounted price.

The corporate leadership team have encouraged a broader network of multidisciplinary teams across the council in order to create more collaborative relationships with service managers and heads of service across the council to consider social value.

To ensure each procurement over £5k considers council priorities and maximises social value opportunities, the procurement team work closely with service areas on a one-to-one basis, project by project. Procurement have found this approach most effective to help service managers and heads of service across the council to understand social value best when they have a project that “brings it to life”. They are able to clearly go through the procurement and commissioning process with social value as an integral part of it

## Best Practice

**5. Coventry's** local anchor institutions are being brought together to develop an improved understanding of social value and align social value priorities within the city's anchor institutions. The anchor institutions include Coventry City Council, Coventry University, Warwick University and housing associations and will encourage a closer relationship between voluntary, community and social enterprise (VCSE) organisations and anchor institutions to contribute to delivering Coventry's city priorities through social value. This will be delivered through workshops and training sessions and encourages key strategic decision-makers to place more importance on social value in the city.

**6. Suffolk County Council's:** approach and priorities for social value have been distilled to a simple A4 'plan on a page'. This has made it easy for providers to understand what the council is expecting in their social value offer and it allows them to tailor and adapt their responses to wider questions of social value in an appropriate and useful way for the council. This provides information that is accessible, easy to understand, interpret and can be used in all tender documents

**7. In Kingston,** the council's Corporate Plan 2019-2023 outlines the priorities and the basis on which the council will make decisions. Their social value framework aims to maximise social value from all external relationships to benefit Kingston communities and businesses and help them achieve their strategic outcomes. As part of this they have committed to ensuring that social value criteria are part of every commissioning process and that they can identify the key outcomes for RBK [Royal Borough of Kingston] Each contract has a 'social value ask' which consists of outlining the specific actions and outcomes that are expected of social value. This ensures that social value is not just a priority for procurement teams but is an organisational objective for all those working for and with the council.