

Social Value Policy Statement for the Dorset Councils Partnership of North Dorset District Council, West Dorset District Council and Weymouth and Portland Borough Council

The Public Services (Social Value) Act of 2012 requires Public Authorities to have regard to how economic, social and environmental well-being may be enhanced through the provision of Public Services.

Scope of Application

The Act catches any proposal 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 by: 1) entering into a public services contract that is not a contract based on a Framework agreement, or 2) concluding a framework agreement as regards which public services contracts are likely to constitute the greater part by value of the contracts based on the agreement.

The Act only applies to service contracts and service contracts with only an element of goods or works above the EU Threshold, currently £164,176 for public bodies. This includes all public service markets, from health and housing to transport and waste. Contracts that are required in an emergency where it would be impractical to comply are excluded to that extent. Commissioners will be required to factor Social Value in at the pre-procurement stage, allowing them to embed Social Value in the design of the service from the outset.

Background

The Dorset Councils Partnership will consider how all qualifying procurements might improve the economic, social and environmental well-being of the local area and how, in conducting the process of procurement, we will act with a view to securing those benefits.

In addition to a focus on price, the Act empowers us to consider the collective benefits to the community and wider social, economic and environmental outcomes (e.g. stronger communities, improved health, improved environment) that can be procured over and above the direct purchasing of services, goods and outcomes. (Public Services Social Value Act 2012, A Brief Guide, Social Enterprise UK, 2012)

There is no one definition of social value. However the Government's Sustainable Procurement Task Force define social value as *"a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits to society and the economy, whilst minimising damage to the environment."*

For the Dorset Councils Partnership this means that from the outset we must look at ways of making our communities more resilient, and less dependent on Public Services, through the procurements that we will undertake. Each procurement will need to consider how it can benefit the social and economic well being of the area and minimise any impact that it may have on the environment.

At present the Partnership serves a combined population of 235,509 residents with over 101,591 residential dwellings (2014 mid year estimates, Office of National Statistics). The area is renowned for its stunning scenery and boasts the honour of World Heritage Status for the Jurassic Coastline which stretches within the boundaries of West Dorset District Council and Weymouth & Portland

Borough Council. Protecting and promoting social and economic wellbeing and maintaining high quality customer service while preserving the environment is vitally important. Procurement is one means to help the Partnership achieve these goals.

Each year the Partnership spends millions of pounds to secure services, safeguard the residents and ensure cleanliness and regeneration of the Weymouth & Portland, West Dorset and North Dorset areas. The Partnership engages with residents and businesses when performing these roles and often works in partnership with providers in the wider public, private, voluntary and community sectors.

The approach of the Social Value Act is to seek to create maximum benefit for the resident and business community and drive up service quality, but it can also lead to cross-departmental savings and support community organisations to enter the market.

Supporting the social economy

Organisations already operating within the community are often best placed to understand local needs, deliver personalised services and reach those most needing support. The Act aims to help organisations win contracts directly which could help to stimulate a role for social enterprises as part a wider supply chain, allowing for greater partnerships between private sectors and social enterprises as contracts require providers to draw in their combined skills and resources.

Efficiencies across departments and public bodies

The Act will support commissioners to combine the economic, social and environmental objectives and embed them across all strategic procurements instead of approaching them individually. Often those undertaking procurement are encouraged to seek best price but the Act encourages multiple benefits to be achieved, which in turn can give rise to cross service or cross organisational efficiencies. Ensuring that all spending decisions require contractors to support local employment opportunities can play a part in reducing the lack of employment instigated by economic pressures.

A broader evaluation of cost, across services and objectives, which measures the price of social value against the cost of lost opportunities for the local community, can show how this approach gives rise to savings across services and public bodies. Social value led commissioning can enable innovation through procurement which can instigate further efficiencies.

Local economic growth and well-being

Local Government procurement has the potential to significantly influence local economic growth and well-being by addressing local challenges. Over 40% of local authorities' expenditure is now on third party contracts and this figure is rising as the current trend away from direct delivery in local government continues. Local bodies no longer have the same control through direct delivery to achieve local strategic targets, but these objectives can be embedded within their supply chains through the use of social value. Buying services in this way has the potential to have a profound impact.

Aligning social value with local needs

Suppliers can have a positive impact on local communities beyond the direct remit of their contract. By aligning social value commissioning with local strategic needs, local authorities can use their supply chain to help them achieve local targets.

Embedding Social Value into Commissioning and Procurement Practice

The Partnership is bound by the EU rules and will be required to comply with the Public Services (Social Value) Act 2012, and can best deliver it in the following ways:

- Prepare and adopt a policy that sets out our Partnerships priorities for the well being of the areas that we serve – this can done on a 3 or 4 year cycle.
- In relation to any services that we are responsible for, consider how we should commission them, considering our social value policy.

If we decide to commission services by procuring them from a third party, we should consider how our priorities can be reflected in the procurement:

- In the specification for those services
- By asking about the bidders' track record in delivering the services
- By determining the criteria to be adopted for determining the winning tender

Before we launch any procurement exercise, we should engage with the market about how to realise the whole service package including those aspects that can increase the social value in the project. Within this we will encourage the market to engage with organisations that can help realise the social value aspects of the services: many social enterprises are in a strong position to assist with this.

We will need to adopt mechanisms for measuring the performance of the services including social value requirements that are linked to the way that services are paid for under the relevant contract.

The Partnership will learn from the performance of the contract about how best to develop social value requirements and also to assist practice in subsequent procurement exercises.

We can also consult with the local community, including residents, elected officials, social enterprises and other local businesses, to enhance our understanding of what social value looks like in the local context.

Our Social Value policy should:

- Promote training and employment opportunities, often for under-represented groups, for example for youth employment, women's employment, the long term unemployed and people with physical or learning disabilities.
- Promote compliance with social and labour law, including related national and international policy committees/agendas.
- Promote SME's and civil society organisations through an observance of existing duties of equal treatment, proportionality and transparency and by making subcontracting opportunities more visible.

- Stimulate socially conscious markets
- Demonstrate socially responsive governance
- Promote fair and ethical trading
- Ensure more effective and efficient public expenditure
- Contribute to health improvement priorities
- Stimulate social integration and inclusion
- Stimulate demand for environmentally friendly goods, services and works.
- Contribute to climate change migration targets and to energy efficiency.

Our Social Value Policy will aim to cover:

- A description of the purpose and remit of the Partnership.
- A list of areas in which the Partnership will pursue Social Value within our core purpose.
- The other organisations in the public sector that the Partnership works with to achieve these ends.
- How the Partnership will reflect these commitments in our procurement processes.
- Some targets that the Partnership will adopt as desirable outcomes.
- How the Partnership will enable SME's and social enterprises to participate in our public service commissioning requirements.
- How the Partnership will report on its social value every year.

The Partnership will develop a Social Value Policy alongside the Partnership development programme, a key transformation journey which is spelled out in our emerging 2020 Vision. We believe that there is a role for District and Borough Council services that are provided locally and are responsive to communities. Our corporate plans, which set out our key priorities and include inward investment and economic growth targets, can be seen at www.dorsetforyou.com/strategies.