

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, 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 outcomes.

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

- **Children**, A great city to grow up in. We want to make the best of our unique population and create a safe and secure city for our children to learn and grow up in.
- **Homes**, A great city to live in. Provide housing in a range of types and tenure, to meet the housing needs of all of the current and future citizens of the city.

- **Jobs & Skills**, A great city to succeed in. By 2031 Birmingham will be renowned as an enterprising, innovative and green city.
- **Health**, A great city to lead a healthy and active life. Helping people become healthier, especially relating to physical activity and mental wellbeing.

The Council is engaged in a variety of activities to improve partnership working and this policy support this approach.

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 (Charter) and the Birmingham Living Wage policies are the mechanisms for implementing the social value described in this policy.

Approved projects that address the key priorities and relevant to the contract will be provided by the Council for inclusion in action plans where relevant. Supporting these projects will need to be the primary focus of the action plans.

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

	Tier 1	Tier 2	Tier 3
	BBC4SR does not apply	Light touch application tailored by contract or grant type	Fully consider Social Value and all action plan measures
	Contract value or grant value as appropriate		
Contracts for Services	<£200k	£200k to £750K	Over £750K
Contracts for supply of Goods	< £1m	£1m to £5m	Over £5m
Contracts for execution of Works	< £1m	£1m to threshold in Article 4(a) Directive 2014/24/EU*	Over threshold in Article 4(a) Directive 2014/24/EU*
Grants	< £200k	£200k to £750K	Over £750K

*for details of the current OJEU threshold please see www.ojeu.eu/thresholds.aspx

The Council has determined, having regard to the proportionality principle within the 2012 Act that the Birmingham Living Wage policy will apply to all tiers.

- 4.2 On commencement of every commissioning exercise service specifications and/or existing service designs will be analysed to determine the additional social value outcomes the Council should be seeking to derive from the commissioning. The Social Value Toolkit will guide the commissioners in determining the relevant and proportionate outcomes and outputs that meet the Council's strategic priorities with specific reference to high priority projects, see 4.5.
- 4.3 The Council will embed a clear and unambiguous message about its intention to secure social value through commissioning and procurement every time it communicates with the marketplace.
- 4.4 The Council will also consider other social value vehicles, including social enterprise and mutual models, where such arrangements may deliver even greater social value.
- 4.5 High impact projects will be developed in partnership with the Third Sector and the Council's service delivery directorates, focusing sharply on delivery of the priorities as set out in section 3. Both contracted and non-contracted companies will be able to participate in relevant social value projects depending on their preference and ability. Delivery of these projects will be the primary focus of Charter action plans. The Council will facilitate the linkup between businesses and third sector organisations. The delivery will be monitored to assess the effectiveness and record the achievements of both organisations.
- 4.6 A corporate approach will ensure a consistent and efficient mechanism for the capture and reporting of social value data.
- 4.7 The Council will continue to work with relevant organisations to further develop the Council's approach to social value, its measurement and reporting.

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:
 - a) Number of individuals uplifted to the Birmingham Living Wage through the Council's commissioning activities
 - b) Percentage of Council spend with accredited organisations (tiers 2 & 3)
 - c) Ward based data, where available, to demonstrate Social Value achievements.