

To: **Executive**

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## **Adoption of a Social Value Policy Executive Director: Resources**

### **1 Purpose of Report**

- 1.1 The Council has an obligation under the Public Services (Social Value) Act 2012 to apply social value to all appropriate and relevant contracts. The Act places specific duties on the Council that we are required to evidence. Social value can also be incredibly beneficial to local communities and support structures outside of those directly commissioned by local authorities, but generally it is not well understood by either suppliers or officers, meaning this potential benefit is often missed.
- 1.2 A new Social Value Policy is intended to provide guidance and direction to officers in the commissioning and procurement of contracts so this benefit can be realised for the residents of Bracknell Forest, whilst also demonstrating how the Council will be fulfilling its duties under the Act.

### **2 Recommendation**

That the Executive:

- 2.1 Approves the adoption of the new Social Value Policy (attachment 1) under the Local Target methodology.
- 2.2 Approves the adoption of the Bracknell Forest Council Social Value Matrix (attachment 2), developed by the Bracknell Forest community, to operate as the Council's current Local Targets under the Policy. The Matrix is not fixed and the specific targets will be reviewed annually and adjusted to reflect the changing needs of the community.

### **3 Reasons for Recommendation**

- 3.1 The Local Target methodology sets a broad range of targets that are reflective of the needs and goals of the local community. It should be noted that as per the Act, the community should be the primary driver behind these targets so they may not be reflective of the Council Plan or other officer or Member objectives.
- 3.2 These targets can be adjusted, so will remain reflective of the local community whilst it changes, but individual community consultation for every relevant contract will not be required.
- 3.3 Officers are not required to apply every target in the Matrix to every contract. Instead they select the 5 or 6 they believe are most relevant and appropriate to the contract they are commissioning and the market they are approaching. This balances flexibility to match the wide variety of contracts the Council commissions, and the need to give both officers and bidders some structure, process and guidance to deliver a complex requirement
- 3.4 The Local Target methodology will also give a framework to support the evaluation, monitoring and management of incredibly diverse social value offers – an area the Council has historically needed to improve.

### **4 Alternative Options Considered**

- 4.1 Two other methodologies for assessing social value outcomes were considered;
- The national Themes, Outcomes & Measures (TOMs)
  - Commissioner Created
- 4.2 The TOMs were created by a private company, the Social Value Group, but have been adopted by the Local Government Association as national best practise. However;
- As they are national they lack a lot of local nuance. Many Local Authorities using them find they get social value offers that don't reflect their local community, e.g. veteran employment in areas with a low veteran population.
  - They are inflexible, so it's possible to 'run out' of a social value TOM because your Local Authority has delivered on it, but it remains as a target and you continue to receive bids against it
  - They are very complex for both officers and bidders – there are 198 TOMs.
  - As they are based upon money they can lead to problematic bidder behaviours, e.g. offering payment in place of a social value commitment.
- 4.3 Commissioner Created was designed by Milton Keynes City Council. It gives a requirement that social value be included, but leaves the 'how' entirely within the hands of each commissioning officer. It can lead to incredibly creative and successful social value offers. However;
- The lack of guidance and support often leaves both officers and bidders at a loss as to how to proceed.
  - Whilst it can support very innovative and creative offers, the majority will be basic and low impact, i.e. plant a small number of trees, employ 1 apprentice etc. These low level offers are also repeated again and again by the same bidders across multiple contracts
- 4.4 Neither the TOMs nor Commissioner Created models were selected due to the issues identified with each above.

## **5 Supporting Information**

### **Social Value Obligations**

- 5.1 The Public Services (Social Value) Act 2012 came into force in January 2013. The Act introduced an obligation on public authorities to have regard to economic, social and environmental well-being in connection with public services contracts (i.e. contracts for services above the procurement threshold limits). To discharge this duty, the authority must consider:
- a) how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area; and
  - b) how, in conducting the process of procurement, it might act with a view to securing that improvement.
- 5.2 The Council must consider under subsection (b), above, only matters that are relevant to what is proposed to be procured and, in doing so, must consider the extent to which it is proportionate in all the circumstances.
- 5.3 Whilst there is not an obligation for public authorities to consider social value in other procurements, such as capital works, there is equally no prohibition, provided the

process used to procure is fair, equitable and transparent and the principle of proportionality and relevance is applied. In fact, one objective of the Public Contract Regulations (2015) is to enable procurement to be used more strategically, offering new opportunities for social value to be considered throughout the procurement process.

- 5.4. The new Procurement Act 2023, which will come into force in October 2024, goes further than this, making social value a specific objective that should be achieved through procurement.

### **Social Value Policy**

- 5.5 One of the ways that the Council can evidence that it is delivering its social value obligations is by adopting a social value policy governing how it will include social value in relevant contracts. This also has the benefit of supporting officers in obtaining improved outcomes for the wider Bracknell Forest community in what can be an area lacking in clear goals.
- 5.6 There are currently 3 ways to assess social value nationally, as set out in alternative options above. The Head of Corporate Procurement has consulted with Members and the wider community, and the Local Target method has been selected.
- 5.7 Through this consultation, the Social Value Policy (Appendix 1) and the Bracknell Forest Social Value Matrix (Appendix 2) have been drafted.
- 5.8 The Matrix is not intended to be a static document, and will be reviewed annually to ensure that the targets within it are reflective of the Bracknell Forest community. It should be noted that social value, and therefore the targets within the Matrix, is not driven by Council or Member goals or directives, but instead should reflect the desires of the local community as a whole. This does mean that social value targets may not relate to the Council Plan or other Council objectives.
- 5.9 Whilst the Matrix is substantive, containing 80 individual targets, it is not intended that officers must apply all 80 to a contract they are procuring. They will instead select the 5 or 6 targets they consider most relevant to their contract, most likely to receive a response from that particular market and which are going to deliver the greatest benefit to the community.
- 5.10 Likewise, bidders will not be required to respond to every social value target in a contract they are bidding for. They will be free to structure their response based upon their own capability and business, responding to all, some, or none of the targets listed for the contract – though of course smaller social value offers will give them a lower score and therefore they will be less likely to win the contract.
- 5.11 The Matrix also defines how social value offers should be scored during bidding and assessed during contract management – this will support officers in procuring and managing contracts, support the reporting of achieved social value outcomes and

support bidders in preparing their offer. Accompanying training and guidance is being prepared for both officers and bidders.

- 5.12 The Policy will be matched to the Thresholds under the Contract Standing Orders. Social Value must be included for all contracts where a Procurement Plan is required, and must be considered (meaning the commissioning officer must justify why if it is not included) for all contracts requiring Executive Director approval. Where Social Value is included it must form 5% of the total score as a minimum.

## **6 Consultation and Other Considerations**

### Legal Advice

- 6.1 The Public Service (Social Value) Act 2012 requires local authorities to ‘consider’ social value when commissioning services currently subject to the Public Contracts Regulations (PCR) 2015 (above prescribed value thresholds). The Act explicitly requires commissioners to consider:
- How the services they are going to buy might improve the social, economic or environmental well-being of the area;
  - How they might secure this improvement; and
  - Whether they should consult on these issues.

The consideration and application of social value is required to be relevant to the subject matter of the contract and proportionate without any unequal treatment of bidders, and this is reflected in the report.

### Financial Advice

- 6.2 There are no direct financial implications in the report. The policy sets out the methodology by which the Council maximises social value whilst delivering services, which will have social, economic, environmental and financial benefits.

### Other Consultation Responses

- 6.3 Members were extensively consulted in the creation of the Policy and Matrix via the Social Value Consultation Group, with representatives from all parties.
- 6.4 The local community took part in a detailed consultation on the Matrix via both the Community Cohesion and Engagement Partnership and the Bracknell Forest Climate Change Summit, and led on what targets should be included and the relative importance of each within the Matrix.

### Equalities Impact Assessment

- 6.5 A summary EIA accompanies this report.

### Strategic Risk Management Issues

- 6.6 Without a social value policy the Council is in breach of the Public Services (Social Value) Act 2012.

### Climate Change Implications

- 6.7 Climate change goals have been a primary concern of the community, and a number of climate change objectives have been integrated as targets into the Matrix. This will also support the monitoring and reporting of the Council's climate change objectives. It should be noted though that the community a number of the Council's more ambitious objectives for inclusion in the Matrix, therefore it does not directly replicate the Council Plan in this regard. The Social Value Matrix should be considered supplemental for reporting against these objectives rather than acting as a substitute.

### **Background Papers**

- Bracknell Forest Council Social Value Policy
- Bracknell Forest Council Social Value Matrix
- Summary EIA

### **Contact for further information**

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