

PERFORMANCE AND CORPORATE SERVICES OVERVIEW AND SCRUTINY COMMITTEE

16 January 2026

Social Value - New in-house approach.

Report by Director of Financial and Commercial Services

RECOMMENDATION

1. **The Committee is RECOMMENDED to**
 - a) Consider the report and provide recommendations to Cabinet to inform decision-making.
 - b) Recommend that Cabinet approve the Oxfordshire County Council Social Value Policy (Annex 1).
 - c) Recommend that Cabinet agree to move the council's social value approach in-house, transitioning away from third-party delivery and/or platforms, to enable a more streamlined approach that better aligns to the council's Strategic Plan 2025–2028 priorities.

Executive Summary

2. This report seeks endorsement of a new Social Value Policy that will move the council's social value approach in-house, away from third-party delivery. Subject to Scrutiny Committee comments, the policy will progress through the council's decision-making pathway, including Informal Cabinet and then Cabinet.
3. The Public Services (Social Value) Act 2012 requires contracting authorities to consider how relevant contracts might improve the economic, social and environmental wellbeing of the area, and how they will take action to achieve this. This added benefit is usually achieved through a social value clause within the contract.
4. Stakeholder feedback indicates that the current third-party approach (which assesses social value proposals and captures proxy values of social impact on behalf of OCC) has been perceived as costly and administratively burdensome, particularly for small and medium-sized enterprises, and uptake has been low. The new in-house approach removes the annual third-party cost of £19,200 (including Value Added Tax (VAT)) and will use existing Council tools, Officers and processes, requiring no new software licences.

5. The policy establishes five local social value priorities and a proportionate mechanism for applying social value in qualifying procurements, including a default 10% tender weighting for contracts above £100,000 total value, by selecting two priorities (5% each). It also strengthens contract management, transparency and annual reporting through an annual Social Value Statement.

Background Context

6. The Council seeks to maximise the wider economic, social and environmental benefits that can be delivered through procurement activity, alongside core contractual delivery. These wider benefits are commonly referred to as social value.
7. Previously the Council has used the Social Value Portal, a third-party tool used for assessment of supplier proposal and the collection of social value data. Whilst this system has enabled the development of the Council's social value way of working, OCC would like to move these operations in house to better align social value with the Council's strategic priorities.
8. The Council's Strategic Plan 2025–2028 sets out a vision for a greener, fairer and healthier Oxfordshire. The updated Social Value Policy is intended to align procurement activity to these strategic priorities and support delivery of local outcomes.
9. The approach also aligns to the Council's Climate Action Framework, the Including Everyone: Equalities, Diversity and Inclusion (EDI) Framework, and supports the Council's ambition to become a Marmot Place by contributing to action that reduces health inequalities.

Proposal: New Social Value Policy and In- House Operating Model

10. Approval is sought for the Oxfordshire County Council Social Value Policy (Annex 1). The policy updates the Council's way of working with suppliers by taking the social value approach in-house.

Key elements of change include:

- Removal of third- party fees associated with the current social value platform.
- A more streamlined evaluation approach that is proportionate and focused.
- Reduced administrative burden for contract managers and suppliers, decreasing time and cost across the procurement and contract management lifecycle.

11. The policy sets out five default local social value priorities. For each qualifying procurement, two priorities will be selected to ensure they are achievable for the supplier/sector and material impact can be measured:

1. **Early Careers Opportunities:** Create pathways for young people aged 16–24 who are not in education, employment or training (NEET) and new entrants into the workforce.
2. **Supported Employment:** Enable residents facing barriers to employment to access meaningful work, supporting a fairer and more inclusive county.
3. **Local Area Regeneration:** Invest in places and spaces, enhancing community wellbeing and supporting environmental sustainability.
4. **Youth Engagement and Support:** Inspire and empower school-aged children (5–16), ensuring they have the support and opportunities to thrive.
5. **Healthy Lives; Healthy Future:** Promote the health and wellbeing of residents, supporting both physical and mental health, and preventative approaches.

Mechanism: When and How Social Value Applies

12. For procurements with a total value above £100,000, tenders will include two selected social value priorities weighted at 5% each, providing a combined social value weighting of 10%.
13. Suppliers will be required to submit a Social Value Delivery Plan (SVDP) as part of their tender response. The SVDP will set out commitments, milestones and SMART (Specific, Measurable, Achievable, Relevant and Time-bound) measures for the life of the contract. The SVDP will also set out the estimated cost of implementing the social value within the contract.
14. The policy provides defined exemptions where applying the standard weighting may not be appropriate, including where procurements are limited to voluntary, charity or social enterprise (VCSE) organisations, or where contract duration is less than 12 months.

Contract Management, Non- Compliance and Service Credits

15. Social value delivery will be monitored through regular contract management. Reporting frequency will be determined on a contract-by-contract basis, proportionate to contract value, duration and the nature of commitments.
16. Where delivery falls behind schedule, the council will agree reasonable adjustments through a Social Value Delivery Plan review and record changes through normal change control.
17. Where suppliers fail to improve following remediation, the council may apply contractual service credits. Service credits relating to social value will be capped so that they do not exceed 10% of the contract's total value. Service credits will be pooled and ring-fenced and shared across the five Social Value Priorities. Responsibility for administering and allocating pooled credits will sit with the Commercial and Procurement team.

Governance, Transparency and Reporting

18. The council will periodically review the Social Value Policy, particularly to reflect relevant changes in legislation or public procurement policy. It will also be possible to update the five criteria relating to the Council's strategic priorities to ensure that social value delivery remains current to the needs of the county.
19. To communicate progress and performance, the council will publish an annual Social Value Statement, with information gathered by a light-touch annual supplier survey completed with contract managers.

Corporate Policies and Priorities

20. The proposal supports delivery of the Strategic Plan 2025–2028 by aligning procurement and commissioning activity to local priorities that contribute to a greener, fairer and healthier Oxfordshire.
21. The proposal supports climate and sustainability ambitions through priorities that can drive environmental sustainability and local regeneration outcomes, consistent with the council's Climate Action Framework.
22. The proposal supports the Including Everyone: Equalities, Diversity and Inclusion Framework by reducing barriers to supplier participation and enabling targeted outcomes that support inclusive communities and opportunity.
23. The proposal supports the council's Marmot Place ambition by enabling procurement-led contributions to addressing the wider determinants of health, including employment, early years and healthy living interventions.

Financial Implications

24. The in-house approach removes the current annual third-party cost of £19,200 (including VAT). No new tools or software licences are required, as the new approach will use existing council systems and resources included with Commercial and Procurement redesign
25. Any pooled service credits applied under the policy will be ring-fenced to support projects aligned to the five Social Value Priorities.

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Legal Implications

26. The Council has duties and responsibilities under the Public Services (Social Value) Act 2012, the Procurement Act 2023, the Health Care Services (Provider Selection Regime) Regulations 2023 and the Local Government Act 1988 when it seeks to gain social value from the award of public contracts. The Council must consider how what is being procured might improve the economic, social and environmental well-being of the area and how to secure that improvement.
27. Where the Council sets social value award criteria, the criteria must be related to the subject matter of the contract and be proportionate. The Council must have regard to the National Procurement Policy Statement which sets delivering social and economic value as a priority.
28. Under Section Local Government Act 1988, section 17 (1) The Council must not take into account non-commercial considerations in relation to its public supply or works contracts. However, by virtue of s17(11), s17(1) does not prevent the Council from exercising any function regulated by section 17 with reference to a non-commercial matter to the extent that the authority considers it necessary or expedient to do so to enable or facilitate compliance with a duty imposed on it by the Procurement Act 2023 or section 1 of the Public Services (Social Value) Act 2012.
29. The Council's Contract Procedure Rules, Rule 8.1 requires officers to consider all factors relevant to their requirement, including environmental and social considerations, including social value benefit where appropriate, so far as this is lawful.
30. The proposed policy supports compliance with the Public Services (Social Value) Act 2012 by embedding consideration of economic, social and environmental wellbeing into relevant procurements. Implementation will be undertaken in accordance with the Council's obligations under the above mentioned legislation and associated regulations and guidance, ensuring award criteria remain relevant and proportionate to the subject matter of each contract.
31. Relevant contract clauses will be prepared by Legal Services and included in contracts to ensure that all parties fully understand the new social value approach and the obligations of each party.

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Staff Implications

32. Implementation will complement the recently completed Commercial and Procurement Redesign. Officers from the Commercial Excellence and Contract Management teams will support the rollout of the policy and the new way of working, including templates, guidance and proportionate assurance. This

resourcing approach also supports risk mitigation by enabling consistent application and improved support for contract managers.

33. Communications and guidance will be published and maintained via the Hive intranet platform, helping colleagues to access up-to-date information as quickly as possible.

Equality & Inclusion Implications

34. An Equalities Impact Assessment has been completed for the Social Value Policy and updated way of working (Annex 2). The assessment identifies no adverse impacts and anticipates positive impacts, including enhanced employment opportunities for residents facing barriers to work. The assessment will be reviewed in November 2027.

Sustainability Implications

35. The policy includes priorities that can support environmental sustainability and local regeneration. This complements the council's wider climate commitments and Climate Action Framework.

Risk Management

36. Key risks and mitigations include:

- Implementation risk: inconsistent application across procurements.
Mitigation: rollout support through the Commercial Excellence and Contract Management teams, standard templates and guidance, wide scale comms plan and proportionate 121 assurances.
- Supplier delivery risk: suppliers over- commit or under- deliver.
Mitigation: require SMART commitments within Social Value Delivery Plans, proportionate reporting, and remediation steps before using service credits.
- Measurement risk: difficulty evidencing outcomes. Mitigation: use a balanced set of qualitative and quantitative measures and consistent reporting through an annual Social Value Statement.

Consultations

37. Development of the policy has been informed by engagement with internal stakeholders, including commissioning teams for Adults and Children's services, Legal, Climate Action, Senior Policy Leads, current contract managers, and the Commercial and Procurement team.

Conclusion

38. Approval of the Social Value Policy will enable the council to deliver social value in-house, reduce barriers for suppliers, and better align procurement activity to strategic priorities. The approach is intended to improve uptake, strengthen contract management and support targeted local outcomes for Oxfordshire residents.

Annexes: Annex 1 – Draft Refresh of Social Value Policy
Annex 2 – Equalities Impact Assessment

Background papers: Nil

Other Documents:

- Our Strategic Plan 2025–2028 | Oxfordshire County Council – <https://m.oxfordshire.gov.uk/council/our-vision>
- Strategic Plan 2025–2028 (PDF) | mycouncil.oxfordshire.gov.uk – <https://mycouncil.oxfordshire.gov.uk/documents/s78513/CC251104R10%20Strategic%20Plan%20Annex%201%20OCC%20Strategic%20Plan%202025-2028.pdf>
- Carbon Neutral by 2030 / Climate Action Framework | Oxfordshire County Council – <https://www.oxfordshire.gov.uk/residents/environment-and-planning/energy-and-climate-change/carbon-neutral-2030>
- Equality, diversity and inclusion (Including Everyone framework) | Oxfordshire County Council – <https://www.oxfordshire.gov.uk/council/about-your-council/plans-performance-and-policies/equality-diversity-inclusion>
- Marmot Place Programme | Oxfordshire County Council – <https://www.oxfordshire.gov.uk/residents/social-and-health-care/public-health-and-wellbeing/oxfordshire-marmot-place/marmot-place-programme>
- Public Services (Social Value) Act 2012 | Legislation.gov.uk – <https://www.legislation.gov.uk/ukpga/2012/3>
- Procurement Act 2023 | Legislation.gov.uk – <https://www.legislation.gov.uk/ukpga/2023/54/contents>
- Young people not in education, employment or training (NEET), UK | Office for National Statistics – <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/bulletins/youngpeoplenotineducationemploymentortrainingneet/latest>
- Creating a logic model for an intervention | GOV.UK – <https://www.gov.uk/guidance/evaluation-in-health-and-wellbeing-creating-a-logic-model>

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