

# SOCIAL VALUE POLICY

2021-24

*Supporting our local economy, environment and society to flourish*

**[Placeholder for Graphic]**

Our ambition is for vibrant communities and growing businesses in a zero carbon Oxfordshire. We can advance that ambition whenever we buy goods, works or services. By looking beyond the financial cost of a contract or purchase, we can also consider how it might also improve the county's economic, social and environmental wellbeing. These additional, tangible benefits are known as "social value". This policy document sets out how we will work together with our supply chain to achieve social value, and how all staff, partners and suppliers can play their part in delivering flourishing communities and a bright future for all in Oxfordshire.

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## WHAT IS SOCIAL VALUE?

Social value is any additional economic, social or environmental benefit generated through Oxfordshire County Council (“the Council” and “OCC”) activity, including when procuring goods, works or services from the Council’s suppliers and the supply chain. In order to create these added-value benefits and improve on current practice, we and our suppliers will plan how contracts and projects can deliver social value outcomes in a flexible, proportionate and relevant way. This could be, for example, by:

- offering jobs or apprenticeships to military leavers and/or care leavers,
- reducing pay gaps, such as gender, ethnicity, and disability,
- promoting equality and inclusion in the workforce, including through employment and support of staff with disabilities (physical, learning, hidden, etc.)
- sponsoring local community assets (such as village halls or playparks),
- donating to or working with local charities, schools, social enterprises, etc.,
- reducing carbon footprint over time, e.g. by switching to ultra-low emission vehicle fleets,
- or increasing commitment to reducing, recycling or composting waste; or restoring natural habitats to boost biodiversity.

These additional benefits can be measured through financial and non-financial metrics and can encompass the entire supply chain. This means that for every £1 spent by OCC, our suppliers can calculate the added-value return over and above the £1 cost. In some cases, our suppliers may already be delivering these added-value benefits, so the implementation of this Policy is an opportunity to capture and report this for our local communities too.

## POLICY AIM

The aim of this policy is to enable the Council’s spending to go further by encouraging suppliers to commit to providing additional social value that will benefit local communities within Oxfordshire. These additional economic, social and environmental benefits will be provided by our suppliers during the contract or purchase delivery phase, and will contribute towards achieving the Council’s priorities as set out in our Corporate and Business Plans.

As such, this Social Value Policy acts as the ‘golden thread’ between the Council’s Corporate Plan and the Council’s procurements, to unlock additional economic, environmental and social benefits to deliver our strategic priorities.

Through small, low-cost adjustments to the procurement and management of our contracts and single purchases, the Council will be better able to monitor and diversify the social value that their suppliers choose to deliver. This will ensure that OCC’s procurements have a greater

and more relevant impact on local communities, and will help to secure a bright future for their residents.

## **POLICY SCOPE**

This Policy applies to all spending above £100,000 on third-party contracts and single purchases by OCC's Procurement & Contract Management Hub, acting on behalf of the Council. In future, there may be decisions outside of procurement, such as planning, grants, joint ventures and frameworks when this Policy could also apply, and where significant social value could be unlocked.

Beyond our organisation, the Council is also committed to explore working with partner organisations, including the NHS, Fire and Police and Oxfordshire Local Enterprise Partnership (OxLEP) to increase the amount of social value delivered collectively by public sector organisations through jointly agreed approaches.

## **INTRODUCTION**

### **Delivering Our Priorities**

Oxfordshire County Council is committed to delivering goods, works and services that create vibrant communities under our governance. Contained within the Council's Corporate Plan are the following strategic priorities:

- **Taking climate action for a zero-carbon future:** Lead on environmental sustainability by delivering on our commitments to be carbon neutral from our own operations by 2030, enable a net-zero carbon Oxfordshire by 2050 and collaborate with suppliers to bring down supply chain emissions
- **Promoting diverse local skills & employment:** Support a flourishing local economy by improving transport links to create jobs and homes for the future; promote low carbon jobs; improve infrastructure to strengthen the rural employment market
- **Supporting growth of local and diverse SMEs, the green economy and attracting responsible investment:** An enterprising and innovative economy with strong and vibrant local centres that drives sustainable local growth for Oxfordshire, and maximises the local benefits of net zero transition
- **Flourishing, safer & more connected communities:** We strive to give every child a good start in life, provide opportunities to support active lifestyles, promote health and wellbeing, work with partners to address the causes of health inequality and cultivate inclusive and safe neighbourhoods.

### **Legislative Context**

The Public Services (Social Value) Act 2012 ("the Act") came into force in January 2013, cementing the responsibilities of a contracting authority when procuring those services contracts that are subject to public procurement regulations. The Act requires and encourages councils to take into account the 'economic, social and environmental wellbeing of the relevant area' in its procurement activity.

OCC intends to make a further commitment, by going beyond the Act's requirements and implementing this policy into all aspects of its commercial and procurement activity, wherever practicable. In doing this, both the letter and the spirit of the Act can be delivered whenever the Council engages in third-party purchasing and contracting.

### **Why is Oxfordshire County Council Doing This?**

Incorporating social value into our procurement process can be achieved with minimal additional time and cost, yet it is a change that can make a real difference to people in the local community, to service delivery and to the Council's spending plan as a whole. Adoption of this policy will provide benefits that meet our corporate priorities, as detailed in the Corporate and Business Plans, the Climate Action Framework and the joint Including Everyone: Equalities, Diversity and Inclusion ("EDI") Framework.

#### Local Suppliers and Local Employment

A key aim of the social value policy will be to increase spending with local suppliers, which would support the local economy and job market. By underlining the importance of local suppliers in our tendering process, the Council will also be better placed to keep more of the social value addition within Oxfordshire. This will enable both areas to build back better and contribute to other key priorities including emission reductions and vibrant communities.

Examples of such added value and tangible benefits might include:

- More jobs created for disadvantaged individuals
- More opportunities for local Micro, Small and Medium Enterprises ("MSMEs") and Voluntary, Community and Social Enterprise ("VCSE") organisations through targeted spending
- Improved employability for young people through meaningful work placements, apprenticeships and careers support
- Recruiting and reskilling of personnel away from high carbon industries
- An increase in the number of local employers paying at least the Joseph Rowntree Foundation Living Wage
- Equality, diversity and inclusion training provided both for staff and supply chain staff
- Air pollution is reduced through more sustainable corporate transport
- A commitment by the supplier to reduce a specified level of carbon emissions from particular aspects of their contract or purchase delivery or from their supply chain.

## **POLICY OBJECTIVES & SOCIAL VALUE FRAMEWORK**

### **Objectives**

The objectives of the social value policy are to maximise the local impact of the Council's spending and to:

- Introduce a social value management tool that supports the delivery of our strategic priorities for the people and environment of Oxfordshire
- Provide a consistent approach to measuring and reporting social value throughout the provision cycle, including continuous improvement
- Define and implement a robust, transparent and efficient digital solution for assessing and awarding the social value segment of tenders, and managing relevant supplier performance during the contract lifecycle
- Allow organisations to compare their own social value performance by sector and build, over time, industry benchmarks to understand 'what good looks like' in Oxfordshire
- Reduce the uncertainty surrounding social value measurement for organisations, allowing them to make informed decisions based on robust assessments and hence to embed social value into their corporate strategies.

### **Social Value Measurement Framework**

The National Social Value Measurement Framework (the "Measurement Framework") will underpin and empower the objectives of this policy, by allowing us to unlock, measure and report the social value provided by our suppliers during the provision cycle. The Measurement

Framework is also known as the “National TOMs” because it is built around a set of Themes, Outcomes and Measures, and in recent years has become the most commonly used framework in the UK. The National TOMs were launched in 2017 by the [National Social Value Taskforce](#), chaired by the Local Government Association (LGA), with over 40 members from organisations representing central and local government, the private sector and the third sector.

The National TOMs provide a flexible, measures-based calculation framework designed to articulate social value outcomes in terms that can be objectively assessed. It was conceived and developed to be evidence-led and applicable over the ‘whole life’ of a contract or single purchase, as well as throughout the provision cycle.

### Oxfordshire County Council's TOMs

THEME	OUTCOMES
PROMOTING DIVERSE LOCAL SKILLS & EMPLOYMENT	More local people in employment
	More opportunities for disadvantaged people
	New and improved skills for local people
	Improved employability of young people
SUPPORTING GROWTH OF SMEs, THE GREEN ECONOMY AND ATTRACTING RESPONSIBLE INVESTMENT	More investment and opportunities for local MSMEs and VCSEs
	Improving staff wellbeing and mental health
	Increase and promote fair and equal pay, and reduce pay gaps (gender, ethnicity, disability, etc.), by collaboration with suppliers
	Encourage best practice and ensure compliant, ethical procurement
	Social Value embedded in the supply chain
VIBRANT, SAFER & MORE CONNECTED COMMUNITIES	Addressing the causes of health inequalities
	Vulnerable people are helped to live independently
	Crime and anti-social behaviour is reduced
	Engage with our communities, develop strong ties and collaborate on projects to improve the local area together
TAKING CLIMATE ACTION FOR A ZERO-CARBON FUTURE	Carbon emissions are reduced
	Air pollution is reduced
	Safeguarding the natural environment
	Resource efficiency and circular economy solutions are promoted
	Sustainable procurement is prioritised
ENCOURAGING SOCIAL INNOVATION	Other measures (TBD)

Figure 1: OCC Social Value TOMs framework

Each of the Measures behind the Outcomes have been assigned a proxy value which allows organisations to report their delivery in financial and non-financial terms. These values were agreed by the National Social Value Taskforce and stem from public sector data sources such as the Unit Cost Database (UCD), following benefit analysis techniques as outlined in the HM Treasury Green Book and other relevant monetary valuation techniques, such as benchmarking of market prices.

There are several benefits to using both the National TOMs and the tendering and contract management portal, known as the Social Value Portal (“the Portal”) for Oxfordshire County Council. We will be able to:

- ✓ Objectively compare and benchmark year on year social value delivered between contracts and services, to seek sharing of best practice and drive better performance
- ✓ Gain a deeper understanding of where social value is being generated within our suppliers and areas - as well as where more social value could be unlocked to improve outcomes
- ✓ Puts a common language (the £) against the positive impact our spending brings to the area, to inform service planning, tendering and purchasing

- ✓ Being better informed, about where further social value could be unlocked locally, will develop and support our communities, in turn creating a more resilient, healthier and prosperous workforce to contribute to a flourishing Oxfordshire.

See Annex One for the full Measurement Framework.

## **UNLOCKING SOCIAL VALUE: PROCUREMENT & CONTRACT MANAGEMENT**

Oxfordshire County Council is committed to a performance and evidence-based approach to unlocking social value, which will ensure that suppliers' tender responses and/or proposals are assessed fairly and independently. The Council will be using the Portal during the tendering process, as well as to monitor supplier performance in the delivery of this added social value during the contract lifecycle.

Companies due to take part in tender exercises will be invited to attend a webinar to learn more about social value bidding, which are held on a monthly basis. Candidate bidders will then receive the Invitation To Tender ("ITT") document(s) and be able to enter the details of their social value bid response onto the Portal by the deadline, ready for bid evaluation and business award processes.

When using the Portal during the bid evaluation and business award processes, the Council will review the additional social, economic and environmental benefits that candidate bidders have offered to deliver for local communities. This will form part of the decision-making process, alongside the separate evaluation of Price and Quality undertaken by the Council directly. This will result in the award of business to the winning bidder, and they will then become a council supplier.

The new supplier will have a performance management account created for them on the Portal. This account will be used periodically during the contract term by the supplier and OCC, to keep track of the delivery of the social value offer made during the earlier tender exercise. The supplier's performance data will be available in unit measures and/or converted into £ GBP value, enabling useful analysis and purposeful discussion to take place.

Existing suppliers, whose contracts have already started, can still choose to submit social value proposals onto the Portal, and to have their delivery performance monitored against these proposals for the remaining duration of their contract with OCC. This will enable the Council to unlock this added social value more quickly than waiting for each tender exercise to take place as scheduled.

Where social value is considered as part of a tender exercise, the public sector Equality Duty continues to apply. A central aim of the Social Value Policy is to promote positive equality outcomes.

### **Spend Threshold**

In order to maximise the effectiveness of this social value policy, while still maintaining the efficiency of the provision cycle, a spend threshold has been set at £100,000 GBP. The threshold assessment should be conducted at the start of the provision cycle and be based on the estimated spend during the contract or purchase's whole lifecycle.

Any proposed contracts or single purchases below this threshold can proceed through the provision cycle without needing to comply with the requirements of this policy. This means there is no need for suppliers of lower value goods, works or services to interact with the Portal or submit any social value tender responses. However, any supplier may choose to submit a

social value proposal (at any point during their contract's lifecycle) to the Portal, even if the contract or purchase has previously been assessed as below threshold.

All contracts or single purchases above this threshold will need to comply with the requirements of this policy, unless an exemption waiver has been obtained (see paragraph below for details). This means that suppliers of higher value goods, works or services will need to interact with the Portal to submit tender responses and performance management data while any contract is active.

If an exemption is proposed or required for any contract or single purchase above the spend threshold, a waiver can be obtained from the Head of Procurement and Contract Management or their delegated authority. Requests for such an exemption should be made on an exceptional basis only and should include an appropriate business case. Requests will only be granted following review of the business case and any prior history of exemption requests. If the exemption is granted, then the proposed contract or purchase can proceed through the provision cycle without needing to comply with the requirements of this policy.

### **Tender Evaluation Weightings**

In order to support and deliver on the Council's priorities as set out in the Corporate and Business Plans, it has been agreed that a standalone evaluation weighting will be applied to each tender exercise that has been assessed as above the spend threshold. The evaluation weighting is intended to measure the following:

- Social Value: the economic, social and environmental outcomes offered by suppliers and linked to the National TOMs (as adapted to suit the Council's needs).

This will emphasise the importance of social value to our candidate bidders, which should result in better quality engagement with the Portal and the submission of considered and effective tender responses, that are tailored to the requirements of OCC and our residents.

The evaluation weighting will be structured into two tiers, and the applicable tier will depend on the estimated spend during the contract or purchase's whole lifecycle. The tiers will work as follows, unless an exemption waiver has been granted:

- A lower tier that includes all contracts or single purchases above the spend threshold (£100,000 GBP). A minimum of 12% social value evaluation weighting will be applied to all eligible tender exercises above the spend threshold;
- An upper tier that includes all contracts or single purchases that are above the Public Procurement thresholds. A suggested minimum of 16% social value evaluation weighting will be applied to all eligible tender exercises in this tier.

To support and enable the Council's Climate Action Framework (click [here](#) for details), and to help realise the commitments therein, all Climate Action measures within the TOMs Measurement Framework will have a maximum prioritisation weighting in the Portal. In addition, for all contracts or single purchases that are above £500,000 GBP (the "climate action threshold"), a delivery plan is required in which candidate bidders must explain their planned approach to climate action in detail.

### **Established and New Frameworks**

Where an established framework allows, it is expected that the evaluation weightings for quality and price will be reduced in equal proportions, to preserve the respective ratios that existed prior to the introduction of this social value policy. For example, in the case of a lower tier tender exercise, where price was evaluated at 60% and quality at 40% of the overall score, then future tenders will be evaluated as follows:

- Price: 54%

- Quality: 34%
- Social Value: 12%

Where an established framework does not offer this flexibility, it is recommended to contact the framework owner to request whether an exception can be made to allow implementation of this social value policy. If the exception is not granted, it is recommended to ask for the date of the next refresh of the framework, and whether any adjustment is planned to take account of social value policy and the Public Services (Social Value) Act 2012. This will enable appropriate next steps to be taken, such as a contract extension if a new framework is shortly due to be introduced, or an exemption waiver (for details, please see the Spend Threshold section above) if no flexibility in the framework exists or can be granted on an exception basis.

If a change to the percentage social value and/or climate action evaluation weightings is proposed or required for any contract or single purchase, then authorisation should be obtained from the Head of Category if above the contract spend threshold or the Head of Procurement and Contract Management if above the Public Procurement thresholds. The authorisation request should provide full details of the change in the percentage evaluation weightings and an appropriate business case.

Where any new frameworks are established by OCC for our own use, social value will be included as part of the selection tendering process. Evaluation weightings will be applied in line with those set out in this Social Value Policy.

### **Accessibility**

We are taking steps to improve the accessibility of the procurement process itself, to encourage a diverse range of bidders to participate in tenders relevant to them. It is important that e.g. local businesses, MSMEs, and companies with diverse ownership or management are well-supported and feel included as they build their experience. This will increase the likelihood of their participation in future. We also ensure that such businesses have fair access to participate in relevant tenders alongside their national and global counterparts, and our established supplier base.

Such steps may include:

- Ensuring that financial turnover thresholds are appropriate and relevant to the value and criticality of the tender, and where financial risk is not high, to ensure small, local firms or MSMEs are not excluded;
- Dividing larger contracts into lots, e.g. geographical zones, so that small organisations with limited capacity can bid for part of the contract;
- Promoting a healthy local supply chain, including building awareness of Council purchasing activities and driving regular tender participation from small, local and diverse businesses, alongside their national and global counterparts
- Ensuring the procurement process is accessible to bids from consortia or partnerships, which can be formed from a number of small and/or local businesses;
- Engage small, local and diverse suppliers with the soft market testing phase prior to major tender exercises, as well as regular market briefings, to build understanding and awareness of Council procurement processes.

### **Throughout the Provision Cycle: Procurement Process Flow**

The process flow for this social value policy is structured as follows:

1. Threshold Assessment
2. Final Options and Business Case
  - Sourcing Plan
  - Authorisations



3. Tender Document Preparation and Tendering
  - Evaluation Weightings
  - Bidders
  - Prioritisation
  - Evaluation
  - Supplier Debrief and Feedback
  - Business Award and Contracting
4. Contract Management

The full process flow can be found in Annex Two below and should be consulted after threshold assessment has been completed. All relevant steps should be followed to ensure full compliance with this social value policy.

## **GOVERNANCE**

A Cabinet member and Senior Officer for social value have been assigned to lead and govern this Policy. These are supported by a Social Value Board and Social Value Leads, managers and officers.

Oxfordshire County Council will periodically review this Social Value Policy. In doing so, OCC will take account of any changes in legislation pertaining to the Public Services (Social Value Act) 2012, Public Contracts Regulations 2015, the Local Government Act, EU Regulations for as long as these remain applicable, and any changes to the Council's priorities, when it is reviewed.

To further communicate this Policy's performance and progress to all stakeholders, the Council will release an annual Social Value Statement from 2022 to outline key areas of focus, future targets, operational procedures, successes and to communicate key messages to staff, partners, suppliers and other locally based organisations impacted by our social value performance.

## ANNEX ONE

### OCC TOMs FRAMEWORK AND USEFUL LINKS

#### TOMs Framework

#### Useful Links

- [\*\*The National TOMs:\*\* The Nationally accredited measurement framework for measuring Social Value through partnership with the LGA](#)
- [\*\*Short films\*\* from the Local Government Association on how to use the TOMs](#)
- [\*\*Guidance document for Bidders:\*\* Social Value Portal's bidder guidance](#)
- [\*\*National Social Value Taskforce:\*\* An open network which welcomes any organisation to get involved](#)



## ANNEX TWO

### THROUGHOUT THE PROVISION CYCLE: PROCUREMENT PROCESS FLOW

#### 1. Threshold Assessment

Conduct a threshold assessment based on the estimated spend during the contract or purchase's whole lifecycle and, if above threshold, determine whether the tender exercise should be run using the lower or upper tier of evaluation weightings for social value (see detail below via bullet point 'Evaluation Weightings').

If an exemption waiver is proposed or required, prepare an appropriate business case, and apply to the Head of Procurement and Contract Management, or their delegated authority, for their waiver authorisation.

#### 2. Final Options and Business Case

This phase seeks to identify the instances in which the Council should either deliver works or services itself, procure goods, works or services from an external provider or follow a strategy somewhere in-between these two options. Consideration of securing Social Value through a procurement plan will be required for instances where external providers are required.

- **Sourcing Plan:**

Pre-market engagement and any consultation requirements should be considered here, with the aim of identifying the appropriate, relevant and achievable elements of social value that could be delivered through the life of the contract.

- **Authorisations:** Follow the relevant authorisation routes for the options paper and/or the sourcing plan as set out in the Provision Cycle, ensuring that the social value elements are signed off at the same time as the overall document being reviewed.

#### 3. Tender Document Preparation and Tendering

- **Evaluation Weightings:** Informed by best-practice across authorities in England, having analysed our recent years of spending and aligned this policy with the Council's Corporate and Business Plans, our evaluation weighting and thresholds reflect the biggest potential that can generate meaningful value creation:

- For contracts above £100,000 GBP (goods, works, services), a minimum of 12% social value evaluation weighting will be applied;
  - Exemptions within this threshold may exist, such as for contracts less than six months in duration;
- For contracts above Public Procurement thresholds (goods, works, services), a suggested minimum of 16% social value evaluation weighting will be applied;
  - Exemptions within this threshold may exist, such as for tender frameworks with fixed evaluation weightings.

All Climate Action measures within the TOMs Measurement Framework will have a maximum prioritisation weighting in the Portal. In addition, for all contracts or single purchases that are above £500,000 GBP (the "climate action threshold"), a delivery plan is required in which candidate bidders must explain their planned approach to climate action in detail.

- **Bidders:** Based on the OCC TOMs framework, bidders will be required to propose credible targets against which their performance will be monitored.<sup>1</sup> It is important for bidders to understand the specific requirements set out in the Invitation to Tender (ITT) documents.
- **Prioritisation:** Prioritisations will be given in the Council's Social Value tender requirements to certain Social Value measures that provide the most benefit according

<sup>1</sup> Please note that OCC is not being prescriptive as to which TOMs measures are being sought from bidders by way of Social Value proposals. Bidders are free to choose those measures that are proportional and relevant to their business and to the specific contract. A key success factor for bidders will be their ability to deliver against the social value commitments they have made.

to the local area's needs and deprivation. With a climate emergency declared by Oxfordshire County Council, the climate action measures will be prioritised for all tender exercises run through the Portal.

- **Evaluation:** Social value bid evaluation is both quantitative (TOMs) and qualitative (supporting delivery statement for each measure). Scoring the quantitative and qualitative evaluation is split 60/40 by default, to ensure that targets are deliverable and well-evidenced, although it will be possible to adjust these sub-weightings to suit the needs of a given tender. The scoring process will be based on the following key elements:

Quantitative	Qualitative
<p>The quantitative Social Value score will be calculated using the formula below:</p> $\frac{\text{Bidder's total social value offer}}{\text{Value of the highest social value offer from all bidders}} \times 100$ <p>The bidder submitting the highest Social Value bid will be scored 100% for this section. All other bidders will be scored in relation to the highest Social Value bid.</p>	<p>Bidders must accompany input target figures for specific Social Value measures with a rationale for each Social Value proposal in the Description / Evidence Box and/or Delivery Plan on the Portal, which demonstrates that they have credible processes in place to deliver their social value commitments on time and to an appropriate standard.</p>

The way in which these proposals will be scored as part of the tender process will be completely transparent and suppliers will know how their Social Value proposals will be evaluated by the Council. For additional guidance see the Useful Links section above.

- **Supplier Debrief and Feedback:** Follow the relevant supplier debrief and feedback process as set out in the Provision Cycle, according to the total contract spend value. Ensure that the social value scoring and reasons are included within the overall feedback as appropriate.
- **Business Award and Contracting:** At the conclusion of the tender process, the business will be awarded to the winning bidder and a formal contract will be entered into (except in the case of single purchases, where instead a short set of terms and conditions may be agreed between the parties). In any case, the contract or agreed terms and conditions shall incorporate the social value commitments made as part of the winning bidder's response. For a contract, this will likely take the form of a schedule, located after the contract's signature page.

#### 4. Contract Management

Responsible officers will monitor social value commitments, with agreed reporting periods to track progress ensuring commitments are undertaken in their entirety and using the Council's leverage when suitable to support delivery.

The Council will seek to hold suppliers to all their contractually specified social value commitments and these will be treated like any other commitment specified in the price or quality component of the suppliers bid submission. In the event of a supplier being unable to deliver one or more of their social value commitments, the Council will permit the supplier, subject to proper agreement and authorisation, to deliver one or more suitable alternative social value commitment(s).