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Social Value Policy

2025



Ashfield

DISTRICT COUNCIL

Introduction

The Council recognises the important role it can play in enabling Social Value through its procurement activity. Through our approach to social value, we have integrated economic, environmental, and social sustainability into our procurement processes.

The Procurement Act 2023 improves on existing legislation while remaining compliant with international obligations. Our Social Value Policy also aligns with the National Procurement Policy Statement Which is provided for at section 13 of the Procurement Act 2023 (Act).

Background

The Public Services (Social Value) Act 2012 came into force in January 2013 cementing the responsibilities of a contracting authority when procuring services contracts subject to public procurement regulations to consider the “economic, social and environmental wellbeing of the relevant area” in its procurement activity. Ashfield District Council intends to further commit itself to the Act by going beyond the Act’s requirements and implementing this policy into all aspects of its commercial and procurement activity where it is practicable to do so. In doing this, both the detail and spirit of the Act can be delivered in all Council commercial and procurement activity.

Under the Procurement Act 2023 there is the legal requirement for public sector buyers to move from awarding contracts based on M.E.A.T (Most Economically Advantageous Tender) to M.A.T. (Most Advantageous Tender). This means considering the wider benefits for the community in which the contract will be delivered, such as creating local employment opportunities, carbon emissions reduction or using a local supply chain – all of which naturally fall under the umbrella of Social Value.



What is Social Value?

Social Value has been defined as the additional benefit to the community from a commissioning/procurement process over and above the direct purchasing of goods, services and outcomes. The Public Services (Social Value) Act 2012 states: 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
- (b) how, in conducting the process of procurement, it might act with a view to securing that improvement.

To really deliver social value and have it fully embedded and considered; commissioners must move away from just considering the core service being delivered by a supplier to one that recognises the overall value of outcomes delivered.

Where profit is measured in standard accounting terms, Social Value is measured by actions, with a Social Value £ attributed to it. For instance, employing someone who has been long-term unemployed saves money for the government in benefit payments and provides income to the newly employed individual who will be able to spend in the local economy. Also, as a result of having that job, they are likely to be healthier for longer and so not become a burden for the NHS. All these benefits can be valued.



Why is Ashfield District Council doing this?

Requiring suppliers to deliver social benefits while they deliver the main element of their contract means that there is a magnified benefit for the Council. Incorporating social value into our commissioning and procurement process is not difficult and can make a tangible difference to people in the community, to service delivery and to the council's spending plans as a whole. Adoption of this policy can provide the following benefits:

- Encouraging a diverse base of suppliers Promoting supplier diversity; including the participation of small and medium sized enterprises (SME's) and 3rd sector organisations, and local suppliers in general;
- Promoting fair employment practices Ensuring workforce equality and diversity within supply chains;
- Meeting targeted recruitment and training needs Offering a range of apprenticeship, training and skills development opportunities as well as employment opportunities;
- Community benefits Maximising opportunities for [insert name] organisations to participate

in the council's supply chains and encouraging suppliers to make a social contribution to the local area;

- Ethical sourcing practices Ensuring compliance with UK, EU and international standards, promoting fair trade and fair pricing policies, tackling corruption, child labour, animal welfare, blacklisting of union members and similar social issues; and
- Promoting greater environmental sustainability Minimising waste and pollution, supporting carbon reduction initiatives, furthering energy efficiency and other sustainability programmes. Social Value is the value an organisation contributes to society beyond a reported profit. It is often delivered without an organisation realising that is what it is, particularly in the small business community. Examples of Social Value initiatives include donating staff time for volunteering, committing to sustainable procurement practices, offering apprenticeships, and training programmes, buying and employing locally, and reducing carbon emissions. These are all things that may currently be being delivered by business partners but not measured.

For every pound that Ashfield spends, we will aim to deliver at least the same value of return in social value



Policy and legislative context

This Social Value Policy fully supports the council's corporate priorities in:

- The Council exists to serve the communities and residents of Ashfield.
- Providing good quality, value for money services.
- Act strategically and plan for the future, working with others to bring about sustainable improvements in people's lives.

Delivery

In practice this Policy will be applied as follows:

- (i) As a minimum, all procurements over £50,000 will be required to include social value metrics as a part of the scoring and evaluation process. However, wherever possible to do so, procurements below this value should also seek social value benefits from contracts.
- (ii) The standard weighting for social value will be a minimum 10% of the overall evaluation score and where it is feasible, this may be higher.
- (iii) The National Themes, Outcomes and Measures (TOMs) measuring tool as agreed by the Local Government Association will be

used to capture SV offers from bidders to ensure offers can be evaluated in an open, fair and transparent way

- (iv) Once a procurement exercise is concluded, the responsibility for ensuring the committed social value benefits is delivered will fall to those officers responsible for contract management of that individual contract.
- (v) Ashfield in partnership with Social Value Portal will require bidders for contracts to supply social value targets for delivery. From £50k to £100k a lite version of the TOMs known as the "Ashfield TOMs" will be used for bidders to refer to in their tender responses. Over £100k will require bidders to refer to and use the full set of National TOMs published by Social Value Portal.
- (vi) Contractors awarded tenders will be expected to deliver on the deliverables that they have set out in their tender response, and this will be measured and tracked via the Social Value Portal to allow for contract managers to address with contractors as it forms part of the contract delivery performance.



How we will achieve these

- Ensure there is clear vision and direction for implementing our social value strategy
- Paying suppliers promptly
- Adopting a place-based approach which is supported by a local needs analysis
- Engage with Elected Members to ensure a clear and consistent vision is supported at all levels
- Ensure that the principles of social value is taken into consideration at all levels of decision making
- Ensure that social value is included in corporate procurement activities
- Promote social value activity taking place across the Council and celebrate success through promoting achievements and outcomes
- Establish mechanisms to coordinate and monitor information on Council contracts and to build this into our performance system for reporting.
- Promote social value with suppliers and ensure consultation within the marketplace at pre-market stage
- Provide more opportunities with SME's, social enterprises and voluntary and community organisations to network with larger companies to better develop local supply chains
- Promote good sustainable behaviours
- Working with suppliers to ensure the maximum delivery of Social Value
- Delivering at a community level and support the Council's Health and Happiness aspirations
- Support the local economy by working with new and established businesses
- Supporting local businesses

The relevant documents and links can be found on our Procurement web page



Measuring the impact of Social Value

The impact of social value activities on the local community and on people's wellbeing will be measured to ascertain the extent to which this policy is supporting the delivery of improved outcomes.

Social value measurement and evaluation is an evolving field we will continue to work with Social Value Portal in this area. We will continue to work with partners locally and regionally to further build our understanding of measurement and evaluation of Social Value, and to share expertise and best practice.

When measuring Social Value, the council will consider both soft and hard outcomes. Soft outcomes are things that cannot be directly measured e.g. well-being. Hard Outcomes can be clearly defined, are tangible and more easily measured in figures.

Outcomes over outputs

It is considered that social value should always be evaluated for quality and not quantity. A large, national company might have the capacity to create an apprenticeship whereas a smaller business may partner with other local organisations to create specialist training, using their unique skills. Both contribute to the development of new skills, but in ways that suit the bidders' skills and capacity. Evaluating proposals based on how well they contribute to the desired outcome, rather than on how much they promise, levels the playing field and encourages innovation.

Monitoring and reporting internally will be managed through the current performance management framework and reported to the Corporate Leadership Team periodically and then included to members annually.

We will use a balanced scorecard to measure and monitor the social value rate of return as well as through benefits realisation tracking for project delivery. The place-based approach focuses on outcomes rather than a transactional approach and the delivery of social value will align with the local needs analysis undertaken which considers the economic, social and environmental needs of local residents and businesses.

Our reporting data will be validated by Social Value Portal ensuring that the data has been validated by a third party this will ensure that it is measured and reported for consistency and transparency.

Review

Ashfield District Council will periodically review its Social Value Policy. In doing so, it will take account of any changes in legislation pertaining to the Public Services (Social Value Act) 2012, the Local Government Act, Procurement Regulations and any changes to the council's priorities when it is reviewed.