

## 1. Introduction

- 1.1. The Council is responsible for the delivery of a wide range of statutory and discretionary public services. The Council delivers its services directly through its own workforce, and through private and third sector organisations. The Council spends over £186 million a year procuring a diverse range of goods, services and works from over 4,500 suppliers, service providers and contractors.
- 1.2. The Council has a responsibility to manage public money with probity, to ensure that value for money is achieved and to manage it in such a way that we can support wider Council objectives. The Council's Procurement Strategy 2016-2021 set an increased focus on the delivery of social, economic, environmental and cultural well-being through the way in which it manages its procurement activity.
- 1.3. The Council seeks to ensure that relevant contracts include 'Social Value' outcomes, so that the positive impact of Social Value is evident in helping to support its residents, communities and the County's economy. A Social Value approach is vital in order to better integrate social, economic and environmental sustainability into the commissioning cycle and procurement process to maximise additional value in its contracts.
- 1.4. The Council has adopted a Strategy for the generation of Social Value across its activities. The Strategy has a broader scope than procurement activity but provides the strategic context for this policy.

## 2. Purpose and aims of the policy

- 2.1. In order to incorporate the good practice associated with Social Value into mainstream commissioning and procurement practice, it is the intention of Flintshire County Council to embed this policy and framework within all commissioning and procurement activity wherever proportionate and practicable. This policy statement sets out the aims in this regard. In particular it seeks to:
  - provide an enabling framework for officers to deliver the Social Value Strategy;
  - set out the policy context and application for Social Value to be delivered in procurement and commissioning procedure;
  - ensure that in all relevant procurement and commission processes, the officers responsible identify how best value can be achieved in the incorporation of Social Value;
  - ensure that, in specifying Social Value, the Council is setting quantifiable and achievable outcomes; and
  - ensure alignment with national policies and best practice guidance.
- 2.2. This Social Value Procurement Policy aims to create a framework to enable the Social Value Strategy to be applied to procurement and commissioning activities.
- 2.3. This policy sets out the legal context for Social Value with reference to the Procurement Strategy and the range of Social Value measurements and outputs that Flintshire County Council has agreed to consider and deliver through the commissioning and procurement activity.
- 2.4. The policy aims to demonstrate how the Council will implement the Well-being of Future Generations Act (Wales) 2015 to deliver Social Value through commissioning and procurement activities and to set out priorities in relation to Social Value.
- 2.5. The policy provides a framework for the Council and its suppliers to consider the wider impact of service delivery and to design services that meet service objectives and generate a wider social return where possible.

## 3. Legislative framework

- 3.1. The Procurement Strategy sets out the legislative framework relating to Social Value and the legislation is not repeated in any detail in this Social Value Policy. For full details of the legislative framework, reference should be made to the Procurement Policy. However, in brief, the legislative framework referred to in the Procurement Strategy is as follows:
  - The Wellbeing of Future Generations (Wales) Act 2015: creates a legal obligation for local authorities and other public bodies to plan and take action in pursuit of economic, social, environmental and cultural well-

being in their area and to consider the social good that could come from the procurement of services before they embark upon it.

- The Social Services and Well-being (Wales) Act 2014: This Act introduces a duty on local authorities and local health boards to promote the development, in their area, of not for profit organisations to provide care and support for carers, and preventative services. These models include social enterprises, co-operative organisations, cooperative arrangements, user-led services and the third sector.
  - The Local Government Act 1999 provides local authorities with the express power to deliver outcomes that it considers likely to achieve the well-being of the whole or any part of its area and/or all or some of the persons within that area. This provides the basis for the delivery of Social Value where the activity is directly relevant to the product or service being procured and helps Council deliver its key policy objectives.
- 3.2. In addition, the Welsh Government has published the “Community Benefits Guidance Delivering Maximum Value for the Welsh Pound”. The Guidance advises that mandatory clauses can be incorporated into public contracts in compliance with legal, policy and value for money obligations.

#### 4. Welsh and local policy drivers

- 4.1. The Flintshire County Council Procurement Strategy 2016-2021 has two main delivery outcomes:
- achieve value for money from the goods, services and works it procures; and
  - improve the contribution its procurement activity has on the local economy.
- 4.2. The Procurement Strategy sets out the Welsh and local policies relating to Social Value and is not repeated in any detail in this Social Value Policy. For full details of the Welsh and local Policies, reference should be made to the Procurement Strategy. However, in brief, the Welsh and local Policies referred to in the Procurement Strategy are as follows:
- The Wales Procurement Policy Statement establishes a number of key principles by which the Welsh Government expects public procurement to be managed across Wales including for the principles of the Wellbeing of Future Generations Act.
  - The Flintshire County Council Corporate Plan comprises seven outcomes that demonstrate how the Council will put the residents of Flintshire first in the way that services are provided.
  - The Flintshire County Council Social Value Strategy aims to:
    - get better value for public money by generating and demonstrating increased social return;
    - increase social commitment in a greater range of suppliers by encouraging long term behaviour shift and the development of social partnerships between companies and the local community; and
    - deliver wider impacts from service delivery by considering how benefits can accrue to the wider public sector.

#### 5. Defining Social Value and Community Benefits

- 5.1. The term Social Value is derived from the Public Services (Social Value) Act 2012, which requires all local authorities and other public bodies in England to consider the social implications of the procurement and commissioning of services. The Social Value Act itself which does not apply to Wales does not define ‘Social Value’.
- 5.2. The Well-Being of Future Generations (Wales) Act 2015 also does not define what is meant by ‘Social Value’. Therefore the Council will adopt the definition of Social Value as set out by Social Value UK: “Social Value is a way of thinking about how scarce resources are allocated and used. It involves looking beyond the price of each individual contract and looking at what the collective benefit to a community is when a public body chooses to award a contract.”
- 5.3. It is important that the difference between Social Value and Community Benefits is understood:
- Community benefits is the term that has been adopted by Welsh Government in their published guidance “Community Benefits Guidance Delivering Maximum Value for the Welsh Pound”.

- Social Value on the other hand goes beyond the traditional Community Benefits definition and includes additional Social Value outcomes such as delivering more community resilience objectives for example; supporting people to live independently; reducing crime and anti-social behaviour; or creating a healthier community.
- 5.4. For the purpose of this policy the definition of Social Value will be used rather than Community Benefits in order to facilitate a wider focus.

## 6. Implementation of the policy

- 6.1. This Policy is applicable to all Council employees across all services as well as any consultants or agency staff who carry out the following tasks:
- Make or authorise purchases;
  - Specify goods/services/works;
  - Write or evaluate tenders, quotations and other related documents;
  - Evaluate suppliers and manage their performance; and
  - Provide advice and guidance to others on procurement matters.
- 6.2. It is proposed that Social Value is considered by the Council in every commissioning or procurement exercise (i.e. every tendering process and every contract) where there are sufficient reasons to do so where it can be shown that it is relevant and proportionate and is compliant with procurement legislation.
- 6.3. For high value contracts it is expected that Social Value delivery will be mandatory in accordance with the thresholds in the Welsh Procurement Policy Statement published by Welsh Government.
- 6.4. It is the role of service commissioners and procurement leads to consider, on a contract by contract basis, what Social Value opportunities and outcomes that may be relevant to the contract, how to include Social Value in the specification and how to evaluate Social Value during the procurement process. This will be undertaken with support and guidance provided by the Council's Social Value Officer.

## 7. Financial contributions to a corporate Social Value fund

- 7.1. It is recognised that not all suppliers and contractors will have the resources to provide Social Value in practical terms during the life of the contract, either because the contract value is low or the contract duration is short or in the event they may not have the resources or capacity to deliver Social Value. Therefore suppliers may consider a commitment to an alternative option which is to provide a financial contribution to a Social Value fund operated by Flintshire County Council which will be a ring-fenced as a fully audited Council fund established exclusively to support community and community projects that meet the priorities set out in the Social Value Strategy. This fund will be managed and defrayed entirely at the discretion of the Council and its elected members.
- 7.2. Any cash contributions received will be ring-fenced for Social Value delivery priorities and projects. The Council reserves the right to allocate up to 10% of any cash contributions received to cover any administration costs of managing the Social Value Fund.

## 8. Communication of the Policy

### Internal Communication

- 8.1. The Council will communicate and publicise its approach across the Council to raise internal awareness and celebrate success. Communication initiatives will include:
- creating Social Value sections on the Council's intranet site and the external website;
  - briefing sessions, for example at Senior Management Teams
  - celebrating the successful use of Social Value in procurement;
  - provision of Social Value training for staff with a significant input into the procurement process;
  - providing a nominated contact point for advice and support with implementing Social Value; and

- updating this policy on a regular basis as or when required.

#### External communication

- 8.2. The Council will engage with suppliers, the private sector and third sector in order to seek feedback on this Social Value approach and raise awareness and improve suppliers' understanding about how to engage with it effectively.
- 8.3. The Council will provide training, awareness and consultation initiatives with third party suppliers through "Meet the Buyer" events for suppliers to work through innovative approaches to incorporating Social Value in their contracts.
- 8.4. The Council will provide guidance and support to suppliers to enable them to identify opportunities where Social Value benefits could be generated and how they could respond to the needs and requirements of Flintshire's communities.
- 8.5. The Council will celebrate positive use of Social Value by suppliers.

## 9. Future amendments to the policy

- 9.1. There is no 'one size fits all' model for realising Social Value; hence commissioners, procurement officers and suppliers nationally are still learning how best to realise, monitor and evidence Social Value in the procurement process. The aims and objectives of this approach, coupled with the Council's Social Value framework, will continue to be reviewed and updated to best reflect national developments and lessons learnt.
- 9.2. The approach will be regularly reviewed following full implementation. This will help to ensure that the framework can be strengthened on an iterative basis, so that it can respond as and when organisational priorities shift, or if the Council's monitoring and evaluation arrangements indicate that changes need to be made.

## 10. Governance and management

- 10.1. The Council will establish a central advice hub to provide officers with advice on their Social Value approach prior to procurement taking place and through the subsequent stages of the process.
- 10.2. The central team will be responsible for:
  - Promoting the benefits of delivering Social Value to commissioning officers and suppliers and delivering training in conjunction with the Corporate Procurement Team;
  - liaison with the Corporate Procurement Team in providing technical procurement support;
  - providing detailed Social Value support and expertise through the involvement of a dedicated Social Value Officer.
  - establishing a pool of thematic expert officers to provide advice on the different well-being themes;
  - developing a simple-to-use system to provide transparency during procurement; aid contract management and allow officers to quantify and define the specific Social Value deliverables across Flintshire at any point in time;
  - provide support to review Social Value proposals and challenge suppliers to deliver greater value;
  - provide support to potential suppliers to understand and adopt Social Value;
  - oversee the implementation of a consistent approach to Social Value;
  - carry out supplier audits of their delivery of Social Value;
  - deliver training and awareness raising to suppliers on the Social Value Strategy; and
    - link in to regional opportunities emanating from collaborative projects, including the North Wales Construction Framework.
- 10.3. The Council's Cabinet will oversee the overall delivery of the Social Value Strategy and associated policies
- 10.4. The Corporate Resources Overview Scrutiny Committee (CROSC) will receive periodical update reports on progress made in delivering Social Value for scrutiny purposes

- 10.5. A specific group will be established to manage the Social Value fund to provide robust governance arrangements for managing and distributing any cash contributions from suppliers and contractors.
- 10.6. The Social Value Implementation Group will be an officers group which will undertake the operational management of Social Value delivery and will review the Social Value register on a regular basis, providing challenge, scrutinise contractors' performance where necessary and make recommendations to Chief Officers Team (COT) as required. The Group will also oversee the development of an annual Social Value report, including case studies, so that progress is widely reported, including to Welsh Government.

#### Reporting and Monitoring

- 10.7. All Social Value information for each applicable contract will be recorded within a Social Value management system. This will include details of any Social Value targets set as well as actual Social Value commitments that has been delivered.
- 10.8. Council officers will be expected to record and monitor Social Value commitments based on the National TOMs Framework 2019 or other nationally recognised sets of indicators such as the Welsh Government Value Wales Toolkit. The Council is committed to maximising Social Value from its procurement activities. However, taking into account the overriding procurement principles of transparency and non-discrimination, Flintshire Council cannot specify that Social Value will be delivered only within Flintshire. For example, service commissioning officers cannot stipulate within tendering documentation that only Flintshire residents be employed or only Flintshire sub-contractors can be utilised.
- 10.9. The impact of Social Value to Flintshire will be monitored through a Social Value management system. The Social Value Officer will provide support and guidance to Officers and suppliers on how to use the system.
- 10.10. Progress on Social Value achieved against target will be reported as part of the half-yearly monitoring report to Cabinet and Scrutiny. This will also include information on Social Value generated.
- 10.11. Successful contractors and suppliers will be required to provide regular monitoring information outlining Social Value delivery progress.
- 10.12. However, if for genuine reasons, the contractor is unable to deliver a particular Social Value offer made, then through discussion with the Council it can, with agreement, change this for another Social Value offer of similar value/benefit. To accommodate such changes it is important that a change control process is set out in the contract terms and conditions, so that there is a clear mechanism for making changes to Social Value commitments where it is pragmatic to do so. This would include a commitment to a certain level (value) of Social Value and what might replace that value in the event of non-delivery.
- 10.13. The Council will commit to track suppliers that it works with and how they engage with its Social Value approach. This will enable the Council to identify if there are particular industry sectors or types of business which need to be targeted more effectively. This approach could generate competition and incentivise positive participation in this agenda.
- 10.14. It is intended that the Council's Social Value approach will evolve so that it can respond as and when the Council's priorities shift or the performance monitoring arrangements tell the Council of the need to make changes.

## 11. Roles and responsibilities

- 11.1. Generating Social Value through Council service delivery including procurement will remain the responsibility of individual service managers. The central support team will be able to provide advice and support to help officers and contractors to achieve this.
- 11.2. The Collaborative Procurement Unit and the Social Value support team will, for contracts up to the mandatory thresholds of £1m, discuss the use of Social Value in the procurement process with commissioning officers. .
- 11.3. The central Social Value support team will provide monitoring reports to the Chief Officer Team and to Cabinet and Scrutiny on the development of Social Value across the Council.
- 11.4. It will be the role of those planning the procurement to consider from the outset on a contract by contract basis the potential for Social Value to be delivered through the procurement process and the most appropriate way of achieving this. It will be the responsibility of the service commissioner to liaise with the central support team to discuss what Social Value outcomes would be most appropriate.

- 11.5. It will be the responsibility of the service contract manager to ensure that Social Value commitments are delivered against individual contracts. However the central support team will have an organisation wide visibility of all projects that include Social Value commitments and the central support team will provide support to contract managers as well as report the delivery and non-delivery of Social Value through the governance arrangements