

# SOCIAL VALUE POLICY

Creating social value in Rotherham



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**THE AIM OF THIS POLICY IS TO MAXIMISE THE  
LOCAL IMPACT OF THE COUNCIL'S SPEND AND  
THROUGH THIS HELP TO RAISE THE LIVING  
STANDARDS OF ROTHERHAM RESIDENTS.**

# FOREWORD, COUNCILLOR CHRIS READ, LEADER OF ROTHERHAM BOROUGH COUNCIL



Rotherham Council is committed to developing a positive sense of place and good quality of life for all its residents. We aim to do this not just through the services we provide and the work we do with our partners through economic development, but also by using our own purchasing power to bring added value to communities and individuals across the borough.

In 2018/19 the Council spent around £300 million with external suppliers and, as one of the leading procurers in the area, I want the Council to lead the way in supporting social value. We will do this by maximising the local impact of the Council's spend and, through this, help to raise the living standards of our residents.

I want to work with our partners, contractors and service providers to look at how we can gain additional social value from every pound we spend.

This could be achieved in a number of ways:

- It could be through creating local employment and training opportunities, particularly for young people or those who are struggling to get on a career path, such as disabled people
- It could be through supporting the growth of our community and voluntary organisations working in our neighbourhoods
- It could be through taking steps to reduce our impact on the environment.

As one of the fastest growing economies in Yorkshire, Rotherham has a strong track record of collaborative working between the public, private and voluntary sectors. This has led to major successes such as the advanced manufacturing park, our strong network of local businesses, and improved employment.

However, we still face many challenges including health, social and economic inequalities within the borough. By working together with our partners to embed social value in our contracts and commissioning processes we can help to improve the local economy further, increasing spend locally, developing innovative delivery models and creating new opportunities.

The social value policy sets out our commitment and I hope that other organisations locally, regionally and nationally will work with us to build real and lasting benefits for Rotherham communities.

# INTRODUCTION

Rotherham Council is committed to developing a positive sense of place and good quality of life for all its residents. These aspirations are set out in the Council Plan and this is the overarching strategic framework for this policy. These aspirations are also pursued through collaborative work with partners in the Rotherham Together Partnership and the Sheffield City Region.

This policy sets out how the Council will use its purchasing power to maximise the local impact of its spend. This will ensure that every pound the Council spends achieves the most value for Rotherham communities and residents, which is even more important in a time of continued austerity and increasing demand for services. This means making decisions that are not just based on financial cost but look at benefits to the wider community.

This could mean, for example, ensuring that residents can access employment opportunities from new developments in the borough or that young people could gain new skills to help them

find meaningful employment. It also means promoting the Council's ethical procurement guidelines to ensure that modern day slavery is eradicated in our town and make sure all employers in the region act responsibly.

As one of the leading procurers and commissioners in the area, the Council wants to take steps to increase the amount of additional social value from its contracts and commissioned services. The aim is to increase over time the proportion the Council spends with local businesses, thus supporting the local economy and helping small and medium-sized enterprises (SMEs) to flourish. The Council recognises that more could be done to support and strengthen the local supply network and the region's economic resilience, while also maximising the amount of social value delivered by companies that are based outside of the area. In addition, the Council is keen to develop its commissioning processes to open up opportunities for more co-designed services and sustainable local delivery models.

# WHAT IS SOCIAL VALUE?

The Public Services (Social Value) Act 2012 came into force on 31st January 2013. Local authorities and other public bodies have a legal obligation to consider the social good in contracts that are subject to the Public Contracts Regulation 2015. The aim of the Act is not to alter the commissioning and procurement processes, but to ensure that, as part of these processes, councils give consideration to the wider impact of the services delivered. The Act also promotes the use of co-design in commissioning processes as a valuable tool to strengthen local delivery.

Social value is defined by the Social Value Hub as:

*‘The benefit to the community from a commissioning or procurement process over and above the direct purchasing of goods, services and outcomes’.*

This definition is the one that has been adopted by the Council.

This policy provides an opportunity to integrate economic, environmental and social sustainability into procurement processes by developing a fresh approach to commissioning, one that builds positive relationships with providers and generates greater social value.

## Policy Purpose

This document sets out for procurers, commissioners, the Council’s suppliers and residents, Rotherham Council’s approach to social value, as well as the practical steps it will take to maximise the local impact of its spend. It should be read in conjunction with the minimum standards charter, which sets out our ethical procurement standards, and the social value toolkit which provides a step-by-step guide to the social value procurement process.

## Working with Partners

The Council is committed to working with partner organisations, including the NHS, Fire and Police, to collectively increase the amount of social value delivered by public sector organisations through a jointly agreed social value charter. The charter will set out the aims and outcomes for public sector organisations to maximise the amount of social value they deliver.

<sup>1</sup>NOMIS Annual Labour Survey, 2017 figures



# AIMS AND OBJECTIVES OF THE POLICY

The aim of the social value policy is to maximise the local impact of the Council's spend and to:

- Raise the living standards of Rotherham residents and work towards the JRF Living Wage.
- Increase the proportion of the Council's expenditure which goes to local businesses and providers rather than those elsewhere in the country.
- Build social value into all Council contracts and maximise the impact gained from every pound spent. We will introduce a rigorous system for assessing and measuring social value.
- Commit to the principle of co-designing services wherever possible

## The Council will achieve this by:

**Working with** partners and local businesses to raise living standards and promote the JRF Living Wage in Rotherham

**Increasing**, over time the percentage of spend with Rotherham businesses

**Promoting** the local economy so that small and medium-sized businesses and voluntary sector bodies can thrive

**Moving away** from purely transactional processes of procurement towards building relationships and working with locally-based organisations

**Ensuring** that any contracts with a value of over £100,000 demonstrate real and quantifiable social value and capturing the scale of additional social value achieved each year

**Ensuring**, where possible, that where the Council invites written quotations that at least one is from a local supplier.

**Adopting** the national Keep It Local principles

**Involving** local people and organisations in our commissioning processes through meaningful co-design

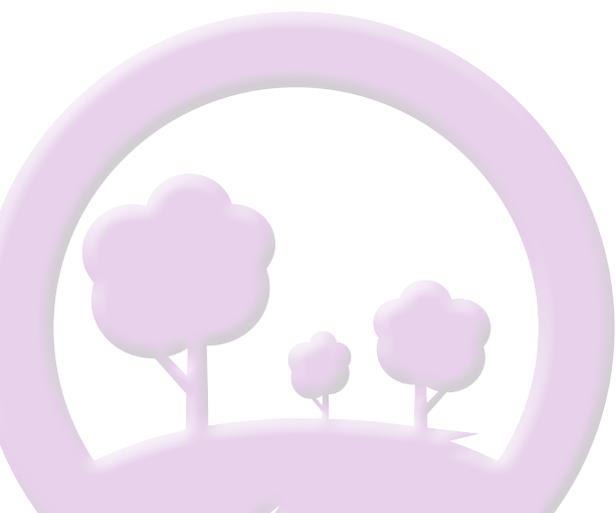
**Building** the capacity and sustainability of local voluntary organisations

**Creating** local employment and training opportunities, particularly for the most disadvantaged groups and communities

**Promoting** environmental sustainability and mitigating the effects of climate change through procurement and purchasing processes

**Promoting** fair and ethical trading through our contractors and in the supply chain

Successful implementation of the policy will be measured against six social value outcomes.



# SOCIAL VALUE WILL BE MEASURED AGAINST SIX OUTCOMES



## Raising living standards for residents

The central theme of this policy is increasing living standards for our residents. In Rotherham, average full time pay is 89 % of the national average and below the city region average. Pay for women in Rotherham is 61 % of male pay. We want to see more employers paying the JRF Living Wage over time.



## A strong local economy with employment and skills opportunities and a growing business base

As one of the fastest growing economies in Yorkshire it is important that local businesses are sustainable and able to expand. We want to increase the proportion of the Council's spend which goes to local businesses and ensure our contractors actively upskill their workforce.



## Young people have the opportunity to develop skills and find worthwhile employment

It is vital to ensure that young people, especially those who struggle to find employment or training, are given the skills that will allow them to thrive in the modern economy. Research shows that a young person who has four or more meaningful encounters with an employer is 86 % less likely to be Not in Employment, Education or Training (NEET) and can earn up to 22 % more during their career.



## Equality of opportunity for disadvantaged people and communities including disabled people

Some adults struggle to access employment opportunities – for instance the employment gap between those with a long-term health condition and the overall employment rate is 10.7 % . A thriving economy is based both on creating jobs and also ensuring that everyone has equal opportunities to access them.



## Strengthened and sustainable community and voluntary sector

The Community and Voluntary sector plays a vital role supporting the community in Rotherham. Ensuring that the sector is thriving and sustainable is a key aim of this policy.



## Greater environmental sustainability including accessible green public spaces

As the climate changes it is essential that the Council supports and protects the environment and delivers greater levels of sustainability. Central to this is ensuring we all play our part in reducing carbon dioxide emissions.

# SOCIAL VALUE FRAMEWORK

The social value framework will create a structured approach so that the application of social value is standardised across the Council. The framework is designed so that suppliers can take a bespoke approach to each contract to ensure that the social value element of the tender is appropriate, relevant and achievable. This will allow suppliers to innovate and show initiative in delivering social value.

The framework will apply to all contracts of a value of more than £100,000. The social value commitment will account for 20% of the overall score for tender bids. For contracts where the Council invites written quotations at least one should be from a local supplier.

The framework (see back page) describes each social value outcomes and how they will be measured. The social value procurement process has four stages, as follows:

**Opportunity assessment:** The first stage of any contract process will be the undertaking of a social value 'opportunity assessment' as part of the pre-procurement activity. This will identify the appropriate, relevant and achievable elements of social value that could be delivered through the life of the contract. In addition, officers will identify any opportunities for local businesses or organisations to participate in the process and the best way to encourage and support them.

## **Embedding outcomes in the tender**

**process:** Following the identification of suitable social value outcomes, these should be embedded within the tender process. The answers should then be scored based on how appropriate and achievable they are.

**Formal contract:** Following conclusion of the tender process, a formal contract will be entered into incorporating the commitments made as part of the preferred bidder's response.

**Contract management:** Through a structured contract management process, officers will monitor social value commitments ensuring they are undertaken in their entirety and using the Council's leverage when suitable to enforce commitments.

**The Framework:** The Rotherham social value framework (see page 11) sets out the Rotherham social value outcomes and measures. Support and guidance for potential suppliers is available through the social value toolkit, which provides a step by step guide to the procurement process.

However, this is only a guide and the social value framework list of measures is not exhaustive. The expectation is that commissioners, procurement officers and suppliers will have active conversations about the best way to deliver the social value outcomes and that they work collaboratively to explore innovative social value actions where appropriate.

## Commissioning Services

The Council commissions a large number of services with the private and voluntary sectors every year.

In developing its approach to commissioning, the Council has adopted the national Keep It Local principles developed by Locality. These principles will enable the Council to make a greater shift towards a more collaborative approach grounded in local delivery, early intervention and prevention.

As a member of the Keep it Local network of councils, Rotherham Council will be able to share good practice from across the network and learn from the most innovative authorities across the country.

As part of the commitment to maximising social value as part of the commissioning approach, the Council will:

- Co-design services wherever possible
- Engage people with lived experience throughout the service design and procurement phase
- Review commissioning and procurement models to allow local provider organisations to collaborate and make best use of local assets.
- Explore opportunities to develop new and innovative delivery models such as social enterprises, mutuals and consortium arrangements.

### Keep it Local principles

Think about the whole system and not just individual service silos

Coordinate services at a neighbourhood level

Increase local spend to invest in the local economy

Focus on early intervention now to save costs tomorrow

Commit to our community and proactively support local organisations

Commission services simply and collaboratively so they are local by default



## Co-design Case Study

Housing Related Support is a recent example of the use of co-design to commission a new service. Housing Related Support is a preventive programme for young people aged 16-25 with multiple needs and sometimes with chaotic lives. It provides support packages allowing young people to gain their independence and obtain suitable permanent accommodation.

The Council decided, when the contract was to be re-tendered, to involve young people in co-designing the new specification in order to develop a programme of support which best supported their needs and what was important to them.

Commissioners built relationships, encouraged creative thinking, utilised best practice and delivered engagement sessions in order to hear the voices, views and lived experiences of young people in receipt of support as well as specialist workers and professionals.

The contract was won by a Sheffield-based charity with an excellent record of providing crisis support to young people who were homeless or at risk of homelessness. In addition, the design of the contract allowed for a smaller Rotherham based charity to sub-contract a portion of overall contract, thereby ensuring that the Council spend remained within the City region.

## Measuring Social Value

The Council aims to capture the amount of social value secured in contracts and delivered by contracting organisations. Using the Themes Outcomes Measures (TOMs) method of social value measurement, the Council will produce a quarterly figure broken down by service area. The ambition is to increase the percentage of spend within the local area and spent with SMEs.

All suppliers who have committed to the delivery of social value outcomes through a Council contract will be required to submit a quarterly report, evidencing the progress made against these outcomes. The delivery of social value commitments will be monitored as part of the contract management process.

## Governance

The leadership and governance of this policy will be led by the Leader and the chief executive and will be subject to an annual report to Cabinet. Year one will be a baseline year and an opportunity to identify the extent and quantity of social value. Following the baseline year, social value targets will be set on an annual basis. In addition, the existing outcomes and measures will be reviewed annually to ensure they continue to reflect local priorities. The Council will also develop a range of qualitative impact measures to better capture the nature of social value activity. These will be developed and reviewed on an annual basis.

# SOCIAL VALUE FRAMEWORK

COUNCIL PLAN PRIORITIES	SOCIAL VALUE OUTCOMES	TENDER QUESTIONS	
		HEADLINES	MEASURES
Extending opportunity, prosperity and planning for the future	Raising living standards for residents	Good jobs	No. of local people (FTE) employed on contract for one year or the whole duration of the contract, whichever is shorter, who are paid the Joseph Rowntree Living Wage (as a minimum)
		Skills	No. of training opportunities on contract (BTEC, City & Guilds, NVQ, HNC) that have either been completed during the year, or that will be supported by the organisation to completion in the following years - Level 2, 3 or 4+
	A strong local economy with employment and skills opportunities and a growing business base	Local jobs	No. of local people (FTE) employed on contract for one year or the whole duration of the contract, whichever is shorter
		Local Spend	Total amount (£) spent in local supply chain through the contract
		Apprenticeships	No. of apprenticeships on the contract that have either been completed during the year, or that will be supported by the organisation to completion in the following years - Level 2, 3 or 4+
Every child making the best start in life	Young people have the opportunity to develop skills and find worthwhile employment	Young people work advice	No. of hours dedicated to support young people into work (e.g. CV advice, mock interviews, careers guidance) - (under 24 y.o.)
		Unpaid work placements	No. of weeks on meaningful work placements or pre-employment course; 1-6 weeks student placements (unpaid)
		Paid work placements	Meaningful work placements that pay Minimum or National Living Wage according to eligibility - 6 weeks or more (internships)
		Care Leavers	No. of employees (FTE) taken on who are care leavers
		NEETs	No. of employees (FTE) taken on who are not in employment, education or training (NEETs)
		Young Offenders	No. of employees (FTE) taken on who are rehabilitating young offenders (18-24 y.o)
Every adult secure, responsible and empowered	Equality of opportunity for disadvantaged people and communities including disabled people	Long Term Unemployed	No. of employees (FTE) taken on who are long term unemployed (unemployed for a year or longer)
		Disabled adults	No. of jobs (FTE) created for people with disabilities
		Job skills for disabled people	No. of hours dedicated to supporting unemployed people into work by providing career mentoring, including mock interviews, CV advice, and careers guidance (over 24 y.o.)
A strong community in a clean, safe environment	Strengthened and sustainable community and voluntary organisations	Monetary donation to the VCS	Monetary donation, or equipment/resources in lieu, to voluntary or community organisations
		Business advice	Provision of expert business advice to voluntary or community organisations
	Greater environmental sustainability including accessible green public spaces	Waste	Commitment to reduce the use of single-use plastics
		Emissions	Savings in CO2 emissions on contract not from transport (specify how these are to be achieved).