

London Borough of Havering Social Value Policy Guidance

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Aims and Purpose

Introduction

This document sets out how the London Borough of Havering will work to use its power as a major procurer of goods, services and works to deliver wider social, economic and environmental impact for our communities and businesses.

London Borough of Havering wants to ensure that it delivers for its residents on the backdrop of limited resources. To enable this to happen LBH must work with organisations that share our values, goals and commitments to our residents through commitments to create additional benefits as part of the procurement process.

What is out of scope for Social Value

There are number of activities that are available to the Council that social value cannot be applied to or social value cannot be used for, examples are as follows;

Type	Description
Section 106	Section 106 (S106) Agreements are legal agreements made between Local Authorities and developers. The agreements are linked to planning permissions and can also be known as planning obligations. These are ring fenced for that specific purpose.
Funding of core services	The Council cannot use social value to fund budget deficits for its core services
Deliverables in the specification	Items that have been set out in a specification as part of a procurement process cannot be used as social value, as it has already been requested as a need in the service delivery. Social Value is in addition to what is being asked for as part of the service.
Sponsorship	Sponsorship is managed by a separate policy and is not included in this social value policy Advertising and Sponsorship Policy

Background

The Council procures a wide range of goods, services and works that can be leveraged into benefits for our communities.

The London Borough of Havering’s overall vision is “The Havering you want to be a part of”. Our aims in order to fulfil this are:

- **Supporting our residents to stay safe and well**
- **Make Havering a great place to live, work and enjoy**
- **Enabling a resident focused and resilient Council**

The Council’s values are:

Integrity:	Uphold transparency and accountability in all decisions and operations
Creativity:	Foster innovative and adaptable approaches to address community needs.
Ambition:	Strive for ambitious standards and ambitious goals in social value creation.

Respect:	Prioritise treating all stakeholders with dignity and empathy.
Everyone:	Ensure inclusivity, accessibility, and equal participation in all initiatives.

The Public Services (Social Value) Act 2012 obliges all local authorities to consider:

(a) how what is proposed or to be procured, might improve the economic, social and environmental well-being of the relevant area

(b) how conducting the process of procurement, might act with a view to securing improvement.

The [Social Value Act](#) requires the council to reflect on its core services and products, and to consider how we might design and deliver these in a way that generates even greater value for our communities. We remain committed to delivering the best quality whilst maintaining value for money, to create benefits and opportunities for our residents and for the workforce.

This document will outline the following:

- Social Value in the London Borough of Havering
- Procurement Process
- Measurement and Monitoring of Social Value
- Social Value Processes, Stakeholder and Community Engagement
- LBH Social Value Themes and KPI's

Aims of Social Value in the London Borough of Havering and Benefits

The Social Value policy is aligned with the aims and focus of Havering's Corporate Strategy and vision of creating "the Havering you want to be a part of." Increasing social value will help us in our efforts to achieve this. Our mission is to generate social value through the procurement process and other measures to help increase the economic, social and environmental benefits for Havering. Ensuring there is a clear understanding of our approach and processes will help residents, potential suppliers, stakeholders and commissioners to promote and implement this.

Social Value in the London Borough of Havering

Social Value is the additional social, economic or environmental benefits which the borough may receive as a result of procuring goods, services and works from an organisation. Social Value **must be** additional benefits received from a contract, which is beyond the core requirements of the service requirements, that benefit the wider community. The council will encourage staff and suppliers to think about how they can create social value when making decisions. These benefits can be:

Social – Improving wellbeing of individuals and communities within the borough

Economic – Promoting economic business practices which benefit the borough

Environmental – Promoting and implementing sustainable processes and practices which benefit the physical environment

Social Value is about:

Measurable Change: Making things better in a way we can measure.

Working Together: We achieve Social Value by sharing resources and working as a team.

Adding Value: It's not just about saving money; it's about adding/delivering value to the community.

Beyond 'Social': It's not just about people; it's also about the environment and local economy too.

Going Beyond the Basics: Doing more than just what a service or organisation is intended to do.

Social Value should be:

Easy to Understand: Social Value should be clear and helpful for staff, managers, suppliers and residents.

Measurable: We should be able to measure the positive changes in our community.

Flexible and Collaborative: We should work together and be flexible in how we help the community.

Sustainable: Social Value should focus on long-term benefits and to develop and foster strong relationships.

London Borough of Havering Social Value Themes

The Council are responsible for delivering social value within the community and ensuring policies and practices are put in place to help facilitate this. Including Social Value in the procurement process, should encourage suppliers being more conscious on their business practices and policies and consider what they can do to increase the economic, social and environmental benefits in the borough which they are operating.

We have created 4 Key Social Value Themes based on the Council's goals, visions and values and Havering's Corporate Plan, which are:

- **Promoting Local Skills and Employment**
- **Supporting Local Economy and Growth**
- **Healthier, Safer and more resilient communities**
- **Protecting and improving the environment**

The Council has created key themes which align with our corporate plan, vision and values in order to help shape the Social Value Strategy. When we are asking others to think and contribute to Social Value the key themes will allow suppliers to know what is important to Havering and how they can and support when making social value commitments in the borough.

The Council's Social Value Policy is a document which can help suppliers and staff understand Social Value in context of procurement in the borough. It will detail the four themes and examples of social value contributions which can be provided to the council. It will also provide examples of Key Performance Indicators which contract managers can include in their contracts.

Promoting Local Skills and Employment	
Work with the Council to meet the requirements set out in the Corporate Plan and Vision in order to support in removing low pay, reduce unemployment and increase access to education and training for borough residents and businesses. To increase the level of volunteering in the borough whilst looking to improve on the health and wellbeing and safety of residents by:	<ul style="list-style-type: none">- Providing access to employment and apprenticeships through commitments made by suppliers as part of contracts entered into with the Council.- Providing work related opportunities for learning in the borough's schools such as work experience, career talks, mock interviews, cv development and insight visits.

Supporting the Local Economy and Growth	
Collaborate with suppliers to drive support in job creation and business growth by:	<ul style="list-style-type: none">- Buying goods and services from organisations that are located within the borough boundary where possible, and to report on each year's activity and outcomes

	<ul style="list-style-type: none"> - Engaging and helping local suppliers to access procurement opportunities through Business to Business forums and workshops to Meet the Buyer events. - Promoting learning initiatives and opportunities for local residents to increase employability
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Healthier, Safer and more resilient Communities	
The Council will seek to improve health and wellbeing and safety of the residents by:	<ul style="list-style-type: none"> - Supporting initiatives that look to tackle health issues such as obesity - Supporting initiatives to help keep our residents safe such as anti-social behaviour domestic abuse and other challenges that impact the resilience of residents

Protecting and Improving the Environment	
To work and collaborate with the Council to meet its commitment to “continue to deliver a green borough”	<ul style="list-style-type: none"> - Support initiatives to improve carbon emissions within our supply chain - To take steps to minimise energy consumption corporately and the wider borough - Support initiatives that seek to increase the volume of recycling wherever possible

Financial Contribution	
The Council will where appropriate accept financial contributions from a bidder as part of their social value commitment.	<ul style="list-style-type: none"> - The contribution can be used in a variety of ways such as; <ul style="list-style-type: none"> - to support local VCSE (Voluntary organisations/Charities) through the Community Chest program (https://www.havering.gov.uk/voluntary-community/grants-support-voluntary-community-groups/4) - to support educational sites within the Borough for projects that do not fall within their core services - to support Community based outcomes that require support from the Council

Tender Process

Procurement Process

Social Value will be embedded through different parts of the procurement process and beyond.

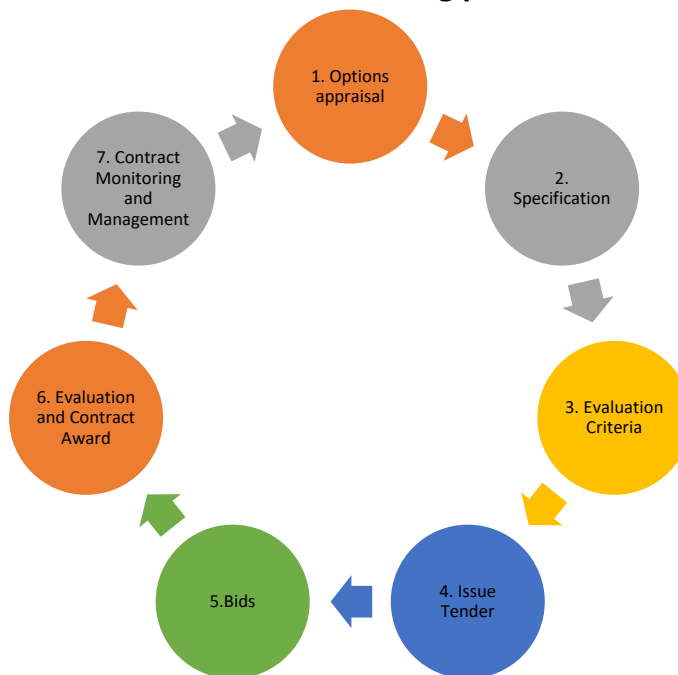
Social Value must apply to all contracts for goods, works and services over £100,000. Any potential bidders will be asked to provide social value offers and commitments which are aligned with the council’s values and key social value themes. The council reserves the right to apply Social Value obligations in contracts under £100,000, however it is not mandatory and will be reviewed on a case-by-case basis. In the event that it's agreed for social value to be applied below £100,000 then the request must be proportionate to the value of the requirement, and the output should not be onerous or increase the cost of the service being purchased.

Social Value **must** be considered in the pre-procurement phase of the procurement process. Whilst planning the service design, scope and approach there must be thought and discussion around what can be done to generate social value as a result of the potential contract. This must be covered in all pre procurement reporting and governance.

For contracts over £100,000, a minimum of 10% of the award criteria **must** be attributed to Social Value. This means that bidder’s social value offers and commitments will influence the final scores of tendering processes which will result in awarding a contract. Example of Award Criteria below:

Award Criteria	
Quality	30%
Price	60%
Social Value	10%

Where does Social Value come in the tendering process



Stage	Outline
1 – Options Appraisal	Commissioning teams to assess with Strategic procurement which elements of the social value needs could be delivered through the contract that match the core values.
2 – Specification	The specification will be used to remind ALL potential suppliers of the social value requirements and how to shape their proposals
3 – Evaluation Criteria	Social Value will be given a 10% weighting on ALL contracts over £100,000, except where the procurement is conducted through an accessible

	<u>framework or DPS where the weighting maybe different as part of the conditions of access.</u>
<u>4 – Issue Tender</u>	<u>Social value requirements are set out in the Invitation to Tender (ITT), this can be through delivery plans or method statement responses.</u>
<u>5 – Bids</u>	<u>Suppliers will respond in the requested format either through delivery plans or method statements.</u>
<u>6 – Evaluation and Contract Award</u>	<u>All received bids will be evaluated against the agreed scoring matrix contained in the ITT</u>
<u>7 – Contract Monitoring and management</u>	<u>The successful tenderer will be required to submit evidence on a regular or pre-defined timetable to ensure the commitments are delivered to time and scale as set out in the contract.</u>

Social Value - Method Statement Question

The council will set social value question(s) and the response will be evaluated based on the quality of potential social value offerings and commitments that align with the specification, council’s vision, values, key social value themes and the scoring matrix. Suppliers social value proposals are assessed on deliverability and sustainability. This ensures that the proposals put forward by suppliers are deliverable and measurable against the commitments made as part of the tendering process.

The Social Value response maybe of a financial nature if required and expectations will be set out as part of the tendering process and will be scored within an agreed methodology to ensure scalability in the responses.

In the event a supplier fails to deliver the social value commitments as set out in the tender process, the Council has the right to apply liquidated damages to be compensated up to the loss of the estimated value of the undelivered commitments. This would be a last resort if the supplier does not comply with its obligations and all mediation still results in failure to deliver. The value would be calculated by the Council and agreed with the Supplier to ensure a reflective value is compensated.

Open Opportunity vs Framework

The type of route to market, which is being used to procure may affect how you try and gain Social Value. We are introducing an opportunity for bidders to commit to a contribution to the Council’s Social Value Fund. This will only be used in the event that the supplier is not able to provide additional benefits under the tendering process or is seen as an additional request. An example is where the Council calls off from a framework where social value was not part of the original tendering process, but the Council has requested the additional benefit. An open process will allow the council and service areas to plan and design the tender documents such as method statement questions and specification to include the social value KPI’s or themes so potential suppliers are aware of what is required from a social value aspect and can prioritise this important element.

Spending Locally - Investment in Local Economy

In Havering we want to encourage spending with local businesses in the borough and neighbouring boroughs in line with supporting local economy, growth, skills and employment. To assist we will create Local Supplier and Contractor List to help support this. This will assist with premarket engagement and advertising opportunities to local suppliers to ensure these are signposted.

Joint Venture/Strategic Partners

The Council can also leverage social value through its own arm's length bodies, Joint Ventures and strategic partners. The expectation is that our partners will contribute to social value within the borough in line with our own policies and priorities. This will expand on the scale and opportunities to deliver value in addition to the core functions being provided.

Local Person/Contractor or Business

This means an individual, Business or Collaboration providing services to the council, which based or registered in the constraints of the borough boundary.

Contract Management

Contract Managers will include related Key Performance Indicators (KPI) in their contracts and specifications which will inform the potential suppliers of the goals and objectives to be met during the contract. As well as having Key Performance Indicators focused on the goods, services or works being delivered, there will also be social value Key Performance Indicators to ensure that they are reviewing the social value commitments and check whether they are being delivered, and their impact. This will be on a one off or contract lifecycle basis to ensure longer term commitments such as apprenticeships are tracked and confirmed.

Contract Managers should ensure:

- Confirmation of evidence required to meet requirements
- Quarterly reports showing progress against targets
- Summary report at the mid-point and at the end of project/contract in order to track and manage the commitment to the outputs delivered ensuring Social Value performance

We will record the agreed Social Value commitments and whether they have been delivered. Reviews of performance will include suppliers and contractors reporting back on their progress. This will help us understand the Social Value being created through contracts within the council.

Engagement and Monitoring

Measurement and Monitoring of Social Value and Benefits

Once contracts have been entered into with suppliers, contract managers have responsibility to monitor the key performance indicators within the contract and social value commitments which were proposed in the tender documents and agreed to prior to entering the contract. Contract Managers are responsible for monitoring the social value within their contracts.

Measurement and monitoring of contracts is important for maintaining transparency, accountability between the London Borough of Havering and the supplier. It also helps to analyse information to see if the contract is performing to the required standard and make decisions to improve or sustain performance. We need to monitor and measure the social value within a contract so we can assess and highlight the impact of these social value commitments, projects and schemes.

Measuring and monitoring allows us to analyse information. We can see what social value commitments have been made by suppliers and their progress on.

Council officers will be required to ensure the social value information is entered onto the e-procurement tool, which will act as the central repository, where social value can be recorded, monitored and reported on. Having central oversight and management is a positive benefit as this

will allow for social value to be transparent, visible and trackable to ensure all benefits are delivered. This will also allow for accurate reporting and monitoring to ensure distribution is appropriate.

To ensure full transparency of the outputs achieved through Social Value an annual highlight report will be uploaded onto the Council's website for all to view.

We Measure Social Value by:

- **Inputs and Outputs:** Counting Factors like volunteer hours, trees planted, or webinars delivered.
- **Metrics:** Attribute a financial value on an input to measure the financial
- **Key Performance Indicators:** Use indicators like local employment rates and environmental impact metrics.
- **Data Collection:** Collect and store data to measure Social Value and analyse performance
- **Case Studies:** Share stories and use other methods to explain the impact.
- **Benchmarking:** Compare our performance with similar organisations to see how well we are doing.

We Monitor Social Value through:

Supplier / Bidders dos and don'ts

1) Don't offer anything that is required in the core contract:

Services or actions that the bidder is required to provide as part of the core contract requirements cannot also be counted as Social Value. For example: if the contract is about supporting people back to work, bidders cannot claim Social Value for taking people out of unemployment, as that is part of the requirements of the core contract.

2) Do provide good evidence of how you will deliver Social Value:

When submitting Social Value offers, make sure you take the time to fill in the Delivery Plan and Method Statement to the best of your ability. We are looking for bids that are deliverable as well as ambitious – a weak method statement will reduce the coherence of the offer and impact the overall score awarded to Social Value.

3) Don't double count:

Each Social Value outcome may be claimed only once. For example: if a reduction in carbon emissions is proposed through a flexible working initiative, bidders may not claim the same reduction in emissions achieved via a different initiative.

4) Do make sure you only include committed local spend in your supply chain:

When estimating local spend, bidders must only include the projection of spend that occurs as a result of the contract and can be influenced by their own spending decisions.

Social Value Processes, Stakeholder and Community Engagement

Describe how we will engage with stakeholders including employees, local communities, customers, suppliers, and delivery partners, to ensure that their needs are met, and all perspectives are considered.

It is important to include, collaborate and work with staff, suppliers, small medium enterprise (SME's) and Voluntary, Community and Social Enterprise Sectors (VCSE) organisations in the borough as well as sharing the Social Value plans and projects across the borough. If we all contribute to generating and promoting Social Value, this will ultimately result in positive benefits and outcomes for the borough and its residents as a whole.

Community Social Value Ideas and Contributions

Once we have a clear understanding of the council’s Social Value efforts from the measurements and monitoring, we plan to provide feedback and information to keep the community informed and up to date with the Social Value benefits being invested within the borough.

We plan to keep the public informed via newsletters, social media posts and information of the Council’s internet site. We will also encourage individuals, businesses and charities in the borough to share any social value contributions or community efforts and social enterprises that they provide or are aware of in the borough. The Council will support by promoting and highlight these efforts, as well as supporting further where possible.

The London Borough of Havering created processes for the community to be able to suggest social value schemes and ideas and be involved in decision making processes for some projects. The Council will conduct reviews of proposed Social Value Schemes and projects to decide which can be taken forward.

In addition, where cashable sums have been agreed as part of the social value offer, these sums could also be used as part of the “Community Chest “initiative, this can be used to match funding from bidders to local charities. This is funding that would not ordinarily be made available at a local level that will have direct impact on the residents.

Contact and Review

Contact and Communication

For any questions around Social Value please contact: LBHSocialvalue@havering.gov.uk

Policy Review Schedule and Record

The Council will periodically review its Social Value Policy. In doing so, we will also acknowledge any changes in legislation in relation to the Public Services (Social Value Act) 2012, the Local Government Act and any changes to the council’s priorities when it is reviewed.

Example Social Value Deliverables

Promoting Local Skills and Employment	
- Four 2hr CV sessions and career advice in a central London office to support young people into work (16-24 year olds).	- Bespoke programmes (solicitor or barrister routes) which provide school students with a virtual work insight on skills necessary for the profession - students receive a certificate for their CV
- Interview skills for residents seeking work	- Conducting and supporting Local Job Fairs
- Offering various apprenticeships through the supply chain	- Digital literacy support for designated groups

Supporting the Local Economy and Growth	
- The supply chain using local services to buy goods and services or to provide labour/sub-contracting arrangements	- Providing online clinics for VCSEs covering finance, accounting, risk and governance.

- Developing meet the buyer events to showcase opportunities to local businesses	- Develop initiatives to support personalised improvement in financial literacy (including budgeting)
- Develop initiatives through expert support to VCSEs and SMEs	- Support for VCSEs through volunteering

Healthier, Safer and more resilient Communities	
- The Council will seek to improve health and wellbeing and safety of the residents by:	- Supporting initiatives that look to tackle health issues such as obesity - Supporting initiatives to help keep our residents safe such as anti-social behaviour domestic abuse and other challenges that impact the resilience of residents
- Supporting initiatives to assist local foodbanks deliver their services to the community	- Develop and support initiatives to promote more resilient communities
- Support for local community projects through volunteering	- Support for involvement in cultural events

Protecting and Improving the Environment	
- One site visit per year by one a waste expert to conduct an audit of a company put forward to identify ideas and ways to help decrease its waste followed by proposals to address problem areas.	- Supplier staff volunteering days dedicated to an environmentally focussed outcome such as litter picking/tree planting
- Provide roll on roll off skips as part of a fly tipping amnesty to keep areas clean and free from rubbish	- Carbon reduction initiatives to reduce the supply chain CO2 emissions
- Align expert support on carbon reduction programmes to SMEs in the supply chain	- Develop initiatives to safeguard the environment

Financial Contribution	
- Align value to local charities through Community Chest	- Review value against School improvement projects

Social Value Output Matrix

[Appendix A outlines the Social Value output matrix](#) that should be used to develop the social value output required for each procurement and which element of the Council's Corporate Plan 2023-2027 it aligns with.