



Social Value in Sandwell Policy

Unlocking Potential, Growing Shared Prosperity

January 2024



Introduction

In setting out its commitment to Social Value in Sandwell, the council aims to enable our commissioners, contractors and partners to provide employment and skills opportunities for local people, provide local supply chain opportunities for our businesses, and community benefits for our voluntary organisations to create a more inclusive and thriving local community.

Encouraging Social Value within a local area is a powerful catalyst for local economic growth. It serves as an engine that propels numerous benefits throughout the community and has a ripple effect that contributes to the overall well-being and prosperity of the area.

Sandwell's Anchor Network organisations have a combined budget of over £1.5bn, with Sandwell Council alone is spending more than £500M on goods, services and works. In addition, Sandwell's Regeneration Pipeline forecasts £2.9b of investment into the borough by 2027. By tapping into this investment and spending power there is opportunity to secure and deliver Social Value outcomes.

Through this policy, we establish a set of principles to ensure that our procurement activities and those of our partners and businesses, generate positive social, environmental, and economic impacts for our communities. The policy goes beyond profit and financial considerations to maximise the broader well-being of society. The Policy promotes responsible procurement practices, sustainability, and the equitable distribution of benefits, ultimately contributing to a more inclusive and resilient Sandwell.

1 Policy Context

- 1.1 In November 2023, Sandwell Council approved the Sandwell Business Growth Plan and the economic priority of 'Social Value in Sandwell' making a commitment to develop a Social Value Policy along with a framework of support for commissioners, Sandwell's anchor organisations, and contractors to employ and buy locally through embedding good social value practice within all contracts. Anchor organisations have an important presence in a locality due to being largescale employers and purchasers of goods and services, controlling large areas of land and/or having relatively fixed assets. Such organisations include Councils, NHS Trusts, Universities and Colleges, Housing Groups, and large strategic companies. With this presence Anchor Organisations have a significant influence in-terms of their potential to build community wealth through an inclusive economy through the jobs they create, employment practices, the physical spaces they occupy, the commissions they manage and the supply chains they use.
- 1.2 For Sandwell this policy defines "Local Employment" and "Buying Locally" as being within Sandwell or the West Midlands Combined Authority Area (WMCAA), preferably within 20 miles of Sandwell.
- 1.3 The Public Services (Social Value) Act 2012 states "for procuring the provision of services, ... goods or the carrying out of works...the authority must consider how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area and, in conducting the process of procurement, how it might act with a view to securing that improvement."
- 1.4 This policy requires commissioners to think about how they achieve outcomes in a more integrated way at the pre-procurement stage. Rather than thinking about services in isolation or in the short term, this approach requires commissioners to consider long term costs, sustainability and how inclusion of additional social value outcomes can potentially reduce pressures in other areas and provide capacity and funding for improved community benefits.
- 1.5 The policy applies to all Sandwell Metropolitan Borough Council commissioners, all expenditure made on behalf of the council, and planning officers determining planning applications that are over 10 residential units or exceed 10,000 sqm.

2 Application of Social Value in Sandwell

- 2.1 For Sandwell, the main objectives are to consider the additional benefits to the community from a commissioning / procurement process over and above the direct purchasing of goods, services, and works. It considers more than just the financial transaction, it factors in the benefits of health, happiness, wealth, safe, resilient communities and enables sustainable change and improvement for all. These types of value often accrue to different people, communities or organisations in different ways and are not always easy to define and measure. For Sandwell we have designed the four pillars of Social Value through which outcomes can be defined, unlocked, and delivered (fig.1).

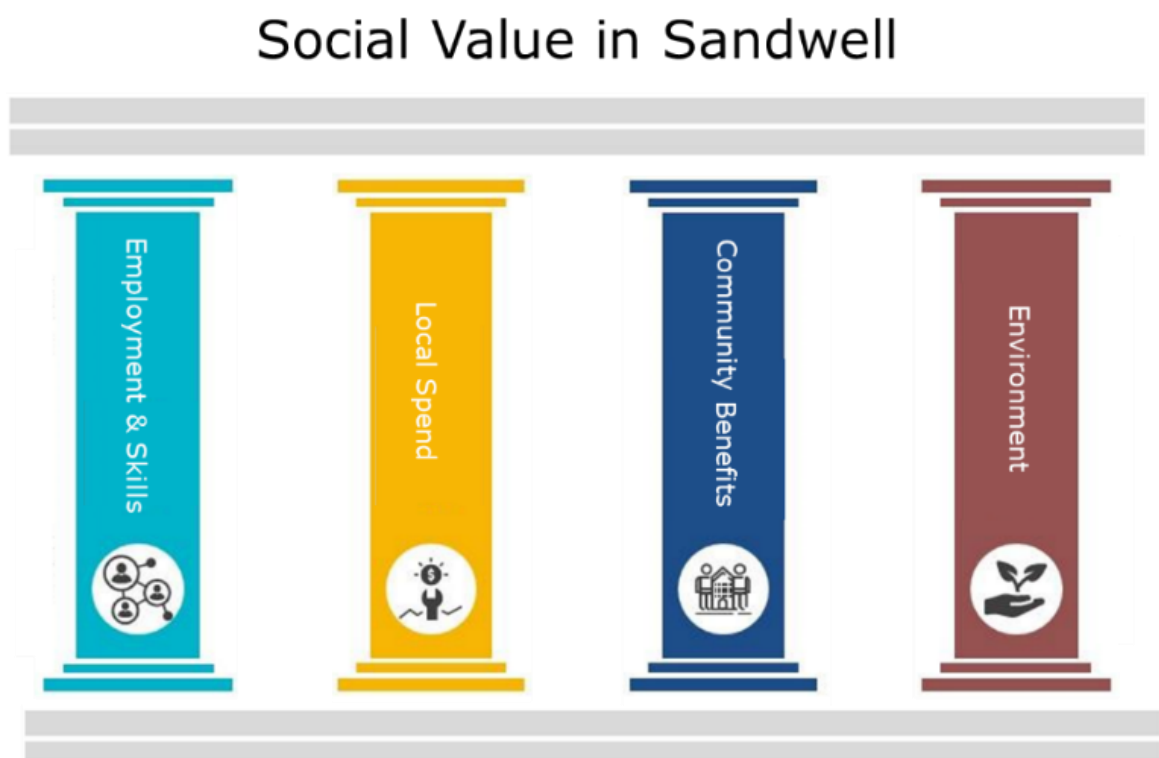


Figure 1 The four pillars of Social Value

2.2 Statutory requirements of the Social Value Act 2012 only apply to service contracts (and goods or works contracts where there is a service element) above the appropriate threshold in the Public Contracts Regulations. For Sandwell, we are taking this further by embedding this policy within all commissioning and procurement activity. To apply proportionately and prioritise resources to achieve greater social value, a contract type and value matrix has been developed, which indicates to what extent the Social Value in Sandwell policy will apply.

	Level 1	Level 2	Level 3
Services Contracts	<£200k	£200k to £1m	£1m>
Goods Contracts	<£1m	£1m to £2m	£2m>
Works Contracts	<£1m	£1m to £2m	£2m>
Level 1 – consider, seek, and record social value benefits where practical Level 2 – metrics included in tender evaluation process and action plan for the contract term Level 3 - metrics included in tender evaluation process and Social Value Delivery Plan required			

Figure 2 Contract Type & Value Matrix

2.3 The Council will ensure that social value is embedded in its commissioning and procurement processes according to thresholds in figure 2. When a Social Value Delivery Plan is required it will be used to identify the key performance indicators agreed with the awarded supplier/contractor. This will be monitored during the contract to capture all outcomes.

2.4 It is critical that Social Value outcomes are considered and planned at the earliest stage of a procurement process and that commissioners are specific and clear about Social Value expectations to enable comprehensive tender evaluation. However, it is recognised that a flexible approach for some contracts may be appropriate in identifying outcomes and measures for Social Value and that we are not too prescriptive initially, allowing commissioners to indicate the outcomes and measures that are relevant and proportionate to the contract.

2.5 Planning Officers will embed a Social Value Delivery Plan in all Planning Applications that are over 10 Housing Units, or over a capacity of 10,000 sqm. in commercial developments, schools, hospital builds etc.

- 2.6 The Social Value weighting within the tendering process will be between 10% - 30% of the evaluation. The application of weighting will depend on the type and value of the contract. For example, it is expected that Levels 1 & 2 contracts would include a weighting between 10-15%, with Level 3 contracts including a weighting between 15-30%. Where elements of Social Value are essential to the delivery of the project they can be included in the specification and in some instances, a PASS/FAIL weighting could be applied.
- 2.7 Social Value is to sit within all procurement activity across the council, including the social economy sector's wider remit towards the inclusive growth to support opportunities that will benefit Sandwell residents, communities, and businesses. Therefore, it is important that commissioners are specific and clear about the social value expectations, so that the tender can be evaluated and monitored effectively against those expectations.
- 2.8 Commissioners may need to take a flexible approach for some contracts in identifying outcomes and measures for social value. Allowing outcomes and measures that are relevant and proportionate to the specific contract. Where a contract is unable to achieve enough social value outcomes to warrant an action plan or social value delivery plan as indicated in figure 2 the council will seek alternative social value benefits.
- 2.9 Adopting a council wide approach will ensure consistency and lead to achieving a greater value social value for the local area.

3 Monitoring & Evaluation of Social Value in Sandwell

- 3.1 To measure the impact of social value outcomes in a reportable way, the Council align their Social Value measures to meet the National Themes, Outcomes and Measures (TOMS) see figure 3.

TOMS What does it stand for?	
Themes	Visionary Social Value areas for consideration.
Outcomes	Positive changes within communities an organisation wants to achieve.
Measures	Quantifiable actions that organisations can take to deliver outcomes.

Figure 3 TOMS

3.2 This Framework for Measuring Social Value has been developed by the National Social Value Taskforce Group, to help commissioners consider the most appropriate outcomes and measures. The following are some examples of objectives and social themes to help achieve Social Value in Sandwell:

- **Growth, Skills and Employment:** promoting growth and development where we operate to ensure that our communities develop new skills and gain meaningful employment.
- **Promoting Local Businesses:** recognising the importance that local businesses play within the community in terms of job creation, working with local supply chains and wealth generation; promoting sustainability of existing businesses to support their growth and income directly linked to their success through their ability to pay business rates.
- **Creating Healthier, Stronger Communities:** with budget cuts and restricted services, we recognise that we need to build stronger and deeper relationships with the voluntary and social enterprise sector within our supply chain; helping build local knowledge and resilience. Helping build local knowledge, resilience, and healthy workforce
- **Protecting and Improving our Environment:** working with local businesses and communities to ensure Sandwell is cleaner, greener, and safer to live.
- **Social Innovation:** recognising opportunities to promote innovation amongst our suppliers and looking to showcase best practice.
- **Planning and Development:** ensuring that consideration of social value sits alongside community benefits within the early stages of project planning and development.
- **Digital Strategy/ Inclusion:** supporting residents, communities, VCSEs and SMEs to have the skills and capability to use the internet as more and more information and services become accessible online.

4 Review & Support

- 4.1 The council will periodically review its Social Value in Sandwell Policy in consultation with stakeholders to consider any changes in priorities.
- 4.2 A comprehensive framework of guidance and tools accompanies this policy and will also be reviewed periodically with stakeholders.
- 4.3 The framework of guidance and tools is available at www.sandwellbusinessgrowth.com
- 4.4 The Sandwell Business Growth Team are also available to provide advice and support business_growth@sandwell.gov.uk
- 4.5 The Procurement team are available to support on all activities >£100K, Guidance and templates can be found here.