

Social Value Policy 2024 - 2027



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**THE AIM OF THIS POLICY IS TO MAXIMISE THE
LOCAL IMPACT OF THE COUNCIL'S SPEND.**

FOREWORD, COUNCILLOR CHRIS READ, LEADER OF ROTHERHAM BOROUGH COUNCIL



Rotherham Council adopted its first Social Value Policy in October 2019, with a commitment to developing a positive sense of place and good quality of life for all its residents. This goes beyond how we provide services and the work we do with our partners through economic development, to also include how by using our purchasing power we could bring added value to communities and individuals across the borough.

In the foreword to that Policy I said that I wanted the Council to lead the way in supporting social value, to ensure we gained additional value from every pound spent. This value could come from creating more employment or training opportunities, supporting community or voluntary groups or reducing our impact on the environment.

Four years on from implementing this policy I am encouraged to see the positive progress that has been made. Social value commitments have been incorporated into all eligible contracts with external suppliers. To date this process has secured nearly £28 million in social value commitments and over £8 million of commitments have been delivered. Nearly 200 full time equivalent local employees have been hired or retained as part of new contracts and almost 500 apprenticeship weeks have been delivered. Over 800 tonnes of CO₂e have also been saved through social value contractual commitments, delivering towards the Council's net zero targets.

In 2021 the Council received accreditation as a real living wage employer by the Living Wage Foundation, a status I am proud that we have maintained annually since then. By working with our Rotherham Together Partnership colleagues we have also adopted a Social Value Charter and begun the development of Anchor Networks, adding value to the scope for achieving social value outcomes for the borough.

Last June it was good to see the recognition of this activity when the Council received the accolade of securing the Public Sector Leadership category in the national Social Value Awards 2023.

However, even with the progress made there remains more to do and the journey is far from over. There are still many challenges including health, social and economic inequalities within the borough. By continuing to work with our partners to embed social value in our contracts and commissioning processes we can increase local spend, improving our economy to the benefit of Rotherham people.

The Social Value Policy 2024 – 2027 builds on our existing strategic direction, experience gained and achievements to date. It also incorporates recommendations from the Centre for Local Economic Strategies around their model of community wealth building and inclusive economy that the Council adopted in 2021. Implementing this policy will build on what has been achieved so far, creating more opportunities for residents and communities across the borough, by making the Rotherham pound go further.

INTRODUCTION

The Council's Social Value Policy

Rotherham Council is committed to developing a positive sense of place and a good quality of life for all its residents. These aspirations are set out in the Council Plan, which is the overarching strategic framework for this policy. They are also pursued through collaborative work with partners in the Rotherham Together Partnership and the South Yorkshire Mayoral Combined Authority.

The Council adopted its first Social Value Policy in October 2019, which commenced in the following December. This set out the aims, and objectives to secure social value commitments and outcomes for Rotherham through the procurement of council contracts. The policy set out how the Council would use its purchasing power and influence to ensure that every pound the Council spends achieves the most value for residents, ensuring that decisions are not just based on financial cost but look at benefits to the wider community.

The policy aims to increase over time, the proportion of what the Council spends with local businesses, 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, whilst also maximising the amount of social value delivered by companies based outside the area. In addition, the Council has developed its commissioning processes to open up opportunities for more co-designed services and sustainable local delivery models.

The policy also aimed for the Council to become a "real living wage employer". This involved embedding the real living wage into relevant in-scope contracts as a social value outcome, as well as with the Council's own workforce.

Progress made in delivering the Policy

The Council is on a journey in implementing its Social Value Policy and significant progress has been made to date. In the four years since the Policy was agreed almost £28 million of social value commitments on contracts have been agreed. This is also already starting to translate into delivery with outcomes valued at £8 million.

Money spent locally through Council contracts has seen a significant increase of 72 %, from £44.8m in 2019/20 to £77.2m in 2022/23.

In September 2021 the Council also hit the important milestone of receiving real living wage accreditation. This has been maintained each year to date.

Progress on the Council's social value journey has also evolved through decisions taken by Cabinet each year, when the Annual Report is considered. The most significant of these developments comes from work undertaken for the Council by the Centre for Local Economic Strategies (CLES) in 2020. CLES made recommendations that enhanced existing policy and broadened this to include their model of the five pillars of community wealth building. These recommendations were adopted as Council policy in 2021 and are fully embedded into this 2024-27 policy.

The Council is also promoting social value to partners with the signing of a “Social Value Charter” by the Rotherham Together Partnership. The commitment is being progressed by developing “Anchor Networks” of joint procurement activity, promoted by the community wealth building model.

Collectively, the approach being taken has resulted in Rotherham Council being winners in the public sector leadership category of the 2023 national Social Value Awards.

In addition to seeking social value through the letting of contracts, the Council is also pursuing social value outcomes through a Local Labour Policy Interim Planning Statement. This sets out the requirement for major and/or employment generating developments to enter into Local Labour Agreements, increasing the opportunities for local people to access training and local employment.



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WHAT IS SOCIAL VALUE?

Local authorities and other public bodies are legally obligated to consider the social good in contracts subject to the public procurement legislation.

The aim of the Act is not to alter commissioning and procurement processes but to ensure that, as part of these processes, councils consider the wider impact of the services delivered.

The Act also promotes 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 the Council has adopted. This policy provides an opportunity to integrate economic, environmental and social sustainability into commissioning and procurement processes, by developing a fresh approach that builds positive relationships with suppliers and generates greater social value.

The Council is also clear through its policy definition, that social value is a contractual commitment and is delivered as an integral part of a procured contract let by the Council. Whilst, many organisations will deliver valuable social outcomes, where these are not linked to a contract, the Council will term them as corporate social responsibility.

Policy Purpose

This document sets out for procurers, commissioners, contract managers, the Council’s suppliers and residents, Rotherham Council’s approach to Social Value, and the practical steps it will take to maximise the amount of social value in the borough. Social value is a measurable addition to a normal contract and can be targeted and responsive depending on the local needs of an area.

Social Value Outcomes

The social value policy provides the framework for realising the Council’s commitment to social value outcomes. These are set out below. In addition to pursuing these outcomes, the Council is committed to working with partner organisations, including the NHS, Fire and Police, to collectively increase the amount of social value secured 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 achieve.



Local Employment through Equans Supply Chain

Andy and his son have been employed on behalf of Equans to work on the Thermal improvement works in Maltby. The father and son duo worked on properties for 6 months, installing external wall installation. Living in the Maltby community, Andy and his son can see how beneficial the improvement works are to the residents in the area, making their homes warmer and more energy efficient, effectively reducing the utility bills of residents.

Whilst Equans are contracted to deliver this work on behalf of Rotherham Council, they also aspire to improve local unemployment rates by recruiting a skilled workforce as local as possible to the area.



AIMS AND OBJECTIVES OF THE POLICY

The aim of the social value policy is to realise social value from the Council's commissioning and procurement processes by:

Mandating that where the Council invites written quotations that 1 of the 3 quotes required is from a local Rotherham supplier.

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

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

Involving local people and organisations in our commissioning processes through meaningful co-design. Promoting the local economy so that small and medium sized businesses and voluntary sector bodies can thrive.

Raising the living standards for local residents through contract bidders demonstrating support for promoting a fairly paid workforce, maximising employee entitlements and paying the real living wage.

Increasing over time the percentage of spend with Rotherham businesses.

Adopting the national Keep It Local principles.

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 the effects of climate change through procurement and purchasing processes

Encouraging fair and ethical trading through our contractors and in the supply chain.

SOCIAL VALUE OUTCOMES



Good local jobs and skills development for local people



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



Equality of opportunity for disadvantaged people and communities including disabled people



Strengthened and sustainable community and voluntary organisations



A strong local economy



Greater environmental sustainability including accessible green public spaces

SOCIAL VALUE FRAMEWORK

The Rotherham social value framework sets out the Council's social value outcomes and measures. Support and guidance for potential suppliers is available through the Council's social value webpages. Guidance which provides a step-by-step guide to the procurement process is also provided.

The expectation is that contract managers, commissioners, procurement officers, and suppliers will have active conversations about the best way to deliver social value outcomes and work collaboratively to explore innovative social value actions where appropriate.

The framework uses a structured approach to ensure the application of social value is standardised across the Council. The framework is designed for suppliers to take a bespoke approach to each opportunity to ensure the social value element of the tender is appropriate, relevant and achievable. This allows suppliers to innovate and show initiative in delivering social value.

The framework applies to all contracts with 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 describes each social value outcome and how they will be measured. The social value procurement lifecycle has four stages, as follows:

Opportunity assessment: The first stage of any commissioning and procurement 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 and how this could be achieved. 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 either through specific requirements in the specification, and/or the application of the national TOMs, where tenderers will determine what is relevant and proportionate for them to deliver through the specific contract. Tender responses will then be evaluated in accordance with the published criteria.

Formal contract: Following the 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, contract managers will monitor social value commitments ensuring they are delivered in their entirety and using the Council's leverage and legal contractual clauses when appropriate to remedy poor performance. Where appropriate, contract managers will seek annual assurance that the contract remains compliant with the real living wage.

Community Wealth Building

In 2020, CLES reviewed the Council's third party spend to identify how the Council could further embed social value into procurement and commissioning processes. This included understanding the local supplier market to increase local spend and keep more of the 'Rotherham Pound' locally.

The following **nine recommendations** were made through this work, which were adopted by the Council in March 2021:

- **Putting** procurement at the forefront of the response to COVID-19.
- **Repeat** spend analysis annually and undertake deep analysis of local markets.
- **Utilise** local intelligence to inform procurement and commissioning decisions.
- **Provide** targeted support for potential suppliers around social value.
- **Pilot** Social License to Operate indicators to provide that businesses and other organisations that do not meet certain ethical standards should not be able to bid for and deliver public contracts.
- **Start** to work with other anchor institutions, with the idea of developing an 'anchor network' to improve practice and amplify impact in key areas.
- **Agree** key outcomes to work on collectively.
- **Explore** the other pillars of community wealth building.

Actions on many of the recommendations have already commenced and key achievements include:

- **Spend** analysis takes place annually through the mid-year and annual social value report. This highlights the Council's spend with local suppliers and a gap analysis is also undertaken to determine which industries need more local supplier involvement.
- **Invested** additional funding in one-to-one support, guidance, and tailored events to help local businesses understand public sector commissioning and procurement, which will commence in 2024.
- **Establishment** of a Rotherham procurement anchor network that is currently looking at data on its combined spending locally and nationally to create a holistic image of local spend.

CLES has developed **five key principles** to drive social value activities, often referred to as the five pillars of community wealth building. Community wealth building seeks to increase flows of investment within local economies. The five pillars are:

- **Plural** ownership of the economy.
- **Making** financial power work for local places.
- **Fair** employment and just labour markets.
- **Progressive** procurement of goods and services.
- **Socially** productive use of land and property

The Council is already engaging in initiatives to promote fair employment and equitable labour markets, as evidenced by being a real living wage employer. Additionally, the Council is supporting other anchor institutions to establish social value mechanisms to make financial power work for local places.

During the lifetime of this 2024-27 policy, the Council will explore the four remaining pillars of community wealth building of:

Plural ownership of the economy

Plural ownership of the economy looks at developing and supporting owned and not-for-profit local businesses to compete for commissioned and tendered work. Plural ownership businesses include (but are not limited to) worker-owned co-operatives, charities, and social enterprises.

The Council will work alongside its partners, to ensure plural ownership businesses are supported to enter and understand the Council's commissioning and procurement processes. This will be achieved by one-to-one support and tailored events.

Making financial power work for local places

Community wealth building seeks to build local economies through local investment. It does this by harnessing the wealth that exists locally rather than by seeking to attract national or international capital. For example, local pension funds are encouraged to direct investment from global markets to local schemes or form a community bank to support local SMEs, focusing on reducing financial and social inequality.

The Council will work with partners to review how existing wealth in Rotherham and South Yorkshire can be directed to support local developments.

Progressive procurement of goods and Services

This works to develop dense supply chains of local businesses, likely to support local employment and retain wealth locally.

The Council will work with SMEs, employee owned businesses, social enterprises, co-operatives and community businesses to expand the opportunities for local business to secure Council contracts and deliver social value outcomes.

Socially productive use of land and property

This principle recommends public landowners develop governance and management structures, where communities can take control of common assets, for example, through transferring underutilised assets to community land trusts or working through public commons partnerships.

The Council will work with partners to identify underutilised assets that community trusts or voluntary and community sector organisations can operate.

Commissioning Services

The Council commissions a large number of services with the private, public 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 enable the Council to make a greater shift towards a more collaborative approach grounded in local delivery, early intervention and prevention.

As part of the commitment to maximising social value within its 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 the best use of local assets.

Explore opportunities to develop new and innovative delivery models found in the five pillars of community wealth building, including 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

Measuring Social Value

The Council captures the amount of social value committed in contracts and delivered by suppliers, using the national Themes Outcomes Measures (TOMs) method of social value measurement.

The ambition is to continue to increase the percentage of spending within the local area and with SMEs. All suppliers who have committed to delivering social value outcomes through a Council contract, will be required to submit evidence to the Social Value Portal for verification, evidencing the progress made against these outcomes.

The delivery of social value commitments is monitored as part of the contract management process. An annual report is presented to the Council's Cabinet, setting out progress over the last year and proposing priorities for the year ahead.

The TOMs selected for commitment and delivery of social value, align with Rotherham's key priority outcomes. The TOMs are reviewed regularly at the national level and the Council updates the TOMs it uses, in line with the national review. The current list of TOMs adopted in Rotherham is available on the Council's website and the final page of this policy document.



SOCIAL VALUE FRAMEWORK AND OUTCOME MEASURES

COUNCIL PLAN THEME	SOCIAL VALUE OUTCOMES	TENDER QUESTIONS	
		HEADLINES	MEASURES
Places are thriving, safe and clean	Promoting a diverse and resilient business community	Monetary donation to the VCS	Support for VCSEs through donations (NT 16).
An economy that works for everyone	Fair and prosperous economy to secure good local jobs and skills development for local people	Promoting fair work	Accredited Living Wage employer. (NT 107)
			Contractors in the supply chain that are Real Living Wage employers. (NT 42)
		Eradicating exploitation in the supply chain	Supply chain audits that identify and manage the risk of modern slavery. (NT 59)
		Business advice	Expert support to VCSEs and SMEs. (NT 15)
		Providing skills and experience for good work	Accredited training for new employees. (NT 9)
			Personalised support to help unemployed people into work. (NT 11)
		Apprenticeships	Employment of new apprentices. (NT 10)
	Building diverse and sustainable supply chains	Creating local employment opportunities	Local people employed or retained (NT 1)
			Proportion of employees who are local (NT 2)
		Local spend	Spend with local companies in the supply chain (NT 18)
	Creating Equality employment opportunities	Long term unemployed	Long-term unemployed people recruited. (NT 3)
		Disabled People	Employees with disabilities recruited. (NT 6)

COUNCIL PLAN THEME	SOCIAL VALUE OUTCOMES	TENDER QUESTIONS	
		HEADLINES	MEASURES
Children and young people achieve	Developing skills and experience for future work	Young people work advice	Employment taster days (project related, sector or industry). (NT 100)
			Support for students at local educational institutions (NT 8)
		Providing good work opportunities	Meaningful paid work placements. (NT 13)
		Care leavers	Unemployed 16–25-year-old care leavers recruited. (NT 4a)
		Not in employment, education or training (NEETs)	Employees recruited who are Not in Education Employment or Training (16-24-year-olds). (NT 4)
One Council that listens and learns	Addressing the challenges the people of Rotherham face and achieving better outcomes for them	Effective procurement	Procurement contracts that include sustainable procurement commitments. (NT 35)
	Promoting environmentally sustainable procurement	Planet	Supply chain carbon certification. (NT 48)

