

Appendix 2 – Draft Social Value Policy

WMCA Policy Summary

1.0 Purpose

The aim of this policy is to set out how the West Midlands Combined Authority (WMCA) will establish a consistent and collaborative approach to social value within the West Midlands with the vision to create, deliver and sustain greater community benefits through the use of social value within the region.

This will primarily be achieved by creating social value through the objectives of the WMCA Procurement Strategy 2017-2020 and sustaining social value outcomes through alignment and delivery of funding and capacity, with Combined Authority priorities focused on service delivery to communities. These priorities would for instance, include those outlined within the Strategic Economic Plan, such as WMCA Public Service Reform (PSR) – Transforming Lives within the West Midlands Programme, which has prioritised key areas of needs within the communities of West Midlands alongside other programmes

2.0 Defining Social Value

The Public Services (Social Value) Act 2012 all public bodies in England and Wales to consider how the services they commission, procure and deliver might improve the economic, social and environmental well-being of the area. It asks public bodies to consider the ways that they could most benefit society as part of each decision made.

Social value 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.

3.0 Background and Scope

By establishing a WMCA Social Value Policy, we are providing a means to embed a consistent and collaborative approach to social value that engages commercial organisations into local and regional community outcome based services.

This aligns with the WMCA ambitions and funding for growth programme which outlines three key areas to make the most of the West Midlands Pound:

- Ensuring maximum impact and efficiency of public sector spend across the region – making the best use of Taxpayers’ money;
- Generating and capturing as much value as possible from the public sector assets, services and investments.
- Attracting more private investment that can create jobs, deliver growth and provide a return to investors

A WMCA approach to effective procurement enables social value outcomes for communities locally and across the region. This can be identified at the commissioning stage to be expressed to tenderers; secured from the successful bid(s) and delivered through the contract. By establishing a WMCA Social Value Policy we are providing a means to embed a consistent and collaborative approach to social value within the region.

Benefits of a WMCA Social Value Policy include:

- Demonstrating a collaborative approach within the West Midlands
- Benefiting businesses within the West Midlands footprint by creating skills and employment
- Sending a clear message to suppliers that we consider social value as significant in the commissioning of our regional contracts
- Understanding the opportunity that it presents in addressing local needs of citizens.
- Building long term community resilience
- Additional leverage through the scale of regional procurement
- Reducing demand on public sector services by providing more employment opportunities to those furthest from the job market
- Promoting long term investment into our communities by suppliers
- Promotion to citizens as an exemplar of best practice
- Celebrating successes with our suppliers and communities
- More opportunities for Small and Medium-sized Enterprises (SMEs) and Voluntary, Community and Social Enterprises (VCSEs)
- Collaborative working with voluntary sector, people who use these services and the wider Community
- Easier engagement of supply market through a consistent approach to the tendering process (including procurement questions, evaluation guidance and methods for ongoing performance management)
- Being able to demonstrate measurable and evidence based social value delivered through the use of social value.
- Improving life chances for all and specifically those from marginalised communities
- Improving health and wellbeing for all particularly those that are vulnerable
- Reduce offending

4.0 Policy in Context

This Policy has been developed with consideration of a number of approved strategic and policy documents, including but not exclusively:

- Constitution of the West Midlands Combined Authority
- Strategic Economic Plan (SEP)
- Environmental Strategy 2014-2019
- Individual Council and Local Authority Social Value Policies

5.0 Objectives

The specific commission and procurement social themes that will achieve these outcomes include:

Growth, Skills and Employment: We will promote growth and development where we operate and ensure that our communities develop new skills and gain meaningful employment. We will also encourage employers in the region to invest into new jobs and skills for everyone.

Promoting Local Businesses: We recognise the importance that local businesses play within the community in terms of job creation and wealth generation. We also recognise that from 2020 our income is directly linked to their success through their ability to pay business rates. We are therefore committed to ensuring local businesses are not only provided with the skills to compete but are also offered the opportunity to work within our supply chain.

Creating Healthier, Stronger Communities: As our budgets are cut and our services restricted, we recognise that we need to build stronger and deeper relationships with the voluntary sector whilst continuing to engage and empower citizens. We will therefore promote the use of the voluntary and social enterprise sector within our supply chain and help build local knowledge and resilience.

Protecting and Improving our Environment: We will work hard with local businesses and communities to ensure the places where people live are cleaner and greener and we will continue to promote sustainable procurement that protects the long-term future of our planet for our children.

Social Innovation: We recognise that we do not have all of the answers and we should not prescribe new approaches to solving old problems. We will promote innovation amongst our suppliers and look to show case best practice where it works

Planning and Development: Through the implementation of this policy, it is the intention that WMCA will support and enable Constituent and Non-Constituent Authorities where they require assistance in the consideration of social value within the early stages of project planning and development.

6.0 Policy Implementation

The social value Policy has been created through some key stakeholders that include: WMCA Mayoral office; the West Midlands Social Value Taskforce Group); WMCA Public Service Reform officers and West Midlands Fire Service.

In parallel with the launch of the policy, it is envisaged that the Social Value Taskforce Group will work to implement the following:

1. Further discussion around how to most effectively match service delivery to Combined Authority priorities spread across local and the wider WM footprint in an inclusive and equitable way that delivers sustainable outcomes.
2. Following on from engagement with key suppliers and Local Authorities, we recognise there is a clear need for consistently measuring, recording and celebrating regional success against social value targets delivered through



contracts. Bearing this feedback in mind, it is also proposed that a regional portal or dashboard is created in order to bring the community together and to coordinate social value requirements and achievements

3. Monitoring and reporting systems to inform and engage all Combined Authority members
4. Case studies and publicity to promote the work and impact of the social value policy in partnership with commercial providers.
5. To share best practice and continuous learning.

The WMCA Social Value Policy is not designed to replace or overtake any existing policies already set up within individual Local Authorities. This policy will be used by the WMCA Procurement Team and should also be used for any procurement activity being undertaken on behalf of the WMCA.

Statutory requirements of the Social Value Act 2012 only apply to Public Service Contracts above EU thresholds, however in order to incorporate the good practice associated with social value into mainstream commissioning and procurement practice, it is the intention that the WMCA will embed this policy within all commissioning and procurement activity wherever proportionate and practicable.

| Value | Process |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Under £50,000 | A light touch social value toolkit will be included within the WMCA Procurement Manual and staff members are encouraged to consider social value in the process of obtaining quotations. |
| £50,000 – EU Thresholds | Procurement Lead Officers will guide specifications and tender documents to ensure that Themes, Outcomes and Measures (TOMs) are considered within the procurement process and are applied where practical |
| EU Thresholds and above | Procurement Lead Officers will guide specifications and tender documents to ensure that considerations are made at commissioning stage and that TOMs are included within the tender process, ensuring that the evaluation scores and weightings are clearly set out, and that an action plan is implemented during the contract period. |

In regard to the application of weighting within the tendering process, it is understood that the procurement of services can be wide ranging and therefore WMCA to not intend to apply a fixed weighting to the evaluation of Social Value. It proposed that individual weightings are applied on a case by case basis and at the discretion of the Procurement Lead Officer, with weightings allocated between the ranges of 5% - 30%.

Where elements of Social Value are essential to the delivery of the project then a PASS/FAIL weighting could be applied to demonstrate key deliverables within the project specification.

7.0 Review

WMCA will periodically review its Social Value Policy in consultation with key stakeholders. In doing so it will take into account any changes in legislation pertaining to the Social Value Act 2012, Public Contracts Regulations, the West Midland Combined Authority Constitution and any changes requested and agreed via the Public Service Reform Board and WMCA Social Value Taskforce Group.