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<b>Report To:</b>	<b>Environment &amp; Regeneration Committee</b>	<b>Date:</b>	<b>27 October 2022</b>
<b>Report By:</b>	<b>Interim Director, Environment &amp; Regeneration</b>	<b>Report No:</b>	<b>E=R/22/10/05/SJ/EM</b>
<b>Contact Officer:</b>	<b>David Aitken</b>	<b>Contact No:</b>	<b>01475 712964</b>
<b>Subject:</b>	<b>Procurement Strategy 2022/25 - Social Value Policy</b>		

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## **1.0 PURPOSE AND SUMMARY**

- 1.1  For Decision  For Information/Noting
- 1.2 The purpose of this report is to inform and advise the Committee of the recently developed Social Value Policy.
- 1.3 The sustainable procurement duty in the Procurement Reform (Scotland) Act 2014 requires public bodies to consider and act on opportunities to achieve a positive social impact in their procurement activity.
- 1.4 The development and implementation of a Social Value Policy is an action contained within the Councils Procurement Strategy 2022-2025 and sets out the proposed general approach to maximising social value outcomes within its procurement activity along capturing how the benefits and outcomes will be managed, measured, monitored, and reported on.

## **2.0 RECOMMENDATIONS**

- 2.1 It is recommended that the committee notes the Councils proposed approach to maximising social outcomes through the implementation of the Social Value Policy as part of its procurement activity, and that it will be submitted to the Policy and Resource Committee for approval on 15 November 2022.

**Stuart Jamieson**  
**Interim Director, Environment & Regeneration**

### **3.0 BACKGROUND AND CONTEXT**

3.1 Social value is recognised as a key driver for change that supports the delivery of both local and national outcomes. The aims of the Social Value Policy are aligned to and supported by procurement legislation, regulations, and statutory requirements both at a national and local level, including:

- Procurement Reform (Scotland) Act 2014;
- Sustainable Procurement Duty;
- Scottish Government Sustainable Procurement Action Plan;
- Local Government Scotland Act 2003;
- Inverclyde Council Corporate Plan;
- Inverclyde Council Procurement Strategy.

3.2 The sustainable procurement duty in the Procurement Reform (Scotland) Act 2014 requires public bodies to consider and act on opportunities to achieve a positive social impact in their procurement activity.

3.3 By definition, social value is broader than community benefits in that it considers initiatives which affect the long-term wellbeing and resilience of individuals and society. It considers economic and environmental matters as well as sustainability and is aligned with the strategic aims, objectives and key priorities of Inverclyde Council and the Scottish Government.

The delivery of social value outcomes will initially focus on 4 distinct areas:

- Employability - specifically for the long term unemployed and those directly leaving education or training including the creation of Modern Apprenticeship and Graduate opportunities;
- Skills and Training – providing work experience placements; training new, existing or a supply chain employee in a S/NVQ or equivalent; the hosting of industry awareness events in schools/further education centres;
- Supply Chain Development - the advertising of business opportunities through the Public Contracts Scotland portal; holding events to promote supply chain opportunities and/or providing business advice or support to an SME/Social Enterprise/Voluntary Organisation;
- Community Engagement – Providing a one-off financial/non-financial support to a community project.

3.4 The Council is committed to maximising Social Value from its procurement activity which will be achieved through the adoption and implementation of the Social Value Policy and the inclusion of specific clauses within procurement contracts known as Social Value clauses. Social Value clauses are requirements which deliver wider benefits in addition to the core purpose of a contract. These clauses can be used to build a range of economic, social, or environmental outcomes into the delivery of council contracts.

#### **Social Value Pilot 2022**

3.5 A pilot exercise was undertaken in June 2022 as part of the procurement for a partner to deliver the Home Energy Efficiency Programmes for Scotland (HEEPS) Area Based Scheme (ABS). The pilot was carried out in consultation with the service area, procurement, and legal & democratic services to establish and understand market appetite to this type of approach.

The tender was advertised at an estimated annual value of £1,462,261, for a period of 1 year with the option to extend for a further 1 year. The new approach resulted in the supplier having to provide a minimum of 60 points from the social value menu. The outcomes that were selected by the winning supplier resulted in an offer of 60 points and the contractual commitment to deliver the outcomes detailed below:

- 2 x Jobs for unemployed individual for a minimum of 26 weeks at least 30 hours per week;
- 1 x Job for a Graduate job created relevant to the degree gained for a minimum of 26 weeks at least 30 hours per week.

The contractual commitments have been included in the contract award letter and are supported by specific terms and conditions that will ensure the delivery of the outcomes. The specific delivery and timing was, and will be, discussed at the pre-start meetings to ensure they are delivered within the term of the contract like any other part of the specification. On completion of the delivery of the social value outcomes both the supplier and service area will report to the procurement team to ensure that the outcomes are being delivered in line with the contracts and being reported as part of the annual procurement report.

#### 4.0 PROPOSALS

- 4.1 It is proposed to adopt and implement the Social Value Policy (included as Appendix 1) to assist in maximising Social Value from the Council’s procurement activity. This will be achieved through the inclusion of specific Social Value clauses within procurement contracts above £50,000 (Goods and Services) and £250,000 (Works).
- 4.2 It is intended that the Social Value Policy will replace the existing Community Benefits / Targeted Recruitment & Training Policy with the changes captured in a planned revision of the Council’s Procurement Manual and communicated through the Council’s Designated Procurement Officer group.

#### 5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO	N/A
Financial		X	
Legal/Risk	X		
Human Resources		X	
Strategic (LOIP/Corporate Plan)	X		
Equalities & Fairer Scotland Duty		X	
Children & Young People’s Rights & Wellbeing		X	
Environmental & Sustainability	X		
Data Protection		X	

#### 5.2 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments

N/A					
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Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

### 5.3 Legal/Risk

If the Social Value Policy is not implemented the Council could be at increased risk of not being able to demonstrate that it is meeting its obligation under the sustainable procurement duty in the Procurement Reform (Scotland) Act 2014, which requires public bodies to consider and act on opportunities to achieve a positive social impact in their procurement activity.

### 5.4 Human Resources

There are no direct Human Resource implications arising from this report.

### 5.5 Strategic

The Social Value Policy is aligned to and supports the delivery of the Council's strategic objectives as well as the Council's Procurement Strategy 2022-2025. However, it will not itself directly deliver objectives in the Local Outcome Improvement Plan or the Council's Corporate Plan.

### 5.6 Equalities and Fairer Scotland Duty

#### (a) Equalities

This report has been considered under the Corporate Equalities Impact Assessment (EqIA) process with the following outcome:

	YES – Assessed as relevant and an EqIA is required.
X	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, assessed as not relevant and no EqIA is required. Provide any other relevant reasons why an EqIA is not necessary/screening statement.

#### (b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
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X
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NO – Assessed as not relevant under the Fairer Scotland Duty for the following reasons: Provide reasons why the report has been assessed as not relevant.

**5.7 Children and Young People**

Has a Children’s Rights and Wellbeing Impact Assessment been carried out?

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YES – Assessed as relevant and a CRWIA is required.

X
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NO – Assessed as not relevant as this report does not involve a new policy, function or strategy or recommends a substantive change to an existing policy, function or strategy which will have an impact on children’s rights.

**5.8 Environmental/Sustainability**

The outcomes that will be delivered from implementation of the Social Value Policy will directly benefit the Inverclyde area, whilst supporting delivery of the Local Outcome Improvement Plan.

Has a Strategic Environmental Assessment been carried out?

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YES – assessed as relevant and a Strategic Environmental Assessment is required.

X
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NO – This report does not propose or seek approval for a plan, policy, programme, strategy or document which is like to have significant environmental effects, if implemented.

**5.9 Data Protection**

Has a Data Protection Impact Assessment been carried out?

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YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.

X
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NO – Assessed as not relevant as this report does not involve data processing which may result in a high risk to the rights and freedoms of individuals.

**6.0 CONSULTATION**

6.1 Consultation took place with relevant officers together with the Corporate Management Team.

**7.0 BACKGROUND PAPERS**

7.1 Procurement Strategy 2022-2025 and Action Plan.

# **Inverclyde Council Social Value Policy & Guidance**

## DOCUMENT CONTROL

Document Responsibility		
Name	Title	Service
David Aitken	Procurement Manager	Procurement

Change History		
Version	Date	Comments
0.1	August 2022	Document Creation

Distribution		
Name	Title	Location
All Directors & Heads Of Service		
Designated Procurement Officers Group		

*Distribution may be made to others on request*

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## 1 INTRODUCTION

- 1.1.1 The sustainable procurement duty in the Procurement Reform (Scotland) Act 2014 requires public bodies to consider and act on opportunities to achieve a positive social impact in their procurement activity.
- 1.1.2 By definition, social value is broader than community benefits, in that it considers initiatives which affect the long-term wellbeing and resilience of individuals and society. It includes economic and environmental as well as sustainability and is prevalent as a priority in many of the commitments of the Scottish Government.
- 1.1.3 Inverclyde Council is committed to maximising Social Value from its procurement activity. This will be achieved through the inclusion of specific clauses within procurement contracts known as Social Value clauses.
- 1.1.4 Social Value clauses are requirements which deliver wider benefits in addition to the core purpose of a contract. These clauses can be used to build a range of economic, social or environmental outcomes into the delivery of council contracts.

## 2 BACKGROUND

- 2.1.1 Social value is recognised as a key driver for change that supports both local and national outcomes.
- 2.1.2 The aims of the Social Value approach are aligned to and supported by procurement legislation, regulations and statutory requirements both at a national and local level, including:
- Procurement Reform (Scotland) Act 2014;
  - Sustainable Procurement Duty;
  - Scottish Government Sustainable Procurement Action Plan;
  - Local Government Scotland Act 2003;
  - Inverclyde Council Corporate Plan;
  - Inverclyde Council Procurement Strategy.
- 2.1.3 Social Value clauses have been a key area of procurement policy and practice in Scotland since 2008.
- 2.1.4 Inverclyde Council have included a scored Social Value question in some tender exercises however the Procurement team are now looking to implement a formal Council wide Social Value process.
- 2.1.5 The process will initially focus on four distinct elements:
- Employability - specifically for the long term unemployed and those directly leaving education or training including the creation of Modern Apprenticeship and Graduate opportunities;
  - Skills and Training – providing Work Experience Placements, training new, existing or a supply chain employee in a S/NVQ or equivalent, the hosting of Industry Awareness Events in schools/further education centres;
  - Supply Chain Development - the advertising of business opportunities through the Public Contracts Scotland portal, holding events to promote supply chain opportunities and/or providing business advice or support to an SME/Social Enterprise/Voluntary Organisation;
  - Community Engagement – Providing a one-off financial/non-financial support to a Community Project.

### 3 SOCIAL VALUE AIMS, OBJECTIVES & OUTCOMES

3.1.1 The aim of this policy is to ensure that Social Value principles are applied in a way that enables the council to maximise economic, social and environmental benefits.

3.1.2 Social Value clauses have, to date, been predominantly utilised in works contracts within Inverclyde, however the revised Social Value Policy will ensure that Social Value is considered and included in all contracts where it is relevant and proportionate to do so, including works, goods & services contracts.

3.1.3 The Social Value Policy will seek to:

- Support delivery of key council priorities;
- Ensure the Council meets its obligations in relation to the sustainable procurement duty, outlined in Procurement Reform (Scotland) Act 2014;
- Consider the inclusion of Social Value in all relevant procurement activities and maximise outcomes through the use of both Mandatory and Voluntary Social Value clauses;
- Increase the Social Value outcomes generated through the wider inclusion of Social Value clauses within goods and services contracts;
- Expand the types of Social Value outcomes generated;
- Maximise the promotion of Social Value outcomes;
- Monitor the impact of Social Value activity and report via the relevant committee as part of the Procurement Annual report.

3.1.4 These aims will be supported by the use of Social Value in procurement activity as noted below:

3.1.4.1 Social Values will be considered and included in all relevant and appropriate procurement activities with an aggregated threshold value as noted below:

Contract Type	Value Threshold
Goods & Services	From £50,000
Works	From £250,000

For the avoidance of doubt, 'services' includes without limitation Health and Social Care Services and other Specific Services.

3.1.4.2 The use of Voluntary Social Value clauses will be considered in all procurement activities and will be discussed with the recommended supplier. This will also be aligned and supported by the development and implementation of the on-going Contract and Supplier Management process as a means to identify, measure and report on Social Value outcomes.

## 4 SOCIAL VALUE POLICY DELIVERY

### 4.1 Values

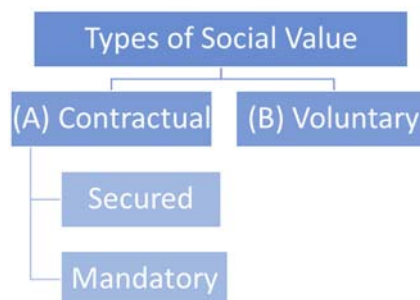
4.1.1 Social Value clauses are requirements which deliver wider benefits in addition to the core purpose of a contract. These clauses can be used to build a range of social, economic or environmental conditions into the delivery of council contracts.

4.1.2 Social Values which will be targeted for delivery include, but are not restricted to, delivery of the following:

- Targeted Recruitment and Training Initiatives;
- Educational Support Initiatives;
- Vocational Training;
- Supply Chain Development;
- Community and Environmental Initiatives;
- Supported Business, Third Sector and Voluntary Initiatives;
- Social Enterprise and Co-operative Initiatives;
- Equality and Diversity Initiatives;
- Poverty Initiatives.

### 4.2 Types of Social Value

4.2.1 Detailed below are the main types of social value:



4.2.2 **Contractual:** All Contractual Social Value outcomes form part of the contract and suppliers will have a contractual obligation to deliver these commitments. Appropriate contract conditions will be included to provide a remedy for failure to deliver Contractual Social Value.

Contractual Social Value outcomes can be incorporated in the following ways:

4.2.2.1 **Secured:** Social Value Outcomes will be requested during the tender using the Social Value Outcomes Menu [Appendix 4](#). This may be scored or non-scored as part of tender evaluation award criteria, however any benefits offered will be secured and form part of the contract. Where scored, a minimum weighting of 5% of the total technical weighting criteria will be attributed to Evaluated Social Values. Where proportionate and relevant, the weighing can be increased subject to sign off at Contract Strategy stage. Any Social Value Benefits secured at post tender stage prior to the award stage will also form part of the contract.

4.2.2.2 **Mandatory:** Mandatory Social Values can be delivered in two ways:

- The bidder will be asked to offer at least a set number of Social Value Points based on the type, value and contract duration. This would be assessed as a Pass/Fail section. This method will be utilised when Evaluated Social Values are not appropriate, e.g. within multi-lot framework agreements.
- Specific mandatory requirements may be stipulated within the specification, e.g. advertising sub-contracting opportunities or Employability opportunities (New Entrants, Work Placements etc.).

4.2.3 **Voluntary:** Inverclyde Council may seek to encourage Voluntary Social Values for a particular procurement activity for example lower value quotations below threshold. This will not form part of the evaluation, or indeed place a contractual obligation on the supplier; however those which are offered and accepted by the council will be reported in the Corporate Procurement Annual Report. Delivery of Voluntary Social Values will be monitored through management information provided by the supplier and as part of the Contract and Supplier Management process.

4.2.4 The types of Social Value are explained to bidders in guidance note developed for suppliers.

See [Appendix 1](#) for Social Value Guidance Note for Suppliers

### 4.3 Social Value Outcome Menu

4.3.1 A set of matrices have been developed where the classification of the contract (works, services, goods) along with the contract value and duration will determine an 'expectation' of the number of Social Value Points (SVP) the council would expect to be delivered throughout the contract period. Each Social Value outcome on the Social Value Outcome Menu has a set Social Value Points allocation.

See [Appendix 2](#) - Social Value Points Matrix – Goods/Services

See [Appendix 3](#) - Social Value Points Matrix – Works

4.3.2 A Social Value Outcome Menu has been created by the Procurement team tailored to the specific needs of the Inverclyde area. Where Social Value outcomes are sought as part of a tender process, the Social Value Outcome Menu will be issued for completion by the supplier. This can be amended to suit a particular tender exercise i.e. removing certain Social Value outcomes which would not be applicable and putting more emphasis on a particular Social Value area. Where the menu is being evaluated, suppliers will be evaluated on the outcomes/SVP that have been offered against the expected number of SVP.

See [Appendix 4](#) for Social Value Outcome Menu

### 4.4 Social Value Supporting Methodology

4.4.1 Where the Social Value Outcome Menu has been used, a Supporting Methodology question will also be asked. The question will be:

*Describe the methodology/approach that will be undertaken, specific to this contract, to ensure the delivery of the proposed Social Value Points/Outcomes in your Social Value (SV) Outcome Menu submission.*

*Responses should include, but not be limited to, the following;*

- *Provide details of how the delivery and achievement of Social Value outcomes will be monitored and measured by your organisation;*
- *Details of any organisations you have engaged with to support delivery of your submissions proposed Social Value outcomes;*
- *Demonstrate how previous success in delivering Social Value outcomes will further aid successful delivery of them for this contract's Social Value offering;*
- *Provide the name of the individual who will co-ordinate the delivery of Social Value outcomes.*

#### **4.5 Social Value Evaluation**

- 4.5.1 Where Social Value has been weighted at 5%, the Social Value Outcome Menu will generally carry a weighting of 3% with the Supporting Methodology question worth 2%.
- 4.5.2 Where included within tenders for evaluation as tender award criteria, bidders are to be advised in the tender documentation of the evaluation procedures for the Social Value Outcome Menu and Social Value, by including the Evaluation Guidance in the tender documentation.

See [Appendix 5](#) for Social Value Evaluation Guidance.

#### **4.6 Process Map**

- 4.6.1 See [Appendix 6](#) for Social Value Process Map.

## 5 RESPONSIBILITY AND OWNERSHIP

- 5.1.1 As the expansion of the Social Values Policy involves a number of new activities, it is critical that representatives from across the council support policy delivery. Responsibility for delivery of the revised Social Values Policy will be shared across Key Stakeholders and Senior Managers across the council:

Key Stakeholders	Service Managers/Leads
<ul style="list-style-type: none"> <li>➤ Procurement Team;</li> <li>➤ Economic Development and Regeneration Services;</li> <li>➤ Service Departments;</li> <li>➤ Employability Services.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Community Planning;</li> <li>➤ Education Services;</li> <li>➤ Land and Environmental Services;</li> <li>➤ Legal Services;</li> <li>➤ Social Work Services.</li> </ul>

- 5.1.2 To support delivery of the updated Social Value Policy, new governance and management arrangements will be implemented. An outline of these arrangements, with a complete breakdown of the roles and responsibilities of stakeholders is provided below.
- 5.1.3 A Social Values Steering Group (SVSG) will be set up to oversee and support the delivery of Social Values and wider sustainable outcomes. The SVSG will be chaired by the Procurement Manager and supported by key stakeholders and service managers/leads. The SVSG will meet on a quarterly basis as a minimum, or more frequently as required.
- 5.1.4 The role of the SVSG will be to:
- Lead on the identification and prioritisation of potential Social Values opportunities through regular reviews of Procurements pipeline;
  - Provide feedback to and from service owners to support informed discussions;
  - Review Social Values outcomes targeted, secured and delivered;
  - Develop the Social Value approach through a 'lessons learned' review process;
  - Cascade information and escalate issues.
- 5.1.5 Service (Mangers/Leads/DPO) Responsibilities:
- Support the delivery of the Social Values Policy;
  - Engage with suppliers and internal stakeholders to identify, agree and deliver Social Values outcomes;
  - Support Social Values tender evaluation;
  - Support on-going Contract Management and reporting.
- 5.1.6 Procurement Responsibilities:
- Supporting the on-going development of the policy and its implementation;
  - Provide training and support;
  - Engaging with Service departments to identify and agree Social Values outcomes;
  - Engaging with the supply base to encourage and influence innovative Social Values opportunities;
  - Supporting Social Values tender evaluation;
  - Supporting contract management activities;
  - Reporting Social Values outcomes within the statutory Corporate Procurement Annual Report;
  - Monitor and report on social value outcomes targeted, secured and delivered.

5.1.7 Economic Development & Regeneration Responsibilities:

- Delivery and implementation of Social Value outcomes;
- Monitor and report on the delivery of Social Values outcomes.

5.1.8 Legal Services Responsibilities:

- Legal Services within the council will provide on-going advice and support the activity of the SVSG, while ensuring that relevant Social Values clauses are both legally compliant and enforceable.

5.1.9 Supplier(s) Responsibilities:

- Providing Social Values proposals and methodologies to support delivery of outcomes;
- Engaging with the Service to deliver agreed Social Values outcomes;
- Providing regular monitoring information outlining Social Values delivery.



## 6 GOVERNANCE, MANAGEMENT & REPORTING

- 6.1.1 Successful suppliers will be required to provide regular monitoring information outlining Social Value outcome delivery progress.
- 6.1.2 This will enable the Council to monitor progress and report on the Social Value outcomes achieved in the Annual Procurement Report as mandated within the sustainable procurement duty, outlined in Procurement Reform (Scotland) Act 2014.
- 6.1.3 Monitoring information will be reviewed by the Procurement team and relevant service managers and outcomes will be recorded in a format to be agreed.
- 6.1.4 The Social Value Steering Group will monitor and review overall Social Value outcomes on a regular basis.
- 6.1.5 The strategic aims, objectives, priorities and targeted outcomes will be monitored in the form of an Action Plan.

See [Appendix 7](#) for Social Value Action Plan.

- 6.1.6 The performance against the Action Plan will be monitored by the Procurement Manager and reported to the Environment and Regeneration Committee every 6 months along with the contracts awarded under delegated authority in the given 6 month period. This reporting will include Performance Indicators' linked to the Action Plan and the Performance Indicators' will monitor, track and measure continuous improvement.

## INVERCLYDE COUNCIL SOCIAL VALUE (SV) GUIDANCE NOTE FOR SUPPLIERS

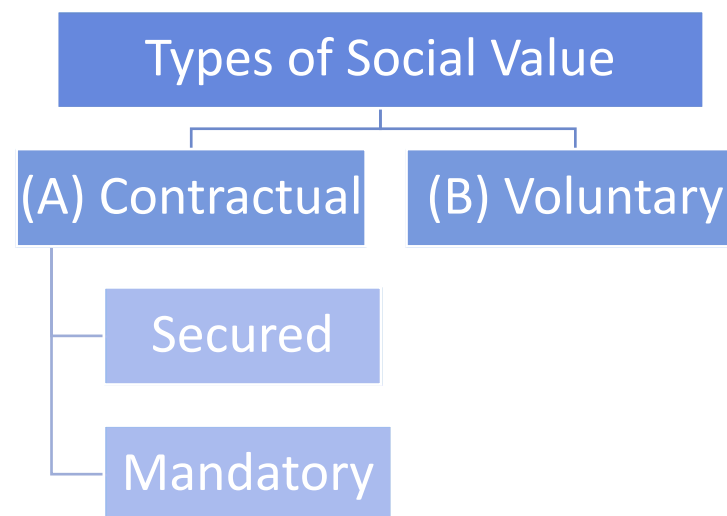
### 1. Introduction

Social Value provide a means of achieving sustainability in public contracts. They include targeted recruitment and training, business (particularly SMEs) and social enterprise development and community engagement.

The purpose of this guidance note is to provide an overview of how Social Value are sought within the tender process for Inverclyde Council contracts and to highlight to Tenderers the relevant support organisations who can assist Tenderers in delivering particular outcomes that are being sought.

#### Types of Social Values: Contractual v Voluntary

Inverclyde Council can seek Social Value in one of two ways; Contractually or Voluntarily. This has been laid out in the diagram below;



## INVERCLYDE COUNCIL SOCIAL VALUE (SV) GUIDANCE NOTE FOR SUPPLIERS

- (A) **Contractual** Social Values form part of the contract and Tenderers have a contractual obligation to deliver these commitments. Appropriate contract conditions may be included to provide a remedy for failure to deliver contractual Social Values. Contractual Social Values may be incorporated in the following ways:
- **Secured:** Social Value Benefits are assessed as part of the tender evaluation which is inclusive of the Social Value Outcome Menu and Social Value Supporting Methodology. This may be scored or non-scored as part of tender evaluation award criteria, however any benefits offered will be secured and form part of the contract. The Council will set a Social Value points expectation and Tenderers are required to propose a specific value of Social Value points from the Social Value Outcome Menu; for example the Invitation to Tender (ITT) will stipulate that “The Councils Social Value Points expectation is 20 Social Value Points as part of the Works”. It is then the Tenderers responsibility to identify the level of community benefits they will deliver. Offering 20 or more Social Value Points will achieve the full weighting for this section, offering less will result in a pro rata score of the full weighting. Any Social Value Benefits secured at post tender stage prior to the award stage will also form part of the contract.
  - **Mandatory:** Mandatory Social Values can be delivered in two ways:
    - The bidder will be asked to offer at least a set number of Social Value Points based on the type, value and contract duration. This would be assessed as a Pass/Fail section. This method will be utilised when Evaluated Social Values are not appropriate, e.g. within multi-lot framework agreements.
    - Specific mandatory requirements may be stipulated within the specification, e.g. advertising sub-contracting opportunities or Employability opportunities (New Entrants, Work Placements etc.).
- (B) **Voluntary** Social Values may be sought to encourage Voluntary Social Values for a particular procurement activity for example lower value quotations below threshold. This will not form part of the evaluation, or indeed place a contractual obligation on the supplier. Delivery of Voluntary Social Values will be monitored through management information provided by the supplier and as part of the Contract and Supplier Management process.

## **INVERCLYDE COUNCIL SOCIAL VALUE (SV) GUIDANCE NOTE FOR SUPPLIERS**

### **2. Evaluation of Social Values**

Where the contractual, secured Social Value approach is being undertaken by Inverclyde Council, the Social Values are sought from Tenderers in the format of a 'Social Value Outcome Menu' and 'SV Supporting Methodology' as part of the tender process.

The SV Outcome menu was developed by a variety of key stakeholders. It provides details of the types of benefits the Council seeks to be delivered through its contracting activity, highlighting the key priorities of Inverclyde Council which are aligned to the Procurement Strategy and Sustainable Procurement Duty, targeting the delivery of outcomes in relation to;

- Targeted Employment and Training Initiatives;
- Educational Support Initiatives;
- Supply Chain Development Activity;
- Vocational Training;
- Community, Corporate Social Responsibility (CSR) and Environmental Initiatives and Supported Business, Third Sector and Voluntary Sector Initiatives.

Points attributed to each Social Value outcome are tailored to meet the requirements of the contract and only Social Values that are expected to be deliverable from the contract advertised will be included within the Social Value Outcome Menu attached to the Invitation to Tender (ITT). The evaluation of the Social Value outcomes offered by Tenderers will be assessed using a point based model as detailed within the ITT.

The ITT will detail the anticipated Social Value Points to be delivered, however it is up to each Tenderer to decide what Social Value outcomes they wish to offer from this list and the number of points they will provide in doing so. This should be supported by a Social Value Supporting Methodology setting out how the Social Values offered will be achieved. Tenderers should propose a named individual who will have responsibility for delivery of Social Values.

**There is no limit to the Social Values that a Tenderer may offer and the total Social Value Points may exceed the stated expectation. However, please note that the maximum score that can be achieved for the Social Value outcomes is defined within the ITT.**

### **3. Support Organisations**

There is a variety of support organisations that may be able to assist in delivery of Social Value commitments including various departments within Inverclyde Council and other support agencies within Inverclyde. Tenderers are advised to make contact through the PCS-T Message Board if they require assistance with Social Values where you will be signposted to the relevant support organisations/Inverclyde Council department.

**INVERCLYDE COUNCIL SOCIAL VALUE (SV) GUIDANCE NOTE FOR SUPPLIERS****Document Change Control Log**

AUTHOR	VERSION	DATE	REASON FOR CHANGE
Graeme Clark	1.0	29 March 2022	
Graeme Clark	1.1	03 August 2022	Terminology updates to match Social Value Policy

<b>Social Value Points Matrix – Goods &amp; Services</b>				
	<b>Duration</b>			
<b>Value</b>	<b>0 – 6 &lt; months</b>	<b>6 – 12 months</b>	<b>12 – 24 months</b>	<b>24 – 36 months</b>
£50k - £100k	5	5	5	10
£100k - £250k	5	5	10	30
£250k - £500k	10	10	20	40
£500k - £1m	20	30	40	50
£1m - £3m	40	50	60	70
£3m - £5m	50	60	70	90
£5m - £10m	60	70	80	100
£10m - £20m	70	80	100	120
£20m - £30m >	80	100	120	140

<b>Social Value Matrix - Works</b>				
	<b>Duration</b>			
<b>Value</b>	<b>0 – 6 &lt; mths</b>	<b>6 - 12mths</b>	<b>12 - 24mths</b>	<b>24 - 36mths</b>
£250k – £500k	20	30	30	50
£500k – £1m	30	40	40	60
£1m – £3m	40	50	60	80
£3m – £5m	60	70	80	110
£5m - £10m	80	90	110	120
£10m – £20m	100	120	140	160
£20m - £30m>	120	140	160	180

**Inverclyde Council  
Social Value Outcome Menu**

**Appendix 4**

Please note the following when completing this Social Value Outcome Menu:

1. The table below provides a range of social value outcomes that you can offer which must be offered SPECIFICALLY TO THIS CONTRACT.

2. Please ensure you select the social value outcomes which are achievable within the duration of the initial contract period (not inclusive or dependent on any extension periods) or ensure evidence is provided to sustain the social value benefits beyond the contract duration.

<b>Type of Social Value Benefits (Contractual or Voluntary):</b>					
<b>Social Value Expectation for this contract (Points)</b> - (when you enter figures in No of People/Activity column, this will automatically calculate the Social Value Points (SVP's)).					
<p><b>Social Value scoring explained:</b></p> <div style="text-align: center;"> </div> <p>When the Council notes above an expectation of Points, only those who offer the points requested will achieve the highest score for this section. All other scores will be a pro-rata from the full expectation.</p>					
<b>Tenderer Name:</b>					
Outcomes/Activity	Definition	Evidence required	No of SVP's per Activity	No of People/Activity	SVP's
<b>Employability - Additional Job Created</b>					
<b>Job for an unemployed individual</b>	An additional Job created for an unemployed individual for a minimum of 26 weeks at least 30 hours per week.	- Evidence of unemployment - Signed contract of employment - Evidence of continued employment e.g. pay record	20		0
<b>Modern Apprenticeship</b>	An additional job created. Duration of employment must be appropriate which supports gaining an industry recognised qualification.	- Type of Modern Apprenticeship framework and level. - Registration with Skills Development Scotland - Evidence of continued training. - Evidence of signed contract of employment, e.g. pay record	20		0
<b>Graduate</b>	An additional Job created relevant to the degree gained for a minimum of 26 weeks at least 30 hours per week.	- Evidence of graduate status signed contract of evidence of pay record - Signed contract of employment - Evidence of continued employment, e.g. pay record	20		0
<b>Skills and Training</b>					
<b>Work Experience Placement for an individual 16+ years of age</b>	Duration of placement should be between 5 days and 4 weeks. In certain circumstances shorter duration may be acceptable depending upon the needs of individual	- Case study or report from Supplier - Formal feedback from the individual undertaking the placement	10		0
<b>Work Experience Placement for an individual aged 14 to 16 years of age</b>	Duration of placement must be a minimum of 5 days taking into account the circumstances and needs of the individual.	- Case study or report from Supplier - Formal feedback from the individual undertaking the placement	5		0
<b>S/NVQ (or equivalent) for</b> • New Employee • Existing Employee • Supply Chain Employee	Type and duration of qualification must be relevant to the development of practical skills required by the individual for life, education and the workplace. Minimum SQCF level 5.	- Certification, qualification and confirmation of registration with Accredited/Awarding body	10		0
<b>Industry Awareness Events</b> • Schools • Further Education	Participation in an organised industry awareness event at a school, college or at the company premises.	- Report providing evidence of attendance at event	5		0
<b>Industry Skill Transfer to Schools.</b>	Arrangement with schools to deliver an agreed programme to school children, teaching them the basic practical skills required by the suppliers industry.	- Case study or report from Supplier and formal feedback from the School.	10		0
<b>Supply Chain Development</b>					
<b>Business advice/support to an SME /Social Enterprise/ Voluntary organisation</b>	Provide a minimum of 4 hours business / technical advice or support to an SME / voluntary organisation	- Details of SME supported, record of meetings etc.	10		0
<b>Event to promote supply chain opportunities</b>	Promotion of your supply chain/ sub-contract opportunities, through an event held at your own premises or other venue, or through your participation in a recognised Meet the Buyer event.	- Copies of promotional information, programme etc. - Records of companies/individuals attending	5		0
<b>Community Engagement</b>					
<b>Financial Support for a Community Project</b>	Must be a minimum value of £1000	- Confirmation from recipient of support (letter, photo shoot/Press release)	5		0
<b>Non financial support for a Community Project</b>	- Donation of goods/service minimum value of £1000 <b>OR</b> - In kind volunteering to meet the need of the Community Project.	- Press Release, social media promotion (Facebook, Twitter etc.) register of attendees. - Brief report on completion of activities - Confirmation from recipient of support (letter, photo shoot/Press release)	5		0
<b>Total SVP's</b>					<b>0</b>

Please refer to guidance which provides contact details to facilitate delivery of social value benefits.



## Social Value Evaluation

Question Ref	Weighting	Number of Pages
Social Value Outcome Menu	3%	Not Applicable
Social Value Supporting Methodology	2%	2 A4 Pages

### 1) Social Value Outcome Menu (3%)

The Social Value Outcome Menu response will be scored using the methodology below:

For any bids received that offer the same number or higher number than expected of Social Value Points, they will score 100% against this question (weighted score of 3% of the technical envelope). For any bids that offer a lower number than expected of Social Value Points, they will receive a percentage of the 100% score based on the calculation example below:

Example:

If the weighted score is worth 3%, the number of Social Value Points expected is 60 points and 50 points are offered by a bidder, the score would be calculated as follows:

- Social Value Points offered (50) / Social Value Points expectation (60) = question score of 83.33%
- Weighted maximum score of 3% x question score of 83.33% = bidders weighted score of 2.50%

**Tenderers who fail to submit the Social Value Outcome Menu before the Tender Deadline or who do not provide any Social Value Points will receive a score of 0% for this question**

### 2) Supporting Methodology Question (2%)

**Describe the methodology/approach that will be undertaken, specific to this contract, to ensure the delivery of the proposed Social Value Points/Outcomes in your Social Value (SV) Outcome Menu submission.**

Responses should include, but not be limited to, the following;

- Provide details of how the delivery and achievement of Social Values will be monitored and measured by your organisation.
- Details of any organisations you have engaged with to support delivery of your submissions proposed Social Value outcomes.
- Demonstrate how previous success in delivering Social Values will further aid successful delivery of them for **this contract's** social value offering.
- Provide the name of the individual who will co-ordinate the delivery of Social Value outcomes.

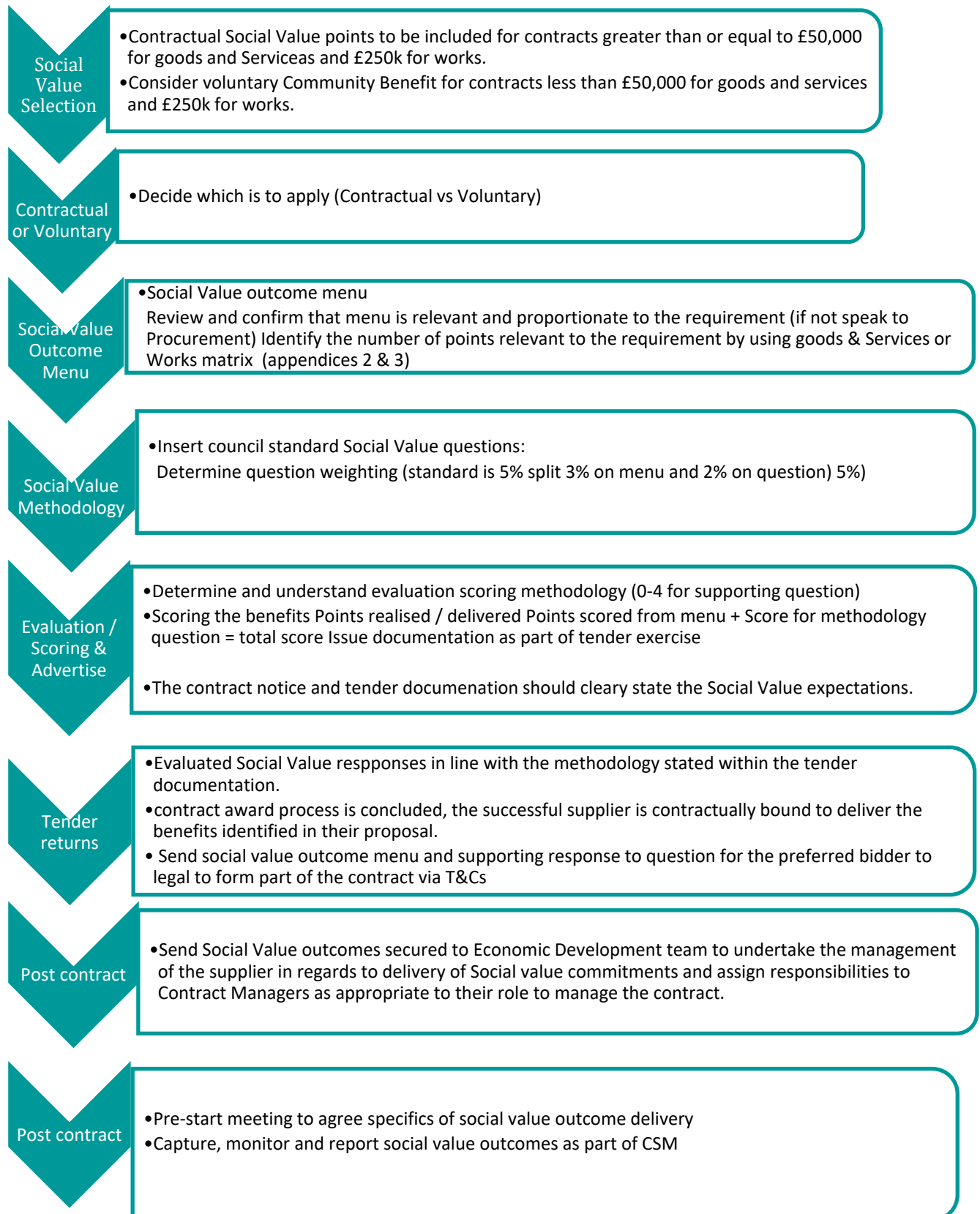
## Social Value Evaluation

### SV Scoring Explained

The response received for the Supporting Methodology, in relation to the approach described for delivery and achievement of Social Value outcomes offered within the Social Value Outcome Menu, will be scored in accordance with the following scoring criteria;

0 Unacceptable	<p>Nil or inadequate response.</p> <p>Fails to describe the approach demonstrating the ability to deliver Social Value requirements</p>
1 Poor	<p>Response is partially relevant but generally poor.</p> <p>Some elements of the approach adopted for the delivery and achievement of Social Values is provided but contains insufficient and limited information which does not fully explain or demonstrate how the Social Value outcomes offered will be delivered and achieved.</p>
2 Acceptable	<p>Response is relevant and acceptable</p> <p>Response addresses a broad understanding of Social Values, but lacks details on how <u>all</u> the Social Value outcomes offered will be delivered and achieved.</p>
3 Good	<p>Response is relevant and good.</p> <p>Response is sufficiently detailed demonstrating a good understanding of Social Values, the approach adopted for delivery, monitoring, measuring and reporting success of Social Value outcomes requirement</p>
4 Excellent	<p>Response is completely relevant and excellent overall.</p> <p>The response is comprehensive, unambiguous, demonstrates a comprehensive understanding of the Social Values, the approach adopted for delivery, monitoring, measuring and reporting success of Social Value outcomes requirement. As well as demonstrates how previous successes will aid successful delivery for this contract.</p>

## Appendix 6 - Social Value Process Map



## Appendix 7 - Social Value Action Plan

	Objective / Task	Target Date	RAG Status
1.	Present Social Value Policy at E&R & P&R Committees	November 2022	
2.	Mobilisation and communication of policy	December 2022	
3.	Delivery of Social Value Training workshops	December 2022	
4.	After completion of the successful pilot of the new Social Value approach in the HEEPS (Home Energy Efficiency Programmes for Scotland) project the team will Implement and Embed Social Value Approach in all future Procurements from £50k (Goods & Services) & £250k (Works)	December 2022	
5.	Evaluate and monitor success of Social Value policy	Ongoing	
6.	Continue to engage and work with key stakeholders to learn lessons and continually improve Social Value approach with a focus on engaging with communities through the development of systems and tools that capture real time requirements and needs that can be included in tender opportunities..	Ongoing	
7.	Report progress of Social Value outcomes via delivery of the Annual procurement report	October 2023	

## Glossary

<p><b>Social Value</b> Social Value outcomes are requirements which deliver wider benefits in addition to the core purpose of a contract. These can relate to social, economic and or environmental benefits</p>
<p><b>Collaboration</b> When two or more groups of people or organisations engage in procurement work together for mutual benefit.</p>
<p><b>Contract</b> An agreement concluded between the Council and the supplier that is legally binding, containing terms of the agreement, any schedules and appendices, the Tender Specification and any other specifications, drawings, official purchase order(s) and other documents which are relevant to the Contract.</p>
<p><b>Contract and Supplier Management (CSM)</b> The process of monitoring the performance of a contract and supplier.</p>
<p><b>Fair Work First</b> Employment practices that supports investment in skills and training, no inappropriate use of zero hours contracts, action on gender pay, engagement with trade unions, and payment of the real Living Wage.</p>
<p><b>Procurement Strategy</b> A document required as part of Scottish Procurement Regulations that sets out how the Council intends to carry out its regulated procurements i.e. procurements with an estimated value equal to or greater than £50k (excluding VAT) for supplies &amp; services (or £2,000,000 excluding VAT for a public works contract).</p>
<p><b>Public Contracts Scotland</b> The national advertising portal used to advertise all Scottish Government supplies, services or works contract opportunities.</p>
<p><b>Public Contracts Scotland Tender</b> The national advertising portal used to tender all Scottish Government supplies, services or works contract opportunities.</p>
<p><b>Real Living Wage</b> A wage rate per hour that is based on the cost of living and is currently voluntarily paid by UK organisations. From 1st April 2022, the rate per hour is £9.90 across the UK and £11.05 in London, for ages 18 and older. The rates are reviewed and updated annually, each April. Organisations can gain accreditation of this with the Living Wage Foundation.</p>
<p><b>Stakeholder</b> Any person or group who has a vested interest in the success of the procurement activity, i.e. either provides services to it, or receives services from it.</p>
<p><b>Supplier</b> An entity who provides supplies, services or works; often used synonymously with “vendor”</p>

**Supported business**

An organisation whose main aim is the social and professional integration of disabled or disadvantaged persons.

**Small and Medium Enterprises (SME's)**

Enterprises which employ fewer than 250 employees.

**Sustainable procurement**

A process whereby organisations meet their needs for supplies, services, works and utilities in a way that achieves value for money on a whole life basis and generates benefits, not only for the organisation but also to society, the economy and the environment.

**Third Sector**

The part of an economy or society comprising non-governmental and non-profit-making organisations or associations.