

2024

London Borough of Richmond Upon Thames Social Value Toolkit

*A guide for utilising Social Value in procurement to
improve the Social, Economic and Environmental
wellbeing of our Borough and support the delivery of
Council priorities*

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1. Introduction

This document sets out how the London Borough of Richmond Upon Thames' Council is implementing Social Value within its procurement process to deliver real benefits to the communities within the borough.

1.2 What is Social Value?

Social Value refers to the wider financial and nonfinancial value created by the Council through its day-to-day activities in terms of the wellbeing of individuals, communities, social capital created and the environment.

Social Value is defined through the Public Services (Social Value) Act 2012 (the Act) which came into force in January 2013 and requires all public sector organisations to have regard for how the public services they commission and procure might improve the economic, social, and environmental wellbeing of the local area and communities which the contract will support. The Act applies to Service contracts primarily; however, the Council encourages consideration of Social Value in all contracts including goods and works above the UK Public Contract Regulations Services threshold, currently £214,904 (plus VAT where applicable). The approach for contracts that fall below the Services threshold of £214,904 or relate to Works and Goods, should be considered on a case-by-case basis, with Social Value included wherever possible to maximise outcomes – Social Value in such cases should be proportionate to the lifetime value of the contract, and when not included rationale for omission should be provided within the relevant Procurement Board report.

1.3 Why is it Important and What are the Benefits?

The Social Value Act provides a significant opportunity for the Council to engage with its supply chain by awarding contracts to suppliers that go beyond the provision of just the core contract requirements to deliver more value for the community. This can deliver solutions that are the most advantageous and will also, over the long term, help to reduce cost and build a more resilient, healthy, and economically strong community.

Key benefits include:

- Linking the Councils' corporate objectives and key issues to nationally agreed Themes, Outcomes and Measures (TOM's) has helped to define several local TOM's specific to both Richmond and Wandsworth corporate objectives.
- Better Value for Money delivering more for the public pound by requiring suppliers to do more than 'just' deliver the core services.
- Increases local spend by rewarding organisations that are local or have a local supply chain, especially SMEs and VCSEs.
- Increases opportunities for disadvantaged people and promotes social mobility.
- Promotes a responsible supply chain by requiring businesses to compete.
- Leads to cleaner, greener boroughs.
- Builds stronger more resilient communities.
- Leads to greater innovation and long-term thinking.

This Social Value Toolkit has been designed to support Commissioners, Procurement and Suppliers to begin to obtain the benefits of Social Value through how we manage and deliver our procurement activity. This Toolkit is just the start of our Social Value journey as it's important to consider that, as

key Council priorities/policies change and/or the local community and stakeholders identify new and emerging topics, the Toolkit will be updated to reflect those.

1.4 National Themes Outcomes and Measures (TOMs) Framework

The National Social Value Task Force sponsored by the Local Government Association (LGA) published the National Social Value Measurement ([National TOMs](#)) Framework in 2017, which is updated as needs develop. The aim of the National TOMs Framework is to provide a minimum reporting standard for measuring Social Value to ensure the Council can openly and transparently compare bids, in terms of Social Value, on a like for like basis. TOMs are broken down into 5 key Themes and against each theme, there is a list of associated Outcomes and, where possible, proxy values.



1.5 What Does This Mean in Practice?

The aim of the Act is not to alter the commissioning and procurement processes, but to ensure that as part of these processes, public bodies give consideration to the wider impact of the goods, works or services delivered.

Commissioning and procurement leads must ensure that Social Value considerations are relevant and proportionate to the goods, works or services being procured. These benefits can take almost any form, ranging from the very tangible, such as jobs for the long-term unemployed and apprenticeships, or sub-contracting opportunities for small businesses. Other benefits include ensuring food is sustainably and ethically sourced and ensuring all opportunities to reduce the carbon footprint associated with the contract delivery have been maximised.

Suppliers that commit to deliver Social Value as part of their initial bid via contractual arrangements with the council are expected to report on delivery of those commitments, and targets as part of routine contract management, and provide an annual summary report listing their key achievements, and a case study that showcases an example of where they created a real impact.

2. Aligning Social value to the Borough

2.1 Council Priorities

In order to deliver meaningful benefits to their residents, the Council agreed to ensure that the Social Value commitments embedded into their contracts were, where possible, aligned to the priorities that were set out for the borough.

Making Richmond green

- Campaign and advocate for action on the climate emergency
- Enhance our natural environment and protect against flooding
- Council operations to be carbon neutral by 2030 – reduce waste, increase recycling, and continue to improve energy efficiency

Making Richmond safe

- Confront crime and ASB
- Be the safest London borough

Making Richmond fair

- Bounce back from the pandemic
- Fairer, more accessible, and more inclusive
- Help young people get a great start in life
- Look after those who need our help
- Get active, run events, have fun
- Invest in the Borough

How we work

- Make it easier to communicate with the Council and have your say
- Run the Council efficiently

From the Council priorities laid out above, exercises were undertaken to define a set of outcomes from the TOMs framework that best met the issues the council felt its residents most valued. These aligned outcomes (below) set out some of the commitments we would like contractors to evidence when developing their Social Value proposals. The list is not exhaustive, and bidders are welcome to come up with innovative ideas about how to deliver Social Value in line with borough priorities, but in most cases, procurement and commissioning teams will ask for evidence against a small selection of the below TOMs.

2.2 Richmond Aligned Social Value TOMs

| Making Richmond Green | | |
|-----------------------|---|--|
| Environment | Carbon emissions reduced | <ul style="list-style-type: none"> • NT31: Savings in CO2e emissions on contract achieved through de-carbonisation. • NT82: Carbon emission reductions through reduced energy use and energy efficiency measures - on site. • NT83: Commitment to measure and disclose Scope 1, 2 and 3 carbon emissions. • NT44(a): Commitment to carbon emissions savings to achieve NZC before 2050 (or 2030 in NT44a). |
| | Air pollution reduced | <ul style="list-style-type: none"> • NT32: Car miles saved on the project as a result of a green transport programme or equivalent. • NT33: Car miles driven using low or no emission staff vehicles included on project as a result of a green transport programme. • NT66: Fleet emissions monitoring programme on the contract, including data collection. |
| | Safeguarding the Natural environment | <ul style="list-style-type: none"> • NT85: Resources (on the contract) dedicated to creating green spaces, improving biodiversity or helping ecosystems. • NT87: Total volume of reduced plastics against a relevant benchmark. • NT86: Volunteering time for environmental conservation & sustainable ecosystem management initiatives. |
| | Resource Efficiency and Circular Economy are promoted | <ul style="list-style-type: none"> • NT72: Hard to recycle waste diverted from landfill or incineration through specific recycling partnerships. • NT88: Reduce waste through reuse of products and materials. • NT70: Single-use plastic packaging eliminated through reusable packaging solutions or schemes on the contract. |
| Making Richmond Fair | | |
| Jobs | Fair work – terms and union recognition | <ul style="list-style-type: none"> • NT75: Good and fair work charters and related employment practices are implemented and facilitated on contract. • NT74: Union recognition agreements encouraged in the supply chain. |
| | Improved employability of young people | <ul style="list-style-type: none"> • NT13(a): Meaningful work placements that pay Minimum or National Living wage according to eligibility. (Note – placements should pay the London Living wage) • NT12(a): No. of weeks spent on meaningful work placements or pre-employment course; 1-6 weeks student placements (unpaid) |
| | Jobs for disadvantaged residents | <ul style="list-style-type: none"> • NT78: Percentage of leadership positions (manager or above (Level 4)) on the contract filled by women. • NT79: Percentage of leadership positions on the contract held by people from Ethnic Minority Groups. • NT3(a/d): No. of full time equivalent employees (FTE) hired on the contract who are long term unemployed. • NT4a: No. of full time equivalent 16-25 year old care leavers (FTE) hired on the contract. • NT5: No. of full time equivalent employees (FTE) aged 18+ years hired who are rehabilitating or ex-offenders. • NT6: No. of full time equivalent disabled employees (FTE) hired on the contract. |

| | | |
|-----------------------------|---|---|
| Social | Vulnerable people are helped to live independently | <ul style="list-style-type: none"> • NT27: Initiatives to be taken to support older, disabled and vulnerable people to build stronger community networks. |
| Growth | Reducing inequalities | <ul style="list-style-type: none"> • NT40: Number and type of initiatives to be put in place to reduce the gender pay gap for staff employed in relation to the contract. • NT41: Percentage of staff on contract that is paid at least the relevant Real Living wage as specified by Living Wage foundation. |
| Making Richmond Safe | | |
| Social | Crime is reduced | <ul style="list-style-type: none"> • NT24: Initiatives aimed at reducing crime (e.g. support for local youth groups, lighting for public spaces, etc.). |
| Innovation | Innovative measures to enable healthier, safer, and more resilient communities | <ul style="list-style-type: none"> • NT52: Innovative measures to enable healthier, safer and more resilient communities to be delivered on the contract - these could be e.g. co-designed with stakeholders or communities, or aiming at delivering benefits while minimising carbon footprint from initiatives, etc. |
| How We Work | | |
| Social | More working with the community | <ul style="list-style-type: none"> • NT28: Donations and/or in-kind contributions to specific local community projects (£ & materials). • NT29(a/b): No. of hours volunteering time provided to support local community projects. • NT30: Support provided to help local community draw up their own Community Charter or Stakeholder Plan. |

** The NTs in brackets (e.g. NT3(a/d)) have not been expanded upon for the sake of saving space, but will need to be specifically referenced in the procurement process/response documents if selected.*

3. Implementing Social Value in practice

3.1 How to Apply Social Value When Planning With Commissioners?

Consider who should be consulted, both internally as well as externally, including potential suppliers (including the staff who deliver the contract), the local community, Elected Members, Small and Medium-sized Enterprises (SMEs) and Voluntary and Community Organisations and Social Enterprises (VCSEs). If there is to be a soft market engagement phase, ensure you include questions around what Social Value the market feels they can deliver.

What social benefits and outcomes could be achieved through the procurement process, in addition to the goods, works and services being tendered? Could members of the community or the target audience of the contract be involved in the evaluation of submissions?

You can be broad or specific when considering which of the Social Value themes to apply. You may wish to be specific and choose a limited number of TOMs based on the market's ability to meet those, the degree of weighting assigned to Social Value, and the lifetime value of the contract to ensure TOMs proposed are proportionate. Alternatively, you may wish to propose a broad base of the Social Value themes and leave it with potential bidders to choose which of the TOMs they feel best able to deliver. Either option is a valid approach, but the specific approach will ensure you receive Social Value offers which are specific to your requirements.

3.2 How to Apply Social Value in the Procurement Phase

Early soft market engagement is a key tool to ascertain what the most appropriate Social Value indicators to include might be. There is little point in including Social Value indicators that the supply base simply cannot deliver due to the range of goods, works or services being procured.

Consider dividing a large, high value contract into lots to enable smaller bidders to be able to bid.

Contract Notices must include the requirement to detail Social Value, for example as part of the weighting criteria. Official Tender documents must make clear the scoring mechanism and the weighting criteria to be applied to the Social Value element of the bid in the same way as price and non-price criteria weightings shall be assessed. The tender documents must also detail any contractual elements in relation to Social Value and Key Performance Indicators.

Where Frameworks are used, it may still be possible to secure Social Value. Check the further competition process as this may allow for Social Value considerations. Also, if the Framework owner included Social Value in the original award criteria, you may have the opportunity to engage with Framework suppliers to align the Social Value offer to the Council's key priority areas.

It is important to note that Social Value may be applied to an existing contract. If there are allowable extension provisions built into the contract, there is an opportunity to negotiate with the incumbent contractor to now deliver Social Value outcomes. Likewise, if a contract is being varied or modified, this might provide an opportunity to now build in Social Value outcomes. Even when making a Direct Award, it may still be possible to factor in Social Value into the award.

3.3 What Should Suppliers Do to Demonstrate Social Value?

In order to have a successful bid, it's vital that suppliers provide sufficient evidence and detail around their council specific Social Value offerings. The tender documentation will lay out specific questions or areas of focus (typically aligned to a specific TOM) that the Council are looking for responses to, and the priorities listed in section 2.2 above provide a basis for the overall interests of the borough when it comes to Social Value.

The response should set out clear, measurable outputs that will be delivered through the contract, including timescales for delivery where possible. Bidders should outline how the commitments will be delivered, include information about who will be responsible for overseeing the delivery of the obligations and, where relevant, how the contractor will ensure compliance in their wider supply chain.

Bids will be evaluated on the basis of the extent to which they are delivering *additional* community benefits that would not otherwise have been achieved; services or actions that the bidder is required to provide as part of the core contract requirements cannot also be counted as Social Value.

4. Evaluating Social Value

Suppliers will need to demonstrate and evidence what they propose to deliver in their Social Value offer and how, in the same way they would demonstrate all other requirements detailed within the tender, via their Method Statement.

Whilst the National TOMs provide measurements and proxy values for many of their TOMs, overemphasis on using these values as evaluation criteria should be avoided; the proxy value metrics may be more useful as a post-award measure of value delivered. Instead, a more subjective and qualitative evaluation should be considered to ensure that true value is being delivered against priorities that the evaluation panel know will make an impact in the boroughs. This methodology also allows for a more level playing field for smaller suppliers who may not be able to commit to the same quantitative outcomes.

Social Value will typically be weighted at 10% of the overall assessment criteria, this is in line with central government recommendations. Within this, there will be a breakdown in scoring between the delivery plan (the what) and the Method statement (the how); this breakdown will typically be a 5%/5% split but may vary in certain instances.

4.1 Example Response

Below is an example Method Statement question and response using the above evaluation methodology. This is not intended to be an example of best practice, but merely a representation of how the questions will be posed to suppliers.

| | |
|---|---|
| <p>Method statement 4: NT11 - No. of hours of 'support into work' assistance provided to unemployed people through career mentoring, including mock interviews, CV advice, and careers guidance</p> | |
| <p>Please outline what and how you will deliver to meet the above Social Value requirement to the best of your abilities. Your response will be scored using the evaluation criteria attached (Note: this criterion is on the next page of this toolkit) with equal weight being given to what you propose to deliver and how you plan on delivering it.</p> | |
| <p>Delivery Plan (What)</p> | <p>Method Statement (How)</p> |
| <p>We will provide 2-week employment skills training with guaranteed interviews for unemployed residents = 20 customers.</p> | <p>working with local job centres and local employment support business (such as workplace and Seotec) to support the unemployed with CV writing, interview techniques and accessing the job roles within our business and other businesses within the Borough. Priority will be given to these candidates in interviews and support provided afterwards should they be unsuccessful.</p> |
| <p>2x 2-day tailored employment skills training modules (CV, online job-search, interview skills) delivered to specific unemployed priority groups such as people with health conditions or 50+ residents = 30 customers.</p> | <p>Tailored employment skills for unemployed priority groups available through our Social Value programme.. Available for up to 10 sessions over 6 months as required by user.</p> |

4.2 Example Marking Criteria

Below is an example of the marking criteria an assessment panel will use to evaluate bids. This is, once again, not a prescriptive model, but demonstrates the kind of scoring system that will be used. If an alternate scoring system is implemented, this will be laid out in the tender documentation. Bids will be provided a score based on the below by each assessor, and a cumulative score will be awarded to make up the social value portion of the overall marking.

| Score | Rating | Criteria for awarding the score |
|-------|-----------------------------|--|
| 0 | Unacceptable/ Unsuitable | The Tenderer's proposals are absent or incomplete or the Tenderer has provided proposals that are not relevant. |
| 1 | Very Weak | The Tenderer's proposals are wholly insufficient or unsatisfactory |
| 2 | Weak | The Tenderer's proposals fail to meet the minimum standard required and the Authority have some major concerns |
| 3 | Acceptable | The Tenderer's proposals satisfactorily achieve the minimum standard and are acceptable with no major concerns. |
| 4 | Very Good | The Tenderer's proposals exceed the Authority requirements, and include good, full and robust responses which give the Authority confidence and will bring added value/benefit to the Authority |
| 5 | Excellent | The Tenderer's proposals considerably exceed the Authority requirements and are outstanding and will bring significant added value/benefit to the Authority. Show innovation and the Authority has full confidence in the responses. |

5. Governance and Reporting Requirements

As part of the governance arrangements, Council officers will be expected to detail what Social Value TOM's will be included within scoping reports to Procurement Board, OSC and Committee.

Procurement Board will record which procurement exercises propose to include Social Value as an award criterion, and the Procurement Team shall record the offer from the successful bidder. It is the responsibility of the Contract Owner/Manager, as part of routine contract monitoring, to confirm that the Social Value commitments are being/have been delivered.

Where officers feel they are able to provide feedback on either the process or where Social Value has gone well, this should be fed back to the Procurement team so that lessons learned can be captured and shared and Case Studies produced to share good news stories.

6. Key Contacts

SSA Procurement and Social Value Contacts

| Name | Role | Contact Details |
|---------------|-----------------------------------|--|
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