



**Sandwell
Business Growth**



Sandwell
Metropolitan Borough Council



Social Value in Sandwell Policy

Unlocking potential, growing shared prosperity

January 2024, updated in March 2024

Introduction

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

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

Sandwell's Anchor Network organisations have a combined budget of over £1.5bn, with Sandwell Council alone spending more than £500m on goods, services and works. In addition, Sandwell's Regeneration Pipeline forecasts £2.9bn of investment

into the borough by 2027. By tapping into this investment and spending power there is opportunity to secure and deliver social value outcomes.

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



1 Policy context

- 1.1 In November 2023, Sandwell Council approved the Sandwell Business Growth Plan and the economic priority of 'Social Value in Sandwell', making a commitment to develop a social value policy along with a framework of support for commissioners, Sandwell's anchor organisations and contractors to employ and buy locally through embedding good social value practice within all contracts. Anchor organisations have an important presence in a locality due to being largescale employers and purchasers of goods and services, controlling large areas of land and/or having relatively fixed assets. Such organisations include councils, NHS trusts, universities and colleges, housing groups and large strategic companies. With this presence anchor organisations have significant influence and potential to build community wealth through an inclusive economy – thanks to the jobs they create, their employment practices, the physical spaces they occupy, the commissions they manage and the supply chains they use.
- 1.2 The Public Services (Social Value) Act 2012 states: "for procuring the provision of services, ... goods or the carrying out of works ... the authority must consider how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area and, in conducting the process of procurement, how it might act with a view to securing that improvement."
- 1.3 This policy requires commissioners to think about how they achieve outcomes in a more integrated way at the pre-procurement stage. Rather than thinking about services in isolation or in the short term, this approach requires commissioners to consider long-term costs, sustainability and how inclusion of additional social value outcomes can potentially reduce pressures in other areas and provide capacity and funding for improved community benefits.
- 1.4 The policy applies to all Sandwell Metropolitan Borough Council commissioners, all expenditure made on behalf of the council, and planning officers determining planning applications that are over ten residential units or exceed 10,000 sqm.
- 1.5 The Head of Procurement has delegated authority to consider and determine if and how the Social Value in Sandwell Policy is applied to contracts to ensure proportionality against social value weightings and contract value thresholds, to mitigate any potential negative impacts on other quality evaluation considerations required on particular contract types – for example, Adult Social Care.

2 Application of Social Value in Sandwell

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

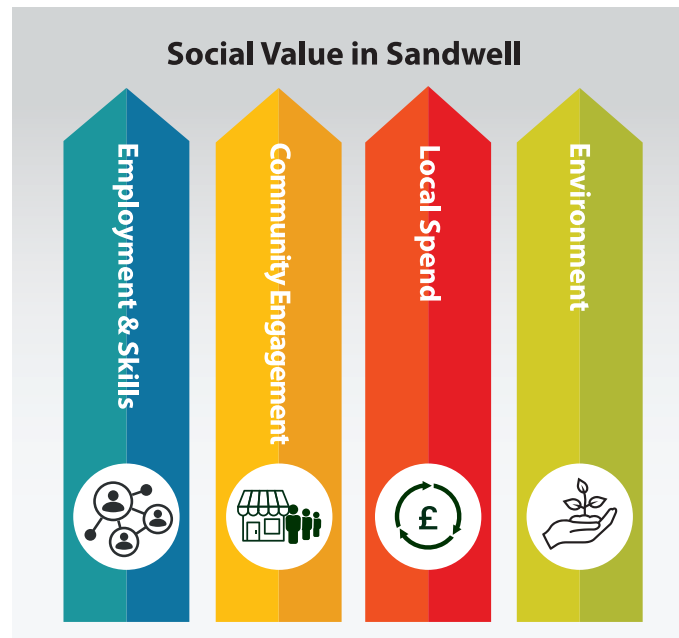


Figure 1 The four pillars of social value

2.2 For Sandwell this policy defines “Local Employment” and “Buying Locally” as a supplier where the organisation’s operations are carried out within Sandwell or the West Midlands Combined Authority Area (WMCAA). This can be local suppliers or national employers with workers in the region. Figure 2 lists all councils that comprise the WMCAA.

| West Midlands Combined Authority Area (WMCAA) | |
|--|---------------------------------------|
| Birmingham City Council | Nuneaton and Bedworth Borough Council |
| City of Wolverhampton Council | Redditch Borough Council |
| Coventry City Council | Rugby Borough Council |
| Dudley Metropolitan Borough Council | Shropshire Council |
| Sandwell Metropolitan Borough Council | Stratford-upon-Avon District Council |
| Solihull Metropolitan Borough Council | Tamworth Borough Council |
| Walsall Council | Telford and Wrekin Council |
| Cannock Chase District Council | Warwickshire County Council |
| North Warwickshire Borough Council | Herefordshire Council |
| Greater Birmingham & Solihull Local Enterprise Partnership | |

Figure 2 WMCAA

2.3 The council will ensure that social value is embedded in its commissioning and procurement processes according to thresholds in Figure 3. When a Social Value Delivery Plan is required it will be used to identify the key performance indicators agreed with the awarded supplier/contractor. This will be monitored during the contract to capture all outcomes.

| | Level 1 | Level 2 | Level 3 |
|--------------------|---------|-------------|---------|
| Services Contracts | < £200k | £200k – £1m | > £1m |
| Goods Contracts | < £1m | £1m – £2m | > £2m |
| Works Contracts | < £1m | £1m – £2m | > £3m |

Level 1 - consider, seek and record social value benefits where practical
 Level 2 - metrics included in tender evaluation process and action plan for the contract term
 Level 3 - metrics included in tender evaluation process and Social Value Delivery Plan required

Figure 3. Contract Type & Value Matrix

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

2.5 Planning Officers will embed a Social Value Delivery Plan in all planning applications that are over ten housing units, or over a capacity of 10,000 sqm. in commercial developments, schools, hospital builds, and so on.

2.6 The social value weighting within the tendering process will be between 10% and 30% of the evaluation. The application of weighting will depend on the type and value of the contract. For example, it is expected that Levels 1 & 2 contracts would include a weighting of 10-15%, with Level 3 contracts including a weighting of 15-30%. Where elements of social value are essential to the delivery of the project they can be included in the specification and in some instances, a PASS/FAIL weighting could be applied..

2.7 Social value is to sit within all procurement activity across the council, including the social economy sector’s wider remit towards the inclusive growth to support opportunities that will benefit Sandwell residents, communities and businesses. Therefore, it is important that commissioners are specific and clear about the social value expectations, so that the tender can be evaluated and monitored effectively against those expectations.

2.8 Commissioners may need to take a flexible approach for some contracts in identifying outcomes and measures for social value. Allowing outcomes and measures that are relevant and proportionate to the specific contract. Where a contract is unable to achieve enough social value outcomes to warrant an action plan or social value delivery plan as indicated in Figure 3, the council will seek alternative social value benefits.

2.9 Adopting a council-wide approach will ensure consistency and lead to achieving a greater value social value for the local area.

3 Monitoring and evaluation of Social Value in Sandwell

3.1 3.1 To measure the impact of social value outcomes in a reportable way, the council aligns its social value measures with the National Themes, Outcomes and Measures (TOMS). See Figure 4.

| TOMs: What does it stand for? | |
|-------------------------------|---|
| Themes | Visionary social value areas for consideration. |
| Outcomes | Positive changes within communities an organisation wants to achieve. |
| Measures | Quantifiable actions that organisations can take to deliver outcomes. |

Figure 4. TOMs

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

- **Growth, skills and employment:** Promoting growth and development where we operate to ensure that our communities develop new skills and gain meaningful employment.

- **Promoting local businesses:** Recognising the importance that local businesses play within the community in terms of job creation, working with local supply chains and wealth generation; promoting sustainability of existing businesses to support their growth and income directly linked to their success through their ability to pay business rates.
- **Creating healthier, stronger communities:** With budget cuts and restricted services, we recognise that we need to build stronger and deeper relationships with the voluntary and social enterprise sector within our supply chain, helping to build local knowledge, resilience, and a healthy workforce.
- **Protecting and improving our environment:** Working with local businesses and communities to ensure Sandwell is cleaner, greener and safer.
- **Social innovation:** Recognising opportunities to promote innovation amongst our suppliers and looking to showcase best practice.
- **Planning and development:** Ensuring that consideration of social value sits alongside community benefits within the early stages of project planning and development.
- **Digital strategy/ inclusion:** Supporting residents, communities, VCSEs and SMEs to have the skills and capability to use the internet as more information and services become accessible online.

4 Review and support

- 4.1 The council will periodically review its Social Value in Sandwell Policy in consultation with stakeholders to consider any changes in priorities.
- 4.2 A comprehensive framework of guidance and tools accompanies this policy and will also be reviewed periodically with stakeholders.
- 4.3 The framework of guidance and tools is available at www.sandwellbusinessgrowth.com.
- 4.4 The Sandwell Business Growth Team is also available to provide advice and support. business_growth@sandwell.gov.uk

