

Report to: **Place Scrutiny Committee**

Date of meeting: **27 November 2025**

By: **Chief Operating Officer**

Title: **Scrutiny Review of Procurement: Social Value and Buying Local**

Purpose: **To provide an update on the actions from the Scrutiny Review of Procurement: Social Value and Buying Local and the introduction of the East Sussex County Council Social Value Model.**

RECOMMENDATIONS: The Place Scrutiny Committee is recommended:

- 1) To note the updates to the progress against the further recommendations of this review from Place Scrutiny Committee in September 2024'; and**
 - 2) To consider and endorse the East Sussex Social Value Model (Appendix 1) and revised draft Social Value Policy (Appendix 2), and note the proposed change to the associated Council Plan measure (Appendix 3).**
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1. Background

1.1 The Place Scrutiny Committee at the meeting on 23 March 2022 agreed to establish a Review Board to undertake a Scrutiny Review of Procurement focussing on Social Value and Buying Local initiatives.

1.2 The lines of enquiry which were explored in the review were:

- How can the Council improve the current approach to Social Value and Buying Local initiatives?
- How can these initiatives be used to achieve the Council's objectives and support action on climate change and a sustainable local economy?

1.3 The recommendations of the original Scrutiny Review were accepted at Full Council in May 2023. The last update report on the progress of the recommendations from the Scrutiny Review was presented to the Committee on 23 September 2024.

1.4 A trial of a qualitative approach to securing Social Value benefits has been ongoing in Adult Social Care & Health procurements since May 2023. This trial has used the Government's Social Value Model, including the outcomes and priorities set out within it.

1.5 A number of further recommendations were agreed by the Committee in September 2024, including a continuation of the trial of the Social Value Model in Adult Social Care & Health procurements, but more notably the following:

- i. That simultaneously stakeholders across the Council are engaged to develop a "Social Value Model for East Sussex", maintaining the methodology of the government's SVM, whilst aligning the themes and outcomes with East Sussex local priorities and needs.*
- ii. That this proposed model and plan to implement across the Council returns to Place Scrutiny Committee for endorsement, with a view to*

seeking democratic approval to roll out across the Council for all above threshold procurements.

- iii. *That such proposal includes a proposal to replace the Council Plan target of obtaining 10% of total contract value with KPI(s) more suitable to a qualitative model and the requirements to manage delivery through contract management.*

1.6 As a reminder, for procurements which currently sit outside of the trial ESCC uses a Social Value Charter which includes measures which have a proxy monetary value attached to them associated with the perceived value that the measure has. This is evaluated in procurements on a quantitative basis with the bidder submitting the highest proxy value being awarded the highest marks.

2. Supporting information

2.1 A qualitative trial of the Social Value Model has been undertaken since May 2023. The trial was welcomed by BSD and ASCH and has been received positively by commissioners and bidders.

2.2 Some of the positive effects of the trial were that bids, especially those from SMEs and VCSEs were more aligned with required outcomes and use of qualitative criteria was favoured by evaluators. The use of the model during market engagement led to bids which had better information with which to provide assurance of delivery.

2.3 The government's Social Value Model has since been updated to coincide with both the commencement of the Procurement Act & National Procurement Policy Statement (NPPS) which sets out the priorities the Government has for public procurement and to which ESCC must "have regards to" when undertaking procurement activities.

2.4 One of the drawbacks of using the Government's Social Value Model (SVM) is that on its own it is not as closely aligned with ESCC's priorities and outcomes specific to communities in East Sussex and this may mean that bidders do not commit to the exact priorities and needs within the County. For this reason Procurement have worked with stakeholders to design an East Sussex County Council Social Value Model (ESCC SVM) (Appendix 1). It is proposed that the ESCC Social Value Model be incorporated into the Council's Social Value Policy. A revised policy will be presented to the Lead Member for Resources and Climate Change in December, a draft of which is included at Appendix 2.

2.5 The main outcomes of the SVM are closely aligned to ESCC's four priority outcomes as shown in table 1. We have therefore been able to develop a ESCC SVM which allows us to meet our duty under the NPPS with ESCC priorities and local community needs:

ESCC Priority	Social Value Outcome	Social Value theme
Driving sustainable economic growth	Workforce Skills Fair Work Economic Growth Removing Barriers to Employment	Economic
Keeping vulnerable people safe	Better health outcomes for residents	Wellbeing
Helping people help themselves	Putting people first	Community

Making best use of resources now and for the future	Carbon Neutrality	Environmental
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Table 1

2.6 The ESCC SVM looks to place more control and flexibility with commissioners and procurement leads allowing them to determine the social value outcomes that should / can be supported when procuring certain goods, services or works. This may be as a result of:

- Closer alignment of certain priorities with the subject matter of the contract.
- Being able to maximise specific outcomes due to market capability.
- An understanding of the make-up of the supply chain or intended service users.

2.7 Once the Outcome and associated Model Assessment Criteria (MACs) are selected, these are included as part of the qualitative assessment of bids using a technical question and applying suitable weighting to the award criteria. Bidders are required to respond demonstrating not only the commitments they propose to deliver but evidence of capability to do so, and how well aligned those commitments are with the priority outcomes in the Model.

3. Council Plan Measure & Target

3.1 This approach means that the Council would no longer evaluate bids on a purely monetary basis. This has some significant advantages:

- The extent to which the outcome and priority is delivered is more important than the quantity of social benefits committed or the proxy value assigned to them.
- It reduces the perception that social value has an associated additional cost.
- It allows for greater innovation and alternative approaches to be considered to achieve the priority and outcome.

3.2 Accordingly we would no longer be quantifying the overall social value committed as a financial sum. The current Council Plan measure associated with Social Value is based on the overall financial commitment made in procurements as a percentage of total contract value. We are therefore proposing that the Council Plan measure & target is replaced with one which aligns to the roll out of the qualitative approach to social value.

3.3 The measure & target proposed is that 60% (for 2026/27) of all in-scope procurements include a 10% (or greater) weighting against social value criteria as part of the quality evaluation. Full details of the measure are included in Appendix 3.

3.4 The measure and target have been proposed due to a number of factors:

- It more directly supports the achievement of the Council's priority outcomes.
- It provides greater flexibility to those procuring goods and services in selecting appropriate social value outcomes.
- It is considered that 10% strikes the right balance between placing an emphasis on social value, without risking increased cost to the Council.
- 60% is a realistic target given a review of prior Procurement Forward Plan projects and other comparator measures in local government organisations.
- There is a consultation on legislative reforms to the Procurement Act underway which specifically looks to mandate 10% weighting for Social Value outcomes.

4. Conclusion and reasons for recommendations

4.1 The Scrutiny Review has made a number of previous recommendations which have afforded the Department the opportunity to examine possible improvements in policies and procedures and trial a move to a more qualitative approach to meeting social value requirements in contracts and procurement.

4.2 At the same time public procurement legislation and Central Government have introduced additional duties to how the Council has regards to Social Value, aligned specifically to outcomes and priorities, both national and local. This is seeing a shift in the wider public sector towards a qualitative approach.

4.3 Place Scrutiny Committee is asked to consider and endorse the East Sussex Social Value Model (Appendix 1) and the proposed revised draft policy (Appendix 2), and note the proposed change to the associated Council Plan measure (Appendix 3). The revised policy will be subject to a decision by the Lead Member for Resources and Climate Change, and subsequently the proposed revised Council Plan measure and target regarding social value will be considered by Place Scrutiny and Cabinet, and approved by Full Council as part of the annual Council Plan review.

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