

Appendix 3: Measure calculation

Proposed Council Plan measure name: The percentage of in-scope Council procurements which include economic, social and environmental award criteria of 10% or greater

Definition:

The Council Plan measure is defined as: ensure that 60% of in-scope procurement exercises include award criterion weighted at a minimum of 10% aligned to the themes of the ESCC Social Value Model (economic, social and environmental), with evidence recorded in the procurement system.

The ESCC Social Value Model provides an open, fair and transparent method for bidders of Council contracts to commit to providing economic, social and environmental benefits and for the evaluation of those commitments in the tender process. It specifically improves the ability of SMEs and VCSEs to demonstrate and commit to social value related outcomes when bidding for our contracts. It has been developed in line with public procurement best practice and meets a Central Government mandate to ensure that that outcomes of social value committed to and delivered in public contracts are maximised and align with national and local priorities. The model also supports our need to “have regards to” the National Procurement Policy Statement.

For these reasons, a qualitative approach to evaluation of proposed benefits from suppliers is required. In the first instance officers undertaking procurements are required to consider which of the model’s needs, priorities and outcomes are best suited to being delivered from the resulting contract. Bidders are then invited to consider this information during the procurement process and submit a proposal on how they will contribute to achieving the desired outcomes should they be successful in being awarded the contract.

Proposals will be evaluated against the contract award sub-criteria weighting set for social value related outcomes. The overall award criteria for a procurement is made up of price and quality sub-criteria. Quality sub-criteria are individual weighted elements which are considered the important factors for the successful performance and value for money delivery of the contract. These should include where relevant and proportionate wider criteria other than those directly related to the quality of the goods or services being procured, such as Council priorities (which will include social value themes). There is no set method for selecting sub-criteria or formula for weighting the sub-criteria. These are decided by the commissioner / service lead in consultation with Procurement and other stakeholders. Each sub-criteria are then weighted (as a % of importance to the overall contract, internal and external factors and policies and outcomes required).

Weighting is an important lever to use to maximise value from the competitive process but must be balanced against the other factors associated with delivery of the contract such as cost and quality of the service delivery. Generally, the higher the weighting a sub-criterion carries, the more that sub-criterion will contribute to determining the bid that is awarded the contract.

It is important that social value themes are weighted at a level that is relevant and proportionate to the contract and its ability to contribute to social value priorities but that weighting is also reflective of Central Government policy and legislation and the Council’s own policies (such as the Social Value Policy).

The threshold for inclusion of the Social Value Model and award sub-criteria is procurements that are above Regulatory Threshold – as this is when we run a formal procurement process through our tendering system, Proactis.

Formula:

1. Total number of in-scope procurements. (100%)
2. Total weighted sub-criteria (which are recorded as individual %'s) for each in scope procurement related to social value themes.
3. Total number of procurements where the award sub-criteria (as calculated in point 2) associated with the social value themes are 10% or >
4. Divide total number calculated at point 3 by total number calculated at point 1 (multiply by 100 for %).

The quarterly reporting against the measure will also provide the total addressable spend (the total value (£) of procurements (including potential extensions or options)) that met the 10% weighting target vs. the total addressable spend that was in scope of this measure,

Results are presented as a %.

Latest annual outturn and calculation:

There is no previous historical data as this is a new methodology.

Data source and audit trail:

All procurement activity over Regulatory Threshold is approved by the Corporate Management Team (CMT) via our Procurement Forward Plan (PFP) approval process. Any unplanned procurements that occur during the year are subject to Chief Officer approval and if they are qualifying in scope procurements they will also be included in this measure. These projects are entered into the Procurement Project Management System (PPM) using consistent data fields

Sub-criteria associated with the Social Value Model themes is recorded in the Procurement Report and the PPM.

Details of the in-scope above regulatory threshold procurements are recorded in the PFP and the PPM. This will assist with identifying the procurements that require full consideration of social value related themes, policies and associated weighting of award sub-criteria. The quarterly outturn will be based on all procurements where the contract has been awarded in that period.

Data quality controls:

Contract award sub-criteria will be recorded in the Procurement Report and the Procurement Project Management System (PPM) by the Procurement Project Lead and is approved by the Procurement Project Sponsor (Head of Procurement, Procurement Partner or Strategic Procurement Manager).

Sub-criteria will be based on the total % of sub-criteria use in an in-scope procurement which relate to the themes of the Social Value Model (economic, social and environmental).

Automated reports can be generated from the Councils Procurement Project Management System which identify all procurements, all in-scope procurements and the award criteria associated with the Social Value themes. Automated reporting from the PPM will aid consistency and quality control.

Procurements out of scope are generally those which limit our ability to undertake a full and open competitive process. Examples of out-of-scope projects include; accessing a Framework, Dynamic Purchasing System or Dynamic Market with pre-defined award criteria, direct

awarding a contract and modifying or extending an existing contract. Some procurements subject to the Provider Selection Regime will also be out of scope.

To provide consistency and a widely agreed definition of Social Value award criteria, the priorities and outcomes detailed in the Social Value Model are taken directly from the Cabinet Office Social Value Model and overlaid with specific local priorities and needs. These are agreed by the Chief Operating Officer.

Latest data quality check:

The Council's Social Value Model is based on the Social Value Model approved by the Cabinet Office in March 2025. This is set out in: [Procurement Policy Note 002: The Social Value Model \(HTML\) - GOV.UK](#)

The Procurement Forward Plan for 2026/27 is approved by CMT and Cabinet in March. No current data is available for a data quality check against the new measure and target.

Targets:

2026/27 – 2028/29: 60% of all in-scope procurements contain ≥10% award criteria related to the Social Value Model themes.

Rationale for target:

The target for this measure has been set at 60% for the following reasons:

1. This is a reasonable target to drive a good level of social value benefits from our procurement activity acknowledging the importance of social value in the procurement process and the Councils track record in this area.
2. Conversely the target being set at 60% rather than higher reflects the need for the Council to focus on lowering cost and that some procurements will not meet the 10% weighting required as higher weighting was apportioned to cost aspects of the award criteria, reason or because there is evidence to show that there is a risk that a high social value weighting will increase cost.
3. It has been informed in part by reviewing current Procurement Forward Plans (what is in-scope) and the procurement projects subject to Social Value sub-criteria weighting in the previous trial in ASCH to determine what is a reasonable and achievable target
4. Some procurements will still have a weighting applied to social value sub-criteria but will not meet the 10% de minimis and this needs to be reflected in the % target set, hence not higher than 60%
5. A 10% award criteria weighting is becoming a common mandate in various parts of the public sector and Central Government has recently launched legislation aimed at legislating for a similar approach, therefore we should look to target our progress for meeting this.
6. Whilst our ambition is to target as high a % of procurements as possible with this measure the target has been set at 60% initially as it introduces a new way of working to many parts of the Council during a period of significant financial challenge and will require support across all departments to be effective.

There is limited public information on comparator Councils Performance Measures for Social Value. West Sussex CC have what could be considered a similar Performance Measure which targets 10% weighting criteria in 80% of all in-scope procurements. The most recent available

performance outturn against this measure, 2024, was 66% giving further substantiation to selecting 60% as an appropriate target.

The previous Council Plan measure and methodology (pre 2026/27) had less predictability on a quarterly basis. It is expected that there will be less variation on performance levels against this target on a quarter-by-quarter basis. However, we do not have the degree of control over the timing of when contracts are awarded necessary to guarantee this, so some variability on a quarter-by-quarter basis may still occur but will be compensated over the course of the full year.