

PLACE SCUTINY COMMITTEE - SCRUTINY REVIEW OF PROCURMENT: SOCIAL VALUE & BUYING LOCAL

Detailed Update on R9(a): *“The Procurement Team explores in more detail how the Council could move to a more qualitative approach to measuring social value by conducting a sector based 12-month trial with the ASCH department to pilot a more qualitative approach that might be more suitable for VCSE organisations, including the development of evaluation criteria for the trial (e.g. comparison with the previous 12 month period).”*

1. Summary

- 1.1. The trial focused on Adult Social Care & Public Health (ASCH) and applied central government’s Social Value Model (SVM) to three tenders run in that category over a twelve-month period (July 2023 – July 2024).
- 1.2. The trial was evaluated by way of:
 - i. Stakeholder feedback; and
 - ii. Comparison of social value obtained in ASCH in the 12 months prior to the pilot vs. the pilot itself.
- 1.3. Stakeholder feedback was positive, with some useful learning points identified. Section 2.2 details this feedback, but in summary the comments included:
 - i. The model was positively received at market engagement, in particular smaller organisations and charities felt they could offer ideas and solutions as well as commitments;
 - ii. The approach gave the market the opportunity to focus on specific social value options that were relevant to the service being provided which is not always clear when using the Charter for social care procurement;
 - iii. The use of the model questions and the guidance provided was received well by the evaluators; and
 - iv. A lot more information on social value was provided in the Bidder responses than would normally be received when using the Social Value Charter.
- 1.4. Social Value obtained was positive, with significant clear commitments offered with delivery plans and targets (see Table 1). This compared favourably with social value obtained via ASCH tenders in previous time periods (see section 2.3).
- 1.5. Section 3 details areas for improvement, with key lessons identified including:
 - i. The first tender did not make clear enough the requirement for bidders to provide measurable commitments, so the phrasing of the question was adjusted in later tenders to address this;

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- ii. Consideration needs to be given with regards to the ideal number of model assessment criteria (MACs) to use in any given tender (noting it may vary);
- iii. Consideration needs to be given to the relationship between social value reporting and the requirements for contract management in the longer term.

2. The Trial Projects and Methodology

- 2.1. Four potential projects were identified for the trial, though one received no tender responses and was re-run under The Public Contracts Regulations (PCR) Regulation 32 – use of the negotiated procedure without prior publication – the use of which did not lend itself to piloting the social value model. Feedback from potential suppliers showed the reasons for the lack of bids included concerns regarding TUPE, lack of capacity to deliver, and concerns about inflation, i.e. not the social value approach.
- 2.2. The remaining projects ultimately selected for the trial were:
- i. Plan ID 2647 - Direct Payment Support Services
 - ii. Plan ID 8656 - Integrated Health and Wellbeing Service
 - iii. Plan ID 2653 - Mental Health Support Service
- 2.3. Service stakeholders were engaged to agree what theme(s) and outcome(s) they felt most appropriate to request from bidders as part of the tender responses for these projects.
- 2.4. Bidders were required to provide a social value response by way of a method statement as to how they could contribute to the stated theme(s) and outcome(s). Table 1 below outlines the themes and outcomes selected in respect of each project in the trial, together with the social value offered by the winning bidder(s).

Table 1: Social Value Requested and Offered for Each Trial Project

Plan ID / Title	SVM Theme Chosen	Social Value committed by winning bidder
Plan ID 2647 Direct Payment Support Services	Theme 2: Tackling economic inequality Outcome: Create new businesses, new jobs and new skills	There were 3 lots under this procurement, with a different supplier winning each Lot Lot 1 commitments: The response to Part 1 gave a positive volunteer case study with good outcomes. It provided a good level of current apprentices demonstrating how this works now in

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<ul style="list-style-type: none"> - <i>MAC2.2:</i> Create employment and training opportunities particularly for those who face barriers to employment and/or who are located in deprived areas, and for people in industries with known skills shortages or in high growth sectors. - <i>MAC2.3:</i> Support educational attainment relevant to the contract, including training schemes that address skills gaps and result in recognised qualifications. <p>Theme 3: Fighting Climate Change</p> <p>Outcome: Effective stewardship of the environment</p> <ul style="list-style-type: none"> - <i>MAC 4.2</i> - Influence staff, suppliers, customers and communities through the delivery of the contract to support environmental protection and improvement. 	<p>practice. It evidenced a strong ethos of skills, training, opportunity, and development available with bespoke training opportunities for Personal Assistants.</p> <p>The response to part 2 evidenced a number of good environmental impact reduction initiatives. These included raising awareness strategies with staff and service users and examples of collaboration i.e., Fairshare local charity on food waste, and details on activities available for volunteering i.e., gardening club.</p> <p>The response would have been strengthened with a clear tangible offer for East Sussex in terms of commitment to numbers/targets etc. for apprenticeships or training, or how this would be measured and reported.</p> <p>Lot 2 commitments: MAC 2.2 & 2.3:</p> <ul style="list-style-type: none"> - 1 apprenticeship in East Sussex. - 5 days volunteering in East Sussex. - 1 student per year an opportunity to gain employment. - 2 paid/volunteer opportunities to long term unemployed people. <p>MAC 4.2:</p> <ul style="list-style-type: none"> - Commitment to offset omissions from business travel. - Establishment of quarterly social value board and action plan for green initiatives. <p>Lot 3 commitments: MAC 2.2 & 2.3</p> <ul style="list-style-type: none"> - Understanding of key partnerships in recognition of the social care market and opportunities for raising awareness and promotion. - 'Good boss' webinar. - Advertising and promotion of training for Pas. <p>MAC 4.2:</p> <ul style="list-style-type: none"> - Training for staff on environmental issues, recycling aims and paper reduction. - Commitment to a paperless office. - Encouraging service users to use email or online forms rather than post. - Ambition to use local businesses where possible. <p><i>(NB: it was this tender that produced the learning that it would be advantageous to request the commitments to be clearly identified as part of the response to help support meeting the KPI, which was done for the subsequent projects below).</i></p>
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<p>Plan ID 8656</p> <p>Integrated Health and Wellbeing Service</p>	<p>Theme1: Tackling economic inequality</p> <p>Outcome: Create new businesses, new jobs and new skills</p> <ul style="list-style-type: none"> - <i>MAC2.2:</i> Create employment and training opportunities particularly for those who face barriers to employment and/or who are located in deprived areas, and for people in industries with known skills shortages or in high growth sectors. <p>Theme 2: Equal opportunity</p> <p>Outcome: Tackle workforce inequality</p> <ul style="list-style-type: none"> - <i>MAC 6.2:</i> Support in-work progression to help people, including those from disadvantaged or minority groups, to move into higher paid work by developing new skills relevant to the contract. 	<p>MAC 2.2: Create employment and training opportunities</p> <ul style="list-style-type: none"> - New apprentice scheme, with min 25% of new frontline and support recruits through scheme. - 2 x RSPH Health Improvement and 1 x Mental Health 1st aider courses (cohorts of 12 for each per year of contract), targeted at local unemployed. <p>MAC 6.6: Support in-work progression</p> <ul style="list-style-type: none"> - All staff to complete behaviour change course. - 3 staff/year to complete advanced course. - Leadership programme for 2x team members per year of the contract, selected from frontline staff from disadvantaged groups.
<p>Plan ID 2653</p> <p>Mental Health Support Service</p>	<p>Theme 2: Tackling economic inequality</p> <p>Outcome: Create new businesses, new jobs and new skills</p> <ul style="list-style-type: none"> - <i>MAC 2.1:</i> Create opportunities for entrepreneurship, small business and help new organisations to grow, supporting economic growth and business creation - <i>MAC 2.3:</i> Support educational attainment relevant to the contract, including training schemes that address skills gaps and result in recognised qualifications. <p>Theme 4: Equal Opportunity</p>	<p>MAC 2.1: Create Opportunities for entrepreneurship etc</p> <ul style="list-style-type: none"> - Maximise and record reach to potential new suppliers by: <ul style="list-style-type: none"> ▪ Engagement exercises with potential new suppliers ▪ Widely advertise opportunities across local networks and forums ▪ Pre-procurement advice and capacity building workshops ▪ Co-production in service design - Ensure 30% of grants are targeted at small businesses. - Use flexible procurement selection criteria, weighted to newer organisations (measured by 5% of grants awarded to organisations less than 5 years old). - Using proportionate contracts, grants, insurance, data and reporting requirements. - Using flexible payment mechanisms to cover costs as incurred - Southdown CEO and Exec mentoring and coaching. - Hot house seed funding to trial new ideas. - Support other organisations bidding for funding / forming consortia - Provide access to shared services (data, HR, ICT etc).

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	<p>Outcome: Reduce the disability employment gap:</p> <ul style="list-style-type: none"> - <i>MAC 5.1:</i> Demonstrate actions to increase the representation of disabled people in the contracts workforce. - <i>MAC 5.2:</i> Support disabled people in developing new skills relevant to the contract, including through training schemes that result in recognised qualifications. 	<ul style="list-style-type: none"> - Offer access to venues. <p>MAC 2.3: Support educational attainment</p> <ul style="list-style-type: none"> - Offer 2 apprenticeships p.a. for clients of employment services. - Offer 3 courses of accredited learning p.a. - Support 2 p.a. recovery college courses. <p>MAC 5.1 Increase representation of disability employment in the workforce</p> <ul style="list-style-type: none"> - >35% volunteers with long terms health conditions/disability p.a. by 2026. - >35% staff with long terms health conditions/disability p.a. by 2026. <p>MAC 5.2 Support disabled people developing new skills</p> <ul style="list-style-type: none"> - By 2025 achieve the following, and potentially increase targets thereafter: <ul style="list-style-type: none"> ▪ 3 work trial p.a. by 2025. ▪ 10 work placements p.a. by 2025. ▪ 3 staff secondments p.a. ▪ 2 apprenticeships p.a. ▪ >5 paid peer specialists roles p.a. ▪ Access to shared training programmes for 30 people p.a. - Create 3 Frontline/Manager Communities of Practice in year 1.
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3. Evaluation of the trial

3.1. Two evaluation criteria were set:

- i. Stakeholder feedback; and
- ii. Comparison of social value obtained in ASCH in the 12 months prior to the pilot vs. the pilot itself.

3.2. Stakeholder feedback

3.1.1. Stakeholder feedback of the trial was very positive. Services colleagues' feedback for the three projects that were completed were as follows:

- i. The model allowed for a wide range of responses; some more experienced bidders can offer firm commitments within their responses in addition to the core service, others used examples of what would be provided within the service remit.
- ii. The model was positively received at market engagement as there was no requirement to assign a financial envelope to the response meaning smaller organisations and charities felt they could offer ideas and solutions as well as commitments to employment. It also gave

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the market the opportunity to focus on specific social value options that were in relation to the service being provided which is not always clear when using the charter for social care procurement.

- iii. The use of the questions and the guidance was received well by the evaluators, and they found the scoring matrix easy to use and clear. Although they found it harder with some responses to identify clear commitments, however there is scope to address these through clarifications.
- iv. The qualitative (question-based) approach was favoured by the tender evaluators as it gave an option to review how the bidders viewed the social value requirements and allowed SME/charities the option to offer social value in a varied way with the option to fully explain what they are wishing to achieve with their proposal.
- v. Stakeholders reported feeling like they got a lot more information on Social Value in the Bidder response than would previously have been receive when using the Social Value Charter.
- vi. It may have been advantageous to request the commitments to be clearly identified as part of the response to help support meeting the KPI (as was done for later projects).
- vii. The 'Social Value Model themes with their corresponding Outcome and Model Award Criteria (MAC)' document was helpful in guiding possible themes to then detail the questions and prompts - it was effective to break up the panel for the social value evaluation and the score methodology was clear.
- viii. Essentially this new process for social value is more relevant and where the outcomes were linked better in relation to this tender, the bidder's responses are more deliverable.

3.3. Comparison of social value obtained against previous time periods

- 3.1.2. As reported throughout the Scrutiny Committee process, it has proved very difficult to get social value commitments against the Social Value Charter for projects in ASCH, and targeting the highest quantifiable social value is problematic in that supply chain.
- 3.1.3. Together with representations made during the Scrutiny process, this is further evidenced by the very low level of commitments historically obtained, set out in Table 2 below showing all the recorded social value commitments for tenders in ASCH in the period financial years ending 2023 and 2024, noting this is a longer period than requires for analysis given the very low level of commitments typically seen in that category.
- 3.1.4. Whilst Table 1 and Table 2 are not directly comparable due to the different nature of social value requested in tenders, it is a strong indicator of the greater ease of requesting and securing social value whilst utilising the social value model methodology.

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Table 2: Social Value Commitments Obtained via Tenders for Financial Years ending 2023 and 2024

FY & Q	Plan ID & Name	Social Value Commitment from Winning Bidder
SV committed whole of FY 2023		
FY 2023 Q3	6403 Home Care Services for Adults in East Sussex	<p>There is a contractual requirement for the successful bidder to undertake an environmental audit. Between the three contracts, the Supplier has made SV commitments that are 10 - 13% of the initial contract value. The majority of their SV commitment is around training local people to NVQ level 2/3 and providing job opportunities to the long term unemployed, those currently working less than 16 hours per week and 18-24 year olds not in employment, education or training. The provision of e-bikes and electric cars and the encouragement of car sharing and virtual meetings when appropriate are proposed to reduce carbon emissions against these contracts.</p> <p>Quantifiable SV against the TOMS: £2,204,190</p>
FY 2023 Q3	Online sexual health services	<p>The Supplier has committed to Social Value benefits over the life of the contract. Their model builds on the understanding that local clinics have the expertise and are best placed to support the needs of service users. This model helps protect and retain local NHS staff. They also support local employment in relation to its laboratory and operational positions. There is a requirement in the Call-Off Agreement for the Supplier to provide reasonable support to enable us to work in an environmentally friendly way, for example recycling or lowering carbon footprint.</p> <p>Quantifiable SV against the TOMS: n/a</p>
SV committed whole of FY 2024		
FY 2024 Q2	2572 Telecare	<p>The service was likely to be provided by an out of county provider, who will have a small number of staff working in county and as such there are few options to gain local benefits outside of the provision for the contract. The awarded bidder will commit to posting the commitments on the ES SV Marketplace/ Crowdfund ES and will work with both these, and other local organisations to develop further initiatives/funding. The Provider has ring fenced £20,000 for apprenticeships, and a Social Value Champion will support the strategy, with 1 day/week dedicated to management of SV, managing local relationships, co-designing joint initiatives, and recording outcomes.</p> <p>Quantifiable SV against the TOMS: £20,000</p>

4. Lessons Identified and Areas for improvement

4.1. Feedback evaluators and other stakeholders involved in the trial resulted in the following suggested areas for improvement.

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- i. Evaluators reported that at times they found evaluating responses challenging due to breadth of answers. For example, some bidder responses:
 - did not include measurable commitments
 - only focused on one of the themes
 - included social value commitments there were not relevant to the two themes at all
- ii. Whilst some bidders did answer the question well (suggesting that the way in which the question was worded was fine), a future improvement could be to be more explicit to potential bidders what is expected in a response, with suggestions including:
 - Completion of a table – with column headings reflecting the SVM themes and outcomes – summarising the commitment (e.g. 1 x apprenticeship/year of contract) together with how this will be monitored and reported.
 - Require them to be clear on the KPIs to be used to monitor delivery of social value.
- iii. Consideration needs to be given with regards to the ideal number of model assessment criteria (MACs) to use in any given tender (noting it may vary), noting this can be considered as part of developing an ESCC version of the SVM and associated guidance.
- iv. Consideration needs to be given to the relationship between social value reporting and the requirements for contract management in the longer term.

5. Recommendations

- 5.1. That the trial be extended to cover all above threshold procurements within ASCH to test that the positive results are scalable across the category.
- 5.2. That accordingly ASCH continues to be exempt from the corporate target of obtaining 10% of total contract value as additional social value.
- 5.3. 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.
- 5.4. 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.
- 5.5. 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.