

Social Value in Procurement

Context

The Social Value (2012) Act requires Social Value to be considered in all public sector service procurement tenders over an agreed threshold. Public authorities must have “regard to economic, social, and environmental well-being”.

Progressive procurement is one of the pillars of Community Wealth Building and contributes directly to the development of a resilient and inclusive local economy. The Council’s Community Wealth Building strategy, CWB 2.0¹, included a commitment to develop a Social Value Procurement Framework for the delivery of public contracts or services.

Preston’s new approach to Social Value in procurement

Preston’s new approach to embedding Social Value in procurement requires suppliers bidding for contracts above a minimum threshold² to respond to two Social Value questions.

The first question (Part A) requires a qualitative response and will reward suppliers on the extent to which their current practices align with the values and ambitions of the council.

The second question (Part B) requires a quantitative response and asks suppliers to select from Preston’s newly developed Social Value Procurement Framework the additional benefits that they will deliver as part of the contract.

Preston’s Social Value Procurement Framework (SVPF) has five themes:

- Supporting the local economy
- Addressing the climate emergency
- Promoting fair employment
- Investing in the future workforce
- Strengthening the voluntary and community sector.

Each theme includes a set of corresponding measures. These measures are graded at Levels 1–4, with a Level 1 measure scoring lower than a measure graded at Level 4.

Preston City Council will apply the new approach to Social Value in procurement as follows:

¹ [CWB 2.0 Leading Resilience and Recovery in Preston](#)

² This is the threshold which triggers a formal compliant tender procedure

- The SVPF will be used in all contracts which are expected to exceed £74,999. This is the threshold at which the council's current procurement rules trigger an open tender procedure.
- It is at the discretion of the council's procurement manager to include Social Value for a contract below this threshold.
- 20% of the overall assessment score for a procurement decision will be allocated to Social Value. This will be split evenly between Part A (current practices) and Part B (commitments selected from the SVPF).
- However, the procurement manager will have the authority to increase or decrease this threshold in line with what s/he considers to be proportionate and appropriate.

Where the contract value meets the threshold for the application of the SVPF, Social Value considerations will be detailed in the commissioning and procurement documentation, evaluated in the tender process, and monitored as part of the overall contract management process.

Monitoring and evaluation

Monitoring and reporting will be central to successful delivery where Social Value commitments have influenced the allocation of public funds during the awarding of a contract. Suppliers will commit to regular reporting on the delivery of Social Value and this will form part of the Council's standard contract monitoring procedure.



Social Value in Procurement – Parts A and B

Part A.	Qualitative Social Value	<p>Social Value is the wider benefit gained by a local community from the delivery of public contracts or services. Social Value plays an important role in Community Wealth Building as it is a measure of the benefits a democratic economy can bring to communities in addition to financial metrics.</p> <p>To understand what your current policies and past experience of delivering in this area are, please describe how you feel you align with Preston’s ambitions of promoting fair employment, investing in the future workforce, addressing the climate emergency, supporting the local economy, and strengthening the voluntary and community sector.</p>	Weighting: 10% Max 3 sides A4
Part B.	Quantitative Social Value	Using the Preston Social Value Framework (included), please indicate in the supplier response column, the measures that you believe you can deliver in addition to the delivery of the contract.	Weighting: 10%

Social Value Procurement Framework

Themes	Reference Number	Measure
Supporting the Local Economy	SV1	Total amount (£) spent in Preston supply chain through the contract
	SV2	Number of hours of expert business advice (HR, financial, legal, HSE) provided to local cooperatives
	SV3	Percentage of local residents employed on contract (FTE)
	SV4	Number of hours dedicated to supporting unemployed and/or economically inactive local residents into work
Addressing the Climate Emergency	SV5	Commitment to undertake or already undertaking a Carbon Reduction Plan
	SV6	Number of miles driven in low or zero-emission staff vehicles on project
	SV7	Implementation of a waste management scheme focused on recycling, reducing waste, and circular economy solutions
	SV8	Percentage reduction in single-use plastics
	SV9	Number of hours voluntary time dedicated to environmental improvement activities
Promoting Fair Employment	SV10	Percentage of employees receiving the Real Living Wage
	SV11	Presence of a workplace mental health champion
	SV12	Allowing a trade union induction to your workforce
	SV13	Reporting of gender pay gap

Investing in the Future Workforce	SV14	Number of work experience placements, study visits, and talks with local schools and further education colleges
	SV15	Number of undergraduate project placements per year offered to Lancashire's universities and colleges
	SV16	Number of graduate internships per year offered to graduates
	SV17	Number of weeks of staff training that have either been completed during the year, or that will be supported by the organisation to completion in the following years - Level 2, 3, or 4+
	SV18	Number of employees upskilled (NVQ 2/3/4)
	SV19	Number of employees (FTE) taken on who are long-term unemployed or economically inactive
	SV20	Number of employees (FTE) taken on from hard-to-reach groups
	SV21	Number of apprenticeships that have either been completed or that will be supported by the supplier to completion
Strengthening the Voluntary and Community Sector	SV22	Number of hours of expert business advice (HR, financial, legal, HSE) provided to the voluntary, community and social enterprise (VCSE) sector
	SV23	Amount of money or equivalent value in-kind (£) provided to local homelessness projects
	SV24	Amount of money or equivalent value in-kind (£) provided to support local community projects addressing food and fuel poverty
	SV25	Amount of money or equivalent value in-kind (£) provided to support local community projects addressing loneliness