



**Social
Enterprise UK**

Procuring for Good

How the Social Value Act is being used by local authorities



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With very few exceptions, officers have taken the time to understand the reasoning behind the questions, asked for clarification where necessary, and have - in a gracious and helpful manner - gone beyond what was statutorily required when providing answers. We genuinely hope that they find this report interesting and useful in shining a light on the valuable and largely unsung work that they do.



Foreword

In January 2013, thanks to the support of Social Enterprise UK and others, my Private Member's Bill became law, namely the Public Services (Social Value) Act, and I am glad that we have seen many positive effects of the legislation in the ensuing years. I am pleased that councils of all political colours are making use of the Act but I recognise the varying degree to which this is the case throughout the country.

Thanks to this research, we have for the first time a clear picture of how embedded social value is within local government. Despite substantial progress, there is still a way to go before all councils are making full use of the changes to commissioning that the Act makes possible.

The report's categorisation of councils' use of the Social Value Act is an important addition to the study of social value and the finding that District Councils have been slower than other tiers to embrace social value is recognised. There is a salutary lesson for us all on the limitations of guidance.

My instinct is that because District Councils are closer to the people they represent than other tiers or structures of local government, they may well actually be better placed than larger authorities to apply social value effectively to the benefit of their communities. I hope that this report will help to place social value as a priority for District Council Leaders.

In January 2015, the Government commissioned Lord Young to review the Act, with three main barriers identified as limiting the impact of the legislation. These are around awareness of the Act, varying understanding of how to apply it, and an under-developed method of measuring social value. Lord Young concluded that:

"The review's central recommendation is that these three barriers should be addressed, and progress reviewed within the next two years... A new Parliament will no doubt have a congested legislative timetable in its first 18 months, ruling out the likelihood of any immediate consideration about extending the Act. However, this gives us a window of time to strengthen the case for increasing its scope across public sector procurement."

I commend the authors of this report and I firmly believe that it helps strengthen the case for a wider implementation of the Act, and also the potential that could be achieved by its extension.

Chris White MP

Executive summary

More councils than ever before are using the flexibilities that the Public Services (Social Value) Act 2012 affords. A third (33%) of all councils routinely consider social value in their procurement and commissioning.¹ A further 45% of councils follow the letter of the Act and consider social value for contracts for services for local government above the Official Journal of the European Union (OJEU) threshold of €209,000.² However, for this group, consideration of social value tends to be limited and weighting is conservative.

Together, this shows steady - if unspectacular - progress from a study two years ago which examined local authority use of the Social Value Act, suggesting that two-thirds (62%) of councils took into consideration social value when procuring services.³

But our research, based on information received from Freedom of Information requests submitted to every council in England, goes beyond statistics. The findings show that councils have reacted to the Public Services (Social Value) Act 2012 in two very different, equally rational, ways.

The first group has interpreted the Act as an empowering measure and has taken the recommendation in the revised Best Value Guidance to heart. Within this group we identify two categories: 'embracers', some of whom have taken a whole council approach to social value and are very likely to routinely consider social value to contracts; and 'adopters', which are actively using the Act but apply it relatively conservatively.

The second group has interpreted the Act literally and narrowly, understanding it places on them a 'duty to consider' securing economic, social or environmental benefits when buying services above the OJEU threshold - but they have few or no tenders of this sort. They do only what they need to, in order to meet the requirements of the Act. Within this group we identify two categories: 'compliers', which have generally incorporated the Act in their commissioning and/or procurement strategy or similar document, but who have really not had much call to use the Act; and 'bystanders', which have no social value policy and no social value activity.

There are some generalisations we can make.

District Councils,⁴ which are generally relatively small units of local government, rarely issue tenders above the OJEU limit for services. They have tended to take a minimal approach to statutory compliance and are far more likely to be bystanders and far less likely to be embracers than other tiers of local government.

Embracers and adopters are far more likely to have their policy aims contained in a distinct social value policy or similar document which sits alongside their procurement strategy, and are much more likely to actively monitor the impact of their procurement spend. Larger local authorities are more likely than smaller councils to be embracers and adopters. Some have pooled their procurement function, others maintain it in-house. Those embracing the Act are drawn from every tier of local government, every political complexion and nearly every region of England.

Whilst a number of councils offered examples of how they have applied the Act, resulting in better, more cost effective services - notably, not a single council has yet published a comprehensive result of the savings accrued from their use of the Social Value Act.

In conclusion, the barriers to greater use of the Act within local government are both cultural and legislative. Some political and administrative leaders are instinctively innovative, others are innately cautious. Sharing best practice may eventually change some hearts and minds, but it is difficult to see what would motivate those councils categorised as bystanders to make use of the Act other than obliging them to do so. Using Lord Young's⁵ categorisation in the Social Value Act Review, both a *vertical* and a *horizontal* strengthening of the Act is required⁶.

¹ Embracers plus Adopters – see page 8

² Official Journal of the European Union (OJEU) - <http://www.ojec.com/thresholds.aspx>

³ Communities Count, Social Enterprise 2014 - www.socialenterprise.org.uk/uploads/files/2014/06/communities_count_final_report.pdf

⁴ See page 12 for an explanation of tiers of local authorities

⁵ www.gov.uk/government/uploads/system/uploads/attachment_data/file/403748/Social_Value_Act_review_report_150212.pdf

⁶ Horizontal extension would make the Act apply in more situations, but only at the pre-procurement stage; vertical extension would make it more mandatory throughout the commissioning and procurement process. He favoured horizontal extension in the first instance.



Key findings

- A quarter (24%) of councils have a social value policy or similar document – a comparable number do not have a social value policy (26%).
- A third (33%) of all councils routinely consider social value in their procurement and commissioning (embracers and adopters).
- A further 45% of councils consider social value for contracts for services above the Official Journal of the European Union (OJEU) threshold of €209,000 (compliers).
- Embracers - councils who are leading the way on social value, are drawn from every tier of local government, from every political complexion, and from all but one region of England.
- A third (32%) of District Councils fall into the bystander category; those making little or no use of the Social Value Act.
- Where councils score social value when scrutinising tenders, the score is typically between 5-10% of the overall points awarded, but is significantly higher for embracer councils.
- Overwhelmingly, social value is seen to lie within the remit of the procurement team.
- No council has published an evaluation of savings made as a result of the Social Value Act.

Recommendations (in brief)

1. Social value advocates need to demonstrate to councils how a social value approach is routinely being used to deliver better services and value for money.
2. If Government wants to see an uptake of the Act by councils, then legislative change is necessary – guidance has so far proved insufficient.
3. Time (and resource) strapped commissioners and procurement teams need better information and more consistent training on social value to help them understand the opportunities of the Act.
4. From a practical and academic viewpoint, there is scope for much greater research and formal evaluation of how successfully councils are applying the Act to meet their policy aspirations, the impact of weighting social value in tender evaluations, and the extent to which councils are tracking social value clauses in contracts.



Introduction

The Public Services (Social Value) Act 2012 came into force on the 31 January 2013. Alternative, and in some ways more effective guidance and legislation, is in place in Scotland and Wales for councils. We therefore focused our research on councils in England.

Lord Young reviewed the Act for the Government, publishing his report in early 2015. Replete with exemplary practice, the review also highlighted the relative absence of evidence about how *extensively* the Act was being used across English local authorities.

The only previous research was Social Enterprise UK's 2014 publication *Communities Count*⁷ which researched how Housing Associations (and a smaller number of Local Authorities) were using the Social Value Act.

Use and understanding of the Act has moved on, and the Department for Communities and Local Government (DCLG) issued revised Best Value Statutory Guidance in March 2015 which said: 'Authorities can however apply the concept of social value more widely and this Guidance recommends that authorities consider social value for other contracts (for example below the threshold or for good and works) where it is relevant to the subject matter of the contract and deemed to be beneficial to do so.'⁹

Two years on from *Communities Count*, and following DCLG Guidance, this research builds on our understanding of the way that councils are using the Social Value Act and fills a gap in the research.

We asked eight questions in each Freedom of Information request and received replies from 306 Councils; nearly 9 out of 10 Councils responded.⁹ This represents the most comprehensive picture of how councils are using the Social Value Act to date.

Additionally, the responses point to some of the reasons why some councils are yet to take advantage of a measure. We also attempt a typography of councils based on their use of the Act.

We hope that these survey results will be of interest to Councillors, those working in local government - particularly procurement officers, policy-makers in central government, social entrepreneurs and others within civil society.

⁷ www.socialenterprise.org.uk/uploads/files/2014/06/communities_count_final_report.pdf

⁸ www.gov.uk/government/uploads/system/uploads/attachment_data/file/418505/Revised_Best_Value_Statutory_Guidance_final.pdf

⁹ See Methodology for more information on page 7



What is the Social Value Act?

'The Social Value Act asks commissioners to think about securing extra benefits for their area when they are buying services. Before they start procurement, commissioners should think about how the services they are going to buy, or the procurement process they are going to use to buy them, could secure the most valuable benefits for their area.

The Act asks commissioners to consider social value.

To comply with the letter of the Act, commissioners therefore only need to show that they have thought about these issues and have thought about whether they should consult on them. They can show this by documenting the internal process that took place to come to a decision on these issues, or by evidencing that they have spoken to their local provider market, service users, or community about them.'

Social Value Act Review, 2015

Helpful resources for councils

Resources offering practical support on how to embed social value in commissioning and procurement are available on Social Enterprise UK's website – visit www.socialenterprise.org.uk/advice-services/topic/the-social-value-act

The Social Value Hub is designed to help councils, public sector commissioners and providers from the social and private sectors take advantage of the Social Value Act to deliver better public services and save costs - visit <http://socialvaluehub.org.uk>

Social Enterprise UK offers consultancy to local authorities and other public bodies on Social Value Act implementation: how to commission, procure and buy for social value. For more information, please contact Charlie Wigglesworth - telephone 020 3589 4952 or email charlie.wigglesworth@socialenterprise.org.uk



Methodology

Freedom of Information requests were submitted to 353 English councils between February and April 2016; 306 replied, an 87% response rate.

Social Enterprise UK asked:

1. For a copy or link to the Authority's social value policy, strategy, framework or similar document (or a link to it) if there is one.
2. How and whether the Authority has applied the concept of social value more widely than the revised best value guidance.
3. The percentage of the Authority's tenders over the past 12 months where the Public Services (Social Value) Act has been applied where it could have been applied (that is to say, how much use does the Authority make of the Act).
4. Where social value is included in contracts, the average weighting that it is given in scoring across those contracts.
5. A copy or link to any evaluation or estimation of savings made as a result of the Authority's application of the Social Value Act.
6. Where the responsibility for social value sits within the Authority e.g. with the head of procurement or with a cabinet member.
7. If monitored, how many social enterprises supply the Authority?
8. The percentage of suppliers which accounted for 80% of the Authority's spend in the last financial year.

Councils were classified according to their answers to questions 1, 2, 3 and 4. Freedom of Information requests are somewhat of a blunt instrument in that a council can reply accurately to the question without necessarily revealing the full picture of what is going on. The result is that whilst it proved a relatively straightforward task to identify councils with no social value work (bystanders) and those with significant amounts of work (embracers), the division between adopters and compliers tended to be less clear cut and an element of subjectivity came into play when interpreting the responses to questions 2 and 3, in particular.

Some councils are using social value in interesting ways without necessarily having a separate policy in place. We are confident that this process gives an accurate snapshot of the current situation.

Typology of councils' use of the Social Value Act

Local authorities broadly fall under 4 categories:

- Embracers. These councils generally have a social value policy, and apply social value wider than legislation requires and often use it for most, if not all, tenders. Typically, scoring for social value in tenders may be quite significant, as much as 30%.
- Adopters. Those that tend to mention social value in their procurement strategy, or have an explicit social value policy and apply it more widely than the threshold. However, despite the ambitious aims, this group is still relatively conservative in how they apply social value in scoring, typically awarding 5% scoring for social value in tenders and apply social value tentatively.
- Compliers. Those that have mentioned social value in their procurement strategy but it is largely hypothetical as they would only apply social value above the OJEU threshold for services and have not generally applied it to many, if any, tenders. Where social value is taken into account in the scoring of tenders, theoretically, many would apply a 5% score for social value.
- Bystanders. Those that haven't got a Social Value Policy (or similar document), don't refer to social value in their procurement strategy, and have not applied the Act.

Importantly, a small number of councils have been categorised as embracers and adopters as a result of their responses in the *absence of a separate social value policy*. These councils illustrate an important point, made in the *Communities Count*¹⁰ report: clarity of vision comes before everything else.

A council with well-established and integrated policy aims (for example supporting local SMEs) need not necessarily have a distinct social value policy explaining how procurement helps complement its vision. But the evidence suggests a strong correlation between the two.

A note about tiers of local government in England

After centuries of evolution and reform, little is simple about local government structure in England.¹¹ Following a number of restructures, pooled services and the move to devolution, what we say for definite is that we have a two tier system of local government, except where we have a one tier-system or a three tier-system!

Across most of England there are two tiers comprising Counties and District Councils. In other areas a single tier operates – usually referred to as unitary authorities or metropolitan borough/city council. In addition, we have the Greater London Authority (GLA) and a small number of *sui generis* bodies, which carry out local authority functions. In some areas, we have a third tier of town or parish councils.

Tier is usually, but not always, a good indicator of size, although size itself is a matter of debate (expenditure, expenditure by person, services delivered, geographical coverage, how many people live in the area, etc). However, District Councils are nearly always the smallest tier and Counties are generally the largest; London Boroughs and Metropolitan Borough Councils are somewhere in between; and, Unitary Authorities are generally a bit smaller than Counties but vary enormously.¹²

We focused on the five main types of local authorities - county councils, district councils, unitary authorities, metropolitan districts/cities and London Boroughs - plus the GLA and the *sui generis* bodies.¹³ The distinction between the different tiers is not always as clear cut. In practice, some functions take place at a strategic level through joint boards and locally managed arrangements. With devolution and City Mayors the situation is likely to become more complicated in the short term.

¹⁰ www.socialenterprise.org.uk/uploads/files/2014/06/communities_count_final_report.pdf

¹¹ www.local.gov.uk/c/document_library/get_file?uuid=a5b2c920-8f40-4eae-9852-8b983724f5bc&groupId=10180

¹² See www.gov.uk/government/collections/local-authority-revenue-expenditure-and-financing for more information

¹³ City of London and Isles of Scilly



Findings

Local Authorities can be classified according to the way that they apply the Social Value Act (see Table 1).

Use of the Social Value Act

Table 1: Typology of English councils' use of the Social Value Act

Note in some cases a classification has not been possible based on the responses provided.

Typical policy position	How social value is applied	How social value is accounted for, and how much it's used	Typology	% of English councils
Councils tend to have a Social Value Policy / Framework / Toolkit.	Below threshold for services and often to all contracts.	Aligned with their political aspirations and social value woven into the way that the council operates; percentage used in tenders varies and is occasionally very high. Applied frequently.	Embracers	14%
	Below threshold for services and sometimes to all contracts.	Aligned with their political aspirations but relatively conservative in the way that SVA is interpreted; often standard 5-10% in tenders. Applied relatively conservatively.	Adopters	19%
Council mention social value in their procurement strategy or similar document.	Above OJEU threshold for services only.	Where social value is included in the quality or corporate social responsibility scoring in tender judging it has a 5% or less weight. Applied infrequently.	Compliers	45%
Council has no Social Value Policy and little or no mention of social value in their procurement policy or similar document.	No information given or strictly above OJEU threshold for services only.	No information provided.	Bystanders	22%

Oxfordshire County Council

Oxfordshire was awarded Social Enterprise Place status in 2014 as a result of the work done by Oxfordshire Social Enterprise Partnership¹⁴ to build social enterprise across the County.

Oxfordshire County Council does not have a separate social value policy, but actively embeds social value in appropriate procurement and contracts under the auspices of the Social Value Act. Using a version of the Treasury Green Book approach, the County ensures that social value is considered in the original options appraisals and business cases for its procurements.

Attention has been paid to DCLG's revised Best Value Statutory Guidance and the Council considers whether social value can be applied in every tender. Weighting varies depending on the nature of the contract and where social value is applied it is typically in a separate question that asks for added value. This question may attract up to 10% of the total score.

The Council is currently controlled by the Conservative Party, which has 31 members, with 15 Labour, 11 Liberal Democrats, 4 Independents and 2 Greens.¹⁵ The Council was classified as an embracer in our research, demonstrating that the lack of a separate social value policy is not necessarily a barrier to embracing social value.

Scoring for social value

Of the councils that are actively using the Social Value Act, there are two very different approaches.

The first is when consideration is given to social value prior to tendering a contract, including social value contract clauses or terms. Councils which do this typically do not have social value as a separate element to score. This overcomes the purported difficulty in differentiating between diverse social value offers in tender bids; tenderers either meet the requirements in the tender or they do not and where they do, their offer can be scored alongside other elements in the tender.

As one particularly thoughtful respondent, a procurement manager in a District Council, said: *'The routine Procurement Project Appraisal and approval process requires the project officer to consider and document the social value outcomes that the contracting process will secure. In most cases, this is embedded as a requirement of the contract in specification terms rather than optional additionality that is given credit in the procurement evaluation.'*

The second approach includes weighting for social value either as a discrete item or as part of the quality score.¹⁶ Where councils were able to answer¹⁷, typically this works out at 5-10% of the overall score. However embracer councils tend to score higher, and sometimes significantly higher.

The importance of having a social value policy

There is a correlation between having a social value policy and embracing social value. A quarter (24%) of councils have a separate social value policy or similar document, and a comparable number told us they do not have a social value policy (26%). The majority (58%) of embracer councils have a separate social value policy, while 42% of councils told us that social was embedded in other documents, notable contract or procurement rules.

It is possible to have a social value policy or to weave it into the procurement strategy and apply it, but it's harder (though not impossible) to apply social value in the absence of a policy. It would appear that social value has not yet reached the point of widespread acceptance that it can be mainstreamed.

¹⁴ www.osep.org.uk

¹⁵ At February 2016

¹⁶ Or corporate social responsibility score

¹⁷ A number indicated is varied from contract to contract



Evaluations

Almost two-thirds (60%) of councils said that responsibility for social value lies within procurement. Perhaps the most striking finding from this survey is that no council has yet published a formal evaluation of savings made from their use of the Social Value Act. Some councils are beginning to include greater reference to the Act in their annual procurement report, providing case studies, for instance. But however compelling these are, they are anecdotal. Previous work has tended to focus on identifying the additional value, rather than savings, that a social value approach offers.

Interestingly, a small number (who were not using the Act) of councils suggest a social value approach would cost more.

Of those Councils who were actively using the Act, the response was much more positive. As one response from a Unitary Authority said: *'We are happy to state that we have faced no increase in tender prices as a result of applying a sustainable procurement approach.'*

Communities Count explored how Housing Associations were using the Social Value Act to make savings. Useful as it was, it too relied mainly on case studies. Our hypothesis is that where there is a more holistic approach to commissioning and procurement, and particularly where social enterprises are engaged, it is possible for councils to make substantial savings.

Councils monitor different procurement outcomes

As suspected, very few councils (around 7%) were able to tell us the number of social enterprises in their supply chain, or plan to monitor it. We acknowledge that in the absence of a legal definition of social enterprise, measurement may be problematic. However, 11% councils volunteered that they measured either social enterprise, VCSE, Third Sector or SME spend.

FoI requests are blunt instruments and by answering negatively to this question, a council has fulfilled its statutory requirement whether it measures VCSE spend or not. We suspect that many more than 11% do monitor Third Sector and SME spend. A change in the language of the question in subsequent surveys may be more revealing.

Where social value sits

Almost two-thirds (60%) of councils said that responsibility for social value lies within procurement (or jointly with procurement).¹⁹ The majority of the rest suggested it sat with a senior leader within the authority.

Embracer councils tend to be no different from adopters and compliers in identifying where social value sits. As one might expect, bystanders are significantly more likely to have indicated that no-one is responsible for social value within the authority.

A number of councils indicated that social value was essentially mainstreamed, with one respondent telling us that social value was *'pervasive'* throughout their council.

¹⁹ Or similar function, for example: commissioning, contracting, commercial teams



Tier

We looked at typology by tier to see whether there was a difference between the use of the Social Value Act by tier of English Council. District Councils are significantly more likely to fall into the bystander category, and significantly less likely to be embracers than other tiers of council.

Table 2: Typology by Tier

Note in some cases a classification has not been possible based on the responses provided.

Tier/Typology	Empowered by the Act		Consider it a duty or an obligation	
	Embracer	Adopter	Complier	Bystander
County	25%	12.5	50	12.5
	37.5%		75.5%	
District	5%	10%	53%	32%
	15%		85%	
London Borough	33%	30%	30%	7%
	63%		37%	
Metropolitan Borough Council	32%	41%	21%	6%
	73%		27%	
Unitary Authority	19%	32%	40%	9%
	51%		49%	

What comes across strongly from this research is that councils' need to meet legislative requirements is the key driver of behaviour. District Councils repeatedly stressed that they rarely tendered for services above the OJEU threshold; in these circumstances they don't need to develop a social value policy. Many more councils mention social value in their procurement strategies, but rarely apply it. Medium and larger councils, which much more frequently tender for services, are significantly more likely to have a policy and to use it to address local priorities. They are thus much more likely to have invested officer time into looking at how social value works, and are much more likely to appreciate what it can offer. There are of course exceptions – some small District Councils do apply social value – but they are in the minority.

This research strongly endorses the finding in *Communities Count* that size matters, but also suggests that legislative change is probably necessary to shift some District Councils into action. DCLG's revised Best Value Guidance has proved an insufficient motivating factor.

South Somerset District Council

South Somerset District Council is one of the few Liberal Democrat-run councils in the country.¹⁹ The have a social value policy which aims to increase the proportion of services and goods provided locally, support the creation of jobs, skills and training opportunities, and promote opportunities for SMEs, social enterprises and the voluntary sector.

Social value has been considered in around 1 in 5 of tender opportunities over the past 12 months, and the social value has been scored up to 30%. The Council believes that it has seen financial savings stem from the application of social value in tenders.

We have classified South Somerset Council as an embracer, demonstrating that tier is not a barrier to applying the Social Value Act.

¹⁹ At February 2016



Regional breakdown

Table 3: Typology by Region

Note in some cases a classification has not been possible based on the responses provided.

Tier/Typology	Empowered by the Act		Consider it a duty or an obligation	
	Embracer	Adopter	Complier	Bystander
East Midlands	0%	5%	67%	28%
	5%		95%	
East of England	9%	20%	56%	16%
	29%		75%	
Greater London (includes City of London and GLA)	34%	28%	31%	7%
	62%		38%	
North East	36.3%	27.3%	36.3%	0%
	63.60%		36.3%	
North West	19%	24.25%	32.5%	24.25%
	43.25%		56.75%	
South East	7%	23%	37%	33%
	30%		70%	
South West	19%	5%	54%	22%
	24%		76%	
West Midlands	18.5%	15%	48%	18.5%
	33.5%		66.5%	
Yorkshire & the Humber	10%	30%	35%	25%
	47.3%		52.6%	

Region appears to be significantly less important than tier of council. NB: In regions where there are a large number of the same tier of councils, for e.g. London (with London Boroughs), East Midlands (District Councils) and the North East (Metropolitan Borough Councils and Unitary Authorities) the results need to be treated with circumspection.

The East Midlands has no councils categorised as social value embracers. There are several likely contributing factors. In particular, the region has a high proportion of District Councils and relatively few Unitary Authorities compared to other regions and no Metropolitan Borough Councils, all which typically have a larger number of embracers than District Councils.

The North East has the fewest number of Councils of any region and they are all Unitary Authorities or Metropolitan Boroughs Councils. Likewise Greater London comprises London Boroughs and the City of London. We see a greater percentage of embracer councils in this region.



Manchester City Council

Labour-run Manchester City Council ²⁰, a Metropolitan Borough Council, has adopted both a Sustainable Procurement Policy and the Greater Manchester Social Value Policy. The latter has been widely adopted by councils across the region.

It applies social value across all contracts. Initially social value was given a minimum of 10% of the overall normalised weighting when scoring tenders, but was increased in November 2015 to a minimum of 20% of the overall 100% normalised weighting.

The Council has also published research into the impacts of the sustainable procurement to independently assess its effectiveness in supporting positive outcomes for its communities through employment, training and apprenticeships.

For its commitment to social value and procurement best practice, we categorise Manchester City Council as an embracer. Manchester demonstrates how a large urban city can embrace social value.

Political control

Table 4: Typology by political control

Notes: (1) In some cases a classification has not been possible based on the responses provided; (2) Some percentages have been rounded up.

	Embracer	Adopter	Complier	Bystander
Conservative	9%	11%	49%	31%
Labour	22%	29%	33%	16%
Liberal Democrat	13%	13%	75%	0%
No Overall Control/ Independent/ Non-aligned	15%	23%	49%	15%

Councils of all political denominations and those with no overall control by one party are making good use of the Act. Political control is no barrier to embracing social value.

Unitary Authorities, Metropolitan Borough Councils and London Boroughs are more likely than District Councils and Counties to be held by Labour than Conservative and vice versa. So we strongly suspect that the apparent slight differences in how enthusiastically political groups are using the Social Value Act is partly driven by tier – as described above – rather than politics. The figures, once again, reflect that District Councils, which are predominately held by the Conservatives, are not making much use of the social value.

It may be a surprise to those unfamiliar with local politics that unaligned and councils under No Overall Control are making use of the Social Value Act; one might assume that change is difficult in these councils. However, local politicians are nothing if not pragmatic and are clearly finding a way to make the Social Value Act work for their communities.

²⁰ Correct at February 2016



Bristol City Council

At the time of Social Enterprise UK submitting the FoI request, Bristol was a Unitary Authority with an Independent Mayor. The Council is now Labour-run.

The Council has adopted a social value policy and toolkit. Despite the policy still being in its infancy, social value is considered in relation to all of its commissioning and procurement activity. Where it is possible to identify in the commissioning process that additional social value outcomes are relevant and appropriate to specific contracts, 10% of the quality element of the price/quality ratio is allocated to social value.

With a social value policy and toolkit, and a demonstrable commitment to considering social value in procurement and commissioning, Bristol is categorised as an embracer. Bristol demonstrates that social value goes beyond politics and that independent and Councils with No Overall Control can embrace social value.

Recommendations (in full)

1. Social value advocates need to communicate how the Social Value Act is an opportunity for councils, not just a duty thrust upon them – and that social value is not solely a matter for procurement officers. Advocates need to demonstrate to sceptics how **a social value approach is routinely being used to deliver better services and value for money** – there is a belief expressed by some that applying social value incurs a cost.
2. If Government wants to see an uptake of the Act by councils, then **legislative change is necessary – guidance has so far proved insufficient**. What comes across strongly from this research is that councils' need to meet legislative requirements is a key behavioural driver. Guidance is helpful, and in this case serves to permit councils with greater ambition to be bolder, but guidance alone will not shift behaviour.
3. Time (and resource) strapped commissioners and procurement teams need **better information and more consistent training** on social value to help them understand the opportunities of the Act, and how others have successfully embedded and implemented their social value policies. In particular, this is likely to help those councils who we classify as 'adopters' feel confident enough to fully embrace social value.
4. From a practical and academic viewpoint, there is **scope for much greater research and formal evaluation** of how successfully councils are applying the Act to meet their policy aspirations, the impact of weighting social value in tender evaluations, and the extent to which councils are tracking social value clauses in contracts. What has emerged from this research is a quite complex picture with councils using the Act in a myriad of different ways and Local Authorities, the Cabinet Office and academia should consider this area a fruitful one for study.



Social Enterprise UK

We are the national body for social enterprise. We are a membership organisation. We offer business support, do research, develop policy, campaign, build networks, share knowledge and understanding, and raise awareness of social enterprise and what it can achieve.

We also provide training and consultancy for clients of all kinds, including local authorities. Our members come from across the social enterprise movement – from local grassroots organisations to multi-million pound businesses, as well as the private and public sectors. Together with our members we are the voice for social enterprise.

We believe that social enterprise is our best chance of creating a fairer world and protecting the planet.

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