

# Social Value Policy

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**DRAFT for approval** by

Review by

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## Contents

1.0	Introduction .....	3
2.0	What do we mean by social value?.....	3
3.0	How will we deliver social value?.....	4
4.0	Performance Obligation route .....	4
5.0	Additional Social value.....	5
6.0	Weighting.....	5
7.0	Major Planning Applications .....	6
8.0	How will we measure social value? .....	6
9.0	What are the social value outcomes we want to achieve? .....	6
11.0	Our Social Value Toms 2025 onwards.....	7
12.0	How will we monitor delivery of social value? .....	7
13.0	When will this policy be reviewed? .....	7

## **1.0 Introduction**

- 1.1 The Public Services (Social Value) Act 2012 requires all public bodies in England and Wales to consider how the services they commission and procure might improve the economic, social and environmental well-being of their area. It asks public bodies to consider the ways that they could benefit society as part of each decision made. Social value requires officers to think about how they achieve outcomes in a more integrated way, rather than thinking about isolated services or services in the short term. This approach requires officers to consider long term costs, sustainability and how inclusion of additional social value outcomes can potentially reduce pressures in other areas.
- 1.2 East Herts Council embraces the spirit of the Public Services (Social Value) Act 2012. Improving social, environmental and economic wellbeing will help support priorities to build community capacity and resilience.
- 1.3 This Social Value Policy Statement outlines how East Herts Council will embed social value and demonstrates the council's commitment to delivering social value benefits through its commissioning and procurement arrangements.

## **2.0 What do we mean by social value?**

- 2.1 The term 'social value' refers to approaches which maximise the additional benefits that can be created through the delivery, procurement or commissioning of goods and services, above and beyond those directly related to those goods and services.
- 2.2 East Herts Council recognises that social value is about maximising the impact of public expenditure. Social value is defined as the additional benefit to the community from a commissioning / procurement process over and above the direct purchasing of goods, services and outcomes.
- 2.3 The Procurement Act 2023 which came into force in February 2025 requires local authorities to consider social value during procurement exercises and changes the requirement to accept the Most Economically Advantageous Tender to the Most Advantageous Tender and this policy provides for proper consideration of social value in procurement exercises.

## **3.0 How will we deliver social value?**

- 3.1 The overall approach to delivering Social Value is to agree proportionate and relevant social value outcomes with suppliers during the procurement. There are two different, but complementary routes through which this can be achieved. Firstly, Social Value can be built

into the contract as a performance obligation within the requirements/specification. Secondly, suppliers can be asked to be innovative about how they might deliver additional Social Value through the contract, and their responses are assessed as part of the overall evaluation process. Note, that these routes are not necessarily independent i.e. both may be used within the same procurement process.

## **4.0 Performance Obligation route**

- 4.1 The officer leading the procurement, in developing the requirements/specification for the contract, should consider the nature of the contract and the Social Value priorities described below. Where the lead officer considers that specific additional Social Value obligations are appropriate and relevant then these should be included in the requirements/specification. It is important that these obligations support the council's overall strategic priorities and are proportionate to the goods and/or services being delivered under the contract.
- 4.2 Examples of Performance Obligation Social Value requirements are:
  - 4.2.1 a construction contract that includes targeting local recruitment and training for construction related skills;
  - 4.2.2 a catering contract which requires the use of seasonal, locally sourced ingredients and specifying active reductions in "food miles" over the life of the contract; and
  - 4.2.3 a grounds maintenance contract requiring the use of indigenous plants only or specifying low maintenance wild areas, where appropriate, to increase biodiversity and reduce harm to the environment.

## **5.0 Additional Social value**

- 5.1 Tender documents give a weighting in the evaluation for the provision of additional social value. This route offers greater opportunity for potential suppliers to be innovative in their responses in the social value they can offer and does not restrict suppliers to considering only Social Value benefits within the constraints of the scope of the contract.
- 5.2 Examples of Social Value that might be offered by suppliers through this route include:
  - 5.2.1 A provider that invests in programmes to help local long-term unemployed people into training, qualifications and employment.
  - 5.2.2 A provider that wins a contract to undertake property maintenance and repair work, and offers to provide building

materials and labour, free of charge, to local community organisations.

- 5.2.3 A provider that wins a contract to undertake property maintenance and repair work, and offers to also promote careers in construction and trades to local schools, and commits to employing young people.
- 5.3 Lead officers should ensure that procurement documents, allow potential providers to outline how they will deliver Social Value in addition to the core requirements of the contract. It is essential lead officers ensure that procurement documents are clear on how responses will be assessed and evaluated. All procurements over the thresholds for the Procurement act 2023 must, wherever possible, use the social value portal for Social Value responses to tenders and for reporting of Social Value throughout the contract. Procurements between the councils tendering threshold and the Procurement act 2023 thresholds may be evaluated and reported on internally.

## **6.0 Weighting**

- 6.1 For procurements above the councils tendering threshold Social Value must be 10% as a minimum of the overall evaluation scores with the remaining 90% split between cost and quality unless the procurement process being used makes it impractical

## **7.0 Major Planning Applications**

- 7.1 We cannot require developers to demonstrate social value when they submit a planning application until the East Herts District Plan is reviewed. We will, however, ask developers, on a voluntary basis, to consider social value as part of the pre-application public consultation process and to submit, as part of their application, evidence on how social value benefits will be delivered and sustained by a development through its lifecycle.
- 7.2 In doing this we will be guided by "Embedding Social Value into Planning" by the Social Value Portal and commend it to developers.

## **8.0 How will we measure social value?**

- 8.1 We will measure social value using the National Social Value Measurement Framework – or National TOMs for short. It is a method of reporting and measuring social value to a consistent standard. It provides the golden thread between an organisation's overarching strategy and vision, to the delivery of that vision. TOMS stands for:
  - 8.1.1 **Themes** - visionary social value areas

- 8.1.2 **Outcomes** - the positive changes within communities the council wants to see
- 8.1.3 **Measures** - a set of measurements used to achieve outcomes.
- 8.2 The National TOMS convert all social value offers into a monetary amount that can be used to score the social value offered consistently across tenders. As part of tender submissions and during the life of the contract we will ask bidders and the successful contractor to record social value on the National TOMs portal [socialvalueportal.com](https://socialvalueportal.com)

## 9.0 What are the social value outcomes we want to achieve?

- 9.1 Through social value we intend to deliver on the priorities set out in the Corporate Plan in particular:
  - 9.1.1 Environmentally focused which is reflected in the TOMs theme of Planet
  - 9.1.2 Acting with the community which is reflected in the themes of Community and Economy
  - 9.1.3 Fair and inclusive which is reflected in the theme of Work
- 9.2 Bidders are presented with a selection of 20 measures chosen by the council that cover a variety of possible outcomes and measures across the four themes. This enables them to make offers that are achievable for them as a bidder to deliver as additional social value whilst delivering that contract.

## 11.0 Our Social Value Toms 2025 onwards

See appendix A

## 12.0 How will we monitor delivery of social value?

- 12.1 We will monitor delivery using the social value portal. We will require contractors to upload their delivery against their social value



commitments and the supporting evidence. We will report our social value gains to the community using an easy to understand dashboard format that looks like this:

### **13.0 When will this policy be reviewed?**

- 13.1 This policy will be reviewed no later than 3 years after its adoption by the Executive. The Social Value Priorities list will be reviewed in line with updates to the National TOMs to ensure it remains in line with our Corporate Plan priorities.