

# **CHESHIRE FIRE AUTHORITY SOCIAL VALUE POLICY**

This Social Value Policy has been developed in response to a government recommendation that all public sector agencies fully explore the steps they are able to take towards meeting best practice, beyond the requirement of the Public Services (Social Value) Act 2012, to ensure the inclusion of social value in all contracts for goods and services.

The Policy does not set out a prescribed approach to applying social value but seeks to embed the culture of 'thinking social value' whilst allowing for a flexible approach.

## **INTRODUCTION**

Cheshire Fire Authority is committed to acting in a socially and environmentally responsible way. There is also a legislative obligation to consider economic, social and environmental value in its larger service contracts. In order to embed social responsibility into commissioning and procurement activities, the Fire Authority has developed this Social Value Policy to ensure it secures the maximum possible value from the money it spends. Value in this sense does not only refer to the cost of each contract, but includes the wider social, economic and environmental outcomes that each contract can deliver. This policy seeks to embed the ethos of social value within the Authority's commissioning and procurement activities and outlines the social, economic and environmental outcomes that the Authority is aiming to achieve on behalf of Cheshire residents.

## **WHAT THE FIRE AUTHORITY MEANS BY SOCIAL VALUE?**

Social value is a way of thinking about how resources are allocated and requires the Authority to look beyond the basic cost of awarding a contract or commissioning a service to look at the potential collective benefit to the local community.

The Fire Authority's working definition of social value is 'a process whereby the organisation procures or commissions goods or services in a way that achieves value for money on a whole life basis in terms of generating benefits to society and the economy, whilst minimising damage to the environment'.

## **LEGAL CONTEXT**

The Public Services (Social Value) Act 2012, implemented in January 2013, placed an obligation on the Fire Authority to take into account economic, social and environmental wellbeing considerations in connection with public services contracts as part of its pre-procurement deliberations. The Act applies to all scales and types of procurement for services above the EU threshold (whilst applicable).

The Waste (England and Wales) Regulations 2011 No. 988 requires businesses and organisations to confirm that they have applied the waste hierarchy. This revised focus on the waste hierarchy directly affects the procurement decision making process relating to goods and services.

In order to comply with Public Sector Procurement rules, however, it is a requirement that these considerations may only be included if they are linked to the subject matter of the contract and that the principles of value for money and equal access for suppliers are observed.

## SOCIAL VALUE IN ACTION

The Fire Authority is committed to prioritise social value, using its influence to benefit the community through its economic activities. The ethos of the Fire Authority is to support the local economy wherever possible, including spending locally and creating employment opportunities for local people. The table below provides further detail about the three main strands of social value:

SOCIAL	ECONOMIC	ENVIRONMENTAL
<b>BUILD RESILIENT COMMUNITIES</b>	<b>REDUCED DEMAND ON PUBLIC SERVICES</b>	<b>LOWER ENVIRONMENTAL IMPACT</b>
Encourage resident participation and promote active citizenship	Support local business and spend money locally	Create a recycling culture that promotes re-use and 100% diversion from landfill.
Provide Health, Wellbeing and Support Packages for those who need it.	Create jobs, apprenticeships and training opportunities within the local community	Reduce energy consumption and CO2 emissions in all operations where appropriate, seeking to reduce impact on the local environment.
Build capacity and support for the Third Sector (including voluntary, community, and co-operative sector)	Reduce inequality, raise living standards, and encourage all contracted providers to pay the voluntary Living Wage.	Strive to use sustainable products and services, reducing reliance on raw virgin materials, water reduction, and protecting our local environment and community.

## AIMS AND PRINCIPLES

This Policy is based on a set of guiding principles, which should be considered when undertaking procurement and commissioning activity.

These guiding principles are that the Fire Authority's commissioning and procurement activities:

- 1) Are based on a clear understanding of the outcomes for social value.
- 2) Support delivery of value for money for the Fire Authority, and Cheshire residents;
- 3) Promote engagement with the community, local businesses, social enterprises and the Voluntary and Community Sector.

The aim of this Policy is to embed the culture of 'thinking social value' in all of the Fire Authority's procurement and commissioning activities. Whilst the Public Services (Social Value) Act places certain obligations on the Fire Authority to consider social value above set thresholds, the Fire Authority aims to go beyond this legislative requirement wherever possible to maximise the outcomes that can be achieved.

As such, this Policy does not set out a prescribed approach to the consideration of social value in commissioning and procurement activities.

### IMPLEMENTATION and EMBEDDING



Implementing and embedding social value at a local level involves making commissioning and procurement decisions in a new way that ensures wider benefits are considered throughout the commissioning cycle.

Whilst recognising that there is no ‘one size fits all’ model for applying social value, this Policy seeks to formally embed the consideration of social, economic and environmental outcomes in the Fire Authority’s commissioning, procurement and monitoring activities. The Public Service (Social Value) Act 2012 applies to all scales and types of procurement for services above the Public Procurement threshold. The Fire Authority is committed to complying with statutory requirements and will encourage its suppliers to do the same. For those contracts that fall below the limits outlined, the Fire Authority’s approach will be to maximise appropriate social value outcomes where possible.

### SOCIAL VALUE OUTCOMES

In order to maximise social, economic and environmental benefits, the Fire Authority must retain a focus on the outcomes it seeks to achieve.

The Plan below is centred on the Cheshire Fire Authority Integrated Risk Management Plan priorities, which correspond with the Social Value outcomes illustrated in the diagram below.

SOCIAL VALUE THEMES		INTEGRATED RISK MANAGEMENT PLAN		PROCUREMENT STRATEGY AIMS
<b>Social</b>		Risk prevention		Demonstrate best value in the goods and services we procure.
<b>Economic</b>		Risk protection		Make savings by collaborating with other organisations
<b>Environmental</b>		Risk response		Establish an Ethical Procurement Strategy and Social Value Policy which protects our local communities.
				Early engagement with stakeholders to pro-actively develop specifications to support safer communities.
				Continuous improvement through contract management to encourage innovation and efficiencies.
				Ensure the Joint Procurement team is motivated, integrated, and continually developing.

Examples of relevant outcomes by theme are included in the Social Value Opportunity Assessment below.

## **HOW TO COMMISSION AND PROCURE FOR SOCIAL VALUE**

Consideration for social value should be given at the start of a commissioning or procurement exercise. Where practical and appropriate, relevant and proportionate outcomes should be identified and included as part of the tender evaluation criteria against which bids will be scored. This should be tailored to each exercise.

It is the role of service commissioners and procurement leads to consider, on a contract by contract basis, relevant social value outcomes that could be incorporated into the process. Suppliers can then be asked to demonstrate how they intend to deliver against these outcomes and the responses of the winning bidder may then be written into the final contract.

### **Responsibility**

The delivery of this Policy is the responsibility of the Head of Procurement and Contracts, reporting to the Director of Governance and Commissioning.

### **Training and awareness**

To maximise the opportunities and benefits presented through the delivery of this Policy, there will be a requirement for awareness raising and guidance for commissioning and procurement officers.

### **Monitoring and Review**

An action plan supporting the delivery of the Social Value Policy will be developed and monitored on an ongoing basis through a Strategic Procurement Report provided as part of the performance management arrangements to the Deputy Chief Fire Officer.

## **SOCIAL VALUE AND SPEND THRESHOLDS**

Because of the value, nature, and diversity of the wide range of goods and services that the Fire Authority commissions and procures, there is no 'one size fits all' model for applying and delivering social value.

Social value will be embedded into the tendering process and will make up at least 10% of the tender award criteria for all contracts value at £50,000, or more. It should be considered by the commissioning and procuring officer when preparing the Social Value Procurement Opportunity Assessment below, and utilised in a relevant and proportionate manner.

## Social Value Procurement Opportunity Assessment – Guide

Some of these outcomes/outputs are intended as a guide and may form part of the wider procurement process, award and evaluation criteria

Social Value Theme	Link to the Cheshire Fire Integrated Risk Management Plan Priorities	Link to Procurement Strategy Aims	Outcomes	Output Indicator What the Business and Voluntary Community and Social Enterprise Community could Offer
Social	<ul style="list-style-type: none"> <li>• Risks prevention</li> <li>• Risks protection</li> <li>• Risks response</li> </ul>	<ul style="list-style-type: none"> <li>• Make savings by collaborating with other organisations.</li> <li>• Establish an Ethical Procurement Strategy and a Social Value Policy, which tackles the risk of modern slavery and protects local communities.</li> <li>• Early engagement with stakeholders to develop specifications to support safer communities.</li> <li>• Ensure the Joint Procurement team is motivated, integrated, and continually developing.</li> </ul>	<p>An effective and resilient Voluntary Community and Social Enterprise sector.</p> <p>Improve health inequalities, including addressing mental health, alcohol, and drugs related conditions.</p> <p>Improve conditions for victims of domestic abuse.</p> <p>More young people in work.</p> <p>Increased skills levels.</p> <p>Reduce re-offender rates.</p>	<p>Build capacity by supporting community organisations with resources and expertise in areas with the greatest need, for example, mentoring and working with youth organisations and services.</p> <p>Make a local impact by improving local facilities and areas, for example staff volunteering schemes.</p> <p>Provide support to third sector organisations and work with third sector organisations to deliver services and contracts.</p> <p>Work with schools and colleges, offering work experience and business awareness to students, especially those from disadvantaged areas or communities.</p> <p>Commit to create employment and training opportunities for local residents, including people with disabilities, and support people into work and work</p>

				experience placements.
Economic	<ul style="list-style-type: none"> <li>Risks prevention</li> <li>Risks protection</li> <li>Risks response</li> </ul>	<ul style="list-style-type: none"> <li>Make savings by collaborating with other organisations.</li> <li>Demonstrate best value in the goods and services we procure.</li> <li>Establish an Ethical Procurement Strategy and Social Value Policy which protects our local communities.</li> <li>Continuous improvement through contract management to encourage innovation and efficiencies.</li> </ul>	<p>Responsible businesses effectively contributing to Cheshire.</p> <p>An effective and resilient Voluntary Community and Social Enterprise sector.</p> <p>Improve health inequalities, including addressing mental health, alcohol, and drugs related conditions.</p> <p>More young people in work.</p> <p>Increased skills levels.</p> <p>Reduce re-offender rates.</p>	<p>Make accessible all sub-contracting opportunities to a diverse supply base including the third sector and local suppliers, and provide mentoring and support to assist these organisations to tender for these supply opportunities where necessary.</p> <p>Seek opportunities to work with schools to help to ensure that the young people of Cheshire are equipped with the right skills to match the requirements of the labour market.</p> <p>Support the local economy and create jobs and apprenticeships by adopting procurement strategies that remove barriers to local businesses.</p>
Environmental	<ul style="list-style-type: none"> <li>Risks prevention</li> <li>Risks protection</li> </ul>	<ul style="list-style-type: none"> <li>Establish an Ethical Procurement Strategy and Social Value Policy which protects our local</li> </ul>	<p>Protecting Cheshire's physical environment.</p> <p>Health related outcomes.</p>	<p>Compliance to the Waste Hierarchy and creation of a Recycling culture</p> <p>Being a good neighbour – minimise negative local environmental impacts</p>

	<ul style="list-style-type: none"><li>• Risks response</li></ul>	communities.		<p>such as noise, air quality and emissions where operationally appropriate. Be a positive example and leader for environmental sustainability for the local community. Reduce carbon footprint – be aware of main impacts on carbon emissions including the direct impact of operations and logistics.</p> <p>Protect the environment, minimise the adverse impacts, and instill this approach throughout suppliers' supply chains.</p>
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