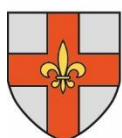


DELIVERING SOCIAL VALUE THROUGH PROCUREMENT

June 2017



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1. Introduction

- 1.1 The Council recognises the important role it can play in enabling sustainable development through its procurement activity. In 2015-16 we spent in the region of £28m via procurement and it is anticipated that this will increase in 2016-17 due to major projects like the Transport Hub, Boultham Park and Western Growth Corridor. Through our approach to social value, we will integrate economic, environmental and social sustainability into our procurement process.
- 1.2 This policy identifies a number of key topics with social, economic and environmental impacts and details specific policy commitments. However it should be noted that there is no “one size fits all” in achieving social value. It is an evolving area where suppliers and officers alike are still developing best practice. Therefore this policy should be viewed as a living document and as such will continue to be informed by best practice both at a local and national level.

2. Defining Social Value

- 2.1 The Public Services (Social Value) Act 2012, which came into force on 31st January 2013, requires all public bodies in England and Wales, for the first time to legally consider how the services they commission and procure might improve the economic, social and environmental well-being of their area.
- 2.2 Recent developments in the modernisation of EU Public Contract Regulations , which have been embedded in UK law, also means that the place of social value in commissioning and procurement has become even clearer.
- 2.3 Social Value requires officers to consider where added value and benefit, in relation to economic, environmental and social aspects, can be delivered to the City, over and above those which are already done so as part of the requirements detailed within the specification.

Historically, this consideration was in the main only given to the short term or in isolation, however it is now a requirement to consider the longer term costs and sustainability in conjunction with how the inclusion of additional social value outcomes can potentially reduce the burdens/pressures in other areas.

For example:

A grounds maintenance service is let and delivered by an organisation who actively works within the local community providing training to the long term unemployed with a view to them entering gainful employment. Social value outcomes are achieved as a result of those gaining expertise which will enable them to gain employment. Therefore the procurement of this contractor to provide the standard provision has also resulted in a positive effect on other strategic priorities.



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- 2.4 The Council will as part of its adoption of this policy adopt the definition of Social Value as set out by the Sustainable Procurement Taskforce. The definition is as follows:

A process whereby organisations meet their needs for goods, services and works and utilities in such a way that achieves value for money on a whole life basis in terms of generating benefits not only to the authority but also to society and the economy whilst minimising the damage to the environment.

- 2.5 More specifically the following has been defined as the Social Value position for the Council:

“A process by which benefits can be made that will improve the quality of life & life chances of City of Lincoln residents and enhance our Civic pride in the City”

- 2.6 At the present time the only legal requirement is in respect of goods and services contract that have a value above OJEU thresholds (currently £164,176). However it is the Council’s aim that consideration will be given in respect of all procurement exercises; therefore this will be applicable to works contracts as well contracts with a value below the OJEU threshold.

3. Main Aims of the Policy

- 3.1 The Council has developed a set of outcomes/principles that will enable it to consider the economic, social and environmental well-being of the City and its residents when commissioning/procuring its contracts. These outcomes/principles are based on the vision, values and priorities contained within the Vision 20:20 strategy.
- 3.2 These principles will be embedded within its procurement activities to ensure that only Value for Money products and services are selected and that in all cases a balanced consideration of social, ethical, environmental and economic impacts are undertaken throughout the procurement process. In addition to this it is also imperative that these principles are applied in a proportionate manner and are also tailored to reflect the works, services or goods being procured.
- 3.3 The policy is also there to ensure that Council employees, contractors and suppliers are aware of the commitment to long term social, ethical, environmental and economic sustainability. We will need to protect and enhance the environment and create better lives, well-being and opportunities for the people of Lincoln through our procurement process.



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4.0 Policy Context

- 4.1 The City of Lincoln Council Vision 20:20 Strategy sets the overarching strategic framework for this policy.

The strategy recognises that despite the recession Lincoln has continued to develop and grow.

It is envisaged that this Social Value policy, in conjunction with the Vision 20:20 strategy and the social value activities that they will both generate, will form a key element in the delivery of the Council's overall vision, Together, Lets deliver Lincoln's ambitious future.

5.0 Objectives

- 5.1 The Vision 20:20 strategy has four key principles and this policy has tried to ensure that these are provided for.

- Let's Drive Economic Growth
- Let's Reduce Inequality
- Let's Deliver Quality Housing
- Let's Enhance Our Remarkable Place

- 5.2 The objectives of this policy are reflective of the above and also the definition as detailed within paragraph 2.4. Below are the key objectives:

- Promote employment and economic sustainability – tackle unemployment and facilitate the development of skills
- Improve the living standards of local residents – encourage the payment of the living wage ; ensure that residents have access to all entitlements ; encourage suppliers to engage with the local supply chain both in respect of goods and labour
- Promote equality and fairness - engage with the most vulnerable within the community and tackle those wards which are most deprived
- Promote and improve environmental sustainability – reduce wastage ; use sustainable sources for materials ; reduce energy consumption



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6. Policy Focus

6.1.1 This section deals with the key focuses, reflecting the objectives in paragraph 5.2. The focuses are as follows:

- Minimise carbon dioxide and other greenhouse gas emissions
- Take into account the need to reduce traffic emissions as well as reducing the negative impacts of transportation when purchasing goods and services
- Consider the environmental performance of all suppliers
- Maximise the use of recycled products and products made from reclaimed materials
- Consider fair trade or equivalent as well ethically sourced/produced goods and services
- Ensuring all contracts (where proportionate and relevant) contain sustainability/social value references within the specifications
- Maximising employment and economic gain opportunities for the “local” suppliers
- Engaging with and raising awareness of stakeholders, both internally and externally
- Maximise the use of local goods, produce and services
- Support SME’s and local businesses
- Consider equality, diversity and employee well being
- Support Third Sector and Social Enterprise
- Use of Sustainable Materials
- Waste Reduction

6.1.2 Minimise carbon dioxide and other greenhouse gas emissions

- Encourage suppliers to measure both theirs and their supply chain carbon footprint and where possible look to reduce this
- Build a requirement into specifications, where relevant and appropriate, for emission reduction

6.1.3 Take into account the need to reduce traffic emissions as well as reducing the negative impacts of transportation when purchasing goods and services

- Encourage suppliers to measure and review in order where possible to reduce this
- Build a requirement into specifications in respect of this, where relevant and appropriate

6.1.4 Consider the environmental performance of all suppliers

- Encourage suppliers to monitor all aspects of their business relating to environmental performance and to look for ways to reduce this moving forward

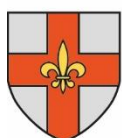


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- 6.1.5 Maximise the use of recycled products and products made from reclaimed materials
- Encourage suppliers to build this into their contract delivery and to pass this through their supply chain
 - Build a requirement into specifications in respect of this , where relevant and appropriate
- 6.1.6 Consider Fairtrade or equivalent as well ethically sourced/produced goods and services
- Encourage suppliers to build this into their contract delivery and to actively promote through their supply chain
 - Build a requirement into specifications in respect of this , where relevant and appropriate
- 6.1.7 Ensuring all contracts (where proportionate and relevant) contain sustainability/social value references within the specifications
- Engage with service users and internal stakeholders when procuring major contracts to clearly define, design and establish methods to meet their needs in a sustainable/social value approach
 - Encourage suppliers to support locally beneficial projects in the communities in which they operate as part of the contract delivery
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- 6.1.8 Maximising employment and economic gain opportunities for the “local” suppliers
- Encourage suppliers to support employment opportunities for people from disadvantaged categories i.e. NEET’s, long term unemployed, people with physical or learning disabilities, ex-offenders, ex armed forces
 - Evaluate potential suppliers capacity to deliver targeted recruitment and training
 - Support suppliers in identifying relevant sources of support to assist in meeting the training and employment needs of target groups
- 6.1.9 Engaging with and raising awareness of stakeholders, both internally and externally
- Undertake training awareness sessions with the local business community
 - Encourage suppliers to communicate with their supply chain the importance of social value and sustainable procurement



6.1.10 Maximise the use of local goods, produce and services

- Recognise the importance of sourcing local goods and produce, where appropriate
- When procuring major contracts build in a requirement, where appropriate, for local primary producers to be included within the supply chain

6.1.11 Support SME's and local businesses

- Ensure that the procurement process is as accessible as possible to all
- Build into specifications, where appropriate and relevant, support of the local economy and supply chain
- Work with local suppliers and SME's to help identify local supply chain and sub-contracting opportunities
- Incorporate within this element the Local Purchasing Strategy

6.1.12 Consider equality, diversity and employee well being

- Ensure that the Council's commitment to Equality and Diversity is communicated to suppliers
- Encourage suppliers to be aware of and tackle, where possible equality issues within the sectors they operate in
- Make accessibility in the workplace a requirement, where appropriate, within the specification
- Encourage suppliers to recognise the benefits of workforce volunteering within the community they live and work in
- Encourage suppliers to consider how they can look after the health and well-being of their workforce

6.1.13 Support Third Sector and Social Enterprise

- Encourage suppliers to take steps to make supply chain opportunities accessible to relevant third sector and social enterprise organisations
- Provide regular engagement and information sessions to ensure local third sector and social enterprise understand the procurement process and where appropriate take account of their feedback
- Consider where relevant and appropriate alternative bidding models such as consortium and partnerships

6.1.14 Use of Sustainable Materials

- Ensure that where appropriate all timber and paper products are recycled or sourced from sustainable forests
- Encourage suppliers to be reactive to changes in scarce products/materials and seek alternatives where appropriate



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6.1.15 Waste Reduction

- Encourage suppliers to reduce waste at land-fills etc and promote re-use, recycling at all levels of the supply chain
- Build into specifications, where appropriate and relevant, waste reduction aspirations

6.2 As referenced in 6.1.11, the Local Purchasing Strategy has now been in place for a number of years. However for ease of reference please see below the definition of “local” as previously adopted by this Council

“a supplier is defined as one whose trading premises are located within Lincolnshire and/or a 20 mile radius of the county of Lincolnshire’s boundary”

For clarification a “trading premise” is where the supplier has a branch/base/office within the locality

7. Evaluating Our Approach

7.1 The impact of this policy will be reviewed on an annual basis to show how we are delivering on our objectives.

7.1 It is the intention of this policy to inform the use of key performance indicators (KPI’s) within contracts moving forward. It will also ensure that full contract management is undertaken in respect of the monitoring of social value elements within a suppliers submission.

7.2 The Client Procurement Officer will report into Performance Scrutiny Committee on an annual basis to detail the benefits that have been delivered as part of this Policy.

8. Working with Potential Suppliers

8.1 It is the Council’s aspiration that deriving from this policy Suppliers will be able to leave a “Lincoln Legacy”. The impact of which will last long after the term of the contract has expired

8.2 A number of examples are shown within Appendix A to this policy and it is hoped that these will help suppliers develop a social value submission which will deliver a legacy which will improve the economic, environmental and social well-being of the residents of Lincoln.



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9. Developing our Methodology

- 9.1 As part of the annual report to committee, an annual review will also take place to ensure that the policy is fit for purpose and reflective of case law and best practice.
- 9.2 It is also the intention that as part of his review Officers will develop further out use of varying evaluation methods to help ensure that we continue to successful in deriving positive economic, environmental and social outcomes from procurement in Lincoln.



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Promote employment and economic sustainability

To provide a programme of training and upskilling of the long term unemployed within the City to help residents gain vital experience at no cost to the users

To provide apprenticeships as part of the contract delivery with a view to providing permanent employment once the apprenticeship has been completed

To provide a programme of training and upskilling of various sectors (disabled, ex RAF, NEETS etc) within the City to help residents gain vital experience at no cost to those who attend

To become a Living Wage Foundation employer

To provide training and life skills to local education facilities at no cost

To work with Community Groups and Volunteers providing training and support at no cost, in order to develop life skills

Improve the living standards of local residents

To become a Living Wage Foundation employer

To engage and develop on going relationships with local small and micro businesses

To support employees' in ensuring they have access to all work based entitlements

To support local community groups which help tackle poverty within the City

To undertake a community project within the City which will enable green space to be used by residents

Promote equality and fairness

To provide support (both financial and in kind) to local community groups who work with and support residents of the deprived wards

To undertake a programme of free skills workshops to support certain sectors of the community i.e. disabled, young persons, 50-64 year olds

To work with the Council to provide home improvements at no cost to the residents of deprived wards



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Promote and improve environmental sustainability

To commit to reducing the amount of waste produced being directed to land fill

To donate any unwanted materials or potential waste items to local community groups for their use at no cost

To include within the contract the use of sustainable energy resources

To reduce the overall energy consumption in relation to the delivery of the contract

To work with local residents in order to reduce their fuel consumption at no cost



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