

# Social Value Toolkit – guidance for suppliers and bidders

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## INTRODUCTION

Barnet Council is committed to delivering services in a way that maximises benefits for the borough, aligning with our priorities of reducing poverty and inequalities while building community wealth and improving our environment. One way that we can do this is through working with suppliers to deliver social value. This means that we want to work with organisations who share our commitment to improving the borough and the lives of residents across it. We encourage those organisations to consider the social, environmental, and economic benefit to the borough from our contractual agreements.

This toolkit outlines our approach to achieving social value and sets out our expectations and requirements for bidders and suppliers who wish to work with the council.

This toolkit:

- Explains what social value is and what it means to Barnet council.
- Explains our benchmarks for offers.
- Explains and outlines the Themes, Outcomes and Measures (TOMs) framework that Barnet Council has developed.
- Explains the Social Value Matrix and how it should be used to effectively present offers.
- Provides some helpful tips for suppliers and bidders who may wish to work with us.

If you would like to find our more information on social value in Barnet, please contact us on [strategy@barnet.gov.uk](mailto:strategy@barnet.gov.uk).

## WHAT IS SOCIAL VALUE?

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

The Best Value duty in The Local Government Act of 1999 sets out a general Duty of Best Value for specified local government organisations to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.” Under the Duty of Best Value local authorities should consider overall value, including economic, environmental, and social value, when reviewing service provision. Further information on the interrelation of these two subjects is provided at source. (Cabinet Office 2012)

In addition to this, the Public Services (Social Value) Act 2012 enshrined the principle of social value in law, placing a legal obligation upon local authorities to consider the wider benefits to the community of their commissioning and procurement of above threshold public services contracts. This means throughout the tendering process we consider not only the most economically advantageous supplier, but one that secures wider social, economic, and environmental benefits for the community. Benefits can be:

- **Social:** equality and diversity, social inclusion, better accessibility to community initiatives, safer communities, and strong civil society.

- **Environmental:** sustainable procurement, carbon reduction, waste reduction, and recycling biodiversity gain and environmentally conscious supply chain.
- **Economic:** strong local economy, sustainable jobs, apprenticeships, local procurement and skills development.

In addition, sections 67 and 68 of the Public Contracts Regulations 2015 permit the council to award public contracts on the basis of the most economically advantageous tender assessed from the council’s point of view. The most economically advantageous tender is identified on the basis of the price or cost, using a cost-effectiveness approach, such as life-cycle costing in accordance with regulation 68, and may include the best price-quality ratio, which shall be assessed on the basis of criteria, such as qualitative, environmental and/or social aspects, linked to the subject-matter of the public contract in question.

Since 2012, the council has applied social value at a base scoring weight of 10% in the quality criteria of contract bids, with opportunity to vary this upwards or downwards to a minimum level of 5%. In December 2021, we adopted our first social value policy which allowed us to raise the base weighting to 20% and set it apart from quality and price. We want to work collaboratively with suppliers and local partners to drive positive outcomes for the local area:

The outcomes that can be achieved by various social value initiatives such as:

- Developing skills and creating jobs and training opportunities
- Creating supply chain opportunities for local SMEs
- Supporting local charities or community groups

- Offering work placements to young people and adults
- Providing more opportunities for individuals or groups facing greater social or economic barriers
- Reducing the carbon footprint
- Helping to improve public spaces such as parks, town centres, etc
- Hosting community events
- Volunteering in the local community

## SOCIAL VALUE IN BARNET

Our Plan for Barnet 2023-2026 sets an overall vision for Barnet and commits us to working together in a place-based approach towards several outcomes:

- **Caring for people**  
We will address inequalities and work to improve life chances for a good, healthy, happy and long life. We will work tirelessly to reduce poverty in our communities, boost incomes and reduce costs.
- **Caring for our places**  
We will develop our town centres and neighbourhoods, create places that are clean, safe and welcoming. We will provide good quality homes in the right places that meet residents' diverse needs and are affordable. We will become a borough of fun.
- **Caring for the planet**  
Put sustainability at the heart of everything we do. We will become a net zero council by 2030 and improve the quality of our local environment – enhancing our green and open spaces.

- **Engaged and Effective Council**

Collaborate, listen and build a dialogue with our residents and communities, working together to co-produce our strategies and services.

## OUR PRINCIPLES

In our Social Value Policy, we have outlined seven principles that underpin our approach towards social value:

1. We seek to maximise opportunities to work with partners and stakeholders.
2. Plans are designed to be inclusive with a focus on supporting future generations and reducing inequalities across the borough.
3. We prioritise long-term improved outcomes over short-term 'fixes', prioritising prevention and targeted early intervention.
4. We build stronger, safer communities with cohesive neighbourhoods, which have zero-tolerance for abuse or crime in any capacity.
5. We create borough resilience to cope with future environmental and socio-economic stresses.
6. We use our assets effectively to generate returns for the borough – both social and financial. This is underpinned by the council's Growth Strategy and Asset Acquisition Strategy.
7. We secure value for money in all we undertake and align this to our wider strategic and corporate objectives including the delivery of our medium-term financial strategy.

## OUR BENCHMARKS

We have set benchmarks for social value commitments to ensure that all bids for large contracts have the potential of making a positive impact in our borough. These are our social value requirements from bidders:

- A minimum expectation of 5% reinvested in social value initiatives by suppliers on contracts that are £100,000 or above.
- A minimum of one employment outcome expectation for every £1 million in contract valuation, with options including:
  - a full-time contract
  - an apprenticeship
  - a supported internship

Bids that do not meet these thresholds will receive a 'zero score' for the social value section of the tender evaluation, but quality and cost will still be evaluated.

## THEMES, OUTCOMES AND MEASURES (TOMs)

We have developed our own comprehensive set of TOM's which demonstrate the outputs that we would like to achieve through social value.

- **Themes:** the overarching strategic themes that we are looking to pursue
- **Outcomes:** the objectives that we are looking to achieve that will contribute to the theme
- **Measures:** the measures that can be used to assess whether these outcomes have been achieved.

We have identified **3 themes**, against which there are a total of **9 outcomes** and **47 measures**. The three themes that we have identified correspond to the four themes of Our Plan for Barnet, our Reducing Poverty Strategy, our Sustainable Commercial Strategy, and our Sustainability Strategy. The outcomes and measures sit underneath each of these themes.

Our list of TOM's act as a 'menu' of the different ways suppliers can fulfil their social value obligations whilst directly supporting our corporate objectives. The TOMs feature:

- **Proxy Values:** these are average sums that correlate to the yearly uplift in life satisfaction for individuals, the government, and the community. They are established using public sector data. **They cannot be not used to quantify your commitments.**
- **Monetary Values:** these are values that enable bidders to quantify their social value commitments to reach the 5% minimum expectation. Each TOM has been assigned a monetary value, and the higher the value, the higher that TOM is to our priorities.
- **Evidence requirements:** this column guides suppliers on what we would consider as satisfactory evidence. Evidence will be required when reporting outcomes to Barnet Council contract managers.

In preparing your bid, we recommend that you familiarise yourself with the TOMs and start to consider how you can work with us to deliver some of these outcomes as part of a contract with us.

Although the TOMs represent our priorities, we welcome offers that are not listed in the Barnet TOMs. We will compare them with the measures on our TOMs and establish the monetary we would assign to it. You will then decide whether you accept or decline our evaluation.

## **SOCIAL VALUE MATRIX**

This form works in unison with the TOMs and must be used by bidders to fill out their social value offers. It guides bidders to produce clearly defined commitments where crucial information such as quantities, milestones, the method to be applied and responsible person(s) are stated.

It quantifies the commitments, making it easier for the evaluating panel to assess bids objectively, and it gives a structure to how bidders present their social value offers. Additionally, it makes it easier to transfer information from the stated commitments to a contract, and onto the monitoring tools.

The method statement box is crucial in evaluating offers as it gives insight to how the bidder plans to deliver their commitments. A strong method statement should leave the evaluator feeling confident that offers are realistic and attainable. “Any other benefits” section gives the supplier the opportunity to present an idea that is not highlighted in the TOMs.

## **MONITORING AND REPORTING**

Monitoring and reporting social value outcomes is a fundamental component of our partnership. For the council, it ensures that the agreed social value commitments are being fulfilled, providing value to the community. It's a way for us to measure and demonstrate the tangible

impact of our collective efforts. It also enables continuous improvement, allowing us to refine our strategies and practices for future projects.

For suppliers, it represents an opportunity to demonstrate your commitment to social responsibility and your desire to give back to society.

If you are successful with your bid, you will be provided our monitoring tool. This tool must be used to track outcomes.

You will be required to report outcomes quarterly:

- Q1- end of June
- Q2 – end of September
- Q3 – end of December
- Q4 – end of March

## **LIQUIDATED DAMAGES FOR NON-DELIVERY OF COMMITMENTS**

There may be genuine and justifiable reasons for the non-delivery of a social value commitment from the winning supplier. In these circumstances, Barnet Council will initially seek to engage with the supplier to determine the issues impeding social value delivery. We will expect the supplier to have a coherent rectification strategy. This could include other social value proposals to an equivalent or higher monetary value if these also meet the commissioner’s criteria.

If the supplier is not able to deliver on its social value obligations as per the commitments in the contract or any of the alternative measures; the London Borough of Barnet reserves the right to apply liquidated damages for the failure to deliver in whole or part of the social value commitments written in the contract.

It will be at the sole discretion of London Borough of Barnet, as to whether it grants relief to the supplier in respect of liquidated damages. Our preference is to work together to find a solution, therefore we would only seek to apply this as last resort.

## SOCIAL VALUE IMPACT FUND (SVIF)

The council will introduce a Social Value Impact Fund which will be used to support community initiatives. Liquidated Damages and financial contributions will feed into this fund. If suppliers want to provide financial contributions for VCSEs as part of their social value commitments, but do not have specific organisations in mind, they can direct funds to the SVIF and VCSEs across the borough can submit a funding application to access funds.

## TIPS WHEN SUBMITTING TENDERS

- Outline any commitments you propose to undertake as part of a contract with us. You should use our TOMs to inform your thinking here and consider which outcomes in our TOMs you think you would be able to deliver. However, we do also welcome commitments that are not represented in our TOMs.
- Make sure to show us that your offer is deliverable, how you will deliver it and how you can measure progress.
- Do your research - familiarise yourself with our Social Value Policy, Our Plan for Barnet 2023-2026 and other key Barnet strategies. Demonstrate how your offer will help us to deliver on our priorities.

- Tell us about work you are already doing in relation to social value. This doesn't have to be in Barnet if you are not based here.
- When filling out the Social Value Matrix, provide details on the activities you are offering, how you will deliver them, how much you can do, the partners you will connect with if you know, etc.
- Don't be vague – make tangible commitments that include quantities, figures, dates, milestones, responsible persons, etc.
- Consider how your offer will help to reduce poverty and inequalities, support the local economy, promote skills and employment and/or protect and improve our environment.
- Do not offer anything that is already a part of the core contract.
- Most importantly, make commitments that you can keep. Social value must be delivered in line with the contract, and it is important you make sure your social value offer is deliverable and sustainable.

## HELPFUL LINKS

[Guidance and resources about the Social Value Act](#)  
[Social Value Easy Guide for SME and VCSE](#)  
[The Social Value Portal](#)  
[Social Value Act Review](#)  
[How to do business with local government](#)  
[Dos and Do Nots Guidance for Bidders](#)