

MAY 2020

LONDON BOROUGH OF BARKING AND DAGENHAM  
SOCIAL VALUE TOOLKIT

**DRAFT**

HOW CONTRACTORS CAN HELP THE COUNCIL DELIVER  
WIDER COMMUNITY BENEFITS THAT MEET LOCAL  
PRIORITIES

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## INTRODUCTION

This document sets out how Barking and Dagenham Council is working to use its power as a major procurer of goods and services to deliver wider social, economic and environmental benefits in the borough.

We want to ensure we are doing all we can to deliver for residents in the context of limited resources. That means seeking to work with organisations who share our values and commitment to the borough, and asking those that want to contract with the council to deliver in a way that creates additional benefits for our residents and communities.

This 'Social Value' must be delivered over and above any benefits that arise from the goods and services being procured – and delivered in a way that is cost-neutral to the Council. Put simply, Social Value is about asking whether, if we are spending £1 on the delivery of goods and services, that same £1 can be used to produce a wider benefit to the community.

This policy also fulfils the legal obligation on all public bodies to consider Social Value under the Public Services (Social Value) Act 2012<sup>1</sup>, which requires:

- a) That authorities must consider how procurement might improve the economic, social and environmental well-being of the local area; and
- b) how it might act with a view to securing that improvement.

We expect all potential contractors seeking to provide goods or services worth more than £100,000 to the Council to set out convincing Social Value proposals as part of their bid – with a focus on supporting progress against the 2018 Borough Manifesto goals and targets.

This toolkit aims to support bidders to understand how they can develop effective proposals to deliver wider community benefits as part of their activity in the borough. It provides an overview of:

- The Council's goals and priorities for Social Value
- How Social Value is assessed
- The tools available to help potential contractors to develop a meaningful Social Value offer
- Contact details for local partners that can support delivery on Social Value commitments

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<sup>1</sup> The Public Services (Social Value) Act 2012 came into force on 31 January 2013 and applies to public services contracts and framework agreements relating to services to which the Public Contracts Regulations 2006 and revised Public Contracts Regulations 2015 apply.

## SECTION I. DELIVERING SOCIAL VALUE IN LBB

### GOALS AND PRIORITIES

The starting point for Barking and Dagenham’s approach to securing additional Social Value when procuring goods and services is the 2018 Borough Manifesto.<sup>2</sup> The manifesto was the product of consultation with nearly 3,000 residents. Through this process, local people helped set a vision to ensure ‘no one is left behind’ over the next 20 years, with a set of targets and metrics to track progress.



These targets provide the context for the council’s Social Value Framework, which is grouped around five priority themes. These themes are set out in the table below, along with the vision and activities that organisations can do to achieve the associated goals.

We encourage all organisations working or seeking to work in the borough to help us to achieve these goals. Those seeking major contracts to deliver goods, services and works for the council will be partly assessed on their proposals to deliver wider community benefits in line with these priorities – in addition to an assessment of the cost and quality of their bid.

<sup>2</sup> See: <https://www.lbbd.gov.uk/borough-manifesto>

## LBBB'S SOCIAL VALUE FRAMEWORK

The framework below sets out the Council's priorities and some of the activities that we would like to see from contractors when developing their Social Value proposals. This list is not exhaustive, and bidders are welcome to come up with innovative ideas about how to deliver Social Value in line with borough goals and priorities.

In addition to the table below, all contractors are expected to adhere to the highest possible ethical standards in employment and are absolutely committed to preventing slavery and human trafficking within their own activities and through their supply chain. comply with the Modern Slavery Act by making sure there is no slavery in their supply chains. For full guidance, read the Council's Modern Slavery Statement by clicking the link [here](#).

| <b>Investment in Local People</b>  |   |
|--|---|
| Work with the Council to meet Borough Manifesto goals to tackle low pay, reduce unemployment and increase access to education and training for borough residents by: | <ul style="list-style-type: none"> <li>- Paying and promoting the London Living Wage.</li> <li>- Delivering sustainable (26 weeks+) employment opportunities to residents - supporting the Council to meet a target to ensure that at least 25% of all people working on Council contracts are from the borough.</li> <li>- Providing quality apprenticeships - particularly opportunities for new entrants at or progressing to level 3 and above with clear wage and employment gains.</li> <li>- Providing work experience and careers support for borough residents.</li> <li>- Providing opportunities for disadvantaged groups – including young people, rehabilitating young offenders, care leavers, and those with mental or physical health conditions and learning difficulties.</li> <li>- Advertising all local employment and apprenticeship vacancies through the council's job brokerage services, and working with the existing local education and training system to deliver training and careers activities wherever possible.</li> </ul> |
| <b>Investment in Local Economy</b>   |   |
| Work with the Council to meet Borough Manifesto goals to support   | <ul style="list-style-type: none"> <li>- Supporting the Council to meet the goal to procure at least 25% of goods and services from LBBB suppliers.</li> </ul>  |

|  |  |
|--|--|
| job creation, business growth and sustainability in the borough by:  | - Building the capacity of local suppliers to secure opportunities, such as through mentoring and meet the buyer events.   |
| <b>Environmental Sustainability</b>  |  |
| Work with the Council to meet Borough Manifesto goals to create a clean, green and sustainable borough, recycling more and reducing waste by:  | <ul style="list-style-type: none"> <li>- Reducing the amount of waste and single-use plastic and seeking opportunities to recycle wherever possible.</li> <li>- Supporting LBBD's target to reduce carbon emissions by taking concrete steps to minimise energy consumption and consider the environmental performance of the wider supply chain.</li> <li>- Supporting initiatives to improve the local environment such as through local growing schemes and measures to address air pollution and fly-tipping.</li> </ul> |
| <b>Community Participation and Engagement</b>  |  |
| Work with the Council to meet Borough Manifesto goals to support improvements in the capacity of civil society, resident engagement and involvement, and levels of volunteering in the borough by: | <ul style="list-style-type: none"> <li>- Involving residents in the design of projects and services wherever relevant.</li> <li>- Building the capacity of local community groups and activities, such as through volunteering, mentoring and providing space and facilities.</li> <li>- 'Buying social' where possible, sub-contracting with organisations that share our values and have a social purpose, such as those from the voluntary, community and social enterprise sectors.</li> </ul>                           |
| <b>People, Independence and Resilience</b>   |  |
| Work with the Council to meet Borough Manifesto goals to improve the health, wellbeing and safety of borough residents by:   | - Supporting initiatives to tackle obesity, anti-social behaviour, domestic abuse and other challenges that affect the independence and resilience of residents.   |

## SECTION II. ASSESSING SOCIAL VALUE IN LBBD

This section provides guidance for potential contractors about the threshold at which Social Value applies, the weighting it is given as part of the total contract evaluation, where it comes in the tender process, and how different proposals will be assessed.

### WHO IS REQUIRED TO DELIVER SOCIAL VALUE?

Bidders on all LBBD contracts over £100,000 for goods, services and works are required to provide convincing Social Value offers in line with LBBD's stated goals and priorities, as set out in the Social Value Framework above.

However, we welcome all contractors to make Social Value proposals, and reserve the right to apply Social Value obligations on a discretionary basis on contracts below £100,000.

### HOW IS SOCIAL VALUE ASSESSED?

Social Value commitments are assessed and scored as part of the tender evaluation process, alongside evidence of quality and value for money.

Potential contractors are asked to complete and submit a Delivery Plan setting out their commitments under the themes set out in LBBD's Social Value Framework, and an accompanying Method Statement explaining how these will be delivered.

- The Delivery Plan should set out clear, measurable outputs that will be delivered through the contract, including timescales for delivery where possible.
- The Method Statement should include information about who will be responsible for overseeing the delivery of the obligations and how these will be delivered including, where relevant, how the contractor will ensure compliance in their wider supply chain.

Social Value in Barking and Dagenham will be weighted at **a minimum of 10%** of the overall assessment criteria, and up to **a maximum of 20%**.<sup>3</sup> This is in line with central government recommendations.<sup>4</sup>

Within this weighting, both the quality of the Method Statement and the commitments (outputs) set out in the Delivery Plan will be taken into account when assessing the Social Value

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<sup>3</sup> Weighting refers to the percentage that Social Value is given within the procurement criteria and decisions, relative to the cost and quality commitments in the bid.

<sup>4</sup> HM Government: *Social Value in Government Procurement* (2019), linked [here](#)

proposals. These weightings may vary and will range from between 10-50% of the total social value weighting for the method statement and 50-90% for the Delivery Plan.

It is important that bidders are confident of their ability to deliver their Social Value commitments as, once agreed, they will form part of the contractual obligations and will be monitored alongside other key performance indicators.

All Social Value commitments must be delivered in a way that is cost neutral to the Council.

## HOW WILL DIFFERENT PROPOSALS BE EVALUATED?

We recognise that different contracts will lend themselves to different priorities. We do not necessarily expect potential contractors to commit to deliver outcomes for all the priorities expressed in the Social Value Framework above.

On some contracts, commissioners will set out particular priorities for Social Value as part of the tender process.

Bids will be evaluated on the basis of the extent to which they are delivering additional community benefits that would not otherwise have been achieved, the clarity and ambitiousness of the commitments, and extent to which the Method Statement sets out a convincing plan for how outputs will be delivered.

**We will also give priority to** bids that make commitments under the themes of 'investment in local people' and 'investment in the local economy'. In particular, we will score Social Value offers more highly where they:

- Demonstrate a commitment to paying and promoting the [London Living Wage](#), particularly for staff working on contracts to deliver council services;
- Provide quality employment, apprenticeships, and other training and work experience opportunities for LBBD residents<sup>5</sup> – with additional consideration given to proposals that provide opportunities for groups facing disadvantage in the labour market<sup>6</sup>;

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<sup>5</sup> Wherever possible we would like to encourage sustainable employment opportunities lasting at least 26 weeks and apprenticeships for new entrants that are provided at, or progressing to, Level 3 and above, with evidence of clear wage and employment gains upon completion.

<sup>6</sup> Priorities include: young people who are not in employment, education or training (NEET); unemployed care leavers and/or ex-offenders; residents who are long-term unemployed; and those with physical or mental health conditions and/or learning difficulties.



- Commit to procuring a meaningful proportion of goods and services relating to the contract from local suppliers – supporting the council to meet its target to procure 25% of all goods and services locally.

### **Securing community benefits in construction**

The council's wholly-owned regeneration and development company Be First plays a key role in driving greater community benefits in the construction sector through its house-building and regeneration programme.

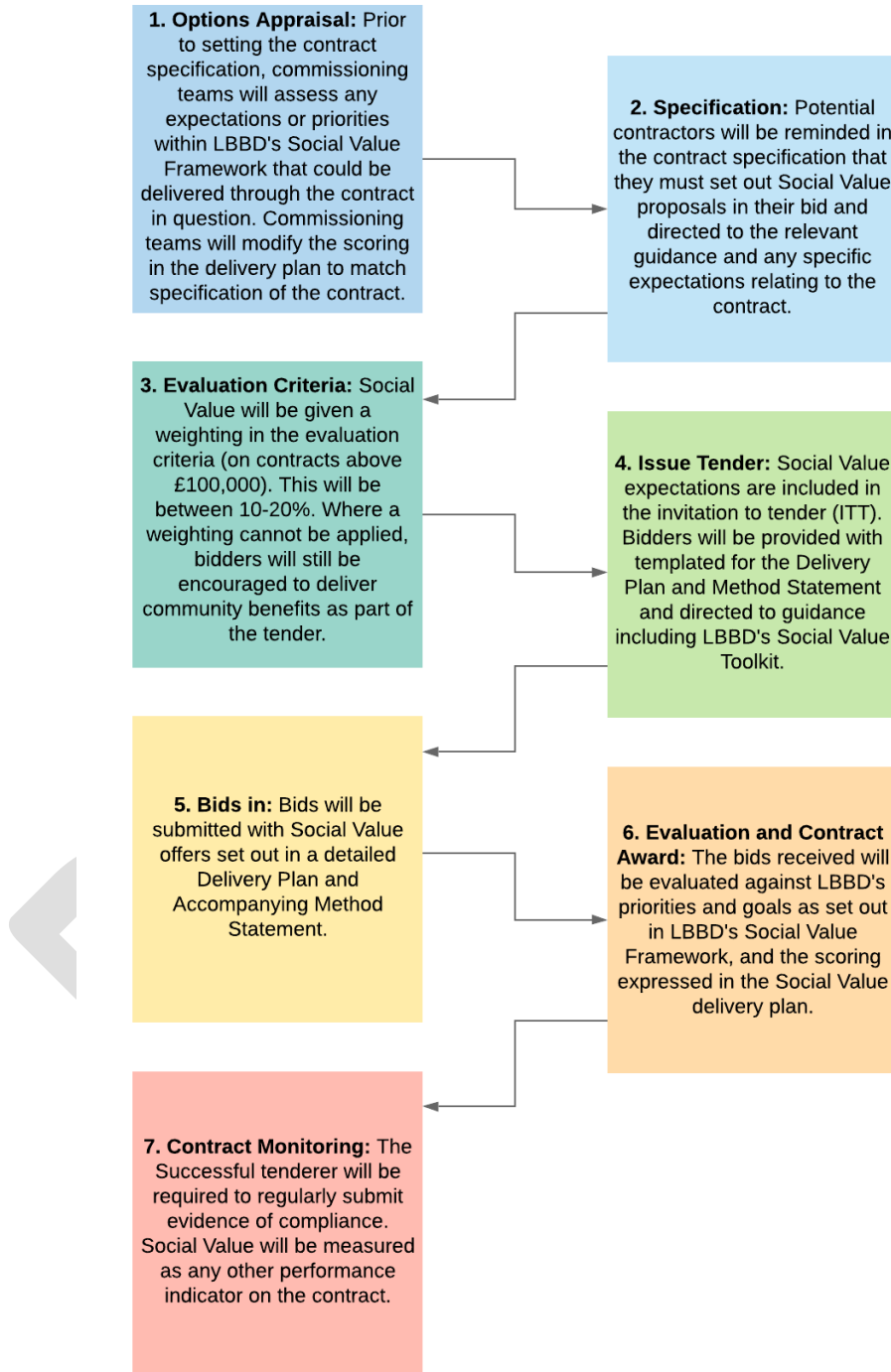
In June 2019 Be First and the council signed the Unite Construction Charter, which seeks to tackle undercutting and ensure decent pay and conditions in construction. Be First sets ambitious targets for contractors based on these commitments and wider established good practice to tackle skills and employment gaps in the sector, and build the capacity of the local supply chain.

These targets are set as minimum requirements for all contractors and monitored as part of their key performance indicators. They include requirements to:

- Work to ensure that all operatives on Be First sites are directly employed on a PAYE basis under a contract of employment and paid no less than the London Living Wage;
- Ensure a minimum 25% of the total jobs (FTE) created are filled by LBBB residents – with all vacancies advertised through the council's job brokerage services;
- Provide at least one training opportunity for every 10 construction workers – at least half of which (or 5% of the FTE workforce) must be apprenticeships leading to a full recognised qualification;
- Provide 10 weeks of work experience for every 6 months of the development – with each placement lasting at least 2 weeks;
- Provide at least one educational workshop / visit per educational term for the duration of the construction phase to support local schools and careers services.
- Source at least 25% of the value of all goods and services required for the development from organisations based in borough and participate in at least two events in each year of the development to promote opportunities to local suppliers and build their capacity;

These targets are also promoted across the wider construction sector operating in the borough through Section 106 employment, skills and suppliers plans.

## WHERE DOES SOCIAL VALUE COME IN THE TENDER PROCESS?



## SECTION III. USEFUL RESOURCES

This section provides information about further tools, guidance and contacts that may be helpful in supporting potential contractors to develop meaningful Social Value proposals and ensure that bids stand the best chance of getting maximum marks in this area.

### DO'S AND DON'TS WHEN SUBMITTING AN OFFER<sup>7</sup>

#### **1) Don't offer anything that is required in the core contract:**

Services or actions that the bidder is required to provide as part of the core contract requirements cannot also be counted as Social Value. For example: if the contract is about supporting people back to work, bidders cannot claim Social Value for taking people out of unemployment, as that is part of the requirements of the core contract.

#### **2) Do provide good evidence of how you will deliver Social Value:**

When submitting Social Value offers, make sure you take the time to fill in the Delivery Plan and Method Statement to the best of your ability. We are looking for bids that are deliverable as well as ambitious – a weak method statement will reduce the coherence of the offer and impact the overall score awarded to Social Value.

#### **3) Don't double count:**

Each Social Value outcome may be claimed only once. For example: if a reduction in carbon emissions is proposed through a flexible working initiative, bidders may not claim the same reduction in emissions achieved via a different initiative.

#### **4) Do make sure you only include committed local spend in your supply chain:**

When estimating local spend, bidders must only include the projection of spend that occurs as a result of the contract and can be influenced by their own spending decisions.

### TARGETING YOUR COMMITMENTS

The best Social Value proposals are targeted to local issues with a clear sense of how they will be delivered in partnership with organisations and resources on the ground. A list of useful contact details to help contractors deliver on their commitments is provided at the end of this Toolkit. It may also be helpful for bidders to engage with some of these organisations and resources while they are developing their proposals.

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<sup>7</sup> This has been adapted from Social Value Portal, ['Do's and Don'ts When Submitting a Social Value Offer'](#)

## LBBB Borough Data Explorer

Barking and Dagenham Council have developed a Data Explorer which brings together data for all the indicators that either contribute to our Borough Manifesto<sup>8</sup> or the Social Progress Index<sup>9</sup>. This tool allows the user to compare LBBB's performance to the rest of London and, where data is available, to visualise ward-by-ward level data.

This is a valuable tool to help produce locally targeted schemes and project. It can be used to understand the issues currently faced in the borough, and to enable contractors to think about where and how they target their interventions to meet the most pressing concerns in different parts of the borough.

Access the Borough Data Explorer by clicking [here](#)

## Barking and Dagenham Giving

Barking & Dagenham Giving makes it easy for partners to identify and support local causes in Barking & Dagenham. It provides a platform for potential contractors and other organisations to learn about local needs and initiatives, as well as target and deliver interventions in the borough, in collaboration with local voluntary and community groups and social enterprises. This is particularly relevant for contractors seeking to contribute to, volunteer or partner with local initiatives – for example to improve air quality, tackle problems such as obesity, domestic violence or anti-social behaviour, or support the capacity of the local voluntary, community and social enterprise sector.

Visit the B&D Giving portal at [www.bdgiving.org.uk](http://www.bdgiving.org.uk)

## WORKING OUT THE EQUIVALENT FINANCIAL VALUE OF YOUR COMMITMENTS:

Understanding the equivalent financial value of different commitments can help contractors to understand how to maximise the social, economic and environmental benefits they can deliver through the contract. This can be provided as supporting evidence for a bid.

The **National Themes, Outcomes, Measures, or TOMs framework**<sup>10</sup> was developed by central government in consultation with the National Social Value Taskforce to support commissioners and potential contractors to measure and evaluate different Social Value commitments. It does

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<sup>8</sup> Barking and Dagenham Together – Borough Manifesto, URL: <https://www.lbbd.gov.uk/borough-manifesto>

<sup>9</sup> Barking and Dagenham 2018 Social Progress Index, URL: <https://www.lbbd.gov.uk/social-progress-index>

<sup>10</sup> National TOMs 2019 – Social Value Portal Ltd, url: [socialvalueportal.com](http://socialvalueportal.com). License: Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License (<https://creativecommons.org/licenses/by-nc-nd/4.0/>)

this by providing an equivalent financial value based on the impact different commitments can have on a local area.

At LBBD, we have adapted this national tool to create [an LBBD TOMs framework](#) that reflects our priorities and context. For example:

- **Employing an LBBD resident:** The provision of a full-time job to a borough resident is given an equivalent value of £29,270 a year, based on the median gross annual pay for full time workers in LBBD.
- **Employing a long-term unemployed resident:** Providing a full-time job to a resident who has been unemployed for more than 12 months has an additional benefit of £14,501 (on top of the initial £29,270). This is based on the average annualised increase in economic benefits to the individual and the fiscal benefits to the NHS resulting from the average reduction in health care costs associated with being out of work.

The LBBD TOMS framework can help you calculate the financial equivalent for a wide range of potential outputs. Potential contractors are encouraged to use [this local calculator](#) to evaluate the equivalent value (£) that their Social Value proposals contain. There is no requirement to do this but doing so may support them to develop and evidence meaningful proposals as part of the tender process.

## Case Study examples

### ***Creating local employment: the Independent Living Agency (ILA)***

In 2018, the council contracted the Independent Living Agency (ILA) to provide support for elderly and disabled residents in their homes, such as gardening, shopping and cleaning. The ILA are committed to paying the London Living Wage to their workers and giving back to the community, and through the contract were able to support employment for a disabled resident. The ILA worked with the council's job brokerage services to recruit a visually impaired resident on a 3-day a week volunteering role. Despite her barriers to work and initial lack of confidence, she was able to secure a paid position at the ILA in January 2020.

### ***Supporting local business: LBBD's Print and Post services***

In 2019 the council tendered for a new Managed Print and Post supplier. The tender made clear that offers that delivered the contract in partnership with local suppliers would be prioritised for the contract. As a result, all proposals offered a local spend of 35% or over. The winning bid from Xerox also included a provision to support at least three community projects a year, focusing on improving local air quality, local business support and community participation.

## USEFUL CONTACTS

|   |   |  |
|---|---|--|
| <p><b>Recruit an employee or apprentice from Barking and Dagenham</b></p> | <p>All contractors are asked to advertise local job and apprenticeship opportunities in the council's Job Shops, which offer a free recruitment and selection service for organisations seeking to recruit locally.</p>   | <p>Email: <a href="mailto:vacancies@lbbd.gov.uk">vacancies@lbbd.gov.uk</a></p>   |
| <p><b>Get support with apprenticeship training costs</b></p>              | <p>The government offers up to 95% of funding to cover the costs of training apprentices.</p>   | <p>See: <a href="https://www.gov.uk/take-on-an-apprentice/get-funding">https://www.gov.uk/take-on-an-apprentice/get-funding</a><br/>Telephone: 0800 015 0600</p>   |
|   | <p>LBBD runs a scheme to transfer the Council's unspent Apprenticeship Levy allowance to organisations in our supply chains that offer opportunities to local residents – covering 100% of their training costs.</p>  | <p>Email <a href="mailto:businessforum@lbbd.gov.uk">businessforum@lbbd.gov.uk</a> for information about how to apply to the Council's levy transfer scheme</p>   |
| <p><b>Offer work experience and other careers support</b></p>             | <p>The council's Job Shops can help you to organise work experience for residents and connect with local schools and colleges. You can also get in touch with Barking and Dagenham's Schools Improvement Partnership, which organises pre-and post-16 work experience placements for students in LBBD schools and colleges.</p> | <p>Email: <a href="mailto:vacancies@lbbd.gov.uk">vacancies@lbbd.gov.uk</a><br/>OR:<br/><a href="mailto:Barking&amp;DagenhamTrident@lbbd.gov.uk">Barking&amp;DagenhamTrident@lbbd.gov.uk</a><br/>Telephone: 020 8724 8334</p> |
| <p><b>Use local suppliers</b></p>   | <p>The council's Business Forum has a directory of local businesses. Get in touch for help finding local</p>  | <p>Email: <a href="mailto:businessforum@lbbd.gov.uk">businessforum@lbbd.gov.uk</a><br/>Telephone: 020 8227 5094</p>  |

|   |  |  |
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|   | <p>suppliers that meet your needs.</p> <p>The Business Forum can also help you publicise opportunities for local suppliers through its quarterly newsletter and events.</p>  |  |
| <p><b>Identify local voluntary, community and social projects and organisations</b></p> | <p>Barking &amp; Dagenham Giving collaborates with a range of partners to make it easy for organisations to identify and support local social organisations. Get in touch for help and ideas on how to target and deliver your obligations.</p>              | <p>Email: <a href="mailto:Geraud@bdgiving.org.uk">Geraud@bdgiving.org.uk</a></p> <p>Or visit the B&amp;D Giving portal at <a href="http://www.bdgiving.org.uk">www.bdgiving.org.uk</a></p>   |
| <p><b>Volunteer in LBB</b></p>  | <p>Barking and Dagenham’s Community Solutions team coordinates a programme of volunteering in the borough.</p>   | <p>To volunteer with the council, contact Jill Gallagher on: <a href="mailto:Jill.Gallagher@lbbd.gov.uk">Jill.Gallagher@lbbd.gov.uk</a></p> <p>For wider volunteering opportunities in the borough contact B&amp;D Giving, as above.</p> |
| <p><b>Support initiatives to tackle Domestic Abuse</b></p>                              | <p>Dagenham’s Domestic Violence Commission was set up to identify how to reduce high levels of domestic abuse in the borough and can advise on initiatives in this area, as well as how to effectively support and advise your own staff in this regard.</p> | <p>Email: <a href="mailto:domesticabusecommission@lbbd.gov.uk">domesticabusecommission@lbbd.gov.uk</a></p>   |