



# Social Value Policy and Framework

2024-28



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## Background

Here at Lancashire County Council (LCC), we are aiming to make Lancashire the best place to live, work, visit and prosper. At the heart of meeting this aspiration are our [four priorities](#):

- Delivering better services,
- Protecting our environment,
- Supporting economic growth, and
- Caring for the vulnerable

The four priorities also take into consideration our region's overarching strategy, initiated by Lancashire's 15 councils, called [Lancashire 2050](#). This regional plan involves everyone with a stake in our county's success, setting out areas where we can work together to help our county thrive. The priorities that will help Lancashire achieve this vision are also focused into four key priorities:

1. Economic growth and investment
2. Transport, connectivity, and infrastructure
3. Early years, education, adult skills, and employment; and
4. Environment, climate change and housing quality.

In summary, Lancashire seeks to significantly accelerate its economic growth, generate thousands of new high-value jobs, and become a trailblazer in tech, low carbon, digital and other in-demand and globalised industries. Within all of this is the necessity to support our population in Lancashire by developing healthy and resilient neighbourhoods. After all, our communities are key to co-developing the infrastructure and tools to manage health and wellbeing and address the causes of poverty, ill health and long-term care needs.

Facilitating these ambitious goals requires more than just a vision and a plan to succeed, it requires the council to make the most of the levers at our disposal as a public body to generate positive outcomes that contribute to both local and regional priorities.



One such lever we use is how we procure goods and services in a way which maximises the benefits for Lancashire. By continuing to embrace the Public Services (Social Value) Act 2012 (the Act), Lancashire is able to generate additional community, economic and environmental benefits as a result of our decisions when we spend public money. This means that our chosen delivery partners will not just be expected to deliver additional benefits, but to measure and report against them too. The delivery of these wider contributions to society is commonly known as 'social value'.

It is important to note social value is not new to Lancashire, with our original Policy having been implemented in 2016. This updated Policy seeks to go further, generate more benefits and to improve how we measure and report progress towards our priorities.

At the centre of our social value strategy are the priorities for Lancashire County Council and Lancashire 2050. These plans are focused on bringing people together with a shared aim, shared ambition, shared goals and shared priorities.

## What is social value?

As introduced, social value considers the wider economic, community or environmental benefits that can be generated through how the council delivers its activity and services, including when procuring goods, works or services from the Council's suppliers. In order to realise these added-value benefits and improve on current practice, we and our suppliers will collaborate to plan how contracts and projects can be delivered in ways that generate outcomes that contribute to the eight 2050 Lancashire priorities.

These additional benefits can be measured through financial and non-financial metrics and can encompass the entire supply chain. This means that for every £1 spent by Lancashire, our suppliers can calculate the added-value return over and above the £1 cost. In some cases, our suppliers may already be delivering these added-value benefits, so the implementation of this Policy is an opportunity to capture and report this for our local communities too.

## Policy purpose

This policy sets out how we will work together as an organisation to deliver social value for Lancashire. Including how all staff, partners and suppliers can play their part. Figure 1 displays the overarching strategies and components that have influenced social value at LCC.



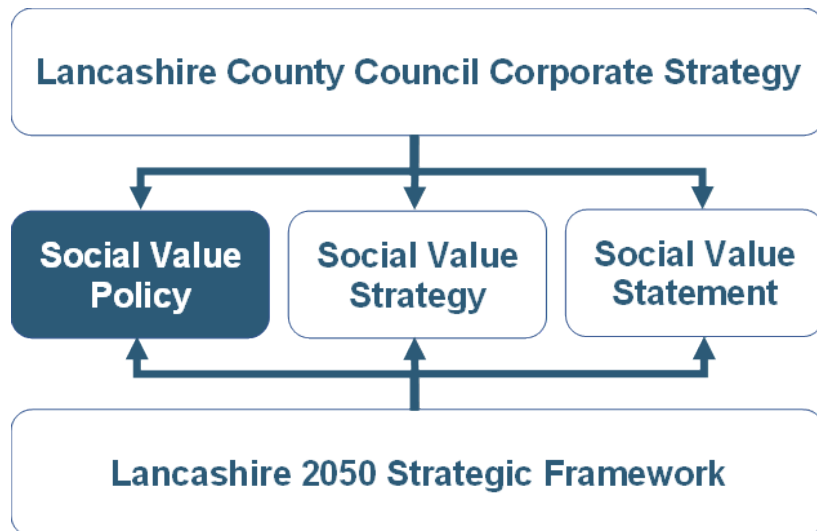


Figure 1 – LCC Social Value Framework

Ultimately, this Policy exists to ensure that all LCC activity is designed to generate additional positive contributions which directly meet the needs of our communities. For example:

- More people who face employment barriers are helped to secure quality, well-paid jobs;
- Young people are equipped with better employability skills;
- More business opportunities for our local micro, small and medium enterprises, including Social Enterprises;
- Reducing inequalities by encouraging employers to pay at least the Real Living Wage;
- Supporting vulnerable people to live more independently; and
- Encouraging the reduction of carbon emissions and resource efficiency.

In respect of our activity, this Policy applies to all contracts, frameworks and single purchases by LCC's Procurement and Contract Management teams with third-party suppliers. In future, there may be decisions outside of commissioning, procurement and planning, such as leases, grants and joint ventures when this Policy could also apply, and where significant social value could be unlocked.

Beyond our organisation, we are also committed to working with partner organisations, including; Lancashire and South Cumbria Integrated Care Board (ICB), Fire and Police, Lancashire Enterprise Partnerships, businesses and the Voluntary, Community, Faith and Social Enterprise organisations to increase the amount of social value delivered collectively by the region through jointly agreed approaches.

## Policy objectives

The objectives of this social value policy are to maximise the local impact of the Council's spending and activity to:

- Provide an outcomes-based measurement framework that measures all contributions to the local and regional priorities;



- Introduce a social value management tool that supports the delivery of these strategic priorities for the people and environment of Lancashire;
- Provide a consistent approach to measuring and reporting social value throughout the procurement and contract management lifecycle;
- Define and implement a robust, transparent and efficient digital solution for assessing and awarding the social value component of tenders, and managing relevant supplier performance during the contract lifecycle; and
- Reduce the uncertainty surrounding social value measurement for organisations, allowing them to make informed decisions based on robust assessments and hence to embed social value into their corporate strategies.

## Social Value Measurement Framework

The TOM System (the ‘Measurement Framework’) will underpin and empower the objectives of this policy, by allowing us to direct, unlock, measure and report the social value during project cycles. The Measurement Framework is also known as the “TOM System” because it is built around a set of Themes, Outcomes and Measures, and in recent years has become the most commonly used social value framework in the UK. The TOM System was first launched in 2017 by the [National Social Value Taskforce](#), chaired by the LGA, with over 40 members from organisations representing central and local government, the private sector and the third sector. The five themes we have chosen reflect the local and regional priorities as defined by LCC.

The TOM System provides a flexible, measures-based calculation framework designed to articulate social value outcomes in terms that can be objectively assessed. It was conceived and developed to be evidence-led and applicable over the ‘whole life’ of a contract or single purchase.

Each of the Measures ([Appendix 1](#)) behind the Outcomes have been assigned a proxy value which allows organisations to report their delivery in financial and non-financial terms. These values were agreed by the National Social Value Taskforce and stem from public sector data sources such as the Unit Cost Database (UCD), following benefit analysis techniques as outlined in the [HM Treasury Green Book](#) and other relevant monetary valuation techniques, such as benchmarking of market prices.

There are several benefits to using both the TOM System and the tendering and contract management portal, known as the Social Value Portal (“the Portal”) for Lancashire. We will be able to:

- Objectively compare and benchmark year on year social value delivered between contracts and services, to seek sharing of best practice and drive better performance;
- Gain a deeper understanding of where social value is being generated within our suppliers and areas - as well as where more social value could be unlocked to improve outcomes;
- Puts a common language (the £) against the positive impact our spending brings to the area, to inform service planning and commissioning; and
- Being better informed about where further social value could be unlocked locally, which can be targeted at our 2050 priorities.



See [Appendix 1](#) for the Lancashire TOMs.

## Unlocking Social Value

In order to maximise the effectiveness of this social value policy, while still maintaining the efficiency of the procurement process, a minimum spend threshold is set at £100,000. The threshold assessment should be conducted at the start of the procurement and contract management lifecycle and be based on the estimated spend during the contract or purchase's whole lifecycle.

There will be a minimum standalone weighting of 10% of overall scoring, of which this will be evaluated both qualitatively and quantitatively according to the scoring matrix. Any proposed contracts or single purchases below this threshold can proceed through the procurement and contract management lifecycle without needing to comply with the requirements of this policy. All contracts or single purchases above this threshold will need to comply with the requirements of this policy, unless an exemption has been obtained from Procurement.

For full detail on how this is applied through the procurement and contract management lifecycle, see [Appendix 3](#).

Existing suppliers, whose contracts have already started, can still choose to submit social value proposals onto the Portal, and to have their delivery performance monitored against these proposals for the remaining duration of their contract with Lancashire. This will enable the Council to unlock this added social value more quickly than waiting for each tender exercise to take place as scheduled.

## Further implementation

As part of applying the Act, Lancashire is taking further steps to embed a social value approach throughout our operations, these are published within our Social Value Strategy.

We are taking steps to improve the accessibility of the procurement process itself, to encourage a diverse range of bidders to participate in tenders relevant to them. It is important that sole traders, SMEs, start-ups and companies with minority ownership or management are well-supported and feel included without unintended barriers. Our approach to how they also build their social value understanding is no different. Our strategy includes how we will ensure early market engagement with all groups.

## Governance

The Cabinet Member for Resources is to be ultimately accountable for the delivery of this Policy. They are supported by the Executive Director for Resources and Director of Finance, who will ensure that:

- They are supported by Procurement Head of Service for policy and strategy oversight;



- There is a dedicated resource in the Corporate Policy and Strategy team to lead strategy implementation;
- Cross Sector Advisory Group develops and manages the delivery of joined up social value policies; and
- All relevant staff to have suitable social value KPIs as part of the review process.

## Contact

For further detail, support, and guidance, please contact LCC at [socialvalue@lancashire.gov.uk](mailto:socialvalue@lancashire.gov.uk)



## Appendix 1: Lancashire TOMs

### Employment and skills

Outcomes	Measure		
More local people in employment	NT1	No. of full time equivalent direct local employees (FTE) hired or retained for the duration of the contract	
	NT3	No. of full time equivalent local employees (FTE) hired or retained on the contract who are long-term unemployed (unemployed for a year or longer)	
More opportunities for disadvantaged people	NT3d	No. of full time equivalent local employees (FTE) hired on the contract that are survivors of modern slavery	
	NT4	No. of full time equivalent local employees (FTE) hired on the contract who are NOT in Employment, Education, or Training (NEETs)	
	NT4a	No. of full time equivalent local 16-25 y.o. care leavers (FTE) hired on the contract	
	NT76	No. of full time equivalent local employees (FTE) hired on the contract who are registered as unemployed	
	NT5	No. of full time equivalent local employees (FTE) aged 18+ years hired on the contract who are rehabilitating or ex-offenders.	
	NT6	No. of full time equivalent disabled local employees (FTE) hired or retained on the contract	
	NT6a	No. of full time equivalent local armed forces veteran employees (FTE) hired or retained on the contract who are disabled and are facing specific barriers to transitioning to civilian employment (e.g. physical injury, medical discharge, psychological condition)	
	NT8	No. of staff hours spent on local school and college visits supporting pupils e.g. delivering career talks, curriculum support, literacy support, safety talks (including preparation time)	
	Improved skills	NT9	No. of weeks of training opportunities (BTEC, City & Guilds, NVQ, HNC - Level 2,3, or 4+) on the contract that have either been completed during the year, or that will be supported by the organisation until completion in the following years
		NT10	No. of weeks of apprenticeships or T-Levels (Level 2,3, or 4) provided on the contract (completed or supported by the organisation)
Improved skills for disadvantaged	NT9a	No. of weeks of training opportunities (BTEC, City & Guilds, NVQ, HNC - Level 2,3, or 4+) on the contract that have either been completed during the year, or that will be supported by the	





Outcomes	Measure
people	organisation until completion in the following years - delivered for specified groups (e.g. NEETs, under-represented gender and ethnic groups, disabled, homeless, rehabilitating young offenders)
	NT10a No. of weeks of apprenticeships or T-Levels (Level 2,3, or 4) provided on the contract (completed or supported by the organisation) - delivered for specified groups (e.g. NEETs, under-represented gender and ethnic groups, disabled, homeless, rehabilitating young offenders)
	NT11 No. of hours of 'support into work' assistance provided to unemployed people through career mentoring, including mock interviews, CV advice, and careers guidance
Improved employability of young people	NT12 No. of weeks spent on meaningful work placements or pre-employment course; 1-6 weeks student placements (unpaid)
	NT13 Meaningful work placements that pay Minimum or National Living wage according to eligibility - 6 weeks or more (internships)
Social innovation to create local skills and employment	NT50 Innovative measures to promote local skills and employment to be delivered on the contract - these could be e.g. co-designed with stakeholders or communities, or aiming at delivering benefits while minimising carbon footprint from initiatives, etc.

## Economic prosperity

Outcomes	Measure
More opportunities for local MSMEs and VCSEs	NT14 Total amount (£) spent with VCSEs within your supply chain
	NT15 Provision of expert business advice to VCSEs and MSMEs (e.g. financial advice / legal advice / HR advice/HSE)
	NT17 Number of voluntary hours donated to support VCSEs (excludes expert business advice)
	NT18 Total amount (£) spent in local supply chain through the contract
	NT19 Total amount (£) spent through contract with local micro, small and medium enterprises (MSMEs)
Improving staff wellbeing and mental health	NT20 No. of employees on the contract that have been provided access for at least 12 months to comprehensive and multidimensional wellbeing programmes
Reducing inequalities	NT21 Equality, diversity and inclusion training provided both for staff and supply chain staff
	NT40 Number and type of initiatives to be put in place to reduce the gender pay gap for staff employed in relation to the contract (describe and document initiatives)



Outcomes	Measure
Ethical Procurement is promoted	NT41 Percentage of staff on contract that is paid at least the relevant Real Living wage as specified by Living Wage foundation
	NT43 Initiatives taken throughout the local and global supply chain to strengthen the identification, monitoring and reduction of risks of modern slavery and unethical work practices occurring in relation to the contract (i.e. supply chain mapping, staff training, contract management)
Social innovation to support responsible business	NT51 Innovative measures to promote and support responsible business to be delivered on the contract - these could be e.g. co-designed with stakeholders or communities, or aiming at delivering benefits while minimising carbon footprint from initiatives, etc.

### Community building: health & wellbeing

Outcomes	Measure
Creating a healthier community	NT26 Initiatives taken or supported to engage people in health interventions (e.g. stop smoking, obesity, alcoholism, drugs, etc.) or wellbeing initiatives in the community, including physical activities for adults and children
Vulnerable people are helped to live independently	NT27 Initiatives to be taken to support older, disabled and vulnerable people to build stronger community networks (e.g. befriending schemes, digital inclusion clubs)
More working with the Community	NT28 Donations and/or in-kind contributions to specific local community projects (£ & materials) NT29 No. of hours volunteering time provided to support local community projects
Social innovation to enable healthier safer and more resilient communities	NT52 Innovative measures to enable healthier, safer and more resilient communities to be delivered on the contract - these could be e.g. co-designed with stakeholders or communities, or aiming at delivering benefits while minimising carbon footprint from initiatives, etc.



## Environment sustainability

Outcomes	Measure
Carbon emissions are reduced	NT31 Savings in CO2e emissions on contract achieved through de-carbonisation (i.e. a reduction of the carbon intensity of processes and operations, specify how these are to be achieved) against a specific benchmark.
	NT82 Carbon emissions reductions through reduced energy use and energy efficiency measures - on site
Air pollution is reduced	NT32 Car miles saved on the project as a result of a green transport programme or equivalent (e.g. cycle to work programmes, public transport or car pooling programmes, etc.)
Safeguarding the natural environment	NT86 Volunteering time for environmental conservation & sustainable ecosystem management initiatives
	NT85 Resources (on the contract) dedicated to creating green spaces, improving biodiversity or helping ecosystems.
	NT87 Total volume of reduced plastics against a relevant benchmark
Resource efficiency and circular economy solutions are promoted	NT72 Hard to recycle waste diverted from landfill or incineration through specific recycling partnerships (e.g. Terracycle or equivalent)
	NT88 Reduce waste through reuse of products and materials
Social innovation to safeguard the environment and respond to the climate emergency	NT53 Innovative measures to safeguard the environment and respond to the climate emergency to be delivered on the contract - these could be e.g. co-designed with stakeholders or communities, or aiming at delivering benefits while minimising carbon footprint from initiatives, etc.



## Appendix 2: Useful links

The following links provide further detail to support the policy.

- [The Public Services \(Social Value\) Act 2012](#)
- [The National TOM System: The Nationally accredited measurement framework for measuring Social Value through partnership with the LGA](#)
- [Short films from the Local Government Association on how to use the TOM System](#)
- [Guidance document for Bidders: Social Value Portal's bidder guidance](#)
- [National Social Value Taskforce: An open network which welcomes any organisation to get involved 2023-27](#)
- [Social Value Act: review](#)
- [Procurement Policy Note 06/20 – taking account of social value in the award of central government contracts](#)
- [Lancashire Enterprise Partnership – key initiatives / social value](#)



## Appendix 3: Social value through the procurement and contract management cycle

The following process is a summary of how LCC applies this Policy through the procurement and contract management cycle.

Stage	Description
1. Define business needs and develop specification	<p>During Commissioning, LCC will conduct a threshold assessment based on the estimated spend during the contract or purchase's whole lifecycle and, if above threshold, determine the social value weighting, which must be a minimum of 10% as a standalone score.</p> <p>If an exemption waiver is proposed or required, prepare an appropriate business case, and apply to the Head of Procurement.</p>
2. Market analysis and the make or buy decision	LCC will understand the market opportunities and factors that support social value. Procurement routes to market will be assessed on the available social value gains that align with this policy.
3. Develop the strategy and plan	Now that we have defined the business needs and opportunity, we will develop a procurement strategy and plan to support social value. This will consider the potential impact of the social, economic and environment factors.
4. Pre-procurement market engagement	We will identify potential suppliers and engage early to test the procurement strategy and plan to support social value. This stage will bring together both stakeholder and business needs, and how changes to implement the procurement strategy can meet those needs flexibly.
5. Develop tender documentation	Develop the tender documentation that will explain the Authority's social value requirements and expectations, and the basis for the market to prepare their tender response.
6. Issue tender documents	Finalise all tender documents and issue via selected procurement route. We will support all bidders prepare and submit their response.
7. Tender evaluation and validation	Once tenders are submitted, it's time for bid evaluation and validation against pre-defined award criteria. Social value bid evaluation is both quantitative (Lancashire TOMs) and qualitative (supporting delivery statement for each measure). This, along with quality and whole of life costs, help to identify which bid offers the best Value for Money (VFM) and support the selection of a preferred supplier.



Stage	Description
8. Contract award and implementation	Once the supplier has been selected, we will work with them and the Social Value Portal to onboard them for future social value reporting. This allows all parties to fully understand their obligations and key success criteria as part of the social value commitment and will form the foundation for effective contract and supplier relationship management.
9. Contract performance and Supplier Relationship Management (SRM)	Social value performance will be monitored quarterly and at the end of the contract against the agreed social value commitments. SRM is an important part of supporting the supply chain to maximise the social value benefit under each contract.
10. Asset management	Over time, social value commitments and priorities change or are achieved. Regular reviews should be carried out to refresh social value commitments in line with best practice.

