

France-UK event:
Social Value and Commissioning

Ce projet a été sélectionné dans le cadre du programme de cooperation transfrontalière Interreg IV A France (Manche) - Angleterre, cofinancé par le Feder

The Impact and ValuESS project has been selected within the scope of the INTERREG IV A France (Channel) - England cross-border European cooperation programme, co-financed by the ERDF.

14 MAY 2014, THE INNOVATION CENTRE, EXETER

Rencontres franco-anglaises:

Utilité sociale et commande publique













# Maximising opportunities for social value creation in the context of EU procurement rules

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#### Overview

- UK implementation of social value
- What the procurement rules do and do not allow
- The new EU Procurement Directives
- Complexity and challenge
- Lessons learnt
- French example: presentation of the social/ disability clauses
- Questions
- Discussion: sharing learning, moving forward





### So what is social value?

- A way for public bodies to achieve wider policy objectives through their purchasing power.
- Additional outcomes/benefits that are not directly related to the original intention of the service. These outcomes benefit the wider community.





## Birmingham Council

- Clear political commitment to social value through Cabinet backing, social value aligned to the leader's policy statement and tools such as the <u>Business Charter for Social</u> <u>Responsibility</u> to provide instruments for securing value.
- Future commissioning and contracting decisions will take account of the principles of the charter and it will form part of the terms of new contracts
- Examples include: a requirement to pay living wage, support the local economy by choosing suppliers and sub-contractors close to point of delivery, Provide support to third sector organisations and work with third sector organisations to deliver services and contracts

http://www.finditinbirmingham.com/feature/charter



#### **Procurement Rules**

- Procurement rules have always allowed social value to be taken into account
- But do not allow anything that will discriminate against bidders from other member states – contracts cannot be reserved for bidders from a certain area or a certain sector.
- Part B contracts UK has tended not to apply different processes for Part B services. Have moved away from grants and reserved contracts





#### The new EU Procurement Directives

- Increased focus on achieving wider policy objectives through procurement, but no dramatic changes
- Stress the types of services not covered by the Directives and introduce the "light touch" regime for health, social and community services
- Remind us that procurement rules regulate 'how' goods and services are procured, not 'what' is procured. It is for contracting authorities to decide what they value.



## Complexity and challenge

- Risk adversity
- Short term cost versus long term savings
- Silo working
- Supporting the local economy without breaking the principle of non discrimination to other states
- Measurement and evaluation for both providers and commissioners. Evidencing 'what works'.
- Making the new "light touch" regime work





#### Lessons learnt

- Strong political leadership is needed to embed across commissioning and procurement.
- Corporate wide social value policies and strategies should be adopted.
- Communities and social purpose organisations need to be more involved in creating solutions.
- Measurement and evaluation continues to be complex and confusing.





## French example





## Questions?





## Discussion topics

- What are the main challenges and barriers to achieving social value:-
- 1. Because of the EU Procurement rules
- 2. At a local/national level

- What can contracting authorities do to overcome these barriers?
- What do voluntary sector and social purpose organisations need to do?





## Find further resources on social value at <a href="https://www.navca.org.uk/socialvalue">www.navca.org.uk/socialvalue</a>

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