



Service Policy: PROCPOL04 Social Value Policy

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Public Services (Social Value) Act 2012
Equality Act 2010

Contact:

Department	Email	Telephone ext.
Procurement		4926

PROCPOL04-Social Value Policy

1. Policy Introduction and Background

This Policy aims to reflect the Authorities organisational values, principles, objectives and goals aligned with a clear commitment to the three pillars of sustainability – environmental, social and economic.

What is Social Value?

Social value involves looking beyond simply the price of a contract and considers the potential collective benefit to a community when choosing to award contracts.

LFRS and MFRS (the Authorities) define Social Value as:

- A process whereby each FRS will obtain goods, services, works and utilities achieving maximum value for money on a whole life basis, generating benefits not only to the organisation but to the wider community and economy whilst minimising damage to the environment.

Why is it important?

The Public Services (Social Value) Act 2012 is an Act of the Parliament of the United Kingdom. The Act requires all public bodies in England and Wales, including Local Authorities, to consider how the services they commission and procure might improve the socio-economic and environmental well-being of the communities in which the public services are delivered.

Value for money is the over-riding factor that determines all public sector procurement decisions. However, there is a growing understanding how whole-life cycle requirements can include social and economic requirements. Social Value requirements can be fully embraced in procurement practice providing certain criteria are met.

These criteria are:

- Social requirements should reflect policy adopted by the FRS;
- Social requirements should be capable of being measured in terms of performance;
- Social requirements drafted in the specification become part of the contract;
- Social requirements should be defined in ways that do not discriminate against any bidders.

Actively considering social value in the procurement process can direct more taxpayers' money towards improving people's lives, opportunities and the environment.

The Authorities are committed to considering in the procurement process how economic, social and environmental well-being may be improved and how procurement may secure those improvements under the provisions of the Public Services (Social Value) Act 2012 (the Act).

In procurement activities this will include the use of social value outcomes and measures (proportionate and relevant to the specification requirements) and evaluating tender responses in accordance with those social value outcomes and measures.

Where appropriate, bidders will be required to demonstrate social value outcomes and measures that they can deliver. Procurement will ensure the inclusion of appropriate weightings in tender evaluation models to assess the social value offer submitted by bidders.

Examples of Social Value in Procurement can be seen at Appendix 1.

What is Sustainable Procurement?

BS ISO 20400:2017 defines Sustainable Procurement as :

- 'Procurement that has the most positive environmental, social and economic impacts possible, across the entire life cycle and strives to minimise adverse impacts'.

Why is it important?

Sustainable procurement is important because it brings benefits to the procurement organisation, the supply chain and the wider public. Effective sustainable procurement can deliver :

- Benefits to the customer – responding to customer expectations in respect of issues such as safety and environmental concerns
- Innovation – stimulating innovation from the supply market
- Supplier commitment – improving supplier relationships, and an increased opportunity for suppliers to contribute to the Authority's objectives

Within BS ISO 20400:2017 the principles of Sustainable Procurement are listed as:

- Accountability – The authorities should be accountable for its impacts on society, the economy and the environment;
- Transparency – The Authorities should ensure transparency in its procurement decisions and activities and encourage suppliers to adopt the same principles;
- Ethical Behaviour – The Authorities should behave ethically and promote ethical behaviour within its supply chain(s);
- Full and Fair opportunity – The Authorities should avoid bias and prejudice in all procurement decision making;
- Respect for Stakeholders – The Authorities should respect, consider and respond appropriately to the interests of stakeholders;
- Respect for the law – The Authorities should respect the rule of law and be aware of international norms of behaviour and any violations within their supply chain(s);
- Respect for Human Rights – The Authorities should respect internationally recognised human rights;
- Innovative solutions – The Authorities should promote sustainable outcomes throughout the entire supply chain(s);
- Focus on needs – The Authorities should procure only what is required seeking sustainable alternatives where appropriate;
- Integration – The Authorities should ensure integration of sustainable procurement into existing procurement practice to maximise sustainable outcomes;
- Analysis of all costs – The Authorities should consider value for money, whole life cycle costs and benefits in terms of social, environmental and economic considerations within its procurement activities;
- Continual Improvement – The Authorities should strive to continually improve sustainability practices and outcomes, encouraging the same within its supply chain(s).

The, [Flexible Framework](#) published by the Department of Environment, Food and Rural Affairs (DEFRA) can be used to self-assess, monitor and measure progress.

The framework is designed to be used by all organisations: from those with significant levels of procurement expertise and resource to those with very limited resource at their disposal. The recommended approach to implementing the framework is to systematically work through each of the 5 themes from levels one (basic) to level five (excellence).

The Authorities are committed to ensuring that the following key areas will be considered, where applicable, within the procurement process.

- Waste Hierarchy
- Packaging & Re-Cycling
- Ethical Sourcing
- Labour Rights and Working Conditions
- Energy Use
- Low Carbon & Transport
- Sustainable Food
- Minimising the impact on the Environment
- Establishing controls to ensure environmental requirements are considered at each life cycle stage of products or services

Equality Diversity & Inclusion

Is a consideration which is an integral element of both the creation of Social Value and Sustainable procurement. The Authorities embrace diversity and promotion of equality of opportunity. As employers we are committed to equality and valuing diversity within our staff portfolio.

The Authorities are committed to:

- Ensuring that the principle of equality and fairness will be a cornerstone of all activities;
- To ensure that the principle of diversity is welcomed, valued and positively encouraged;
- The elimination of unlawful discrimination, harassment and victimisation and any other conduct prohibited by the Equality Act 2010;
- Advance equality of opportunity between people who share a protected characteristic; and

Suppliers are expected to be cognisant of these aims and are encouraged to adopt them in their organisations.

The Authorities will seek to increase supplier diversity by:

- Use of e-tendering systems which reduce the bureaucratic burden for all suppliers and make it easier for smaller organisations to bid for contracts;
- Widely advertising opportunities to bid for contracts;
- The effective use of 'Lots' within larger scale procurement projects;
- Encourage prime contractors to use small, specialist and voluntary sector organisations where it is appropriate to do so.

Within the procurement process the Authorities will:

- Assess if equality is a core requirement of the contract, and incorporate this into tender documents as necessary;
- Consider the opportunities to 'add value' to the procurement (e.g. Use of apprenticeships or employment of long term unemployed);
- Use appropriate award criteria which takes account of equality requirements as specified in the tender documents;
- Monitor Supplier obligations under the contract as part of the contract management process.

Within the procurement process Suppliers will:

- Give appropriate consideration to the 9 protected characteristics detailed in the Equality Act (2010). These are: Age, Disability, Gender Re-assignment, Marriage & Civil Partnership, Pregnancy & Maternity, Race, Religion & Belief, Sex & Sexual Orientation.
- Conform (in so far as is permitted by law and in so far as has been communicated) to all legislation relating to Equality and Diversity and to the Authority's Policies and Codes of Practice in relation to its obligations under a Contract.

Social Value & Sustainable Procurement Action Plan

The Authorities will develop and regularly review an action plan to support organisational goals, providing measurable targets in terms of Social Value and sustainable procurement which will include:

- Incorporating Social Value considerations and sustainability into all procurement processes, where appropriate;
- Consideration of Government Buying Standards (where appropriate);
- Use of robust whole-life costing models specific to the procurement process/requirement;
- Improve contract management and supplier engagement;
- Ensure elements of BS ISO20400 are incorporated into internal working practices and the supply chain;
- Increase and improve staff awareness providing appropriate training;
- Support of objectives within the Procurement Strategy.

Suppliers are encouraged to comply with the standards in Appendix 2 and to source alternative and innovative environmentally friendly products, where practicable.

Small and Medium Sized Enterprises (SME's), local suppliers and the voluntary sector will be encouraged to bid for appropriate contracts.

Sustainability enhancements and targets both internally and with the supply chain will be sought to support continuous improvement.

Whole life costs are to be considered when making purchases or tendering, to investigate not only the product purchased but also associated manufacturing, packaging, delivery, re-use and disposal etc.

The Authorities aim to reduce the amount of waste going to landfill by encouraging re-cycling of reusable materials and minimise waste generally.

2. Policy Explanation:

APPENDIX 1

Examples of Social Value delivered through procurement:

- Within MFRA the construction project for the Toxteth Fire Fit Hub incorporated social value into the contract. It delivered social value by employing 100% of direct labour from the L8 post code, running 'meet the buyer' events to maximise supply chain opportunities for local business and suppliers, engaging 8 apprentices through the Merseyside Apprentices Programme and active participation in community activities during the pre-construction and construction phase. In addition a Building Futures Programme took place to provide practical training for 14 individuals to create employability through the local supply chain.
- Other examples in the wider public sector include:
 - A community childcare organisation that invests in programmes to help long term unemployed people into childcare training, qualifications and employment
 - A local authority who organised 'meals on wheels' at a central point rather than in peoples' homes to reduce isolation and loneliness in the community
 - A transport company that provides added value through delivery of a community dial-a-ride service.

APPENDIX 2

Suppliers are expected to adhere to the standards below and work closely with the LFRS and MFRS to drive forward sustainability in the supply chain, promote and encourage corporate social responsibility, environmental improvements and support to a greener economy.

1 Materials

- 1.1 Wherever possible, hazardous materials or chemical substances in products used should be minimal and not detrimental to the environment;
- 1.2 The percentage of recycled content (if available) and how any virgin content is obtained from a sustainably managed source should be provided;
- 1.3 Eco labels, e.g. EU Ecolabel, FSC, ENERGY STAR etc. (or equivalents) and other environmental standards should be provided;
- 1.4 Maximisation of environmental performance by seeking high standards in terms of:
 - i. Re-use of materials;
 - ii. Energy efficiency and renewable energy; and
 - iii. Water conservation.
- 1.5 The Supplier should apply life-cycle thinking to select materials that impact lowest on the environment;
- 1.6 The manufacturer of the goods shall have a written procedure/routine for purchasing raw materials, which ensures that the raw materials come from legal sources. Raw materials from wood and fibres must not originate from:
 - i. Protected areas or areas being processed to become protected areas;
 - ii. Areas with unresolved ownership or usage rights
 - iii. Illegally harvested raw materials;
 - iv. Genetically modified trees and plants.

2. Packaging

- 2.1 The Supplier should ensure packaging is limited and/or the packaging is bio-degradable, made from post-consumer recycled materials;
- 2.2 Packaging used should be capable of recovery for further use or recycling;
- 2.3 Packaging waste should be minimised so that:
 - i. Tertiary* and secondary** packaging consists of at least 70% recycled cardboard; and
 - ii. Where other materials are used, the tertiary packaging must either be reusable.

**Tertiary packaging is used for bulk handling warehouse storage and transport shipping - normally used to group secondary packaging together to aid handling and transport). **Secondary packaging is outside the primary packaging - perhaps used to group primary packages together.*

2.4 Where cardboard boxes are used, they shall be made of at least 50% recycled material. Where plastic bags or sheets are used for the final packaging, they shall be made of at least 50% recycled material or they shall be biodegradable or compostable, in agreement with the definitions provided by the EN 13432 (European Standard "Requirements for packaging recoverable through composting and biodegradation").

2.5 All packaging materials shall be easily separable by hand into recyclable parts consisting of one material (e.g. cardboard, paper, plastic, textile).

2.6 The Supplier should take back packaging and describe how they intend to reduce the amount of packaging.

3. Waste

- 3.1 All waste from production and preliminary activities must be segregated for appropriate disposal at source, and the various fractions (e.g. plastic and metal) shall principally be recycled.
- 3.2 The Supplier should act, as far as is reasonable (given local waste plants/recycling facilities etc.), in adherence to the waste hierarchy (reduce, reuse, recycle, and avoid waste to landfill).

4. Use – Performance and Durability

4.1 The Supplier should fulfil the requirements on durability, strength, safety and stability in EN or ISO (when no EN exists) or an evaluation performed by an independent test institution on the basis of the design and choice of materials required (when no EN or ISO standard exists).

5. Labour Conditions

5.1 The Supplier should uphold their commitment relating to labour standards, which meet core ILO Conventions on Labour Rights and the Universal Declaration of Human Rights and may be required to provide proof as to how they apply this commitment.

5.2 The Supplier must provide information, when requested, to illustrate that its suppliers and production sites hold an independently audited and internationally recognised standard relevant to the product, in order to demonstrate how they are addressing ethical and social issues e.g. living wage provision, avoidance of child labour, application of fair trade principles and adequate working conditions.

5.3 The Supplier should demonstrate how they actively engage with their supply chain and sub-contractors in minimising social and environmental issues.

6.0 Review

6.1 Suppliers will be expected to regularly report on sustainability and sustainable procurement within the Authorities contract management processes.

3. Policy Implementation:

All Policies can be found on the [Website](#)