

NORTH OF TYNE COMBINED AUTHORITY SOCIAL VALUE POLICY

1.0 Purpose

The aim of this Policy is to set out how the Combined Authority will deliver social value through their commissioning and procurement activities and to set the Authority's priorities in relation to social value. We will establish a consistent and collaborative approach to commissioning and procurement activities to create, deliver and sustain social, environmental and economic benefits.

2.0 Background

The Public Services (Social Value) Act 2012 came into force on 31st January 2013. It is a legal obligation for local authorities and other public bodies to consider the social good that could come from their procurement. The aim of the Act is not to alter the commissioning and procurement processes but to ensure that, as part of these processes, councils give consideration to the wider impact of service delivery. For example, it allows authorities to choose a supplier, through a tendering process, who not only provides the most economically advantageous service, but goes beyond the basic contract terms and secures wider benefits for the community.

There are many ways in which an organisation can benefit from adopting social value expectations within their procurement and commissioning process:

- Supporting local employment;
- Enabling skills, training and employment opportunities;
- Embedding fair employment practices;
- Supporting small, local and third-sector supply chains;
- Encouraging equality and diversity;
- Promoting ethical sourcing practices;
- Reducing carbon emissions; and
- Improving environmental sustainability.

The statutory requirements of the Act only apply to public service contracts above EU thresholds; however, the Authority will extend our social value expectations to include all our mainstream commissioning, grant-funding and procurement, where proportionate and practicable.

3.0 Defining Social Value

The Act does not define the term, but the aim of a social value policy is to maximise the additional benefits that can be created by procuring or commissioning goods and services,

above and beyond those derived from the goods and services themselves. There has been a shift in emphasis away from maximising savings to maximising value. This recognises the potential unintended consequences of focusing on the bottom line and ignoring the impact on social, environmental and economic well-being across our communities.

Social Value is therefore usefully defined by the Sustainable Procurement Taskforce as:

“A process whereby organisations meet their needs for good, 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 economy, whilst minimising damage to the environment.”

4.0 Policy Context

The vision, set-out in our devolution deal, is that of a dynamic and more inclusive economy: one that brings together people and opportunities to create vibrant communities and a high quality of life, narrowing inequalities and ensuring that all residents have a stake in our region's future.

Our programme of work includes:

- Securing the investment for sustained growth and prosperity to create opportunities and reduce inequalities;
- Driving up educational standards to deliver inclusive prosperity;
- Giving everyone the opportunity to thrive;
- Supporting research, business growth and entrepreneurialism
- Improving our transport and investing in faster digital infrastructure; and
- Creating communities that inspire and places where people want to live.

The Authority is committed to fair employment practices. It has developed a good work pledge and expects our partners to sign up to this. It has a zero-tolerance approach to modern slavery. It is committed to acting ethically and with integrity in all its business dealings and relationships, and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in that of our supply chains.

The Authority has also declared a climate emergency and its social value expectations include an emphasis on reducing carbon emissions.

Our procurement and commissioning process will:

- Maximise the impact of our spend;
- Make the best use of taxpayers' money; and
- Generate and capture as much value as possible.

Through this policy, we are providing a means of achieving a consistent and collaborative approach to obtaining the support of our commercial and third sector partners in delivering our vision and meeting our objectives. Commissioning and procurement processes ensure that those tendering are aware of our objectives and are therefore able to identify how their way of working and their social value commitments align with ours. The Authority is looking to develop a close working relationship with its partners and contractors, and it is hoped that a common set of shared values will emerge.

Our social value expectations will vary across our areas of activity and will vary depending upon the nature of the contract. As far as possible they will be relevant to the specific nature of the contract. Expectations are identified at the commissioning stage and set out clearly to those wishing to tender. An estimate of the likely level of social-value-added is made when tenders are assessed.

Potential benefits include:

- Demonstrating a collaborative approach within the North of Tyne;
- Supporting businesses within the area by increasing skills and creating employment;
- Reducing demand on public sector services by providing more employment opportunities to those furthest from the job market;
- Building long term community resilience;
- Promoting long term investment into our communities by suppliers;
- Understanding the opportunity that it presents in addressing the local needs of citizens;
- Ensuring the easier engagement of supply markets through a consistent approach to the tendering process (including procurement questions, evaluation guidance and methods for ongoing performance management);
- Being able to demonstrate measurable and evidence based social value delivered;
- Improving life chances for all, and specifically those from marginalised communities; and
- Improving health and wellbeing for all, particularly those who may be vulnerable, disadvantaged or from a deprived community.

5.0 Social Value Expectations and Requirements

Potential social value outcomes specified by the Combined Authority will align with and draw upon those developed nationally by the Social Value Portal, for example:

- More local people in good jobs;
- Improved skills, progression and development for local people;
- Social value properly embedded in the supply chain i.e. all social value requirements agreed with sub-contractors;
- More opportunities for disadvantaged people or those who may be discriminated against in the labour market;
- Support for our Equality Impact Assessments where necessary;
- Improved employability of younger and older people;
- More opportunities for local smaller companies e.g. SMEs, CIC's, Co-ops and VCSEs;
- Improving staff wellbeing and productivity;
- A workforce and culture that reflect the diversity of the local community;
- More proactive working with the community, in particular relevant CSR offers e.g. Sector Connector;
- Climate impacts are reduced;
- Air pollution is reduced;
- Sustainable procurement is promoted;
- Builds sustainable, resilient communities.

Specific social value expectations for each contract might include some but not all of these as they will, for example, be distinct from those outcomes specified within the contract.

Social value outcomes will only be counted if they are over and above the terms of the contract.

7. Shared Value

The Authority looks to work closely with its partners and contractors and recognises the benefits of developing shared values. Corporate success and improved social and environmental conditions are inherently linked and when achieved together, they will dramatically enhance our future prosperity in the North of Tyne. Identifying and developing a set of shared values will facilitate improved partnerships and collaborative working with contractors, and allow us to work together to improve the conditions in which we live: advancing community health, education, employment, service access and participation; and helping to conserve our wildlife and our environment. The economic benefits that are enabled by this include, but are not limited to:

- Self-sustaining purpose and profitability;
- Stronger brand equity and marketability;
- Increased customer preference and loyalty;
- Higher advocacy, retention and productivity among employees;
- Resilience against external business threats;
- Regained credibility among a disillusioned public;
- Enhanced or sustained interest from like-minded shareholders and investors.

Therefore, we would expect those we do business with to not only be adopting measures that reflect a commitment to CSR e.g. Sector Connector, Community Foundation giving, but also be exploring shared values as part of their business model.

Tender evaluation and scoring

The social value weighting will vary depending upon the nature of the contract but is likely, in most cases, to constitute 15% of the total score.

Reporting and monitoring

The agreed social value expectations will be monitored in the same way as it is for the contract outputs and outcomes. Reports will be expected against a number of specified measurable indicators.