

AGENDA ITEM

REPORT TO CABINET

16 MARCH 2023

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

Leader of the Council - Lead Cabinet Member – Councillor Bob Cook

SOCIAL VALUE POLICY

SUMMARY

The Social Value (Public Services) Act 2012 came into effect for all English and Welsh public bodies on 31st January 2013 and requires local authorities to have regard to economic, social and environmental well-being when tendering for public services contracts. The original Social Value Policy introduced in 2013 has been reviewed and updated. This report seeks approval from Cabinet of a new Social Value Policy.

REASONS FOR RECOMMENDATIONS/DECISIONS

To implement a new Social Value Policy with updated links to the Council Plan, the Inclusive Growth Strategy, A Fairer Stockton-on-Tees Strategic Framework and the Environmental Sustainability and Carbon Reduction Strategy.

RECOMMENDATIONS

That Cabinet

1. approves the Social Value Policy in Annex 1.

DETAIL

2. The Public Services (Social Value) Act 2012 has the aim of encouraging all public bodies to consider 'social value' prior to commencing a tender process. Social Value is a process whereby public bodies meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis whilst additionally generating benefits to society and the economy, whilst minimising damage to the environment.
3. The types of social value that can be derived from procurement can be quite varied but should be influenced by the Council's own strategic priorities (strategic fit) and the conditions and circumstances within the locality, although not necessarily restricted by this e.g. requirements relating to fair trade may affect global trade.
4. The following are examples of some areas of potential social value that could be considered when contracting. The list is not exhaustive.

- Promoting social inclusion by targeting contract opportunities at local voluntary groups, social enterprises and other civil society organisations and encouraging community involvement and social inclusion.
- Supporting SMEs and start-ups by creating supply chain opportunities.
- Encouraging local supply chain opportunities for Stockton businesses
- Fulfilling equality duties and improving market diversity.
- Promoting skills and training opportunities for under-represented or protected groups such as NEETs.
- Creating employment opportunities locally or for particular community groups including apprenticeships.
- Creating career enhancement opportunities such as work placements and internships.
- Supporting fair and ethical trading.
- Contributing to health improvement campaigns.
- Increasing availability of environmentally beneficial goods and services.
- Protecting the environment through participating in campaigns such as improving carbon footprint, recycling or energy efficiency.
- Promoting initiatives to support the reduction of air pollution in the Borough
- Promoting sustainability through supply chains
- Reducing waste and increasing resource efficiency

Since the original Social Value Policy was implemented, the Council has successfully included social value in many contracts to some degree. The extent of inclusion is dependent on the nature, scale and value of the contract; with most social value realised through high value construction contracts and some services contracts.

In 2018, the Council commenced a pilot study using the Themes, Outcomes and Measures (TOMs) system. A national system developed by the Social Value Portal (endorsed by the LGA) to convert social value into a financial proxy that quantifies the impact on local communities, thereby providing a mechanism to measure social value in a consistent and robust manner. The financial proxies have been developed nationally through academic research and are now used by many English and Welsh Councils. The TOMs system/ approach used by the Council includes up to 41 social value measures under the following Themes and Outcomes:

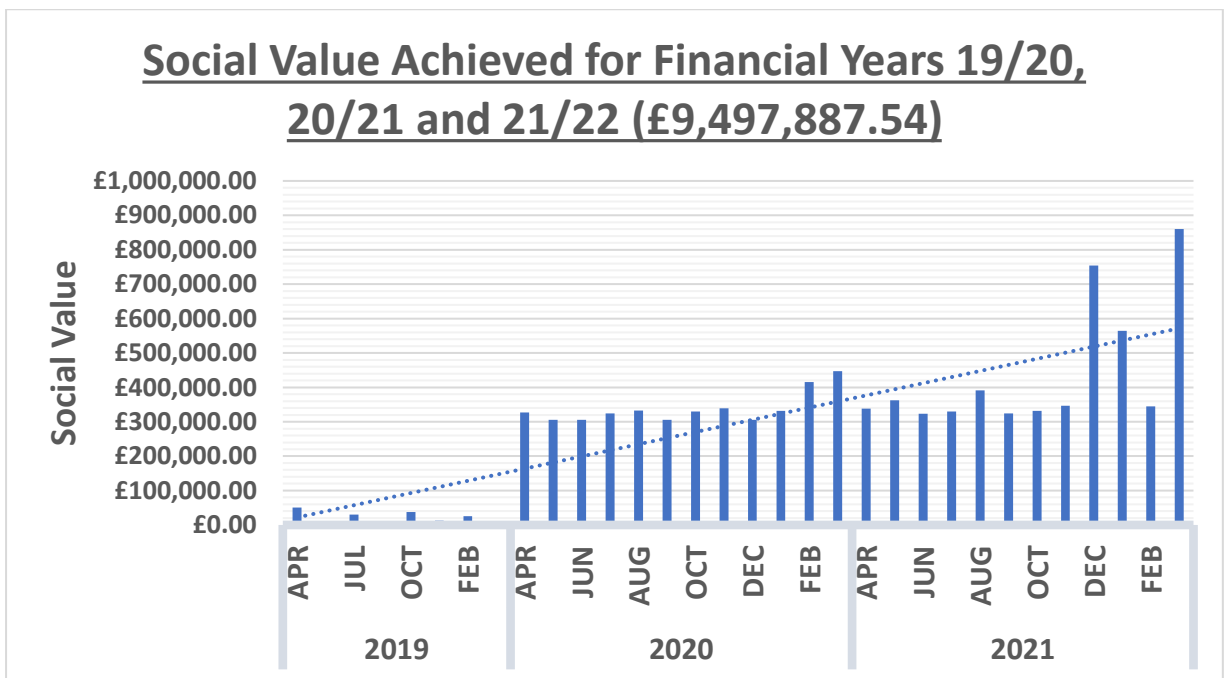
THEME	OUTCOME
Jobs: Promote Local Skills and Employment	More Stockton people in employment
	More opportunities for disadvantaged people from Stockton
	Improved skills for Stockton people
	Improved employability of young people from Stockton
Growth: Supporting Growth of Responsible Regional Business	More opportunities for Stockton SMEs and VCSEs
	Improving staff wellbeing
	A workforce and culture that reflect the diversity of the local community
	Ethical Procurement is promoted
Social: Healthier, Safer and more Resilient Communities	Social Value embedded in the supply chain
	Crime is reduced in Stockton
	Creating a healthier community for Stockton residents
	Vulnerable people in Stockton are helped to live independently
Environment: Protecting and Improving our Environment	More working with the Community in Stockton
	Climate Impacts are reduced
	Air pollution is reduced
	Better places to live in Stockton

	Sustainable Procurement is promoted
	Resource efficiency and circular economy solutions are promoted
Innovation: Promoting Social Innovation	Other measures (TBD) related to Stockton

A full list of the TOMs is attached at Annex 2.

The TOMs have been mapped against the priorities in the Council’s Inclusive Growth Strategy, A Fairer Stockton-on-Tees Strategic Framework and the Environmental Sustainability and Carbon Reduction Strategy and the relevant measures within TOMs linked to those strategies have been weighted and prioritised for use during the tender process. The approach allows better targeting of social value to areas that are most important. The relevant measures are included in the tender process depending on the category and value of the contract. This ensures bidders are clear on what type of social value is important to Stockton Council during the tender process.

By converting social value to financial proxy measures has provided a robust mechanism for the Council to monitor the total amount of social value achieved by successful bidders gathered through regular contract management. The table below highlights the total proxy financial value delivered since 2019/20, clearly highlighting the impact and improved means of measuring social value that the TOMs system has delivered since implementation in 2018.



Two case studies are attached at Annex 3 and 4 which demonstrate how social value is delivered through a construction contract and a services contract.

Future reporting of social value received will be through the Inclusive Growth Strategy, A Fairer Stockton-on-Tees Strategic Framework and the Environmental Sustainability and Carbon Reduction Strategy.

FINANCIAL IMPLICATIONS

5. The report refers to financial proxy values which provide a mechanism to determine the 'value' of social value to society. There are no other direct financial implications to the Social Value Policy.

LEGAL IMPLICATIONS

6. All public bodies are subject to the requirements of the Social Value (Public Services) Act 2012 and the Public Contract Regulations 2015 as amended by The Public Procurement (Amendment) (EU Exit) Regulations 2020.

RISK ASSESSMENT

7. This procurement is categorised as low to medium risk. Existing management systems and activities are sufficient to control and reduce risk.

Social Value Policy

1.0 BACKGROUND

- 1.1 On the 31 January 2013 the Public Services (Social Value) Act 2012 became fully operational. The **Social Value Policy** described here sets out the key principles and actions whereby the Council endeavours to embed practical, proportionate and effective **inclusion of social value** in every aspect of its procurement, commencing (as the legislation requires) at the pre-procurement stage and continuing throughout the lifecycle of the contract including Contract Management.
- 1.2 Social Value is a process whereby public bodies meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis whilst additionally generating benefits to society and the economy, whilst minimising damage to the environment
- 1.3 Any revisions to the Act will be considered and incorporated into the process for achieving social value through our procurement activities.

2.0 SCOPE

- 2.1 While the Act only requires relevant authorities to consider social value in service contracts (and goods or works contracts where there is a service element) above a prescribed financial threshold, the Council's implementation of the duties in the Act will be as wide as practicable and the Council will seek to secure meaningful social value outcomes from its procurement activities:
 - (i) with all suppliers, providers and contractors,
 - (ii) for goods, services, and works, and
 - (iii) for all contract values as indicated in Appendix A.
- 2.2 The Council will adopt the Social Value Portal's Themes, Outcomes and Measures (TOMs) Framework. The TOMs framework is a tool that allows the Council to attribute a proxy financial value against a range of social value activities committed to by suppliers, providers and contractors through the procurement process.
- 2.3 The Council may also consider other tools and methodologies that may be available to calculate social value outcomes.

3.0 WHAT WE MEAN BY SOCIAL VALUE

- 3.1 The Act states:

"If the relevant authority proposes to procure or make arrangements for procuring the provision of services, or the provision of services together with the purchase or hire of goods or the carrying out of works.... The authority must consider how what is proposed to be procured might improve the **economic, social and environmental well-being** of the relevant area and, in conducting the process of procurement how it might act with a view to securing that improvement". It must also "consider whether to undertake any consultations as to matters to be considered" under that process.

- 3.2 For the purposes of this policy we refer to this **improvement of wellbeing as social value**. In order to implement this, we seek measurable, verifiable **social value outcomes** that:
- (i) are achievable and proportionate to the size, value and scope of the contract.
 - (ii) are secured as a result of the supplier, provider and contractor being awarded the contract with the Council and
 - (iii) contribute to achieving the Council's Key Strategic Priorities (as described in the Council Plan and other strategic plans)
- 3.3 Key Themes of social value as identified in the Social Value TOMs Framework include;
- (i) **Jobs: Promoting local skills and Employment**

Encouraging more Stockton people in employment, more opportunities for disadvantaged people from Stockton, improved skills for Stockton people and improved employability of young people from Stockton.
 - (ii) **Growth: Supporting growth of responsible regional business**

Supporting opportunities for Stockton SMEs and VCSEs, improving staff wellbeing, ethical procurement is promoted and social value is embedded in the supply chain.
 - (iii) **Social: Healthier, safer and more resilient communities**

Creating a healthier community for Stockton residents, more working with the community in Stockton, initiatives to reduce crime in Stockton and vulnerable people in Stockton are helped live independently.
 - (iv) **Environment: Protecting and improving our environment**

Measures aimed at reducing air pollution, tackling climate impacts and encouraging better places to live in Stockton.
- 3.4 This list is not exhaustive and additional or innovative means of achieving social value can be suggested by either the Council or its suppliers, providers or contractors delivering goods, services or works where appropriate.

4.0 THE POLICY CONTEXT

- 4.1 The strategic context for social value outcomes derives from the Council Plan:

We want the Borough of Stockton on Tees to be:

A place where people are healthy, safe and protected from harm, meaning;

- **People live in cohesive and safe communities,**
- **People are supported and protected from harm, and**
- **People live healthy lives.**

A Place that is clean, vibrant and attractive, meaning;

- **Great places to live and visit,**
- **Clean and green spaces, and**

- **Rich cultural experiences.**

A place with a thriving economy where everyone has opportunities to succeed, meaning;

- **A growing economy,**
- **Improved education and skills development, and**
- **Job creation and increased employment.**

4.2 The Council has aligned and prioritised the measures in the calculator with the outcomes across the above three strands of the council plan. This prioritisation steers bidders towards how they can support us in delivering our vision for the borough as they will score more highly for delivering measures that are strategically more important to us when their tenders are evaluated.

4.3 This Social Value Policy will be linked with the objectives included within the Councils Inclusive Growth Strategy, A Fairer Stockton-on-Tees Strategic Framework and the Environmental, Sustainability and Carbon Reduction Strategy.

5.0 IMPLEMENTATION

5.1 The Council will embed the Social Value Portals TOMs Framework, or any equivalent methodology agreed by the Council, in its tenders to encourage suppliers, providers and contractors to commit to social value measures above and beyond the scope of the contract.

5.2 Where social value is deemed appropriate, we will communicate clearly to our suppliers, providers and contractors the importance of social value to the Council through market engagement, briefings, meet the buyer events and on the Council's Corporate Social Responsibility internet pages.

5.3 Social value will be applied in tenders in accordance with the table identified at Appendix A. This will ensure a directed, proportionate and targeted approach that steers suppliers, providers and contractors to social value that will encourage more measures being committed to that will help meet the Council Plan objectives and those detailed within the supporting Inclusive Growth, A Fairer Stockton-on-Tees and Environmental Sustainability and Carbon Reduction Strategies

5.4 Upon commencement of relevant tenders, the Council will where appropriate:

- a) Ask bidders to complete the TOMs calculator detailing and describing the social value outcomes and measures that they will deliver when providing the contract for goods, services or works.
- b) Signpost bidders to additional support to assist them in identifying achievable and robust social value.
- c) Include a proportionate weighting in the tender evaluation model to assess the social value commitment submitted by bidders.
- d) Include social value contract clauses in the contract terms and conditions and communicate these to all bidders.

- 5.5 Upon completion of each and every tender, the Council will through Contract Management;
- a) Record and monitor the social value commitments made as a result of the tender process.
 - b) Monitor the delivery of social value over the life of the contract through regular supplier, provider and contractor review meetings.
 - c) Capture the proxy financial value of social value delivered and demonstrate outcomes through relevant case studies.

6.0 REPORTING ON SOCIAL VALUE

- 6.1 The Council will:
- a) Report social value outcomes achieved through its procurement activities via the Inclusive Growth Strategy, A Fairer Stockton-on-Tees Strategic Framework and the Environmental Sustainability and Carbon Reduction Strategy

Appendix A

			TOMs Priorities linked to the Council's strategic plans		
Ref	Category	Value	Priority 1	Priority 2	Priority 3
1	Construction	£177k - £1m	Yes – Mandatory	Yes – Discretionary on a case by case basis	No
2		> £1m	Yes – Mandatory	Yes – Discretionary on a case by case basis	Yes – Discretionary on a case by case basis
3	All Categories except Construction	Up to £177k	Yes – Discretionary	No	No
4		> £177k	Yes - Mandatory	Yes – Discretionary on a case by case basis	No
5		> £1m*	Yes - Mandatory	Yes – Discretionary on a case by case basis	Yes – Discretionary on a case by case basis
6	The Councils generic award question is to be used if the TOMs calculator is deemed not appropriate for the procurement exercise. This will ensure social value is considered and social value benefits may be achieved through the process of the procurement exercise.				
7	Bespoke social value methodology applicable to the contract being tendered. This should link to the TOMs. (for example as used in the minor works framework)				

Annex 2

Theme	Outcomes	Ref	Measures - Minimum Requirements	Units	Social Value Proxy
				How it should be measured	Social Value proxy weighted by prioritization
Jobs: Promote Local Skills and Employment	More Stockton people in employment	NT1	No. of Stockton people (FTE) employed on contract for one year or the whole duration of the contract, whichever is shorter.	no. people FTE	£27,834.00
		NT2	% of local people employed on contract (FTE)	%	-
	More opportunities for disadvantaged people from Stockton	NT3	No. of employees (FTE) taken on who are long term unemployed (unemployed for a year or longer)	no. people FTE	£20,429.00
		NT4	No. of employees (FTE) taken on who are not in employment, education, or training (NEETs)	no. people FTE	£15,382.90
		NT5	No. of employees (FTE) taken on who are rehabilitating young offenders (18-24 y.o.)	no. people FTE	£23,056.23
		NT6	No. of jobs (FTE) created for people with disabilities	no. people FTE	£16,605.00
		NT7	No. of hours dedicated to supporting unemployed people into work by providing career mentoring, including mock interviews, CV advice, and careers guidance -(over 24 y.o.)	no. hrs*no. attendees	£105.58
	Improved skills for Stockton people	NT8	Local school and college visits e.g. delivering careers talks, curriculum support, literacy support, safety talks (No. hours, includes preparation time)	no. staff hours	£16.93
		NT9	No. of training opportunities on contract (BTEC, City & Guilds, NVQ, HNC) that have either been completed during the year, or that will be supported by the organisation to completion in the following years - Level 2,3, or 4+	no.weeks	£317.82
		NT10	No. of weeks of apprenticeships or T-Levels (Level 2,3, or 4) provided on the contract (completed or supported by the organisation)	no.weeks	£251.79
	Improved employability of young people from Stockton	NT11	No. of hours dedicated to support young people into work (e.g. CV advice, mock interviews, careers guidance) - (24 y.o. and under)	no. hrs*no. attendees	£105.58
		NT12	No. of weeks spent on meaningful work placements or pre-employment course; 1-6 weeks student placements (unpaid)	no.weeks	£194.50

		NT13	Meaningful work placements that pay Minimum or National Living wage according to eligibility - 6 weeks or more (internships)	no.weeks	£194.50
Growth: Supporting Growth of Responsible Regional Business	More opportunities for Stockton SMEs and VCSEs	NT14	Total amount (£) spent with VCSEs within your supply chain	£	£0.12
		NT15	Provision of expert business advice to VCSEs and SMEs (e.g. financial advice / legal advice / HR advice/HSE)	no. staff expert hours	£101.00
		NT16	Equipment or resources donated to VCSEs (£ equivalent value)	£	£1.00
		NT17	Number of voluntary hours donated to support VCSEs (excludes expert business advice)	no. staff volunteering hours	£16.93
		NT18	Total amount (£) spent in LOCAL supply chain through the contract.	£	£0.66
		NT19	Total amount (£) spent through contract with LOCAL micro, small and medium enterprises (MSMEs)	£	£0.66
	Improving staff wellbeing	NT20	Demonstrate commitment to work practices that improve staff wellbeing, recognise mental health as an issue and reduce absenteeism due to ill health. Identify time dedicated for wellbeing courses	no. hrs*no. attendees	£124.30
	A workforce and culture that reflect the diversity of the local community	NT21	Equality, diversity and inclusion training provided both for staff and supply chain staff	no. hrs*no. attendees	£101.00
	Ethical Procurement is promoted	NT22	Percentage of procurement contracts that includes commitments to ethical procurement, including to verify anti-slavery and other relevant requirements.	% of contracts	-
Social Value embedded in the supply chain	NT23	Percentage of contracts with the supply chain on which Social Value commitments, measurement and monitoring are required	% of contracts	-	
Social: Healthier, Safer and more Resilient Communities	Crime is reduced in Stockton	NT24	Initiatives aimed at reducing crime (e.g. support for local youth groups, lighting for public spaces, private security, etc.)	£ invested including staff time	£1.00
	Creating a healthier community for Stockton residents	NT25	Initiatives to be taken to tackle homelessness (supporting temporary housing schemes, etc)	£ invested including staff time	£1.00
		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.	£ invested including staff time	£1.00
	Vulnerable people in Stockton 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)	£ invested including staff time	£1.00

	More working with the Community in Stockton	NT28	Donations or in-kind contributions to local community projects (£ & materials)	£ value	£1.00
		NT29	No hours volunteering time provided to support local community projects	no. staff volunteering hours	£16.93
		NT30	Support provided to help local community draw up their own Community Charter or Stakeholder Plan	£ invested including staff time	£1.00
Environment: Protecting and Improving Our Environment	Climate Impacts 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.	tonnes CO2e	£244.63
		NT82	Carbon emissions reductions through reduced energy use and energy efficiency measures - on site	Tonnes CO2e	£244.63
	Air pollution is reduced	NT32	Car miles saved on the project (e.g. cycle to work programmes, public transport or car pooling programmes, etc.)	Miles Saved	£0.06
		NT33	Car miles driven using low or no emission staff vehicles included on project as a result of a green transport programme	Miles Driven	£0.03
		NT84	Freight miles saved as a result of a green logistics plan (e.g. reduced trips to site)	Miles Saved	£0.06
	Better places to live in Stockton	NT34	Voluntary time dedicated to the creation or management of green infrastructure, to increase biodiversity, or to keep green spaces clean	no. staff volunteering hours	£16.93
	Sustainable Procurement is promoted	NT35	Percentage of procurement contracts that includes sustainable procurement commitments or other relevant requirements and certifications (e.g. to use local produce, reduce food waste, and keep resources in circulation longer.)	% of contracts	-
	Resource efficiency and circular economy solutions are promoted	NT88	Reduce waste through reuse of products and materials	Tonnes	£96.70
Innovation: Promoting Social Innovation	Other measures (TBD) related to Stockton	NT36	Other measures (£) - please describe any additional initiatives that you would like to make and £ to be invested	£	£1.00
		NT37	Other measures (hrs) - please describe any additional initiatives that you would like to make and hrs to be committed (No. expert hrs)	no. staff expert hours	£101.00
		NT38	Other measures (hrs) - please describe any additional initiatives that you would like to make and hrs to be committed (No. voluntary hrs)	no. staff volunteering hours	£16.93

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Integrated Substance Misuse Contract - Social Value



NT12

12 students completed a 6 week placement at CGL

- Social Work Students
- Business Admin Students

Providing; **225 hours** of valuable, real world experience, opportunity to build skills and knowledge.



Social Value of £14,004



Total Social Value Achieved
22/23
£14,263.95

NT 8

CGL Invited to Teesside University to Deliver **3 x 5 hour** Lectures and Seminars to Social Work Students who are completing placements.



Students obtain a deeper understanding into Substance Misuse they would not ordinarily receive.

Social Value of £259.95

Students are coached by existing staff in the sector and learn how to apply their classroom based knowledge
Placements have been so successful that out of the 23 students that have been with the service,
7 have successfully applied for positions within the service and have completed work either as permanent roles or as sessional workers.
4 remain in permanent positions in the service.



**Change
Grow
Live**

This document was classi

SOCIAL VALUE | ELTON INTERCHANGE | 2022

Balfour Beatty

The Elton Interchange project involves junction improvement works and changing the current layout of two roundabouts at the Elton junction of the A66 to a new traffic-signalled interchange. The objective of this project is to increase the capacity of the road network, reduce travel times (greater predictability of travel times) and create modern and safe links between communities and main highways.

Balfour Beatty, Stockton-on-Tees Borough Council and the team of subcontractors are collaborating to maximise social value engagement with residents, businesses, community groups and education establishments. The infographic below shows activities delivered during 2022, in the local community and surrounding areas of Stockton-on-Tees.



**Total Social Value Add (Dec '22):
£741,736**

15 SMEs

small and medium sized enterprises engaged



1 Micro

local enterprise engaged

592+ local students engaged



2 social enterprises engaged

1 donation in-kind to create a hard standing classroom base for local social enterprise



1 'Enterprise Advisor' at local secondary school

2 Graduates

1 T-Level student

1 Summer Placement
1 'Year in Industry' student engaged on the project



3455 Days

worked by local people



2 groups of civil engineering students from Teesside University

10

education engagement events



4 weeks of work experience placements

7920t excavation of on-site material reused within the permanent works and diverted from landfill



1 Employment & Skills Hub Employability Skills Event

44,609+ hours worked without a lost time incident

68 Hours dedicated to supporting unemployed people into work through career mentoring



2344 car miles saved by cycling to work



4 Health & Wellbeing initiatives delivered on site



Visit 1 Score: 43
(+1 Best Practice)
'Excellent'

SOCIAL VALUE | ELTON INTERCHANGE | 2022

Balfour Beatty

Total Social Value £741,736 (May 22 – Dec 22)

- Significant local spend including 15 SMEs / 1 Micro local enterprise and 2 social enterprise NT18/19
- Stockton people employed on the contract – NT1.
- 1 Donation in-kind – NT28
- 592+ local students engaged – NT8
- 4 weeks of work placements – NT12/NT13
- 68 hours supporting unemployed people into work – NT7
- 1 Employability skills event – NT11
- 7,920t of on-site material reused – NT88
- 2,344 car miles saved through cycling to work – NT32
- 1 T-Level Student – NT10
- 4 Health and Wellbeing initiatives delivered on site – NT26
- 10 Education engagement events – NT7/NT11

This document was classified as: OFFICIAL