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**Report to:** Corporate Scrutiny Committee

**Date:** 11 March 2022

**Subject:** **Social Value in procurement**

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## **1. Purpose of this report**

- 1.1 To advise the Committee of the Themes, Outputs and Measures (TOMs) selected for use to measure social value obtained by the Combined Authority in the future.

## **2. Information**

- 2.1 “Social value” is an umbrella term for the wider economic, social and environmental effects of an organisation’s actions. Organisations which make a conscious effort to ensure that these effects are positive can be seen as adding social value by contributing to the long-term wellbeing and resilience of individuals, communities and society in general. Public sector bodies can take social value into account through their policy and spending decisions to maximise the benefit for the communities they serve.<sup>1</sup>
- 2.2 Currently the procurement process requests social value commitments from suppliers against a list of specified objectives. There is then a minimum weighting of 10% applied to social value in the evaluation stage. This approach has achieved some success to date but is limited by the inability to consistently measure the benefits proposed and then challenges around monitoring their delivery.
- 2.3 In line with partner authorities across the region, the Combined Authority has been working with Social Value Portal to resolve some of these barriers in developing the social value agenda. The Combined Authority has recently adopted the national TOMs framework (created by Social Value Portal), which identifies and measures additional social value benefits delivered through our activities, in terms that are meaningful to external stakeholders.
- 2.4 The Social Value Steering Group (a cross-functional group at the Combined Authority) has worked with Social Value Portal to select which of the national

<sup>1</sup> Taken from Social Value Portal website.

TOMs best meet our organisation objectives and support the Mayor's pledges of tackling the climate emergency, creating well paid jobs for young people, supporting local businesses, prioritising skills and training, keeping women and girls safe. The proposed list of TOMs selected for the Combined Authority was considered and approved by the Finance, Resources and Corporate Committee and can be found in **Appendix 1**.

- 2.5 The Combined Authority TOMs will be used through the contracting life cycle. Suppliers will be requested, as part of their tender submission, to make firm commitments which can be monitored and measured through contract management activities. Suppliers are not expected or requested to make a commitment against all measures, only those they can reasonably expect to achieve. The TOMs shall be split into a Master and Lite set (**Appendix 2**), allowing the social value expectations to be tailored depending on the value of the contract in question. The Lite set will be applied to operational type contracts and the Master set to strategic contracts.
- 2.6 The Commercial team is also implementing the Social Value Portal online platform which will facilitate the tender and evaluation process as well as enable contract management of social value through regular reporting. It will also signpost suppliers to where help can be obtained.
- 2.7 The Combined Authority is investigating how these TOMs can be used across other areas of the organisation to provide a single means of measuring social value across activities. This is likely to include grants activities with Economic Services, for example.
- 2.8 With our partner authorities also adopting the national TOMs framework, the Combined Authority should be able to report the social value benefit delivered through all our programmes and projects, whether procured by the Combined Authority or our partners, in a more coherent way.
- 2.9 The Combined Authority is able to provide further guidance around the TOMs that will allow us to focus responses to individual TOMs on specific initiatives or geographical regions that we want to support. TOMs can also be reviewed annually to ensure they remain relevant to our strategic objectives and priorities, providing us the opportunity to highlight and specifically target particular metrics as and when required.

### **3. Tackling the Climate Emergency Implications**

- 3.1 The TOMs will form the basis against which Social Value (including the Climate Emergency) obtained from third parties, will be measured and monitored. The TOMs cover five main areas; Jobs; Environment; Social; Growth and Innovation. Included in this are thirteen measures specifically addressing reducing carbon emissions and air pollution, safe-guarding the natural environment, resource efficiency and circular economy solutions.
- 3.2 A full copy of the TOMs can be found as an appendix to this document.

#### **4. Inclusive Growth Implications**

- 4.1 The TOMs once agreed and approved will form the basis against which Social Value (including Inclusive Growth) obtained by third parties, will be measured and monitored. The TOMs cover five main areas; Jobs; Environment; Social; Growth and Innovation. Included in this are several measures specifically addressing Inclusive Growth including but not limited to engagement with SMEs / VCSEs, initiatives to reduce the gender pay gap and expected quantity and quality of resources spent in the most deprived sub-localities across the wider region.
- 4.2 A full copy of the TOMs can be found as an appendix to this document.

#### **5. Equality and Diversity Implications**

- 5.1 The TOMs once agreed and approved will form the basis against which Social Value (including ED&I) obtained by third parties will be measured and monitored. The TOMs cover five main areas; Jobs; Environment; Social; Growth and Innovation. Included in this are several measures specifically addressing ED&I including but not limited to training and education, mental health outreach, reducing inequalities and similar ED&I concerns across the wider region.
- 5.2 A full copy of the TOMs can be found as an appendix to this document.

#### **6. Financial Implications**

- 6.1 There are no financial implications directly arising from this report.

#### **7. Legal Implications**

- 7.1 There are no legal implications directly arising from this report.

#### **8. Staffing Implications**

- 8.1 There are no staffing implications directly arising from this report.

#### **9. External Consultees**

- 9.1 The Social Value TOMs have been developed in consultation with the Social Value Portal directly and through the Social Value Working Group within WYCA.

#### **10. Recommendations**

- 10.1 That the Committee considers the approach to social value in procurement, including the selected TOMs.

#### **11. Background Documents**

There are no background documents referenced in this report.

## **12. Appendices**

Appendix 1 – Social Value TOMs (Master)

Appendix 2 – Social Value TOMs (Lite)