

Report to: Finance, Resources, and Corporate Committee

Date: 6 September 2022

Subject: **Social Value Portal Trial Outcomes**

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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this report

- 1.1 To provide an update on the outcome of the Social Value Portal trial procurements which have been undertaken.

2. Outcomes of the Trial

- 2.1 The Committee has previously considered reports from the Head of Commercial, setting out the approach being taken to social value in procurement, “social value” being the umbrella term for the wider economic, social, and environmental effects of an organisation’s actions.
- 2.2 In recent years the procurement process has requested 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 FRCC agreed last year that the Combined Authority adopt 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. The TOMs were split into a Master and Light set, allowing the social value expectations to be tailored depending on the value of the contract in question. The Light set will be applied to operational type contracts and the Master set to strategic contracts.

- 2.4 Following these approvals a trial has been undertaken through the Social Value Portal using these TOMs, allowing Commercial to assign objective financial value to social value commitments made by suppliers across procurement activities.
- 2.5 The trial has now considered seven projects run through the Social Value portal with support from the Procurement function which have had full contracts awarded.
- 2.6 Of the seven contracts awarded six contain specific commitments made by the awarded suppliers. With the seventh contract no parties responding to the invitation to tender submitted a social value commitment.
- 2.7 The percentage of contract value converted into social value on these contracts varies between 9.75% at the lowest end to 44.43% at the highest level with the average social value commitments made equating to 23.61% of total contract value. The total financial value of the social value commitments made is £435,177 across the lifetime of the contracts. This is a significant step forward in terms of being able to monetarise and capture social value. Achievement against these commitments throughout the life of the contract will be monitored via the portal as well as confirmation at the conclusion of the contracts that the full value has been achieved.
- 2.8 As with any trial there are several lessons to be learnt and improvements that can be made before a wider roll out takes place. Following feedback through the trial it is recommended that the number of TOMs in both the Master and Light list is reduced to a more manageable number, allowing a focus on the social value commitments most closely aligned to our corporate and strategic objectives. This will be considered by the Social Value Steering Group (a cross-functional group at the Combined Authority) and an update on this, along with the plan for a fuller roll out, will be provided to a future meeting of the Committee.

3. Tackling the Climate Emergency Implications

- 3.1 The WYCA TOMs specifically have measures focusing on decarbonization and safeguarding the natural world while targeting circular economy solutions and resource efficiency.
- 3.2 As part of our review of the TOMs we will ensure a focus remains on tackling the climate emergency, steering the social value commitments developed through our procurement activities into the most meaningful outputs.

4. Inclusive Growth Implications

- 4.1 The WYCA TOMs specifically have measures to target healthier, safer, and more resilient communities, and to support responsible regional growth.

- 4.2 As part of our review of the TOMs we will ensure a focus remains on inclusive growth benefits and impacts, steering the social value commitments developed through our procurement activities into the most meaningful outputs.

5. Equality and Diversity Implications

- 5.1 The WYCA TOMs specifically have measures to target greater opportunities for disadvantaged people, to improve skills and training for these disadvantaged groups and improving employability for young people while also specifically focusing on reducing inequalities.

- 5.2 These TOMs allow us to focus on reducing gender pay gaps, support armed forces veterans and mothers returning to work while ensuring those Not in Employment, Education or Training (NEETs) are provided opportunities for positive quality of life outcomes.

- 5.3 As part of our review of the TOMs we will ensure a focus remains on equality and diversity benefits and impacts, steering the social value commitments developed through our procurement activities into the most meaningful outputs.

6. Financial Implications

- 6.1 The Social Value Portal allows us to better understand the financial benefits of our activities in a wider social value setting.

- 6.2 Without the Social Value Portal, we may not be able to assign a meaningful financial value to any social value activities undertaken by our suppliers awarded onto our contracts without a significant investment in measurement and reporting.

- 6.3 The Social Value Portal shows that the first seven contracts will, in addition to the core purpose of the contract, deliver £435,177 of social value directly into West Yorkshire which otherwise would not have been funded.

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 No external consultations have been undertaken.

10. Recommendations

- 10.1 That the Finance, Resources, and Corporate Committee notes the successful outcome of the Social Value Portal trial.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

12.1 Appendix 1 – Social Value Portal Reporting