



CABINET – 7TH JULY 2021

SUBJECT: SOCIAL VALUE POLICY AND THE ADOPTION OF THE THEMES, OUTCOMES AND MEASURES FRAMEWORK

REPORT BY: CORPORATE DIRECTOR EDUCATION AND CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 To present to Cabinet the draft Caerphilly CBC ('Council') Social Value Policy ('SV Policy') and the proposed adoption of the Themes, Outcomes and Measures Framework ('TOMs Framework').
- 1.2 To recommend endorsement and implementation of the draft SV Policy and the adoption of the TOMs Framework.

2. SUMMARY

- 2.1 The Council's SV Policy which includes the TOMs Framework is attached at Appendix 1.
- 2.2 The SV Policy sets out a proposed approach to further enhance and build upon the successes that have been achieved to date by the Council in relation to Social Value. The SV Policy brings together a number of different legislative requirements, policy initiatives and aspirations into a single coherent framework underpinned by five key objectives with 'Caerphilly Cares' at the centre.
- 2.3 The five key objectives are:
 - Promote Social Innovation;
 - Promote Local Skills, Employment & Training;
 - Protecting & Improving the Environment;
 - Education Initiatives;
 - Healthier, Safer and Resilience with Partners in Communities.
- 2.4 The TOMs Framework is an effective and efficient mechanism in measuring, recording and monitoring Social Value and Community Benefits. It is proposed that the TOMs Framework is adopted and incorporated in appropriate Council procurement processes and procedures moving forward.

3. RECOMMENDATIONS

- 3.1 To endorse and implement the SV Policy and the TOMs Framework.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure the Council has a fit for purpose SV Policy and an effective and efficient measurement framework to support the measuring, recording and monitoring of Social Value and Community Benefits.

5. THE REPORT

- 5.1 The Council's Corporate Plan and Well-being Objectives clearly demonstrates the Council's commitment to prioritising social, economic and environmental wellbeing for the County Borough and our partners. The Council recognises that the way in which we manage our annual spend of circa £230 million with suppliers, service providers and contractors can make a significant contribution to this priority.
- 5.2 The Council has a responsibility to manage public money with probity, to ensure that Value for Money is achieved and to manage it in such a way that wider Council objectives can be supported. The Council's Programme for Procurement (2018-2023) set an increased focus on the delivery recognising the value of using procurement to support its wider Cultural, Social, Economic and Environmental objectives, in ways that offer real long-term benefits to the community it serves and the people of Wales, whilst balancing the issues of Value for Money.
- 5.3 Value for Money is the optimum combination of whole-of-life costs in terms of not only generating efficiency savings and good quality outcomes for the Council, but also benefit to society, the economy, and the environment, both now and in the future.
- 5.4 Social Value is "a broad term used to describe the social, environmental and economic impacts of actions taken by communities, organisations, governments and individuals" (as defined in Social Value for Commercial Success eLearning, Government Commercial College, 2020).
- 5.5 The Council has increasingly sought to incorporate Social Value initiatives into our procurement processes and procedures, however it is acknowledged that it is an area we can improve upon by being more joined up in terms of matching opportunities with those most in need. The Council are striving to deliver the maximum value for the Caerphilly pound and continue to demonstrate that Caerphilly cares.
- 5.6 The draft SV Policy brings together a number of different legislative requirements, national & local policy drivers, initiatives and aspirations into a single coherent framework underpinned by five key objectives with 'Caerphilly Cares' at the centre.

The draft SV Policy places a particular focus on the following policy drivers and initiatives:

- The Wellbeing of Future Generations (Wales) Act 2015;
- The Social Services and Well-being (Wales) Act 2014;
- Caerphilly CBC, Corporate Plan 2018-2023;
- Caerphilly Public Services Board;
- Decarbonisation Strategy and Action Plan Reduce, Produce, Offset, Buy;
- Cardiff Capital Region City Deal;
- Programme for Procurement 2018-2023;
- Themes, Outcomes and Measurement (TOMs) Framework;
- Circular Economy;
- Code of Practice Ethical Employment in Supply Chains;
- Community Wealth Building;
- Foundational Economy;
- Support of Local Businesses and SMEs.

- 5.7 The SV Policy aims to provide an overarching framework for the delivery of the above-mentioned policy drivers and initiatives and importantly delivery of the Council's own commitments and initiatives. This will ensure that the Council maximises Cultural, Social, Economic and Environmental objectives that we deliver through our procurement activity.
- 5.8 TOMs is a measurement framework that allows for an unlocking of Social Value through its integration into procurement and project management. The TOMs Framework had initially been developed in conjunction with the National Social Value Task Force, which is a cross-sector organisation combining both public and private sector organisations. This was the result of extensive consultation across Local Authorities and public-sector organisations, including the Local Government Association, Office of Civil Society and Crown Commercial Services. The TOMs framework had been designed around 5 principal issues, 20 Core Outcomes and 48 Core Measures:
- Themes – The overarching strategic themes that an organisation is looking to pursue;
 - Outcomes – The objectives or goals that an organisation is looking to achieve that will contribute to the Theme;
 - Measures – The measures that can be used to assess whether these Outcomes have been achieved. For the TOMs Framework, these are action based and represent activities that a supplier, service provider and contractor could complete to support a particular desired outcome.
- 5.9 In March 2020 the Council formally engaged with the Social Value Portal (SVP) to act as our Social Value procurement and measurement partner for a period of three years. In conjunction with SVP the Council initially developed a bespoke Social Value Measurement Framework with the aim to measure and monitor Social Value against Local and National Plans, Policies and Objectives. This approach allowed Officers within procurement to have a more in depth understanding of the TOMs Framework, which included specific training and support from representatives of SVP.
- 5.10 The SVP solution provides a clear, simple to use, auditable and secure process built on a well-established IT platform, with access and account management capabilities that allow projects with multiple bidders that will allow the Council to consolidate and report on Social Value outcomes across all projects and present the data in an engaging format.
- 5.11 There are costs associated for successful bidders only for utilising the SVP solution this includes the ongoing contract management of each project. It is free to all bidders to submit tenders and technical support is provided by SVP. It is important to highlight that this information is published as part of any procurement process and that the use of the SVP solution is only considered for contract opportunities in excess of £75,000 and subject to the appropriateness of the potential bidders involved in any given procurement procedure.
- 5.12 In November 2020 the National TOMs Framework for Wales was launched on behalf of Welsh Local Government Association, supported by the National Social Value Taskforce Wales (NSVT Wales). The NSVT Wales is a stakeholder forum comprising of public sector bodies including Caerphilly CBC and other entities such as Welsh Government, The Office of The Future Generations Officer, Transport for Wales as well as a number of other Councils and Housing Associations. It should also be noted that representatives of Social Value Portal are an integral part of the NSVT Wales.

- 5.13 The National TOMs Framework for Wales has now been adapted and bespoke to the Council and will provide a way of measuring and reporting on Social Value aligned to the WBFG Act (Wales) 2015 thus allowing the Council to report specifically against the objectives of the Act.
- 5.14 The principal benefits of a minimum and consistent reporting standard for Social Value are that it:
- Provides a consistent approach to measuring and reporting Social Value;
 - Flexible, adaptable and bespoke which is fundamental in order to demonstrate that the methodology can succeed;
 - Allows for continuous improvement;
 - Provides a robust, transparent and defensible solution for assessing and awarding tenders;
 - Allows organisations to compare their own performance by sector and industry benchmarks and understand what good looks like;
 - Based on non-financial performance but allow £ value to be reported;
 - Reduces the uncertainty surrounding Social Value measurement for businesses, allowing them to make informed decisions based on robust quantitative assessments and hence embed social value into their corporate strategies.
- 5.15 The Council has created two sets of the TOMs Framework, a light set, comprising of thirty-eight measures and a master set comprising of an additional forty measures so seventy eight measures in total. The majority of contract opportunities will use the Council's Light set of TOMs, which contains the measures that suppliers, service providers and contractors will be asked to set targets against or respond too at the bid stage of the process. Certain opportunities, including larger value contract opportunities or are sector specific and where the suppliers, service providers and contractors are more mature, the Council's Master Set of TOMs will be used.
- 5.16 The use of the TOMs Framework is not solely predicated on utilising the SVP solution. The Framework is an 'open source' product, which essentially means that the methodology can be used via other means, such as but not limited to an EXCEL spreadsheet. As we further develop and increase our knowledge, understanding and confidence in using the TOMs Framework there will be opportunities to use the Framework without the SVP solution and for contract opportunities below £75,000. Importantly the TOMs Framework is flexible and adaptable thus allowing new TOMs to be considered and if deemed acceptable added to the Framework.

Conclusion

- 5.17 The SV Policy aims to provide an overarching framework to ensure a joined up consistent approach to the delivery of Social Value that encapsulates national and local policy drivers. The SV policy sets out the Council's ambition and commitment in respect of these key priorities and to support its delivery the Council will:
- Publicise and raise awareness of our SV Policy and associated objectives to ensure that our employees, suppliers, service providers and contractors are clear about what we want them to deliver;
 - Incorporate the TOMs Framework within contracts to ensure that our employees, suppliers, service providers and contractors are clear on how they will support implementation of the SV Policy and the delivery of the objectives;
 - Manage delivery of Social Value through effective contract management arrangements and ensure that suppliers, service providers and contractors utilise the Social Value Portal to measure delivery on appropriate contract opportunities over £75,000.

5.18 Successful suppliers, service providers and contractors will be required to provide regular monitoring information outlining Social Value delivery progress. The Council's Contract Managers will:

- Ensure that and the supplier, service provider and contractor are aware of the social value requirements, in line with the TOMs Framework, any associated KPIs, and the chosen reporting mechanisms;
- Make tracking of the delivery against the social value requirements, as far down supply chains as is reasonably practicable, a feature of regular contract management meetings and track delivery by both KPIs and by referral to your chosen reporting mechanism; and
- Feed any lessons learned in the preparations for subsequent contract opportunities across the Council so others learn from their experience.

5.19 The Council's Corporate Management Team (CMT) will oversee the delivery of the SV Policy.

6. **ASSUMPTIONS**

6.1 All details stated within the report, SV Policy and TOMs Framework are reflective of all issues known as of June 2021.

6.2 Any amendments to the SV Policy and TOMs Framework due to changes in legislation or procurement best practice will be the responsibility of the Head of Customer & Digital Services in consultation with Corporate Director for Education & Corporate Services and Cabinet Member.

7. **SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

7.1 The SV Policy and TOMs Framework positively impacts all aspects of the IIA.

7.2 Social Value is "a broad term used to describe the social, environmental and economic impacts of actions taken by communities, organisations, governments and individuals" (as defined in Social Value for Commercial Success eLearning, Government Commercial College, 2020).

7.3 The role of procurement is an important part of how a public body allocates resources to support Social Value. There is now an expectation that all public bodies comply with their existing legal obligations in relation to procurement and the Council clearly supports the Social Value approach. The Council's proposed SV Policy and TOMs Framework places a particular focus on the following legislation, policy drivers and initiatives:

- The Wellbeing of Future Generations (Wales) Act 2015;
- The Social Services and Well-being (Wales) Act 2014;
- Caerphilly CBC, Corporate Plan 2018-2023;
- Caerphilly Public Services Board;
- Decarbonisation Strategy and Action Plan Reduce, Produce, Offset, Buy;
- Cardiff Capital Region City Deal;
- Programme for Procurement 2018-2023;
- Themes, Outcomes and Measurement (TOMs) Framework;
- Circular Economy;
- Code of Practice Ethical Employment in Supply Chains;
- Community Wealth Building;
- Foundational Economy;
- Support of Local Businesses and SMEs.

7.4 The full IIA can be accessed via [IIA SV Policy & TOMs Framework](#).

8. FINANCIAL IMPLICATIONS

- 8.1 £22,500.00 has been committed as of March 2020 to commission the services of the Social Value Portal (SVP). This was procured and approved in accordance with the Council's Standing Orders for Contracts.
- 8.2 Annual Fee of 0.15% of contract value with a minimum payment of £500/year up to a maximum of £5,000/year paid by the successful Bidder ONLY. This includes the ongoing contract management of each project. It is free to all bidders to submit tenders and technical support is provided by SVP.
- 8.3 There are no further costs anticipated in relation to the SV Policy and proposed adoption of the TOMs Framework. However if any further financial investment is needed this will be undertaken in accordance with the relevant Council policies and procedures.

9. PERSONNEL IMPLICATIONS

- 9.1 There are no personnel implications.

10. CONSULTATIONS

- 10.1 This report has been sent to the Consultees listed below and all comments received are reflected in this report.
- 10.2 The draft SV Policy and TOMs Framework was presented to P&R Scrutiny Committee on 25 May 2021 and Members of the Scrutiny Committee raised the following points:
- Clarification was sought regarding paragraph 8.2. of the report, which is in relation to the annual fee paid to our Social Value procurement and measurement partner. Officers confirmed this would be flexible dependent on the number of contracts administered through the portal. Members sought further clarifications and Officers are currently undertaking further consultation with Members due to the fact no set amount of contracts have been agreed to be administered through the portal. Therefore, the total annual fee is unknown at this time. Officers have agreed to update Scrutiny Members via updated P&R Scrutiny reports and/or direct consultation.
 - Members reaffirmed their desire for Council contracts to reflect the Living Wage and were supportive of local supply chains and local communities. These issues are being addressed via the Council's Programme for Procurement.
 - Members acknowledged Social Value is wider than the procurement discipline and Social Value should be considered by other Council service provisions e.g. Planning via the Local Development Plan.

11. STATUTORY POWER

- 11.1 The Wellbeing of Future Generations (Wales) Act 2015 and the Social Services and Well-being (Wales) Act 2014.

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Consultees: Cllr, Colin Gordon, Cabinet Member for Corporate Services,
Christina HARRY, Chief Executive,
Richard (Ed) Edmunds, Corporate Director for Education & Corporate
Services,
Elizabeth Lucas, Head of Customer & Digital Services,
Caerphilly CBC, Leadership Team (includes all CMT & Heads of Service),
Policy & Resources Scrutiny Committee,
Caerphilly CBC Branch Secretary of UNISON,
Local Suppliers & Contractors.

Background Papers:

Appendices:

Appendix 1 Social Value Policy including Themes, Outcomes and Measurements
Framework (TOMs Framework).