

SOCIAL VALUE POLICY

Annual Report - September 2021



1. Introduction

This report has been produced in accordance with our commitments within the Social Value Policy to conduct an annual review of the policy and the benefits secured through its implementation.

This will provide an opportunity to illustrate the current impact of the Policy within the Council in order to reflect and adjust our approach in accordance with our learnings and feedback.

2. Background

The Public Services (Social Value) Act 2012, places an obligation on the Council to take into account social, economic and environmental wellbeing considerations in connection with public services contracts as part of its pre-procurement deliberations.

The Act applies to all scales and types of procurement for services above the Government Procurement Agreement (GPA) threshold. To comply with GPA rules however, it is a requirement that these considerations may only be included if they are relevant and proportional to the contract and that the principles of value for money and equal access for suppliers are observed.

The Councils' Policy published and approved by full Council in September 2019 builds on previous Council Statements approved in 2013 and March 2016.

3. Policy

The Social Value Policy sets out the considerations, which the Council will embed in its decision-making process around how it commissions and tenders its public contracts and how suppliers can demonstrate social value when tendering and subsequently delivering a contract.

The key outcome of this Policy is to maximise opportunities from our spend with suppliers in a way that makes positive social, economic and environmental outcomes delivering measurable Social Value returns. The Council has chosen to go further than the Acts' minimums and consider Social Value on all types of contracts (goods, works & services) and not just services.

The requirements for considering Social Value within commissioning and procurement activity is as follows;

- **Below** the respective GPA threshold (previously OJEU) for goods, works and services - Discretionary requirement to consider and apply (as appropriate) Social Value as part of the evaluation weightings
- **Above** the respective GPA threshold (previously OJEU) for goods, works and services - Mandatory requirement to consider and apply Social Value as part of the evaluation weightings

Where Social Value evaluation weightings are to be applied, they shall be between 5 percent and up to a maximum 25 percent of the total evaluation weighting.

The inclusion of Social Value measures within the tender evaluation when below GPA threshold is a discretionary requirement. We have created a compliance signoff process within the policy, so that we can record where Social Value has not been applied. Inclusion of Social Value must be both relevant & proportionate to the procurement requirement and is evaluated on a case by case basis in line with the policy. In these instances, the behaviours of the policy will still be encouraged.

4. Policy review

Social Value is a way of thinking about how resources are allocated and requires us as a local authority to look beyond the cost and quality of awarding a contract and to take a broader look at the potential collective benefit to the local community and the city. Plymouth City Council's working definition of social value is;

'a process whereby the organisation procures and commissions goods, services and works in a way that achieves value for money on a whole life basis in terms of generating benefits to society and the economy, whilst minimising damage to the environment'

There is now no doubt that the Social Value Act is transforming the relationship between the public sector and business. It is hard to argue against doing more with the public pound, especially as austerity continues to bite.

This is principally because there is now clear evidence that embedding social value into commissioning and procurement unlocks additional value, does not cost more and, ultimately leads to better community outcomes.

It also ensures that the best and most responsible businesses are rewarded with the opportunity of working with the public sector.

However, one of the recurring challenges has been the lack of a clear definition of social value and a corresponding measurement tool that provides both a transparent and robust reporting solution. This is why Plymouth City Council has adopted the Social Value Portal's National TOMs (Themes, Outcomes, Measures).

The National TOMs were created by the National Social Value Taskforce in collaboration with the Local Government Association (LGA) National Advisory Group.

These national TOMs are a product of discussions held over 18 months and across 40 institutions, and represents a major breakthrough in establishing a simple, intelligible methodology and a minimum reporting standard for Social Value.

The national TOMs enables the Council and other public sector organisations to compare Social Value benefits across public sector contracts on a consistent basis, as well as providing a standard approach to reporting and benchmarking performance.

This allows the Council and other local authorities across the UK to compare their social value performance, to learn from each other about good practice and identify what works best.

It is also important to note that the national TOMs are not static, but are capable of being amended and adjusted to reflect new ideas and different priorities.

The National TOMs are reviewed on an annual basis to ensure they are kept up to date, relevant and proportional. Since adoption the national TOMS is now on its fourth iteration and has grown considerably in the breadth of measures available to be included within the evaluation of the Social Value contributed by organisations doing business with the council.

The available measures available to be utilised has grown from an initial 38 to an expansive 154; further illustrating the innovative approach undertaken by the Council but also underlining the growing importance of the Social Value Act and its impact to the way the Public Sector as a whole conduct their contracting.

During the course of the past 24 months since the Council's policy was agreed at full Council we have of course experienced an unprecedented global crisis in the form of the Covid-19 pandemic, placing tremendous pressure on people, communities and businesses of all sizes. This had unfortunately caused a delay to the rollout and implementation of the Social Value Policy; meaning that this is the first report on the Policy.

During this time however we updated the Council's Contract Standing Orders, embedding Social Value within the Council's constitution. We then raised the profile of the Social Value Policy alongside other important objectives such as Buy local with it being a focal point of the economic recovery plan.

Council wide officer communications and guidance have been produced; and training has been given to over 150 officers despite the new ways of working currently taking place.

Dealing with the social and economic effects of Covid-19 calls for both immediate and longer-term responses, so social value at this time is more important than ever.

5. Measurement & Performance

The key aim of the Social Value Policy is delivering benefits for Plymouth and unlocking the city's potential. The council directly spent approximately £144million with local businesses in the last financial year, however we want to ensure wherever possible that;

1. The benefits stay in Plymouth
2. Where initial spend does go outside PL, that we still secure local benefits through Social Value

<u>Contract Ref</u>	<u>Awarded</u>	<u>Awarded Contract Value</u>	<u>Total Social Value Committed</u>	<u>Social Value % of Awarded Contract Value</u>
20298	Sep-20	£1,150,000	£363,379	31.60%
19449	Sep-20	£220,000	£35,010	15.91%
20265	Oct-20	£51,827	£9,763	18.83%
20148	Nov-20	£300,000	£50,001	16.66%
20140	Jan-21	£334,100	£248,540	74.39%
20729	Mar-21	£1,084,374	£577,442	53.25%
20264	Jun-21	£3,637,451	£904,253	24.85%
21235	Jul-21	£592,567	£323,438	54.58%
		£7,370,319	£2,512,868	34.09%

This is the same ethos when we address SME spend, we want to support local small businesses, and we spent approximately £56million last financial year; Social Value enables the Council and its suppliers to consider their supply chains and measures the support garnered for local businesses and local micro and/or SME businesses.

Awarded contracts with the inclusion of Social Value commitments are recorded each month as part of the Procurement Service's departmental key performance indicators; this is now also submitted monthly as part of the wider Finance Performance Report.

The table above shows awarded contracts where Social Value has been utilised as a part of the award evaluation. The result of which is approximately £2.5million of Social Value commitment equating to approximately 34% of the Total awarded contract value.

The Social Value Policy has a number of measures that can be utilised by officers within their procurement evaluation. Through the following sections we have selected a handful of pertinent measures that demonstrate the range of benefits that the Social Value Policy can support the Council in achieving. For a more comprehensive look at the measures utilised by officers over the past 12months please see appendix I.

5.1 Local Spend

As a Council we cannot award a contract to a local supplier just because they are local as this breaches the EU Treaty principles of fairness and non-discrimination. However we can where possible (and appropriate and compliant with the Public contracts Regulations 2015) present the opportunity to local businesses and invite them to tender for the requirement in question.

More over the fact that the Social Value Policy is routed in benefiting the local communities it theoretically will offer local suppliers a natural advantage. However where the supplier is not local the Social Value enables the Council to still measure and evaluate the benefits that will be received by Plymouth and its communities, helping Plymouth to build back better, creating a great place to live, work & visit.

Of the awarded contracts with Social Value included; a total of 22 suppliers responded, of which 11 were from the PL postcode area.

Buying Locally is something that the Procurement Service and the Council has focused on for many years and we have well established internal KPIs. However with the introduction of the Social Value Policy and the economic recovery plan; we have been able to promote these agendas alongside Social Value in order to have a positive impact across the board.

As part of our COVID-19 economic recovery plan we committed to increasing our local spend by 10% over two years. The Council's commitment to local spend can be demonstrated by the figures below:

FY20/21 Total PL Postcode Spend	% Total PCC Local Spend
<u>£144,917,070</u>	<u>56.77%</u>

But we have gone way past that and spent around £40million more with local businesses over the last financial year.

In addition the Social Value Policy has enabled the Council to secure further commitments to local spend through its contracted suppliers supply chain, as below:

Social Value Local Spend (NT18/19)
<u>£1.44million</u>

5.2 Employment

Our city has always been forward-looking in order to support Plymouth businesses, our communities and its people especially at this time following the devastating impact of Covid-19.

Our COVID-19 economic recovery plan to increase local spend aimed to secure the following local jobs:

Additional Jobs
<u>280</u>

But we have surpassed this target in the last financial year and generated the following:

Additional Jobs
<u>907</u>

In addition, the Social Value Policy has enabled the Council to secure further commitments to local jobs, as below.

Social Value Local Jobs (NT1,NT1c,NT3)
<u>24</u>

5.3 SME / MSME

Intrinsically linked to the Social Value Policy within the actual measures and the behaviours and practices it promotes are the influences/affects that it has not just on the local economy generally but more specifically on its influence to micro, small and medium size businesses (SME), cooperatives, mutuals, social enterprises and voluntary / community organisations.

Despite the impacts to business brought by COVID-19, the three national lockdowns and the furloughing of staff, the Council has tried to ensure that SME companies were used throughout the year wherever possible.

Due to sustainability and the significant furlough impacts more likely to affect the MSME supply chains, the pandemic has reduced our opportunity to utilise SMEs to a degree, but the achieved level of spend represents our continued commitment to support small and medium enterprises.

FY20/21 SME Spend	% Total PCC Spend
<u>£56,918,189</u>	<u>22.30%</u>

Unfortunately this did not meet our corporate spend target of 26%, however through the Social Value Policy we were able to secure the following spend commitments by our contracted suppliers to MSMEs within their local supply chain;

Social Value Local MSME (NT19)
<u>£800k</u>

5.4 Skills / Training

The Council is committed to helping local people in and around the city to equip themselves with the skills and confidence that they will need to play a part in our cities future. The Council has placed a particular focus on skills, training, education and careers.

Through the Social Value Policy we have been able secure commitment towards recognised training opportunities (BTEC, City & Guilds, NVQ, HNC), apprenticeships and meaningful work placements as below;

Training Opportunities (NT9,NT10,NT12)
<u>79 weeks</u>

5.5 Environment

In March 2019, City of Plymouth councillors voted unanimously to declare a climate emergency, the Council committed to meeting the most significant challenge facing our city and our planet.

The enormity of what we must achieve cannot be understated and Plymouth City Council cannot solve climate change alone, we must all play our part.

A highlight over the course of the past 12months is that though the Social Value Policy we have been able to influence the behaviours of our contracted suppliers as below;

**Hard to recycle waste
being diverted away
from Landfill (NT72)**

977 tonnes

6. Learnings & Feedback

It is our belief that the Council can take great pride in the initial achievements that have taken place in regard to the Social Value Policy.

Social Value is the driving force behind the Procurement Service's goals towards local and SME spend. We have taken great steps in the past 12 months to embed and promote the Social Value Policy and its linked behaviours throughout the Procurement process.

We have;

- Embedded Social Value within the Contract Standing Orders
- Created Social Value Officer Guidance
- Trained over 150 officers on Social Value and its benefits
- Created officer compliance forms for Social Value & Buy local
- Created and developed our tender documents to ensure Social Value is captured

However we need to acknowledge that Plymouth City Council is still very young on its Social Value journey, and there are steps that we must take to ensure that we continue to progress. (see future of the policy).

As a service, we have received positive feedback for our approach to Social Value from both our internal and external stakeholders. However Social Value as a subject is still new and we must be proactive over the coming years in order to educate ourselves and our suppliers to ensure that the potential benefits are realised.

In order to do so we have joined the South West regional Social Value Taskforce, enabling the council to share and learn best practices and encourage an alignment in approaches across the Public sector within Plymouth and the South West region.

7. Future of the Policy

In addition to looking backwards, this report provides a baseline so that in future years, we can assess our progress.

In order to continue progress along the Council's Social Value journey we will be looking to contribute to the below actions:

- Realign the expanded TOMs to the Plymouth Plan
- Conduct a Public Sector Social Value Maturity Index
- Benchmark Plymouth City Council to other public sector organisations
- Create further officer guidance aligning the Social Value measures to other important workstreams such as equality & diversity, climate emergency
- Continue work with our regional partners eg/South West Procurement Board (SWPB), and local partners eg/The Building Plymouth Procurement Pipeline Partnership
- Raise the profile and utilisation of Social Value throughout the Council's tendered spend
- Deliver further training to the Council;s contract managers
- Align the Social Value Policy with the National Skills Academy for construction's client-based approach

This will enable the Council to identify actions within the Social Value process in which we can improve, expand and innovate to further the impact that Social Value can have on the Council and the wider Plymouth communities.

Also to note at this time that there is a growing importance upon Social Value within Public procurement within the UK. This can be seen through Procurement Policy Note (PPN):06:20 that applies to Central Government Departments, their Executive Agencies and Non Departmental Public Bodies.

Central Government bodies must have a minimum weighting of 10% of the total score for social value should be applied in all procurement activity (where relevant and proportional) to ensure that it carries a heavy enough score to be a differentiating factor in bid evaluation.

Although we are not in scope of this PPN, the Council already meets the expectations within the PPN to evaluate the application of Social Value within all Procurement contracts; however we should consider coming into line with this mandate fully in the future in regards to the minimum weighting.

Glossary

GPA threshold - Government Procurement Agreement threshold.

LGA – Local Government Association

Local Spend – The councils definition of ‘local’ is ‘PL postcode’

OJEU - Official Journal of the European Union

PPN – Procurement Policy Note

SME/MSME – Small Medium Enterprises / Micro Small Medium Enterprises

TOMs – Social Value Portals National Themes, Outcomes and Measures

Appendix I



Total Social Value Review: September 2020 – August 2021

Scope

The Key aim of the Social Value Policy is to maximise benefits for Plymouth.

Stats

Total Contract Value:	£7,370,319
Total Social Value Committed:	£2,512,868
Total Social Value Add (SVA) per £ Contract Value:	34.09%



Theme	Ref	Measures	Total Social Value
Employment	NT1	No. of local direct employees (FTE) hired or retained (for re-tendered contracts) on contract for one year or the whole duration of the contract, whichever is shorter	£406,567
	NT1c	No. of local people (FTE) on contract for one year or the whole duration of the contract, whichever is shorter, employed through the supply chain as a result of your procurement requirements	£173,503
	NT3	No. of employees (FTE) hired on the contract who are long term unemployed (unemployed for a year or longer) as a result of a recruitment programme	£18,965
	NT3a	No. of armed forces veterans employees (FTE) hired on the contract as a result of a recruitment programme who are long term unemployed (unemployed for a year or longer) and are facing specific barriers to transitioning to civilian employment that do not qualify them as disabled (e.g. long term service)	£56,895
	NT7	No. of hours of support into work provided to unemployed people through career mentoring, including mock interviews, CV advice, and careers guidance -(over 24 y.o.)	£5,025
	NT8	No. of staff hours spent on local school and college visits e.g. delivering careers talks, curriculum support, literacy support, safety talks (including preparation time)	£627
	NT9	No. of weeks of training opportunities on the contract (BTEC, City & Guilds, NVQ, HNC) that have either been completed during the year, or that will be supported by the organisation until completion in the following years - Level 2,3, or 4+	£13,181
	NT10	No. of weeks of apprenticeships on the contract that have either been completed during the year, or that will be supported by the organisation until completion in the following years - Level 2,3, or 4+	£5,807
	NT11	No. of hours dedicated to support young people into work (e.g. CV advice, mock interviews, careers guidance) - (under 24 y.o.)	£5,025
	NT12	No. of weeks spent on meaningful work placements or pre-employment course; 1-6 weeks student placements (unpaid)	£158
	RE10	No. site visits for school children or local residents	£450

	RE57	Percentage of women (FTE) hired on the contract	Record Only
Economy	NT18	Total amount (£) spent in LOCAL supply chain through the contract	£643,461
	NT19	Total amount (£) spent through contract with LOCAL micro, small and medium enterprises (MSMEs)	£804,650
	NT19a	Total amount (£) spent with local Micro and Small enterprises within your supply chain through the contract	£2,100
	NT20	No. of employees on the contract that have been provided access for at least 12 months to multidimensional wellbeing programmes that include flexible working time arrangements; healthy nutrition options; physical health programmes; a health risk appraisal questionnaire; access to health and wellbeing resources (e.g. a tailored health improvement web portal; wellness literature; and seminars and workshops focused on identified wellness issues)	£1,243
	NT21	Equality, diversity and inclusion training provided both for staff and supply chain staff	£4,806
	NT22	Percentage of procurement contracts that includes commitments to ethical procurement, including to verify modern slavery and other relevant requirements.	Record Only
	NT39	Mental Health campaigns for staff on the contract to create community of acceptance, remove stigma around mental health	£10
	NT41	Percentage of staff on contract that is paid at least the relevant Real Living wage as specified by Living Wage foundation	Record Only
	NT42	Percentage of contractors in the supply chain required (or supported if they are micro and small business) to pay at least Real Living wage	Record Only
	NT55	No. of employees provided with workplace screening (e.g. questionnaire) and support (e.g. at least six session of cognitive behavioural therapy) for anxiety and depression	£1,351
	NT56	Percentage of suppliers to Tier 2 in the supply chain to deliver the contract (including the prime contractor) that will implement the mental health core standards for all companies and also the mental health enhanced standards for companies with more than 500 employees, as set out in Thriving at Work: the Stevenson Farmer Review on Mental Health and Employers	Record Only
	NT58	Number of employees FTE on contract to have pay raise to Real living wage or higher (on a renewed contract or TUPE)	£13,960
	NT60	Number of people employed in the supply chain to identify and manage the risk of modern slavery occurring in the supply chain, in relation to the contract	£258,960
	NT61	Percentage of invoices on the contract paid within 30 days	Record Only

	NT62	Number and type of initiatives in place, to Tier 2 in the supply chain, to protect against cyber security risks in the delivery of the contract - Number of staff to receive training on identifying and managing cyber security risks in relation to the delivery of the contract. (describe and document initiatives)	Record Only
	RE59	No. of employees provided with workplace screening (e.g. questionnaire) and support (e.g. six session of cognitive behavioural therapy) for anxiety and depression (Construction)	£3,830
Environment	NT65	Percentage of fleet or construction vehicles on the contract that is at Least Euro 6 or LEV	Record Only
	NT72	Hard to recycle waste diverted from landfill or incineration through specific recycling partnerships (e.g. Terracycle or equivalent)	£92,268
	NT33	Car miles driven using low or no emission staff vehicles included on project as a result of a green transport programme	£27
	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.)	Record Only
	NT46	Corporate travel schemes available to employees on the contract (subsidised public transport, subsidised cycling schemes and storage, sustainable corporate transport such as electric bus from public station to corporate facilities)	Record Only
Total Social Value £2,512,868			

Appendix 2



Case Study: 19449 Western Approach Footbridge Demolition

Project Scope

The demolition of the Western Approach Footbridge. To include the demolition of a steel and concrete footbridge and associated lift shafts; as well as the return which leads into the Western Approach Car Park.

Project Stats

Contractor: Gilpin Demolition Ltd

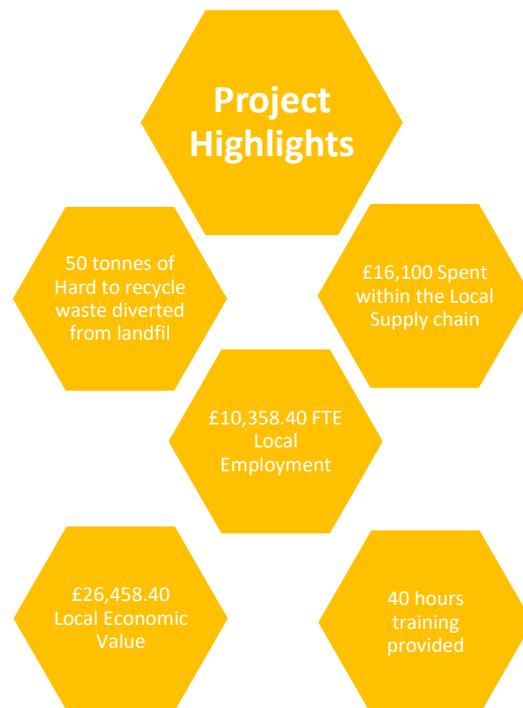
Contractor Postcode: TQ12 3RR

Contract Value: £220,000

Location: Plymouth City Centre

Total Social Value Committed:
£35,010

Total Social Value Add (SVA) per £ Contract Value:
15.91%



Theme	Ref	Measures	Total Social Value
Employment	NT1	No. of local direct employees (FTE) hired or retained (for re-tendered contracts) on contract for one year or the whole duration of the contract, whichever is shorter	£5,179.20
	NT1c	No. of local people (FTE) on contract for one year or the whole duration of the contract, whichever is shorter, employed through the supply chain as a result of your procurement requirements	£5,179.20
	NT2	Percentage of local employees (FTE) on contract	n/a
Economy	NT18	Total amount (£) spent in LOCAL supply chain through the contract	£3,500.00
	NT19	Total amount (£) spent through contract with LOCAL micro, small and medium enterprises (MSMEs)	£10,500.00
	NT19a	Total amount (£) spent with local Micro and Small enterprises within your supply chain through the contract	£2,100.00
Society	NT21	Equality, diversity and inclusion training provided both for staff and supply chain staff	£3,844.40
Environment	NT68	Plastic recycling rate on the contract (to e.g. reduce microplastics)	£100.00
	NT72	Hard to recycle waste diverted from landfill or incineration through specific recycling partnerships (e.g. Terracycle or equivalent)	£4,707.50
Total Social Value			£35,010