



Department  
for Culture  
Media & Sport

## Social Value Case Study

B2B North and Newcastle City Council

April 2017

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Newcastle  
City Council 

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## WHAT ARE THE HEADLINES?

To embrace the Social Value Act fully, Newcastle City Council is not just developing specific 'social value' questions within tenders, but is embedding social value at *every* stage of commissioning. They will do so by:

1. Carrying out full market and community engagement at the outset.
2. Ensuring social value is fundamental to the design, effectiveness and output of the service.
3. Ensuring social value is embedded within 'Quality' and other procurement questions.
4. Including specific social value questions within the tender.
5. Aiming for social value to impact the long-term 'legacy' of provision and contract management.

This approach has been developed and tested across both social provision and commercial outsourcing contracts to become a 'model' process for the commissioning of significant citywide contracts.

This publication contains two case studies, each focused on embedding social value within a local service. The first case study looks at redesigning Family Support Services, while the second looks at Winter Maintenance of roads.

Newcastle City Council used a **Social Value Commitment** and a **Social Value Framework** to assist them in embedding social value. These tools can be found in the Appendices at the back of this document.

## WHAT IS THE CONTEXT?

### What social value means to Newcastle City Council

"Social value is, simply, value that accrues in our local communities. It is what city residents say is valuable to them, for example; sustainable employment, a decent place to live, and equal access to a range of quality services in the local area."

## Developing a partnership

The Social Value Act provides local authorities with an opportunity to fundamentally reassess and change how they approach commissioning and delivery of key services. Response to the Act could take any number of paths. You could see the Act as yet another requirement of the already complicated procurement process, as a way to reformulate existing sustainability approaches, or as an opportunity to maximise local value from local spend.

Newcastle City Council used the Social Value Act as an opportunity to leverage social value impact from the very start of the commissioning design process; this approach was led by the Assistant Director of Inclusion, Commissioning and Procurement, in partnership with senior commissioners and technical specialists.

The team had a shared purpose from the outset, driven by engagement and collaboration from key city stakeholders including:

- North East Chamber of Commerce
- Federation of Small Businesses
- Price Waterhouse Cooper
- Various voluntary and social enterprise groups
- Newcastle Councils for Voluntary Service (NCVS)
- North East Social Enterprise Partnership (NESEP)
- Representative businesses involved in social value and procurement support
- Commissioners and economic development from specialists from within the Council

This 'Social Value Partnership Group' met regularly throughout 2014 to co-develop and codify the city's Social Value Commitment. The Commitment was adopted and passed by the full Council in February 2015. Following wider consultation through stakeholder groups and open online feedback, a framework to transpose the Commitment principles into practice was developed.

## HOW WAS SOCIAL VALUE GENERATED?

### A genuine Social Value Commitment

The Social Value Commitment is a set of guiding principles from which more detailed processes can be developed. It aims to produce a set of active, guiding objectives to ensure that social value concerns are fully embedded across the culture, operations and activity of the Council. In the words of the Council, “*Social value is not an ‘add-on’ to core business; we will design and embed social value into the goods, works or services we procure in the first place.*” In essence, the principles are:

1. *Think, Buy, Support Newcastle.* To value local spend and recognise that social value is a part of the Council’s core business.
2. *Community focused.* Not to assume that the Council already knows what people in the City want. Instead, to ensure that mechanisms are in place for local people and partners to feedback on a regular basis and to use this feedback to shape practice.
3. *Ethical leadership.* To work with businesses that employ high ethical standards within their practice, and those who want to work to improve their ethical approach.
4. *Green and sustainable.* To work with partners and providers to promote green, sustainable practice.
5. *Enabling change.* To ensure that people understand the Council’s high-level principles, what social value might look like in the context of these principles, and what they might do to create social value.

The Council use the principles of the Social Value Commitment as a touchstone for decision-making and endeavour to apply them to all commissioning and procurement processes. Doing so will ensure each commission can be evaluated and implemented in a tailored way, without pre-prescribing.

#### Newcastle City Council’s pledge

“In making a Social Value Commitment, we want to help create social value and to recognise its worth.”

## Principles into practice

The principles within the Social Value Commitment formed the basis of the Council's procedures to ensure that social value is considered at every level of the commissioning and procurement process.

*Core processes.* Core procedures ensure that all goods, services and works, regardless of value or duration, undergo due social value consideration in a proportionate way. Officers are led through their assessment by flowcharts, guidance from specialist officers, prompts and 'traffic-light' gateways to ensure compliance. Managers oversee practice to ensure it is aligned to the Commitment.

*Strategic commissioning.* Harnessing social value is carefully balanced against the cost and potential benefits of the contract; social value is timely and proportionate to the contract.

To enhance the approach for high-value / long-duration contracts (where the benefits are likely to be most significant), Newcastle challenged itself to develop a consistent Framework for stakeholder engagement. This Framework aims to be used across different markets to enable stakeholders to shape service design and methodology from its earliest stages.

In developing its Framework, Newcastle City Council sought to answer key questions drawn from the implementation of their Social Value Commitment. Such questions included:

- What impact and gains can be made when services are being re-modelled / re-assessed through budget constraints, or are being taken out to market for the first time?
- What does the Social Value Commitment actually mean in practice?
- How can we use the Social Value Commitment to produce a new commissioning model?
- Will the same approach work for social provision and for commercial service contracts?
- How will social value considerations impact on existing processes?

## Embedding social value

Newcastle City Council aimed to embed social value by carrying out the following tasks:

1. *Service design.*
  - a. Stakeholder engagement.
  - b. Market engagement.
2. *Specification and development of contract requirements.*
  - a. Defining performance measures.
3. *Development of evaluation criteria and scoring.*
  - a. Evaluating of specific contract/specification requirements.
  - b. 'Free' social value additions, representing added value that bidders offer.
4. *Contract management.*
  - a. Managing performance against defined social value measures.
  - b. Aggregating social value impact across the commissioned activity.

Once the Framework was fully implemented, it was used as a tool to ensure social value is embedded throughout the Council's end-to-end process of:

- Market and stakeholder consultation.
- Co-design of new commissioning and procurement models.
- Further embedding of social value throughout the tender and procurement process.
- Tender evaluation.
- Driving and monitoring delivery of social value from contract delivery.

## Testing and next steps

Two disparate commissioning projects were identified as examples through which to test this new end-to-end strategic process – Family Support Services and Winter Maintenance. The following two case studies focus on embedding social value within the initial design stage of the commissioning process.

## CASE STUDY 1: FAMILY SUPPORT SERVICES

**Commissioning opportunity:** Family Support Services

**Financial value:** c. £5 million

**Contract duration:** 4 years (2 years + 2 x 12 months options to extend)

Family Support Services across Newcastle were delivered as a citywide model of fully integrated whole-family support, made up of a Community Family Hub, Citywide Family Support, and Youth Support. The Council were looking to add a range of services that will also be delivered in partnership, such as early help, Sure Start for children under 5, and intensive whole family working.

The delivery model was complex, incorporating a wide range of groups and providers, volunteers, and a 'mixed economy' including core Council teams. Family Support services sat alongside other specialist services, with community support organised across the West, Central and East. Targeted within these areas were postcode-based 'Super Output Areas', identified by indices of multiple deprivation. Indicative outcomes and objectives included:

- Engagement of target groups with services and programmes.
- Improved wellbeing and reduced inequality of children under 5.
- Increasing school attendance.
- Reducing youth crime and anti-social behaviour.
- Supporting adults on the pathway back to work.
- Responding to community needs at a local level.
- Involving communities in developing responses.
- Making the role of organisations clearer.

## Engagement and shaping the provision

At every step, the integrated Commissioning and Procurement team led the service development.

Some of the key stages of the service development included:

1. May and June 2015: 2 provider consultation events to inform shape the future operating model
2. 15 July 2015: Tender Ready Session (half day bid writing workshop)
3. 30 November 2015: Social Value Workshop
4. 17 December 2015: Proposed Contract Opportunities Document published
5. 11 January 2016: Provider Workshop
6. 1 February 2016: Provider Networking Event (Process Review and feedback)
7. 15 February 2016: Tender Ready Session (half day bid writing workshop)
8. 1 March 2016: Pre Tender Briefing (Procurement Briefing outlining tendering process)

Almost 50 prospective providers and community stakeholders took part in the events. The events were open, consultative and supported by published presentations and feedback. A full follow-up of the issues raised was incorporated into the developing model, and discussed and reviewed at subsequent forums.

## The Social Value Workshop

This commissioning exercise was the first opportunity to fully embed the framework outlined in Appendix B. From this, the first Social Value Workshop was held; the Workshop aimed to centralise stakeholder views so that outcomes could be reviewed, assessed, and integrated into the final development of a published commissioning model. As the first Workshop of its type, it sought to test the key elements of the consultative approach. If successful, it aimed to provide a template for future engagement events as an integral part of commissioning.

The Workshop was advertised to the public and prospective providers, and was attended by almost 50 delegates from across stakeholder groups.

The agenda and content was carefully prepared following the Framework, with tables arranged into balanced, mixed groups to facilitate a varied discussion. Supporting presentations and discussion materials were designed to capture the discussion. A fully briefed ‘facilitator’ was allocated to each table to enable the process. The Workshop generated a rich discussion and a range of Social Value perspectives, which have been outlined in the table below.

## Feedback from the Workshop

Despite the large ambition and scope of the event, it was very well received and understood; discussion and feedback was lively, inclusive and insightful. Given the level of involvement and the social nature of the contract, it was felt that roundtable discussions could have been scheduled for longer.

Facilitation proved to be extremely important to ensure that discussions remained focused on the framework objectives, that all groups and perspectives were heard, and that the event was not monopolised by individual perspectives. Sharing each table’s contribution across the whole group at the end of the session shared understanding and enabled a shared outcome from the event. The importance and value of building community-focused services from the ground up became one of the key themes.

## Action plan generated by the Workshop

EVENT THEMES	COUNCIL RESPONSE	HOW IT FITS IN THE PROCESS
<b>Think, Buy, Support Newcastle</b>		
Local beneficiaries need to have an impact on decision-making.	Fully engage local people in service design, and throughout the contract.	<ul style="list-style-type: none"> <li>● Specification</li> <li>● Evaluation questions</li> <li>● Key performance indicators</li> </ul>
Local organisations have established local networks and are trusted by the community.	Ensure providers have opportunity to show established networks in their bid.	<ul style="list-style-type: none"> <li>● Evaluation questions</li> </ul>

EVENT THEMES	COUNCIL RESPONSE	HOW IT FITS IN THE PROCESS
Working in partnership is important for stability and growth of the local marketplace.	Organisations that bid for larger lots to show how their delivery model will maximise partnership working with other providers.	<ul style="list-style-type: none"> <li>● Specification</li> <li>● Evaluation questions</li> </ul>
Consortia discussions need realistic timeframes.	Hold consortia working session. Allow time between publishing of contract opportunities and bidding, so partners can develop their partnerships. Hold a supportive networking event.	<ul style="list-style-type: none"> <li>● Commissioning model design</li> <li>● Market feedback session</li> </ul>
In relation to the whole system (not just this contract), how will local multi-agencies work together to help families?	Organisations are required to show, through their bid, how they would ensure effective multi-agency working.	<ul style="list-style-type: none"> <li>● Specification</li> <li>● Evaluation questions</li> </ul>
<b>Community Focus</b>		
Hubs should be located in a place that is accessible and safe for local people.	Ensure that accessibility and safety of service location is considered.	<ul style="list-style-type: none"> <li>● Commissioning model design</li> <li>● Specification</li> <li>● Evaluation questions</li> </ul>
Splitting geographical areas into smaller lots will support smaller organisations to bid. It will allow services to be tailored to specific community needs.	Split the proposed West, Central and East lots into even smaller lots. These lots will reflect the needs of the community within which they operate.	<ul style="list-style-type: none"> <li>● Commissioning model design</li> <li>● Specification</li> <li>● Evaluation questions</li> </ul>
The community should have a voice in the service design and delivery.	Carry out community consultation throughout the process. Inclusion of community voice will be monitored as part of contract management activity.	<ul style="list-style-type: none"> <li>● Specification</li> <li>● Evaluation questions</li> <li>● Key performance indicators</li> </ul>

EVENT THEMES	COUNCIL RESPONSE	HOW IT FITS IN THE PROCESS
<b>Ethical Leadership</b>		
Ethical staff policies, like the living wage, need to be possible within budget constraints.	Within the pricing element of the tender, give consideration to ethical policies.	<ul style="list-style-type: none"> <li>● Contract requirements</li> </ul>
It would be helpful to commit to longer contracts to ensure stability for staff.	The contract length is 2 years, with 2 x 1 year options to extend to support workforce stability.	<ul style="list-style-type: none"> <li>● Contract requirements</li> </ul>
Local communities should inform service delivery.	Carry out community consultation throughout. This will be monitored as part of contract management activity.	<ul style="list-style-type: none"> <li>● Specification</li> <li>● Evaluation questions</li> <li>● Key performance indicators</li> </ul>
<b>Green and Sustainable</b>		
The location of the community family hubs should be within walking distance of most people in the local area.	Ensure that accessibility and safety of service location is considered. Ensure services can be accessed by sustainable transport methods that have pedestrian access.	<ul style="list-style-type: none"> <li>● Specification</li> <li>● Evaluation questions</li> </ul>
Family support services should educate families on green, sustainable practices.	Ensure that bidders demonstrate how they will educate families on green, sustainable practices.	<ul style="list-style-type: none"> <li>● Evaluation questions</li> </ul>
Organisations delivering the service should have green and sustainable policy and practice.	Ensure that bidders are required to demonstrate their commitment to sustainability. Agreed sustainability measures will be monitored as part of the contract.	<ul style="list-style-type: none"> <li>● Specification</li> <li>● Evaluation questions</li> <li>● Key performance indicators</li> </ul>

## Measurement and assessment

Measurement of the overall impact of this approach will be fully possible once the tender has been published, at subsequent phases of the tendering / evaluation process, and importantly into contract management.

However, this approach has already provided benefit by enabling social value outcomes to inform commissioning model design and specification development.

By building social value into every aspect of the approach, Newcastle is building a model that puts social value at the heart of its service delivery. It is anticipated that the potential impact of this will include:

- Improved engagement, KPIs, impact and outcomes.
- Added value to services (such as volunteer and other community resources).
- Impacts on local spend.
- Impact on local employment and 'back into work' additional to contract.
- Impact on effectiveness and value of service budgets and in-house staff.
- Impact on sustainability of local community and volunteer groups, community buildings and assets (and the potential value of continued contribution to other provision and services).
- Environmental impact of 'walk to' hubs and locally based support.
- Specific additional social value gained.

## CASE STUDY 2: WINTER MAINTENANCE

**Commissioning Opportunity:** Winter Maintenance

**Financial Value:** c. £8 million

**Contract Duration:** c. 7 years (5 years + 2 x 12 months options to extend)

In addition to socially driven provision, the Newcastle Social Value Commitment and Framework was also applied to a significant commercial contract: Winter Maintenance. This contract aimed to put salting and snow-clearance of roads out to external tender for the first time. Market consultation was undertaken to ascertain whether the Council's existing fleet of vehicles would be part of the contract.

### Engagement and shaping the provision

Market consultation for this contract opportunity commenced in February 2016. At the time of writing, consultation had so far been centred on the 'best' delivery model – matching market capability, best value, and Council priorities – with approximately 20 market representatives engaging in the process to date.

As a large contract with significant environmental considerations, this passed the 'high impact' threshold for social value and required full stakeholder consultation.

### The Social Value Workshop

Following positive feedback from the first Social Value Workshop, the approach for the Winter Maintenance social value discussion remained the same as that used for Family Services. As a new external commission, the Winter Maintenance Social Value Workshop was run as part of a wider market consultation event in February 2016. The event comprised of a documented briefing to suppliers, roundtable discussions on the proposed provision and the potential models and approaches. Social value was an integrated, core component of the session. The Workshop took the same facilitator-led format as previously adopted, using the same structure that was based on the 5 pillars of Newcastle's Social Value Commitment.

## Feedback from the Workshop

Despite the different commissioning context and audience, social value was fully engaged with, and generated lively and engaged feedback that impacted across every aspect of the service. Most of the attendees grasped the concept well. The importance of well-informed facilitation was clearly highlighted in this session, as some more informed facilitators were able to generate more in-depth feedback from delegates than those who were new to the Framework. The Council therefore agreed to embed training on facilitation of the Framework within its Learning and Development Plan. Gaining social value input at this early commissioning stage enabled the Council to consider stakeholder views within the service model design, the results of which can be seen in the table below.

## Action plan generated by the Workshop

EVENT THEMES	COUNCIL RESPONSE	HOW IT FITS IN THE PROCESS
<b>Think, Buy, Support Newcastle</b>		
Employing local people will increase likelihood of staff being knowledgeable about relevant routes and communities.	Encourage employment of local people. Drivers directed by navigation software. Drivers to have sound, local knowledge.	<ul style="list-style-type: none"> <li>● Evaluation questions</li> <li>● Key performance indicators</li> </ul>
Providers should target investment in their local supply chains for resources.	Support local supply chains and encourage contractors to look at local sourcing options for goods and materials required.	<ul style="list-style-type: none"> <li>● Evaluation questions</li> </ul>
Using a local business will increase the resilience to respond to severe weather occurrences at short notice.	Response times for this service are crucial due to unpredictable weather. Minimum response times will be built into the contract specification. The successful contractor would be expected to deliver these times.	<ul style="list-style-type: none"> <li>● Specification</li> <li>● Evaluation questions</li> <li>● Key performance indicators</li> </ul>

EVENT THEMES	COUNCIL RESPONSE	HOW IT FITS IN THE PROCESS
<b>Community Focus</b>		
<p>Training and apprenticeships for unemployed, local people / ex-offenders / returning veterans (NB: HGV drivers are needed to drive the vehicles and must be a minimum age of 18).</p>	<p>Prioritise local employment skills and training. Welcome initiatives to get local people into training and employment via this contract, particularly groups such as veterans, ex-offenders, and those not in employment, education or training (NEET).</p>	<ul style="list-style-type: none"> <li>● Evaluation questions</li> <li>● Key performance indicators</li> </ul>
<p>Work with local VCS / care providers / schools to ensure access to places where vulnerable communities may be. Grit roads to ensure access for emergency vehicles in winter.</p>	<p>Welcome contractors who work with local partners, particularly for vulnerable groups and communities. Facilitate links between local partners and contractor to enable this.</p>	<ul style="list-style-type: none"> <li>● Evaluation questions</li> </ul>
<b>Ethical Leadership</b>		
<p>Pay national living wage and avoid use of zero hour contracts. The budget should allow for this.</p>	<p>Encourage providers to pay staff the living wage. As of April 2016 all organisations must pay staff the national living wage and should make provision for this.</p>	<ul style="list-style-type: none"> <li>● We will promote the living wage throughout the commissioning phase</li> </ul>
<p>Use public sector standards in the supply chain.</p>	<p>Providers to abide by legal standards throughout supply chain. Contractors should pay their supply chain within 30 days of receipt of invoice.</p>	<ul style="list-style-type: none"> <li>● Specification</li> <li>● Contract</li> <li>● Pre-Qualification Questionnaire</li> </ul>

EVENT THEMES	COUNCIL RESPONSE	HOW IT FITS IN THE PROCESS
<b>Green and Sustainable</b>		
<p>Environmentally friendly vehicles – if the 57 plate vehicles that the Council owns are to be part of the contract, could these be phased out during the life of the contract and replaced by more efficient vehicles?</p>	<p>Anticipate that existing fleet of 57 plate vehicles will be part of the contract from the outset. Work with successful contractor to ensure that vehicles are renewed and replaced with fuel-efficient vehicles.</p>	<ul style="list-style-type: none"> <li>● Commissioning model design</li> <li>● Specification</li> <li>● Evaluation questions</li> <li>● Key performance indicators</li> </ul>
<p>Consider options to improve route optimisation and if there is potential to combine routes.</p>	<p>Contractors to review current routes when contract opportunities are published. Include data requested from event to ensure bidders have information to make an informed decision. Consider changes to routing in line with any feedback received.</p>	<ul style="list-style-type: none"> <li>● Commissioning model design</li> <li>● Specification</li> <li>● Evaluation questions</li> <li>● Key performance indicators</li> </ul>
<p>Abide by industry standards for use and storage of salt.</p>	<p>Contractors expected to abide by industry standards, including the use and storage of salt.</p>	<ul style="list-style-type: none"> <li>● Specification</li> <li>● Evaluation questions</li> <li>● Key performance indicators</li> </ul>
<p>The length of the contract should be greater than 7 years due to the investment required.</p>	<p>Consider extending the length of the contract to take into account the long-term investment. Publish revised position in contract opportunity document.</p>	<ul style="list-style-type: none"> <li>● Commissioning model</li> </ul>

## WHAT HAVE BEEN THE KEY AREAS OF SUCCESS?

Newcastle City Council aimed to positively grasp the intention and potential of the Social Value Act. Rather than a procurement burden, the Act has been seen as a tool for providing focus, buy-in and action from suppliers and stakeholders to generate the maximum value and local impact from strategic budgets.

Careful, consultative, focused activity has resulted in a robust Social Value Commitment that goes beyond a policy statement into a consistent framework from which to approach and drive engagement and results. Consideration of social value has been successfully and consistently embedded and integrated as part of the commissioning process across two very different procurements. This includes Social Value Workshops, which (with careful and positive preparation and management), have used the pillars of the Social Value Commitment to generate deep and insightful feedback. Key to this has been thorough presentation, clear vision and objectives and table-based facilitators able to guide and mentor discussion.

Principles and practice have been readily understood by different audiences, from social and community providers across local Family Support Services to commercial providers of all sizes engaging with Winter Maintenance. They have approached this issue with little or no prior knowledge or understanding, yet fully engaged with the process and appreciated the partnering, consultation and listening that the process represents. This should mean that, as social value becomes evident throughout the rest of the process, suppliers would understand where and why it has been generated and will be in a position to use this fully during competitive tendering.

Key to the success to date has been the positive culture and approach of the senior managers, and the integration of Commissioning and Procurement at every step; they have ensured joint understanding and objectives and a fully informed handover into formal procurement processes able to protect insights wherever possible.

At this stage we have yet to see how the accumulated social value has transferred to the final specifications and tenders, and will be tracking how this is affected by other factors and decision-making.

## APPENDIX A: NEWCASTLE'S SOCIAL VALUE COMMITMENT

### What is social value?

Social value is, simply, value that accrues in our local communities. It is what city residents say is valuable to them, for example; sustainable employment, a decent place to live, and equal access to a range of quality services in the local area. In making a Social Value Commitment, we want to help both create Social value, and recognise its worth. Social value is not an 'add-on' to core business; we will design and embed social value into the goods, works or services we procure in the first place.

### Our principles

In developing our local Commitment, we have talked with local partners from the city's social enterprise, voluntary, charitable and private sectors to find out what they and their stakeholders think social value is in Newcastle, and how they think it should be recognised. These partnership discussions have led us to set out the following principles:

***Think, buy, support Newcastle.*** We will value local spend and recognise that social value is a part of our core business. Spending money locally generates value across our supply chain, and effectively delivers it to local people. For instance, research by the Federation of Small Businesses suggests that every £1 spent by a local authority with local SME's generated an additional 63p of benefit for the local economy. It is therefore important that we place appropriate value on the spending of money in our local economy. To do this, where the market allows, we will prioritise targeting our procurement spend towards Newcastle-based organisations.

***Community focused.*** We will seek to understand and deliver value that local people recognise. We will not assume that we know what people in the City want, but instead, we will ensure that we have mechanisms in place for local people and partners to feedback to us on a regular basis and use this feedback to shape our practice. In doing this, we believe that we should – together with partners who have a common interest in the future growth, success and vibrancy of the city – push for greater recognition of, and response to, the specific local social challenges in everything we do.

For example, we could use our collective purchasing power to push for more jobs and apprenticeships in the city, or encourage businesses to offer a greater contribution to local people through Corporate Social Responsibility (CSR) activity.

**Ethical leadership.** We understand that social value is not just about CSR or legal obligations, but is integrally linked to our ethics and beliefs. We will therefore seek to work with businesses that employ high ethical standards within their practice, and those who want to work to improve their ethical approach. For example, we will aim to contract with those organisations that pay their fair share of taxes, those that pay their staff a living wage, those that utilise environmentally sustainable practices and those that ultimately have a positive effect on our communities through the work that they do. We will also aim to procure Fairtrade products wherever possible, as part of the City's commitment to Fairtrade.

**Green and sustainable.** As part of our ethics commitment, we commit to using resources efficiently and protecting the environment by minimising waste and energy consumption. We want Newcastle to continue to be a great place to live, work and visit and we know that to do this we need to look after our environment. As well as ensuring our own high performance in this area as part of our Climate Change Commitment, and our commitment to prepare for its impacts we will work with partners and providers to promote green and sustainable practice in the work that we commission and procure. For example, where applicable we will encourage recycling to reduce waste, minimise negative local impacts such as noise pollution, promote measures to reduce the City's carbon footprint, and ensure suppliers are considering how climate change will affect their business.

**Enabling change.** To do all of this, we need to equip ourselves and others to create and recognise the broad selection of things, which together deliver social value. For our Commitment to be meaningful, we need to be very active in enabling both Council staff (particularly, but not only, commissioning and procurement staff), and also our local private, social enterprise and voluntary sector partners to respond to the challenge. This means ensuring people understand not only our high level principles, but also what social value might look like in their context and, critically, what they might personally do to create it. We will develop an appropriate, lean approach to assessing and measuring social value contributions that embeds it as part of what we do, day to day.

## APPENDIX B: NEWCASTLE'S SOCIAL VALUE FRAMEWORK

### Identifying and securing commissioning opportunities for social value

This note proposes an approach to identifying and securing Social Value opportunities throughout the whole commissioning cycle. It specifically responds to the requirements of the Social Value Act which focuses on 'designing in' Social Value in the service design phase, as well as setting out how we will implement opportunities that are identified during procurement and contract management.

### Our principles

The Council has made a Social Value Commitment that sets out five principles of social value, which must form the basis of our social value-focused activities throughout our commissioning cycle. These are:

- *Think, Buy, Support Newcastle* -- thinking about local benefit first.
- *Community focused* – thinking about the value that could accrue to whole communities (distinct from customer or service-user groups).
- *Ethical leadership* – thinking about how we make sure our suppliers and their supply chains operate in line with Council principles.
- *Green and sustainable* – thinking broadly about the environmental and sustainability aspects of our commissioning.
- *Enabling change* – making sure stakeholders have the knowledge, information and skills to be able to make social value real.

These factors are what we have agreed social value means in Newcastle. We must also be able to articulate within this Framework how our social value impact relates to the pre-existing three 'pillars' of sustainable procurement -- environmental, economic and social benefits -- which are maintained within the Act.

## Impact potential and role of corporate social value leads

At present, we have individuals identified across council functions who are equipped to advise on the three domains of sustainable procurement – environmental, economic and social. Our principles cut across these three domains. We need to develop a methodology for assessing when engagement of these lead individuals is sufficient, and when it is appropriate and proportionate to involve a much wider stakeholder group.

## Added value of regional working

These principles are locally adopted and must form the basis of our local Social Value assessment. However, there is valuable work going on in the region to build a reference list of KPIs, contract clauses and evaluation criteria on which we will draw, and to which we will want to contribute through the opportunity identification process set out below.

## Process steps within which social value should feature

Our cycle can be understood as including 4 distinct tasks where we need to tangibly include social value actions:

1. *Service design.*
  - a. Stakeholder engagement.
  - b. Market engagement.
2. *Specification and development of contract requirements.*
  - a. Defining performance measures.
3. *Development of evaluation criteria and scoring.*
  - a. Evaluating of specific contract/specification requirements.
  - b. 'Free' social value additions, representing added value that bidders offer.
4. *Contract management.*
  - a. Managing performance against defined social value measures.
  - b. Aggregating social value impact across the commissioned activity.

## Table: process steps within which social value should feature

<p><b>Service design</b></p>	<p><u>Social Value Opportunity Identification (SVOI)</u></p> <p>SVOI should become a core part of our service design process (mapping this out at a high level is an associated task).</p> <p><u>Steps</u></p> <ul style="list-style-type: none"> <li>● Assess whether social value impact of activity is low or high.             <ul style="list-style-type: none"> <li>○ Low impact activities to be assessed by C&amp;P with corporate social value leads only.</li> <li>○ High impact activities to be assessed with external stakeholder impact. Commissioner discretion as to how this is achieved (e.g. via Workshop, email, Let’s Talk etc.). NB: Contracts over EU threshold values will always be high impact.</li> </ul> </li> <li>● Via chosen process, complete SVOI assessment and report (see Appendix A).</li> <li>● Upload newly defined social value clauses, measures and evaluation criteria to regional reference list.</li> </ul>
<p><b>Specification and contract requirements</b></p>	<p>Draw down of identified clauses and performance measures - newly defined and pre-existing – in the regional reference list.</p>
<p><b>Evaluation criteria and scoring</b></p> <p><b>Contract management</b></p>	<p>Draw down of identified evaluation criteria – newly defined and pre-existing – in the regional reference list. Refer to weighting precedents.</p> <ul style="list-style-type: none"> <li>● Monitoring of KPIs designed to assess intended social value impact.</li> <li>● Aggregation of these to assess cumulative benefit.</li> </ul>

## Social Value Opportunity Identification Assessment (SVOI)

*A framework of questions to help stakeholders identify opportunities to build in social value.*

### 1. Think, Buy, Support Newcastle

☒ What benefits will local delivery bring?

- How will local people benefit (including but not only service users – think about the broader community who may experience employment, environmental and social benefits?)

Answers will influence: evaluation questions, KPIs.

### 2. Community focused

☒ What geographic or community boundary options are there within this opportunity that could influence social value?

- What does community data tell us about the potential contract geographies that can help us understand what particular social value -related needs or interests exist within these boundaries?

Answers will influence: contract geography decisions, linked to lotting, KPIs.

### 3. Ethical leadership

☒ What ethical issues exist within the contract subject area?

- Relating to service users or customers?
- Relating to the whole supply chain?
- Relating to the community as a whole?

☒ How could these be resolved, and what benefits would the community accrue if this were achieved?

Answers will influence: contract clauses, KPIs, evaluation questions, procurement route (inc. use of PQQ).

### 4. Green and sustainable

☒ What environmental sustainability issues exist within the contract subject area:

- Relating to service users or customers?
- Relating to any goods or consumables that are frequently used in the current model?
- Relating to use of natural resources in the current model?
- Relating to the community as a whole?

Answers will influence: contract clauses, KPIs, evaluation questions, procurement route (inc. use of PQQ).

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