



The role of local councils in delivering social value and community level inclusive economic outcomes

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Structure and Agenda

- What do we mean by Social Value and Inclusive Outcomes?
- Context to Social Value and Inclusive Outcomes in Northern Ireland
- The relevance of Social Value and Inclusive Outcomes to APSE
- Our 10 top tips to embedding Social Value and Inclusive Outcomes into Council practice in Northern Ireland

Quick Icebreaker

- On your tables and using the post its:
 - What words do you think of when you hear the phrases 'Social Value' and 'Inclusive Outcomes'?

Definitions

“The Greater Manchester Social Value Network seeks to ensure that Social Value is at the heart of everything that Greater Manchester does. Public Institutions, Businesses and Voluntary and Community Sector Organisations should not only deliver their day to day activities, but they should actively bring local economic, social, and environmental benefits for communities in which they are based. This includes benefits around jobs, skills, the local environment, and support to the voluntary and community sector. Social Value should not be an add on – it should be a fundamental part of business behaviour” (GMSVN)

Definitions

- “The Act places a requirement on commissioners to consider the economic, environmental and social benefits of their approaches to procurement before the process starts. They also have to consider whether they should consult on these issues. ” (Social Value Act - England)

Definitions: Inclusive Outcomes?

- **What do we mean by inclusive economic growth or economies?**

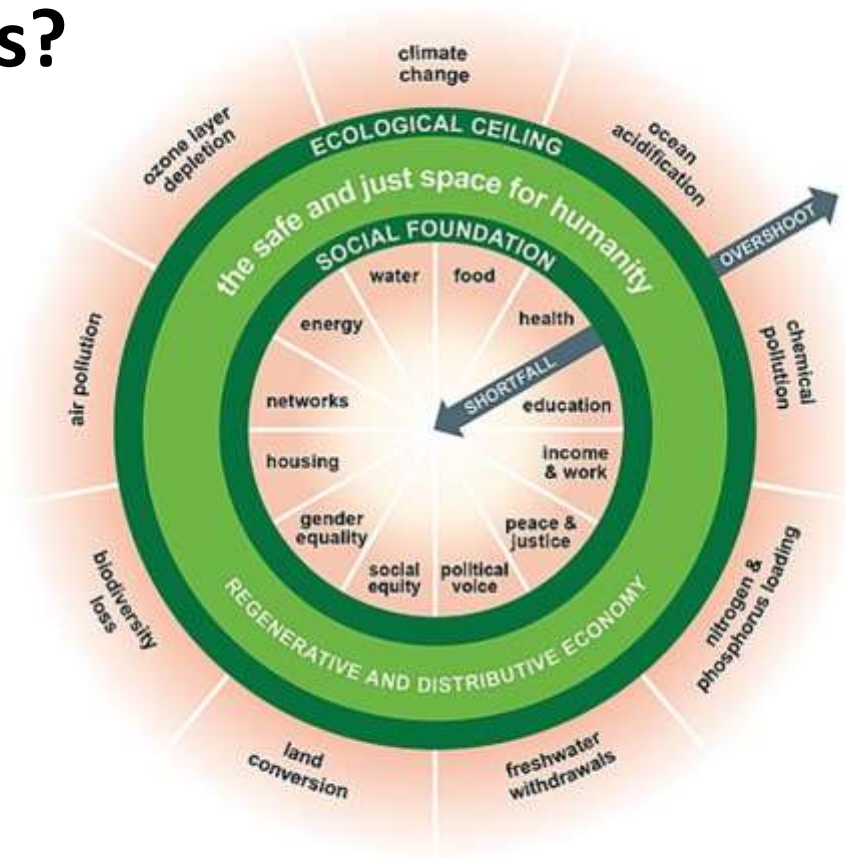
‘Inclusive growth is economic growth that is distributed fairly across society and creates opportunities for all’ [OECD]

‘Different metrics, including better measures of people’s economic insecurity’ [OECD]

‘inclusive growth could be defined as mainly benefiting groups that are otherwise disadvantaged; such growth is more appropriately defined as “disadvantage-reducing” growth.’ [Klasen, S, 2010]

See alsoDoughnut Economics: Seven Ways to Think Like a 21st-Century Economist, Kate Raworth

What are the metrics?



Citation: 'Doughnut Economics: Seven Ways to Think Like a 21st-Century Economist, Kate Raworth

Context

EU Exit?

Still some procurement requirements.....

Publication of Notices

31st December 2020 no longer a requirement to publish notices related to procurement and contracts on the Official Journal of the European Union (OJEU).

From this date the NIAC will publish these notices on the UK e-notification service – ‘Find a Tender’.

Public contract regulations amended

**Public Contract Regulations (PCR) 2015. Amended to reflect Brexit
but.....**

Exclusions clauses still in the regs!

- Tax Avoidance
- Fitness of the operator
- Award of contracts for social or specific purposes

Powers, duties and funding?

Community Planning

A council must—

- (a) initiate; and
- (b) having done so, maintain, facilitate and participate in, community planning for its district.

(2) Community planning for a district is a process by which the council and its community planning partners—

(a) identify long-term objectives for improving—

- (i) the social well-being of the district;
- (ii) the economic well-being of the district; and
- (iii) the environmental well-being of the district;

(b) identify long-term objectives in relation to the district for contributing to the achievement of sustainable development in Northern Ireland; and

(c) identify actions to be performed and functions to be exercised by the council and its community planning partners (including actions and functions related to the planning, provision and improvement of public services) for the purpose of meeting the objectives identified under paragraphs (a) and (b).

(3) In subsection (2)(a)—

(a) the reference to improving the social well-being of the district includes promoting equality of opportunity in accordance with section 75 of the Northern Ireland Act 1998 and, without prejudice to this, having regard to the desirability of promoting good relations; and

(b) the reference to improving the economic well-being of the district includes tackling poverty, social exclusion and patterns of deprivation;

Powers, duties and funding?

Economic development

- Powers in planning
- Urban regeneration
- Community development

Powers, duties and funding?

Funding

UK Shared Prosperity Fund

Replaces EU structural funding (e.g., European Regional Development Fund and the European Social Fund) with a fund that is 'better tailored to the UK economy and helps to level up and create opportunity across the UK for people and places.'

- Target places most in need, including ex-industrial areas, deprived towns and rural and coastal communities.
- A portion of the fund to prioritise investment in people, investment in communities and place and investment for local business.
- A second portion of the Fund will be targeted differently to people most in need through bespoke employment and skills programmes that are tailored to local need.

Funding 2022 to ensure that total domestic UK-wide funding will at least match EU receipts reaching around £1.5bn a year.

Procurement spend through NI Assembly and requirement around Social Value

New Social Value Policy announced by Finance Minister, Conor Murphy
Mandatory scoring of social value within public procurement contracts.

From June 2022, tenders must include a minimum of 10% of total award criteria to social value.

Applies to:-

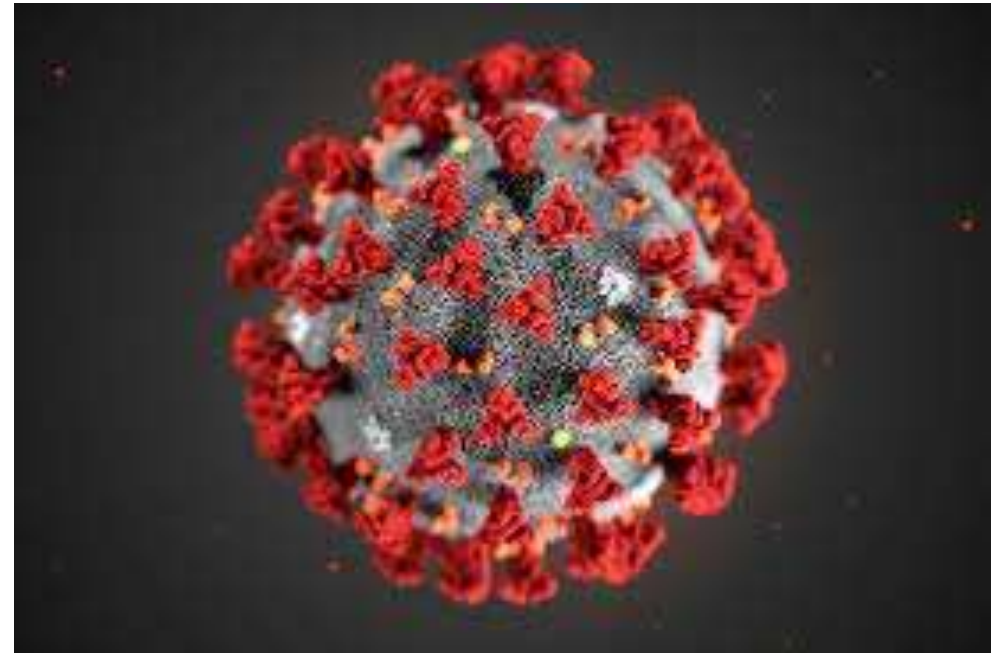
- Service contracts valued above £123,000
- Construction contracts valued above £4.7million

The minimum weighting will increase to **20% from June 2023** subject to review and approval by the Executive.
Accounts for approximately 97% of total government procurement spend. Government spends £3 billion annually on procurement.

The Minister said “It sees social value placed at the very heart of public procurement, setting new standards that rewards companies for doing the right thing while ensuring the Executive uses its spending power for the common good.”

Post-pandemic recovery?

- Not equal misery
- Inequalities in outcomes
- Unemployment or under-employment?
- New skills and capacity
- Training and apprenticeships
- Housing quality
- Urban green spaces and parks
- Environmental quality



Issues for APSE member councils

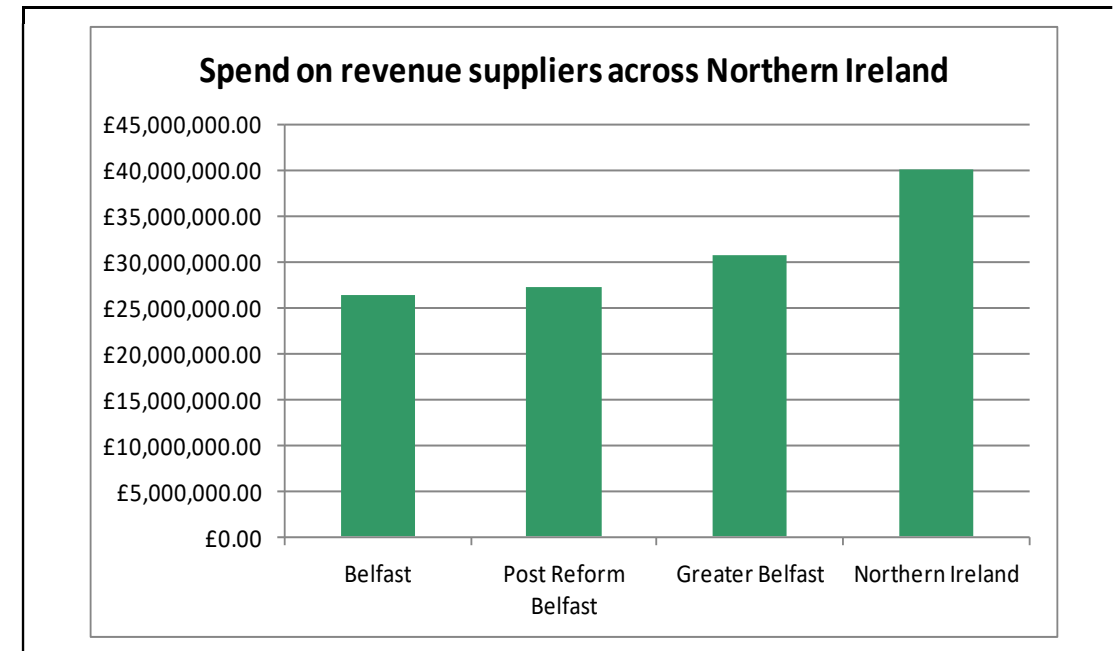
- The EU exit report identified opportunities as well as challenges
- Key to this is how frontline services behave as part of the council overall – such as supply chain decisions, workforce training and development, greener decision-making
- As a good employer: Pay, pensions, and terms and conditions
- Supporting each other –sharing best practice through Networks

Our top 10 tips

- These are our top ten ways of embedding Social Value into a local council context
- Throughout we are going to present each tip in turn and an example and we want you to think about:
 - What you are already doing around that tip
 - What is preventing you from doing further work around that tip
 - Whether you think it is worth responding to that tip in the future
 - What support you need to respond

Tip 1 – Measure where existing spend goes

- Analyse by:
 - Geography
 - Sector
 - Type of organisation
 - Gaps
- Why important:
 - Provides a baseline
 - Starts process of thinking differently
 - Useful for economic development



Tip 2 – Set policy narrative

- Social Value needs to be a core part of wider strategy
- Social Value outcomes are often the wider outcomes local council will look to realise
- Set a vision:
 - “A long term collaborative commitment to community wealth building in Lancashire for influenceable spend.”



Tip 3 – Develop Social Value Framework

- An organisational framework for embedding Social Value
 - Themes
 - Outcomes
 - Activities
 - Questions
 - Means of Evaluation
 - Matrix
 - Monitoring

The screenshot shows a Microsoft Excel spreadsheet titled "South Hildesborough Council Social Value Framework". The spreadsheet is divided into several sections, including a "Social Value Framework" table and a "Social Value Framework Matrix" table.

Social Value Framework Table:

Theme	Outcome	Activity	Question	Means of Evaluation
Economic	Encouraging Sustainable Activity and Investment (South Hildesborough Council)	Encourage sustainable activity and investment (South Hildesborough Council)	1. How many jobs are created as part of the community's economic activity?	1. Quantitative (jobs created, value added, etc.)
	Encouraging Sustainable Activity and Investment (South Hildesborough Council)	Encourage sustainable activity and investment (South Hildesborough Council)	2. How many jobs are created as part of the community's economic activity?	2. Quantitative (jobs created, value added, etc.)
	Encouraging Sustainable Activity and Investment (South Hildesborough Council)	Encourage sustainable activity and investment (South Hildesborough Council)	3. How many jobs are created as part of the community's economic activity?	3. Quantitative (jobs created, value added, etc.)
	Encouraging Sustainable Activity and Investment (South Hildesborough Council)	Encourage sustainable activity and investment (South Hildesborough Council)	4. How many jobs are created as part of the community's economic activity?	4. Quantitative (jobs created, value added, etc.)
Environmental	Encouraging Sustainable Activity and Investment (South Hildesborough Council)	Encourage sustainable activity and investment (South Hildesborough Council)	1. How many jobs are created as part of the community's economic activity?	1. Quantitative (jobs created, value added, etc.)
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Social	Encouraging Sustainable Activity and Investment (South Hildesborough Council)	Encourage sustainable activity and investment (South Hildesborough Council)	1. How many jobs are created as part of the community's economic activity?	1. Quantitative (jobs created, value added, etc.)
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Social Value Framework Matrix Table:

Measure	Priority Value (at start)	Target	Report
1. How many jobs are created as part of the community's economic activity?	10,000	10,000	10,000
2. How many jobs are created as part of the community's economic activity?	10,000	10,000	10,000
3. How many jobs are created as part of the community's economic activity?	10,000	10,000	10,000
4. How many jobs are created as part of the community's economic activity?	10,000	10,000	10,000

Tip 4 – Make Cross-Departmental

- Not just the responsibility of procurement
 - Strategists
 - Policy Leads
 - Commissioners
 - Economic Development
 - Procurers
 - Contract and Category Managers

Cross Departmental relationships	The Economic Development Team at Lambeth Council form a part of the Procurement Board which is responsible for signing off procurement decisions over a value of £100k. This enables the Team to consider the extent to which suppliers are contributing to wider outcomes around employment and skills, for example, and to influence the procurement process. The role of Economic Development in procurement should not just be restricted to the Procurement Board and the implementation of the Responsible Procurement Policy. There is a real opportunity, given Economic Development's knowledge of the Lambeth business base for awareness to be raised amongst the local business base of upcoming procurement opportunities, and particularly those between £5k and £100k in value.
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Tip 5 – Build in during service design (commissioning)

- Think about:
 - Budget
 - Timeframes
 - Quality requirements
 - Technical specifications
 - Relevant Social Value



Tip 6 – Engage the market

- Meet the Buyer events
 - An opportunity to develop supply chains
 - An opportunity to explain specification
 - An opportunity to explain Social Value
 - An opportunity to stimulate innovation



Tip 7 – Ask the right questions

- Cannot be too burdensome
- Cost and quality still key
- Three types of questions
 - How many.....
 - What.....
 - Do you have.....

Use the Supplementary Planning Document around

Questions for Procurement Exercises	
1. How many jobs will you create as part of the contract for long term unemployed residents of South Ribble/specific neighbourhood in South Ribble?	1
2. How will you ensure that the jobs created are sustainable in the long-term for those individuals?	2
1. How many jobs will you create as part of the contract for hard to reach groups resident in South Ribble/specific neighbourhood in South Ribble (delete as appropriate: BAME/Homeless/Ex-Offenders/those not in education employment or training)?	1

Tip 8 – set the weighting

- Cost and quality remains key
- Social Value should be on a case-by-case basis
- Social Value should be above particular thresholds



Tip 9 – Monitor outputs

- Need to hold suppliers to account
- Collect quantitative outputs
- Collect Quantitative impacts
- Condition of contract
- But takes capacity

Measure ▼	Proxy Value (if applicable) ▼	Output ▼	Impact ▼
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	£18,965.00	{ADD NUMBER OF EMPLOYEES}	#VALUE!
EXAMPLE: NT4 No. of employees (FTE) taken on who are not in employment, education, or training (NEETs)	£13,636.00	{ADD NUMBER OF EMPLOYEES}	#VALUE!

Tip 10 – Review and review and review again

- This all takes time!

Final Questions and Answers

- Questions for Mo and Matthew

NEW MUNICIPALISM

Delivering for local people and local economies

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