



# **Social Value in Procurement 2023 – 2025 Policy Statement**

## Introduction

Social Value (Social, Economic and Environmental outcomes) is a key priority for the council in consideration of our strong asset base, future development opportunities and our annual £580 million procurement spend.

We aim to maximise the value of every pound we spend, and we need to work with developers, suppliers, our partners and the local community to create and develop opportunities for the local economy, local wealth building and retention to help to achieve our social value requirements.

We now include a minimum of 10% weighting in the decision-making award criteria for our procurement projects, and in 2020, Government issued a National Procurement Policy Statement (PPN06/20) which legally requires Contracting Authorities such as the council to have regard to social value and national priority outcomes:

- creating new businesses, new jobs and new skills
- tackling climate change and reducing waste
- improving supplier diversity, innovation and resilience

This policy and the legislative requirements, necessitate our consideration of social value at the earliest possible opportunity in our projects, and ensure we meet our obligations as well as achieving our objectives.

During 2021, the council was instrumental in the initiation of the County Durham Pound Project – this brings together local institutions for the benefit of the local communities within County Durham; to drive social, economic and environmental improvements and wellbeing for the future.

## Vision

Our vision is aligned with the Council's OPEN values:

- Outcome focused:

We're working internally and externally to maximise social, economic and environmental value through the procurement function and wider county network.

- People focused:

We're taking steps to improve the wellbeing of Durham County and benefit the people by maximising the value of every pound spent in the area and drive community improvements and the local economy.

- Empowering:

We're leading by example and empowering the community, suppliers, and our partners by providing the skills and knowledge to act on our social value commitments.

- Innovative:

We aim to improve quality of life in the County by using innovative techniques and methodologies for the promotion of social value opportunities and realisation of outcomes through radical collaboration and cross-sector working.

## **Aims and Objectives**

The aim of this policy is to provide the focus the Council's approach to Social Value.

Our aims and objectives are aligned to the work of the County Durham Pound Project (see page 6) and form the basis of our aspirations for local business and local communities, to:

- create more jobs for local people
- prioritise better health and wellbeing
- focus on equality, diversity and inclusion
- reduce our impact on the environment
- support with meaningful training and upskilling
- help communities, groups and charities

We will track our performance by utilising the National TOMs framework (Themes, Outcomes and Measures) and measure our success through target driven progress reporting.

## **Addressing areas of need**

Social value is maximised when activities and initiatives are directed towards addressing local needs and priorities. Therefore, in March 2022, Social Value Portal conducted a Local Needs Analysis on behalf of the Council using data from the Indices of Multiple Deprivation (IMD) and other public data sets. This data was mapped to show the areas of severe, high, mild, and low deprivation across County Durham.

Each ward was rated under the domains of Income; Employment; Education, Skills, and Training; Health; Crime; Barriers to Housing and Services; and Outdoor Living Environment. This granular data showed the wards with severe and high deprivation were doing better than expected in certain domains. Using this data further evidences decisions on where to allocate Social Value resource.

## **What are the County Durham Family TOMs?**

In partnership with the National Social Value Taskforce, Social Value Portal developed the National Social Value Measurement Framework – known as the ‘National TOMs’ as it was built around a set of Themes, Outcomes, and Measures. The National TOMs Framework provides a common language for measuring social value that enables consistency, comparability, and transparency. Endorsed by the Local Government Association, the Framework has been widely adopted across both public and private sectors.

Using the National TOMs framework as a starting point, the County Durham TOMs were built by selecting specific Measures that reflect the current activities and initiatives being undertaken by the partners that are generating social, economic and environmental value. Proxy values were assigned to each Measure where possible turning the Framework into a Social Value Calculator.

County Durham TOMs were selected as meaningful to the county by aligning them to the findings of the Local Needs Analysis, Centre for Local Economic Strategies (CLES) analysis and the local knowledge and visions of the partners. They needed to be deliverable within the capacity of the partner organisations and proportionate to their underlying business activity.

The County Durham TOMs framework is made up of:

- 5 Themes
- 17 Outcomes
- 36 Measures

The full list of measures and associated values can be found in the Resources section of [www.countydurhampound.co.uk](http://www.countydurhampound.co.uk).

Below is a summary of the Themes and Outcomes.

### **Jobs – Promote local skills and employment**

- More local people in employment.
- More opportunities for disadvantaged people.
- Improved skills.
- Improved employability of young people.

### **Growth – Support growth of responsible regional business**

- More opportunities for local MSMEs and VCSEs.
- Improving staff wellbeing and mental health.

### **Social – Healthier, safer and more resilient communities**

- Communities are safer and stronger regarding crime and anti-social behaviour.
- Creating a healthier community.

- Vulnerable people are helped to live independently.
- More working in the community.

### **Environment – Decarbonising and safeguarding our world**

- Carbon emissions are reduced.
- Air pollution is reduced.
- Resource efficiency and circular economy solutions are promoted.

### **Innovation – Promoting social innovation**

- Social innovation to create local skills and employment.
- Social innovation to support responsible business.
- Social innovation to enable healthier safer and more resilient communities.
- Social innovation to safeguard the environment and respond to the climate emergency.

Durham County Council’s procurement function has adopted this framework to evaluate bidder Social Value proposals at a weighting of 10% of the overall score. The successful bidder then works with the Council to deliver their Social Value contributions, using the framework to monitor and report progress against targets.

### **The County Durham Pound Project**

The County Durham Pound project involves a number of organisations committed to working together to maximise social, economic and environmental value throughout the county. This could be via procurement decisions and the way our suppliers are selected; how we operate as responsible and ethical employers; or, how our grant funding is allocated.

#### **The project’s core objective is:**

*Operating as a collective, the partners will ensure their buying and employing power and social value contributions work to benefit the people and communities of County Durham*

#### **The partners**

The County Durham Pound partners are:

- believe housing
- Business Durham
- County Durham and Darlington Fire and Rescue Service
- Durham County Council
- Durham University
- Livin
- New College Durham
- Northumbrian Water

The Statement of Intent shows the commitment of the partners to collaboratively to maximise every pound spent in County Durham to improve local social value.

It presents the six commitments of the project:

1. Collaborate proactively
2. Embed relevant processes
3. Involve and empower stakeholders
4. Respond to local needs
5. Be transparent and accountable
6. Track, report, learn and improve

The Statement of Intent was signed by the partners in September 2022 and will be reviewed by them in March 2024.

### **Social Value and the Climate Change Strategy and Emergency Response Plan**

The public sector across County Durham procures a significant volume of goods and services in delivering its remit. This has quite a significant carbon impact, but also provides the opportunity to make savings, to lead by example, and demonstrate low carbon service delivery.

Cabinet Office issued a Procurement Policy Note (PPN06/21) with regard to Carbon Reduction as a mandatory requirement for all Government contracts over £5M. In short this means that any suppliers wishing to bid for a contract over £5M must have a Carbon Reduction Plan for their commitment to achieving Net Zero by 2050. Whilst it is not mandatory for Local Government to implement this, the Council have decided to add the PPN principles as part of good practice and it will now be included within our Invitation to Tender documents and will be a pass / fail selection question in our documents.

The council's Procurement team is also working to promote and influence, where possible, the environmental agenda locally, regionally and nationally in support of the CERP. This is via the County Durham Pound Project (locally), North East Procurement Organisation (regionally) and the National Social Value Task and the Local Government Association (nationally). Support for local business and local produce is essential for a sustainable community and county. Maximising the 'Durham Pound' (the amount of money spent and retained in the county) is likely to have a significant impact, by retaining profit within the county. It also helps to support the local high street, having real social positive impacts and reduces transport emissions.

Future phasing of the social value work will also start to focus work with the Low Carbon Team to implement a tool for baselining and tender assessment (in supporting the TOMs model) of carbon reduction metrics.

## Postface

Durham County Council's approach to Social Value and The County Durham Pound project is very timely considering the economic circumstances, climate change emergency and cost of living crisis we face. There is still much to do and it will only be successful if we truly collaborate and work together and all pursue Social Value and the project objectives. Procurement will play a key role in leading the movement in social value both locally, regionally and nationally.

We will ensure we:

- measure our achievements, track and report progress and drive improvements
- share our stories and case studies
- work together, share together and learn from each other to improve

*Richard Carroll, Chief Procurement Officer*

## Supporting information

More information about the County Durham Pound project can be found at [www.countydurhampound.co.uk](http://www.countydurhampound.co.uk)

Corporate Procurement Strategy 2020 – 2024:

<https://www.durham.gov.uk/article/2815/Procurement-policy-and-strategy>

Climate Change Strategy and Emergency Response Plan 2022 – 2024:

<https://www.durham.gov.uk/climatechange>

Sustainable Buying Standards:

<https://www.durham.gov.uk/article/2815/Procurement-policy-and-strategy>

## Contact information

For more information please see our website at [www.durham.gov.uk](http://www.durham.gov.uk) , or contact Corporate Procurement:

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