

# Social Value Policy 2021-2023 (Final V1.0)



TRAFODAETH CAERFFILI  
THE CAERPHILLY CONVERSATION

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# 1 FOREWORD

Caerphilly CBC's **Corporate Plan and Well-being Objectives** clearly demonstrates the Council's commitment to prioritising social, economic and environmental wellbeing for the County Borough and our partners. The Council recognises that the way in which we manage our annual spend of £230 million with suppliers, service providers and contractors can make a significant contribution to this priority.

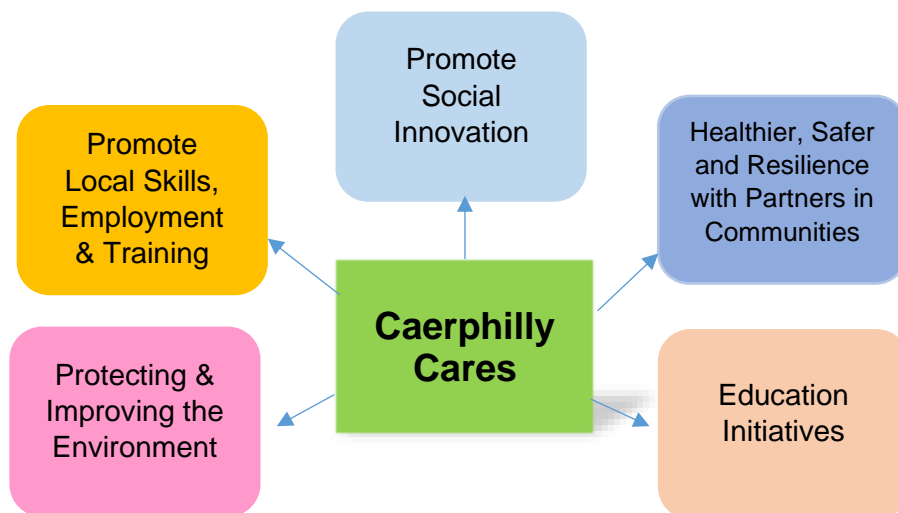
The Council has already demonstrated a clear commitment to this agenda, examples include:

- Appointed the Cabinet Member for Corporate Services as the Council's Anti-Slavery and Ethical Employment Champion in November 2017;
- Radically changed our approach to problematic plastics across the County Borough and appointed the Council's Deputy Leader and Corporate Director as 'Plastic Champions'.
- Achieved surfers against sewage, Plastic Free Accreditation in 2019;
- Crowned winners at the Welsh Go Awards 2020 in the social value category for the excellent work undertaken with our local supply chain.

We have increasingly sought to incorporate social value initiatives into our contracts although we acknowledge it is an area we can improve by being more joined up in terms of matching opportunities with those most in need.

We are striving to deliver the maximum value for the Caerphilly pound and continue to demonstrate that Caerphilly cares.

This policy will look to build upon and consolidate the progress that has been made by drawing together a number of different legislative requirements, policy initiatives and aspirations into a single coherent framework underpinned by **five key objectives with 'Caerphilly Cares' at the centre**.



**Cllr Phillipa Marsden**  
Leader of Council



**Christina HARRY**  
Chief Executive

# 2 INTRODUCTION

Caerphilly CBC is responsible for the delivery of a wide range of statutory and discretionary public services. The Council delivers its services directly through its own workforce and through private and third sector organisations, spending in excess of £230million a year on a diverse range of goods, services and works from over 4600 suppliers, service providers and contractors.

The Council has a responsibility to manage public money with probity, to ensure that value for money is achieved and to manage it in such a way that wider Council objectives can be supported. The Council's Programme for Procurement (2018-2023) set an increased focus on the delivery recognising the value of using procurement to support its wider Cultural, Social, Economic and Environmental objectives, in ways that offer real long-term benefits to the community it serves and the people of Wales, whilst balancing the issues of value for money.

**Value for Money** – is “the optimum combination of whole-of-life costs in terms of not only generating efficiency savings and good quality outcomes for the organisation, but also benefit to society, the economy, and the environment, both now and in the future” (as defined in the Wales Procurement Policy Statements 2012 and 2015).

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

This policy places a particular focus on the following initiatives:

**Themes, Outcomes and Measurement (TOMs)** – an effective and efficient mechanism in measuring, recording and monitoring social value and community benefits in our procurement procedures.

**Code of Practice Ethical Employment in Supply Chains** – focuses on ensuring a high standard of ethical employment practices by our suppliers, service providers and contractors.

**Circular Economy** – a systemic approach to economic development designed to benefit businesses, society, and the environment.

**Community Wealth Building** – seen as an important driver of social value, the concept aims to reorganise and control the local economy so that wealth is not automatically extracted but broadly held and generative, with local roots, so that income is recirculated as much as possible, communities are put first and people are provided with quality of opportunity, dignity and well-being.

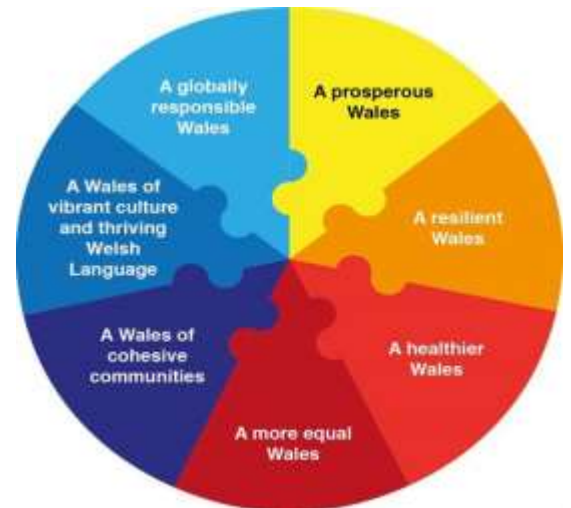
**Foundational Economy** – activities which provide the essential goods and services for everyday life, regardless of the social status of consumers. These include, for example, health, education and welfare services; infrastructure; utilities; food processing; and retailing and distribution.

**Support of Local Businesses and SMEs** – engagement of the local supply chain in order to have the ability to bid for Council contract opportunities and where possible promote innovation for the redesign of service delivery in line with the community wealth building and foundational economy initiatives.

This policy aims to provide an overarching framework for the delivery of these initiatives, the wider associated legislative and policy driven requirements and importantly delivery of the Council's own commitments as set out in the Corporate Plan. This will ensure that the Council maximises Cultural, Social, Economic and Environmental objectives that we deliver through our procurement activity.

# 3 WELSH POLICY DRIVERS

**The Wellbeing of Future Generations (Wales) Act 2015** (WBFG Act (Wales) 2015) focuses on improving the social, economic, environmental and cultural well-being of Wales. The aim of the Act is to help create a Wales that we all want to live in, now and in the future. To make sure we are all working towards the same purpose, the Act puts in place seven well-being goals.



**The Social Services and Well-being (Wales) Act 2014** introduces a duty on local authorities and local health boards to promote the development (in their area) of not for profit organisations to provide care and support for carers, and preventative services. These models include services across the range that make up the third sector - social enterprises, co-operative organisations, co-operative arrangements, and user-led services.

**The Welsh Government Social Value Clauses/ Community Benefits Policy** requires where possible social value requirements proportionate to the value and related to the subject matter of the contract should be considered for inclusion in public sector tender opportunities. In all cases where a contracting authority determines that social value requirements are to be included:

- Links between social value requirements and WBFG Act (Wales) 2015 and
- A minimum weighting of 10% of the total award criteria should be applied to social value in the tender to ensure that it carries a heavy enough score to be a differentiating factor in bid evaluation.



# 4 CAERPHILLY'S POLICY DRIVERS

## Corporate Plan 2018-2023

The Corporate Plan includes our six Well-being Objectives, the Council has a statutory duty to set Well-being Objectives using the five sustainable development principles under the WBFG Act (Wales) 2015. This is the first time the Council has set objectives over a five year planning period and our Well-being Objectives are:

- Improve education for all;
- Enabling employment;
- Address the supply, condition and sustainability of homes throughout the county borough and provide advice, assistance or support to help improve people's health and well-being;
- Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimises the adverse impacts on the environment;
- Creating a County Borough that supports a Healthy Lifestyle in accordance with the Sustainable Development Principle within the WBFG Act (Wales) 2015;
- Support citizens to remain independent and improve their well-being.



## Caerphilly Public Services Board (PSB)

The Caerphilly PSB brings public bodies together to work to improve the economic, social, environmental and cultural well-being of Caerphilly County Borough. They are responsible, under the WBFG Act (Wales) 2015, for overseeing the development of a Local Wellbeing Plan which is a long-term vision for the area by being responsible for, assessing the state of the economic, social, environmental and cultural well-being of the County Borough by setting objectives that are designed to improve the county borough for its residents.

Caerphilly PSB has four statutory member organisations responsible for carrying out their well-being duties under the Act.

- Aneurin Bevan University Health Board
- Caerphilly County Borough Council
- Natural Resources Wales
- South Wales Fire and Rescue Service



# Decarbonisation Strategy and Action Plan Reduce, Produce, Offset, Buy

On the 4th June 2019 the Council formally declared a climate emergency as a Notice of Motion, with full support from all political parties. The subsequent strategy and action plan focuses on reducing the Council's own carbon footprint and sets out the overarching objective of being a net carbon neutral authority by 2030. The Council will dramatically REDUCE consumption levels, PRODUCE its own green clean electricity, OFFSET carbon emissions and look to limit its carbon impact through the goods and services that the Council authority BUYS. There are a number of benefits associated with the Council working towards a net carbon neutral agenda, examples include:

- It will help towards tackling the climate emergency by reducing the amount of carbon going into the atmosphere;
- It has social benefits – by making homes more energy efficient it will reduce bills and help tackle fuel poverty;
- It will bring the Council direct financial benefits by reducing our energy bills and our carbon tax;
- It will help us comply with legislation which is likely to become more stringent over time;
- It will help future proof the Council and protect us from sharp price increase in fuel in a volatile market; and
- Comply with Welsh Government requirements.



## Cardiff Capital Region City Deal

The overarching goal of the City Deal is to improve the economic conditions in the area, however the specific aims of the Cardiff City Region can be summarised as “Improve productivity; tackle worklessness; build on foundations of innovation; invest in physical and digital infrastructure; provide support for business and ensure that any economic benefits are felt across the region”.



## Programme for Procurement 2018-2023

The Council's 5 year 'Programme for Procurement' was approved and formally adopted by the Council in May 2018. The programme sets out how the Council's procurement objectives will be achieved through prioritised action plans, effective procurement and operational management. Recognising the value of using procurement to support its wider '*Cultural, Social, Economic and Environmental*' objectives, in ways that offer real long-term benefits to the community it serves and the people of Wales, whilst balancing the issues of value for money. The approach being flexible and adaptable with continuous improvement to bring about real change and to improve the lives of those who live and work within our borough.



# Caerphilly CBC, Themes, Outcomes and Measurements (TOMs) and Social Value Portal

In March 2020 the Council formally engaged with the Social Value Portal (SVP) to act as our social value procurement and measurement partner. In conjunction with SVP the Council has developed a bespoke social value measurement framework with the aim and objective to measure and monitor social value in line with the overarching TOMs framework, WCFG Act (Wales) 2015 and against Local and National Plans, Policies and Objectives.

The Council's specific TOMs framework has been developed, however importantly the TOMs framework is flexible and adaptable thus allowing new themes, outcomes and measurements to be considered and if deemed acceptable added to the framework. It is planned that social value will be included and measured in conjunction with the Council's existing and future contract opportunity pipelines.



## 5 WHAT ARE THEMES, OUTCOMES AND MEASURES (TOMs)?

The TOMs for social value is a measurement framework that allows for an unlocking of social value through its integration into procurement and project management. The methodology has been developed in conjunction with the National Social Value Task Force (including SVP), which is a cross-sector organisation combining both public and private sector organisations. The TOMs framework was the result of extensive consultation across local authorities and public-sector organisations, including the Local Government Association, Office of Civil Society and Crown Commercial Services. The TOMs framework has been designed around 5 principal issues, 20 Core Outcomes and 48 Core Measures:

- Themes – The overarching strategic themes that an organisation is looking to pursue;
- Outcomes – The objectives or goals that an organisation is looking to achieve that will contribute to the Theme;
- Measures – The measures that can be used to assess whether these Outcomes have been achieved. For the TOMs Framework, these are action based and represent activities that a supplier, service provider and contractor could complete to support a particular desired outcome.



In November 2020 the National TOMs Framework for Wales was launched on behalf of Welsh Local Government Association, supported by the National Social Value Taskforce Wales (NSVT Wales). The NSVT Wales is a stakeholder forum comprising of public sector bodies and entities including Welsh Government (Community Benefits Team), The Office of The Future Generations Officer, Transport for Wales as well as a number of Councils and Housing Associations.

The National TOMs Framework for Wales has been adapted and bespoke to the Council will provide a way of measuring and reporting on social value and community benefits aligned to the WCFG Act (Wales) 2015 thus allowing the Council to report specifically against the objectives of the Act.



The principal benefits of a minimum and consistent reporting standard for social value are that it:

- Provides a consistent approach to measuring and reporting social value;
- Flexible, adaptable and bespoke which is fundamental in order to demonstrate that the methodology can succeed;
- Allows for continuous improvement;
- Provides a robust, transparent and defensible solution for assessing and awarding tenders;
- Allows organisations to compare their own performance by sector and industry benchmarks and understand what good looks like;
- Based on non-financial performance but allow £ value to be reported;
- Reduces the uncertainty surrounding social value measurement for businesses, allowing them to make informed decisions based on robust quantitative assessments and hence embed social value into their corporate strategies.

## 6 WHAT IS ETHICAL EMPLOYMENT?

The 'Ethical Employment in Supply Chains' Code of Practice (Code) was launched in 2017 by the Welsh Government it aims to support the development of more ethical supply chains delivering contracts for the Welsh Public Sector, All organisations are encouraged to sign up to the Code and businesses in public sector supply chains are expected to adopt it. The Code is to ensure that workers in public sector supply chains are employed ethically and in compliance with both the letter and spirit of UK, EU and international laws. The Code has twelve commitments which covers issues such as those listed in the diagram.



The Council signed up to the Code in November 2017 and is actively working towards implementing policies and processes to meet the Code commitments.

## 7 WHAT IS A CIRCULAR ECONOMY?

A circular economy is a systemic approach to economic development designed to benefit businesses, society, and the environment. The Waste and Resources Action Programme (WRAP) states "a circular economy is an alternative to a traditional linear economy (make, use, dispose) in which we keep resources in use for as long as possible, extract the maximum value from them while in use, then recover and regenerate products and materials at the end of each service life.



### Why a circular economy is important?

As well as creating new opportunities for growth, a more circular economy will:

- reduce waste,
- drive greater resource productivity,
- deliver a more competitive economy,
- better address emerging resource security/scarcity issues in the future, and
- help reduce the environmental impacts of our production and consumption.”

## 8 WHAT IS COMMUNITY WEALTH BUILDING?

Community wealth building is seen as a fundamental driver of social value. Its aim and objective is to reorganise and control the local economy so that wealth is not automatically extracted but broadly held and generative, with local roots, so that income is recirculated as much as possible, communities are put first and people are provided with quality of opportunity, dignity and well-being.

At the heart of the Community Wealth building approach, there are five strategies for harnessing existing resources, one being progressive procurement, to enable local economies to grow and develop from within the progressive procurement of goods and services. Progressive procurement can develop dense local supply chain of local enterprises, SMEs, employee owned businesses, social enterprises, cooperatives and other forms of local ownership.

This type of procurement is locally enriching because these types of businesses are more likely to support local employment and have greater propensity to retain wealth and surplus locally.

## 9 WHAT IS FOUNDATIONAL ECONOMY?

Foundational Economy is built from the activities which provide the essential goods and services for everyday life, regardless of the social status of consumers. These include, for example, health, education and welfare services; infrastructure; utilities; food processing; and retailing and distribution.

Work undertaken by the Welsh Government on the foundational economy is taking a particular national focus on the eight core ‘sectors’ of the foundational economy. These are; care; food; retail; tourism; construction; energy; childcare; and health. In addition, the developing foundational economy approach includes emphasis on growing the ‘missing middle’ to increase the number of ground firms and joining up the value of procurement to maximise wellbeing of this expenditure. The Welsh Government has also created a Foundational Economy Network to drive this work forward.

## 10 SUPPORTING LOCAL BUSINESSES AND SMEs

For a number of years the Council has led the way on a number of innovative and productive steps to develop support mechanisms for local businesses and SMEs to supply the Council with goods, services and works. Initiatives include:

- One to one procurement clinics where our local suppliers can attend and gain advice and guidance on aspects of procurement this also includes support on bidding for tender opportunities;

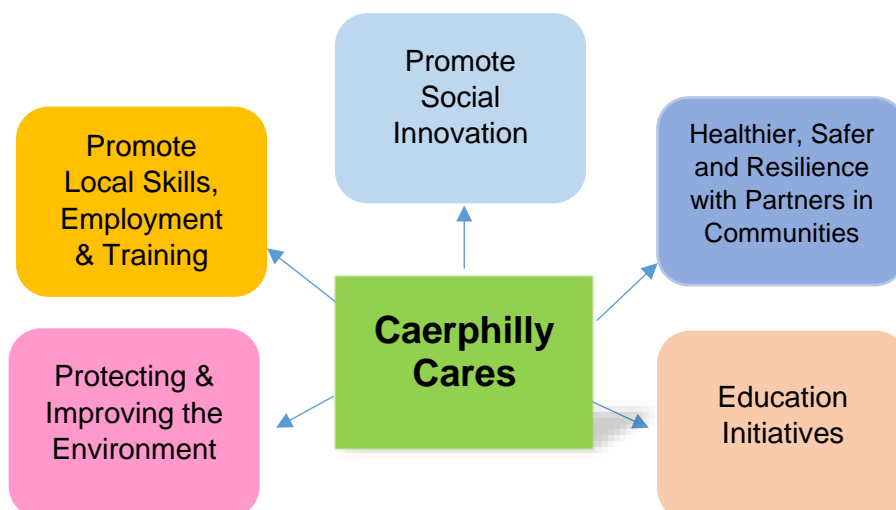
- Publishing the 'Selling to the Council' guide;
- Publication of the Council's contract opportunities (forward work programme);
- Developing a number of 'Dynamic Purchasing' agreements to allow suppliers to join at any time, encouraging suppliers, service providers and contractors to submit consortia or collaborative bids for Council work;
- Leading and participating in regular 'Meet the Buyer' and 'Meet the Supplier' events;
- Applying the Squid approach to tenders developed by Welsh Government.

The Council has dedicated Supplier Relationship Officers, who continuously work with local businesses (including Voluntary Sector organisations, Social Firms and Supported Factories) by encouraging them to tender for Council contracts.

# 11 OBJECTIVES AND DELIVERY

This policy aims to provide an overarching framework to ensure a joined up consistent approach to the delivery of social value that encapsulates national and local policy drivers. This policy sets out the Council's ambition and commitment in respect of these key priorities and to support its delivery the Council will:

- Publicise and raise awareness of our 'Social Value Policy and associated Objectives' to ensure that our employees, suppliers, service providers and contractors are clear about what we want them to deliver.
- Incorporate the TOMs framework within contracts to ensure that our employees, suppliers, service providers and contractors are clear on how they will support implementation of this policy and the delivery of the objectives.
- Manage delivery of social value through effective contract management arrangements and ensure that suppliers, service providers and contractors utilise the social value portal to measure delivery on appropriate contract opportunities over £75,000.



# 12 DELIVERING SOCIAL VALUE via THEMES, OUTCOMES AND MEASURES (TOMs)

Attached, are the current version of the Council's specific TOMs framework that have been aligned to the five key objectives with 'Caerphilly Cares' at the centre. It is important to note that the TOMs framework is flexible and adaptable thus allowing new themes, outcomes and measurements to be considered and if deemed acceptable included within the framework.

# 13 Reporting, Monitoring & Contract Management

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

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



Please refer to the Council's Procurement Code of Practice for more specific information in relation to Contract Management.

# 14 Governance and Management

The Council's Corporate Management Team (CMT) will oversee the delivery of this policy. CMT includes Chief Executive and Corporate Directors and other key stakeholders can be invited to attend CMT as required. Quarterly updates will be provided to CMT detailing the outcomes and measures being recorded via the TOMs methodology. ***Help and assistance on the implementation of this policy can be sought from Procurement and Information Services.***

# 15 CONTACT US



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