

Report

Cabinet

Part 1

Date: 22 March 2023

Subject **Newport City Council Core TOMs (Themes, Outcomes and Measures) for Measuring Social Value in Contracts.**

Purpose To request Cabinet approval on the core list of TOMs developed within NCC to measure and report on Social Value outcomes through procurement and contracting.

Author Head of Finance
Procurement Manager

Ward All

Summary 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 was developed in conjunction with the WLGA National Procurement Network and the National Social Value Task Force Wales, which is a cross-sector working group combining both public and private sector organisations. Cabinet approved the adoption of the overarching framework in early 2022, which allowed officers to develop a core suite of measures for use within NCC that aligns with corporate priorities and objectives and supports the delivery of the new Corporate Plan.

The NCC Core List will support the Council in the delivery of social value, supports our climate change work and will assist in the reporting of compliance with the Wellbeing of Future Generations (Wales) Act 2015.

Proposal **To approve the developed NCC Core List of TOMs for measuring Social Value delivery through Commissioning, Procurement and Contract Management and associated reporting.**

Action by HoF/Procurement Manager – put in place and maintain TOMs in Council procurement procedures and processes

All HoS – use appropriate TOMs in line with procurement guidance

Timetable Immediate

This report was prepared after consultation with:

- Leader
- Chief Executive
- Strategic Directors
- Heads of Service

Signed

Background

The Council's Corporate Plan and Well-being Objectives clearly demonstrates the Council's commitment to prioritising social, economic, cultural and environmental wellbeing for the City and our partners. The Council recognises that the way in which we manage our spend with suppliers, service providers and contractors can make a significant contribution to this priority.

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 Strategic Plan for Procurement (2020-2024) set an increased focus on 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 Welsh TOMs framework was designed around 7 themes (the 7 well-being goals of the Well-being of Future Generations (WFG) (Wales) Act 2015), 35 Outcomes and 93 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 themes;
- 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.

The idea of the framework is that a number of measures are chosen where they are applicable to the nature of the service delivery (this could be just a few measures, or upwards of 20 measures) as well as considering the target marketplace and its ability to respond in a positive and constructive way. When tenders are then developed, a range of measures will be included in the document for tenderers to complete. Tenderers would then be able to select the measures they feel they can best deliver against and submit their offering in conjunction with their tender. The social value element of their tender would then be scored in conjunction with other quality and price criteria. The whole suite of measures within the TOMs framework exist as an options list, where measures are selected for each procurement or project, based on the procurements size and scope. It is neither the intention, nor the design of the framework to select all measures for each procurement or project.

In February 2022, Cabinet approved the National TOMs Framework for Wales to be used in NCC as the overarching framework for social value measurement and reporting on outcomes achieved through our third party contracting.

During 2022, a task and finish group made up of senior officers from across the Council Directorates reviewed the full suite of measures included in the framework and set about producing a core list of some 45 to 50 measures, which could be used in NCC, and which aligned to pledges and manifesto commitments of the new administration, the developing corporate aims and objectives of the Council, and the draft new Corporate Plan.

Following this work, a set of 45 Core Measures were developed and presented to the Corporate Management Team in late 2022 for initial agreement.

Please see Appendix A for the proposed NCC Core TOMs.

Going forward, social value outcomes will be monitored and reported to the Procurement Gateway Board, as well as a six monthly update report to Cabinet for outcomes achieved during the previous half yearly period. In addition, within approximately twelve months, it is envisaged that reporting will be required in line with the forthcoming Social Partnership & Public Procurement (Wales) Act requirements. This legislation is currently at Bill stage, and once implemented (late 2023/early 2024) will provide a

framework for future reporting by public bodies on social value outcomes through procurement and contracting.

Financial Summary (Capital and Revenue)

A budget provision was secured in 2022/23 to allow the Strategic Procurement Team to embed TOMs into NCC and liaise across the Council on their use and evaluation. The manpower budget now exists to take this work forward.

Risks

Risk Title / Description	Risk Impact score of Risk if it occurs* (H/M/L)	Risk Probability of risk occurring (H/M/L)	Risk Mitigation Action(s) What is the Council doing or what has it done to avoid the risk or reduce its effect?	Risk Owner Officer(s) responsible for dealing with the risk?
Not approving the NCC Core TOMs	L	L	Adoption and use of the TOMs is not mandatory, but currently discretionary for public bodies in Wales. All Councils in Wales are expected to comply with the WFG (Wales) Act 2015, and using the TOMs to measure social value will help when reporting against compliance with the Act, and the forthcoming Social Partnership & Public Procurement Act due in late 2023/early 2024.	Cabinet/Leader

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

Corporate Plan 2022-27

The council's new draft Corporate Plan sets out four well-being objectives: These are:

- Economy, Education and Skills - Newport is a thriving and growing city that offers excellent education and aspires to provide opportunities for all.
- Environment and Infrastructure – Newport is a city that seeks to protect and enhance our environment whilst reducing our carbon footprint and preparing for a sustainable and digital future.
- Quality Social Care and Community Services - Newport is a supportive city where communities and care are at the heart of what we do.
- An Inclusive, Fair and Sustainable Council - Newport City Council is an inclusive organisation that places social value, fairness and sustainability at its core.

These well-being objectives were developed to maximise the council's contribution to the WFG Act well-being goals. As mentioned above the TOMs framework is designed around the well-being goals and therefore will assist with the measurement of how our procurement activities are supporting the WFG Act. It will also enable us as a council to make procurement decisions that consider social value, the well-being goals and the WFG Act.

Living Wage Foundation – Real Living Wage

To support the Corporate Plan 2022-27, Well-being Objective 1 – Economy, Education & Skills, and the drive to become a Living Wage City, in addition to embedding TOMs into our procurement process, we will also include a statement in tenders that strongly encourages our suppliers to pay their staff at least the real living wage (as opposed to the legal minimum national living wage), and we will gather data through the TOMs on contractor performance in this regard. We will ensure fair work criteria is robust in our supplier selection, and ensure our suppliers are treating workers with fairness and equity.

Climate Change Plan 2022-27

The council's draft Climate Change Plan (add link) once approved will shape the council's future climate change mitigation and adaptation journey over the next five years. The plan sets out the proposed themes, priorities, actions and milestones that we need to take as a Council over the next five years to:

- Reach net zero as an organisation by 2030.
- Review the services we provide to ensure they support the city's journey to net zero and adaptation to climate change.

Within the 2021-22 financial year, the emissions from the goods and services that we purchase and our supply chain as a Council are estimated to be 40,231 tCO₂e which equates to 51% of our overall emissions. Within the Plan we have set out a 2030 Vision for:

Procurement to be at the heart of ensuring that our external contracting minimises the climate impact and carbon footprint of goods, works and services procured.

A social value tool will assist with the measurement and reduction of Council carbon emissions.

Options Available and considered

Newport City Council has the option to use the NCC Core List of TOMs or to not. If the decision is not to use the developed Core List, the Council could consider producing an alternative core list using the Welsh National TOMs framework, could seek out any alternative delivery models that may exist, or to develop its own measures and tools for social value delivery and reporting.

Preferred Option and Why

The preferred option is to adopt the NCC Core TOMs. Adopting the NCC Core TOMs will support the Council in the delivery of social value and assist in the reporting of compliance with the Wellbeing of Future Generations (Wales) Act 2015 and the forthcoming Social Partnership & Public Procurement Act due in late 2023 or early 2024. The overarching Welsh framework has been developed by a practitioner working group from across the Welsh Public Sector, supported by wider experts, and gives a uniform, consistent and standard approach when engaging external suppliers, being mirrored in many other Welsh Public Bodies. Seeking out or developing an alternative bespoke model would put Newport City Council in an isolated position, and out of sync with the wider public sector.

Comments of Chief Financial Officer

The adoption of the TOM's represents a significant opportunity to formally leverage social values in awarding and monitoring its contracts. It represents significant 'added value' in the Council's ability to secure tangible benefits within its communities.

The use of the TOM'S will be for service areas to manage and choose appropriate ones from the NCC 'long list' shown in this report. Their use needs to be carefully managed as there may be cost implications on future contract costs if they force additional financial costs on our suppliers and therefore a managed approach between cost and the wider social values needs to be exercised. The Council's 'Gateway Board' will review this process and approach on an on-going basis.

Comments of Monitoring Officer

There are no specific legal issues arising from the report and the proposed adoption of the NCC developed core list of TOMS as the Council's framework for measuring social value as part of the tender evaluation process for the award of contracts for the supply of utilities, work, goods and services. The NCC specific TOMs align with current administration's manifesto commitments and the objectives of the newly developed NCC Corporate Plan. The NCC Core TOMs provide a consistent, fair and transparent basis for quantifying social value measures, in addition to price and quality criteria, as part of the legal tender evaluation process prescribed by the Council's Contract Standing Orders and the forthcoming Social Partnership and Public Procurement Act due in the next 12 months. Although the strict legal processes are designed to ensure transparency and best value for contracts, the Council's Strategic Procurement Plan is based on more non-commercial factors, such as the delivery of Social Value, Sustainable Procurement and Local Supply Chain development. Section 17 of the Local Government Act 1988 originally prohibited any non-commercial matters in local authority procurement, but these restrictions were relaxed following the introduction of the "best value" duty in Wales and it is now permissible for the Council to have regard to non-commercial social benefit factors, when awarding and entering into contracts. This is also consistent with the strategic objectives of the Council's corporate plan, the well-being objectives and the Council's socio-economic duty.

Comments of Head of People, Policy & Transformation

In Wales, the term social value is in effect defined through the Well-being of Future Generations Act (Wales) 2015 which requires us as a public body to think about the long-term impact of our decisions, to work better with people, communities and other public bodies, and to prevent persistent problems such as poverty, health inequalities and climate change.

The seven well-being goals set out in the Act make it clear we must work to achieve all seven goals as a collective whole. The National TOMs Wales has been designed to deliver against the 7 goals of the Act through a single measurement and management framework.

Adopting the TOMs Social Value Tool will enable us as a council to measure and improve well-being, social value, tackle climate change and contribute to community wealth building through the goods and services that we procure.

Scrutiny Committees

N/A

Fairness and Equality Impact Assessment:

- **Wellbeing of Future Generation (Wales) Act**
- **Equality Act 2010**
- **Socio-economic Duty**
- **Welsh Language (Wales) Measure 2011**

The council has a number of legislative responsibilities to assess the impact of any strategic decision, proposal or policy on people that may experience disadvantage or inequality.

Summary of impact – Wellbeing of Future Generation (Wales) Act

The tool will be used to measure and improve the social value of the goods and services that we procure. The TOMs social value tool will create long term benefits for current and future generations and support a proactive approach to achieving the well-being goals and the council's well-being objectives. The tool takes an integrated approach and supports the achievement of all our well-being objectives and the well-being goals. Collaboration and involvement with our providers and procurement partners will also be key to ensure that the tool is effective and provides us with valid and useful information of the social value achieved.

Summary of impact – Equality Act 2010

The tool is designed around the well-being goals and will enable us as a council to ensure that we are considering the equality implications when we are procuring goods and services.

The tool sets out a set of measures that are designed to help measure the impact of social value relating to all the well-being goals but specifically for equalities “An Equal Wales”

Summary of impact – Socio-economic Duty

The tool is designed around the well-being goals and will enable us as a council to ensure that we are considering the socioeconomic disadvantages implications when we are procuring goods and services.

The tool sets out a set of measures that are designed to help measure the impact of social value relating to all the well-being goals but specifically for socioeconomic disadvantage “An Equal Wales” and “A Prosperous Wales”

Summary of impact – Welsh language

The tool is designed around the well-being goals and will enable us as a council to ensure that we are considering the Welsh Language implications when we are procuring goods and services.

The tool sets out a set of measures that are designed to help measure the impact of social value relating to all the well-being goals but specifically for Welsh Language “A Wales of vibrant culture and thriving Welsh Language”

Consultation

The proposal to introduce a social value tool was consulted on as part of the Council’s Climate Change Plan consultation process.

Background Papers

Corporate Plan 2022-27

<https://www.newport.gov.uk/en/Council-Democracy/About-the-council/Performance.aspx>

Climate Change Plan 2022-27 Consultation Draft



Climate Change Plan
Consultation Draft v4.

Strategic Plan for Procurement 2020 – 2024 [NCC Strategic Plan for Procurement 2020-2014 Final.pdf \(sharepoint.com\)](#)

Dated: 15 March 2023

APPENDIX A – NCC CORE TOMs LIST

National TOMs Wales / TOM's Cenedlaethol Cymru						
				Newport City Council Social Value Measures for Procurement CORE LIST		
Version 1.0 - October 2022				NTW1.1, NTW2.1, NCC 31, 32 & 34 bespoke to Newport City Council		
Theme/Goal	Outcome	WFG Outcome Measure	National TOMs Wales Ref	Measure	Unit	Proxy Value for Evaluation Purposes
A Prosperous Wales An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated	More people in employment	21	NTW1	No. of 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 that live within the Newport City Council boundary.	No. people FTE	£27,500.00
			NTW1.1	No. of 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 that live within the Cardiff Capital Region boundary. For details of areas covered see https://www.cardiffcapitalregion.wales/about-ccr/	No. people FTE	£27,500.00
		21	NTW2	% of 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 that live within the Newport City Council boundary.	%	Record only
			NTW2.1	% of 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 that live within the Cardiff Capital Region boundary. See https://www.cardiffcapitalregion.wales/about-ccr/	%	Record only

APPENDIX A – NCC CORE TOMs LIST

population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.	Fair Work		NTW5	Union recognition agreements (or equivalent worker representation) and collective bargaining are present and encouraged in the supply chain	Y/N - Provide relevant documents	Record only
	Improved skills for people	7a	NTW6	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) e.g. on STEM, social care and social sciences	No. staff hours	£14.63
		8	NTW7	No. of weeks of training opportunities on the contract (BTEC, City & Guilds, NVQ, HNC, RQF) 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+	No. weeks	£285.41
		8	NTW8	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+	No. weeks	£231.45
	More opportunities for local business and MSMEs (Micro, Small and Medium Enterprises)	9	NTW14	Total amount (£) spent in the supply chain through the contract, where goods or services provided by businesses in the Cardiff Capital Region. See https://www.cardiffcapitalregion.wales/about-ccr/	£	£0.59
	Resource efficiency and the circular economy are promoted	14	NTW18	£ spent with local partnerships to implement circular economy solutions	£	£1.00

APPENDIX A – NCC CORE TOMs LIST

A Globally Responsible Wales A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being	Carbon emissions are reduced	14	NTW21	Savings in CO2 emissions on contract not from transport (specify how these are to be achieved).	Tonnes CO2e	£69.35
		41	NTW22	Policy and programme to achieve net zero carbon by 2030 including monitoring plan with specific milestones	Y/N - Provide relevant documents	Record only
		41	NTW24	Carbon Certification (Carbon Trust Standard, Planet Mark or equivalent independently verified) - achieved or to achieve for current year	Y/N - Provide relevant documents	Record only
	Ethical procurement is promoted globally	20	NTW25	Percentage of your contracts that include commitments to ethical employment practices in the global supply chain, including verification that there is zero tolerance of modern slavery, child labour and other relevant requirements such as elimination of false self-employment, unfair zero hours contracts and blacklists	% of contracts	Record only
A resilient Wales A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological	Green spaces and biodiversity are protected and enhanced	43 & 44	NTW28	Volunteering with initiatives working on environmental conservation and sustainable ecosystem management - resources invested including time, funds and in-kind contributions	£ invested including staff time	£1.00
		43 & 44	NTW30	Donations or investments towards expert designed sustainable reforestation or afforestation initiatives	£	£1.00
	Safeguarding the environment	15	NCC31	Percentage of waste generated by contractor that gets recycled (diverted from landfill or incineration) including metals, plastics, paper, glass and food	%	Record only

APPENDIX A – NCC CORE TOMs LIST

resilience and the capacity to adapt to change.		15	NCC32	Rate of Recycled or Reused materials used on contract, such as wood, remanufactured plastics and metals, and products with repaired and recycled content	%	Record only
			NTW33	Investment and support provided to local environmental education initiatives (e.g. Carbon Literacy Wales)	£ invested including staff time	£1.00
	Sustainable procurement is promoted		NCC34	Have systems in place for source segregated recycling of the different waste streams including cans/plastics, paper/cardboard, plastics, glass, food waste. Also any other waste stream generated by the specific contract activity that can be reused or recycled – eg electronic waste, textiles, wood waste, construction and demolition waste, metal, hard plastics etc.	Y/N - Provide description	Record only
		41	NTW36	Percentage of contracts with the supply chain requiring contractors to operate low or zero emission vehicles	%	Record only
		41	NTW37	Supply Chain Carbon Certification (Carbon Trust Standard for Supply Chain or equivalent independently verified) - achieved or to achieve for current year	Y/N - Provide relevant documents	Record only
A healthier Wales A society in which people's physical and mental well-being is maximised and in which choices	Creating a healthier community	34	NTW40	Initiatives to be taken to tackle homelessness (supporting temporary housing schemes, etc)	£ invested including staff time	£1.00
	Air Pollution is reduced	4	NTW42	Car miles saved on the project as a result of a green transport programme or equivalent (e.g. cycle to work programmes, public transport or car pooling programmes, etc.)	Miles saved	£0.03

APPENDIX A – NCC CORE TOMs LIST

and behaviours that benefit future health are understood		4	NTW43	Number of low or no emission staff vehicles included on project as a result of a green transport programme (miles driven)	Miles driven	£0.02
		4	NTW45	% Fleet or construction vehicles on the contract that is at Least Euro 6 or LEV	%	Record only
			NTW46	Fleet emissions monitoring programme on the contract, including data collection (miles, type of vehicle, engine type, emission standard)	Y/N - Provide description	Record only
A more equal Wales A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic circumstances)	More opportunities for disadvantaged people	19	NTW50	No. of employees (FTE) hired on the contract as a result of recruitment programme that have been unemployed for a minimum of 6 to a maximum of 12 MONTHS	No. people FTE	£16,224.00
		19	NTW50a	No. of employees (FTE) hired on the contract as a result of recruitment programme that have been long term unemployed for a minimum of 12 to a maximum of 24 MONTHS	No. people FTE	£18,146.00
		19	NTW50b	No. of employees (FTE) hired on the contract as a result of recruitment programme that have been long term unemployed for 24 MONTHS or longer	No. people FTE	£19,115.00

APPENDIX A – NCC CORE TOMs LIST

		22	NTW52	No. of employees (FTE) taken on who are not in employment, education or training (NEETS)	No. people FTE	£12,470.00
			NTW53	No. of employees (FTE) taken on who are rehabilitating young offenders (18-24 y.o)	No. people FTE	£22,162.00
			NTW54	No. of jobs (FTE) created for people with disabilities	No. people FTE	£14,980.00
	Improved employability of young people	10	NTW57	No. of weeks spent on meaningful work placements or pre-employment course; 1-6 weeks student placements (unpaid)	No. weeks	£158.23
		10	NTW58	Meaningful work placements that pay Minimum or National Living Wage according to eligibility - 6 weeks or more (internships)	No. weeks	£158.23
	Reducing inequalities	10	NTW61	Percentage of staff on contract that is paid at least the relevant Real Living wage as specified by Living Wage foundation	%	Record only
A Wales of cohesive communities Attractive, safe,	More opportunities for the third sector and		NTW66	Equipment or resources donated to third sector and civil society organisations (£ equivalent value)	£ value	£1.00

APPENDIX A – NCC CORE TOMs LIST

viable and well-connected.	civil society organisations (Voluntary, Community and Social Enterprises)		NTW67	Number of voluntary hours donated to support third sector and civil society organisations (excludes expert business advice)	No. staff volunteering hours	£14.63
			NTW68	Total amount (£) spent with third sector and civil society organisations within your supply chain	£	£0.12
	A workforce and culture that reflect the diversity of the local community		NTW71	Percentage of employees (FTE) BAME hired on the contract	%	Record only
	Social value embedded in the supply chain		NTW72	Percentage of contracts with the supply chain on which Social Value commitments, measurement and monitoring are required	%	Record only
	More working with the Community	26	NTW76	Donations or in-kind contributions to local community projects (£ & materials)	£ value	£1.00
		28	NTW77	No hours volunteering time provided to support local community projects	No. staff volunteering hours	£14.63
A Wales of vibrant shared culture and	The Welsh Culture is promoted	36	NTW80	Support and investment provided for people to learn and use Welsh (e.g. interactions and signage)	£ invested including staff time	£1.00

APPENDIX A – NCC CORE TOMs LIST

thriving Welsh Language	Native wildlife, nature and heritage sites are protected	35	NTW82	Support and investment provided for the protection of native wildlife and biodiversity as well as local heritage sites	£ invested including staff time	£1.00
--------------------------------	---	-----------	--------------	--	---------------------------------	-------