

# Report

## Cabinet

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### Part 1

Date: 14 February 2024

**Subject** **Newport City Council Social Value Outcomes against Core TOMs (Themes, Outcomes and Measures) in Procurement.**

**Purpose** To update Cabinet on the outcome of using the NCC core list of TOMs to measure and report on Social Value outcomes through procurement and contracting for the six month period up until October 2023.

**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 NCC core list of TOMs was approved by Cabinet in March 2023, and was subsequently embedded into procurement processes in the months following. Cabinet have requested a six monthly update on social value delivered through the NCC TOMs, and this is the first report of outcomes achieved. Appendix A provides value by supplier/contract, which for the first six months totals £991,984.00

**Proposal** **To note the social value outcomes to date in Appendix A, where TOMs were included in the tender/contract.**

**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 adopted process.

**Timetable** Immediate

This report was prepared after consultation with:

- Leader
- Chief Executive
- Strategic Directors
- Head of Finance

**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 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 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 are included in the document for tenderers to complete. Tenderers are then 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 is then scored in conjunction with other quality and price criteria.

In March 2023, Cabinet approved the NCC Core List of TOMs for social value measurement and reporting on outcomes achieved through our third party contracting at six monthly intervals. TOMs are now included, where appropriate in high value (above threshold) procurement exercises, and where possible, supplier commitments and responses scored as part of the overall tender evaluation.

Since the adoption of the TOM's, procurement have been working with service area colleagues to embed measures into appropriate procurements, and this has been a learning curve for both procurement officers and service area colleagues alike. Feedback from some colleagues has highlighted that the framework is not easy to navigate, and not always obvious as to which measures to choose. It should also be noted that Welsh Government are looking at changing the focus from 'social value' to 'well-being outcomes', so the terminology is more aligned to the Well Being of Future Generations (Wales) Act, as opposed to the Social Value Act in England. Coupled with this, a new reporting regime is being developed for public bodies to be able to report on well-being outcomes through procurement and contracting, and this may change or supplement the TOMs framework as it exists now. Therefore we will keep a close eye on developments in this area and review our NCC approach to well-being outcomes accordingly.

## Summary of Performance during May to October 2023

As detailed in Appendix A, below is the summary of performance against the TOMs utilised to date;

<i>NTW Ref</i>	<i>Social Value Description</i>	<i>Calculated Social Value (Financial) by Supplier/Supplier Response</i>
NTW1.1	No. of direct employees (FTE) hired or retained that will work on contract, for the duration of the contract, that live within the Newport City Council boundary.	£892,382
NTW14	Total amount (£) spent in the supply chain through the contract, where goods or services are provided by businesses in the Cardiff Capital Region.	£75,378
NTW18	£ spent with local partnerships to implement circular economy solutions.	£6,500
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.)	£60
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.	£16,224
NTW61	Percentage of staff on contract that is paid at least the relevant Real Living wage as specified by Living Wage foundation	100% where this measure was included in the contract.
NTW68	Total amount (£) spent with third sector and civil society organisations within your supply chain.	£1,440
	<b>TOTAL SOCIAL VALUE FOR THE PERIOD MAY TO OCTOBER 2023</b>	<b>£991,984.00</b>

## In Conclusion

The first six months of use has delivered a really positive outcome, demonstrating that embedding social value measurement into procurement and contracting can demonstrate real social benefits. The TOMs framework and NCC Core List continues to be embedded into procurement activity, and progression and learning continues to advance. Until such time that any alternative measurement framework is issued by Welsh Government, NCC will continue to utilise our TOMs Core List and refine and advance its use. It is possible if not likely that any well-being outcomes reporting framework will work alongside the Welsh National TOMs rather than replace it, and in that respect we will continue to embed TOMs within NCC.

## **Financial Summary (Capital and Revenue)**

This report provides an update on the social value outcomes achieved using the TOMs framework, against the proxy values associated with each measure. The proxy values are set at a national level, and provide a monetary value which is used to calculate the tenderers committed social value against each measure. The figures provided in Appendix A are based on the suppliers response multiplied by the proxy value for each measure. There are no direct costs associated with this report.

## Risks

<b>Risk Title / Description</b>	<b>Risk Impact score of Risk if it occurs* (H/M/L)</b>	<b>Risk Probability of risk occurring (H/M/L)</b>	<b>Risk Mitigation Action(s)</b> What is the Council doing or what has it done to avoid the risk or reduce its effect?	<b>Risk Owner</b> Officer(s) responsible for dealing with the risk?
No risks identified in reporting TOMs outcomes.				

## 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 ([Climate Change Plan | Newport City Council](#)) 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 tCO<sub>2</sub>e 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.*

The social value tool assists with the measurement and reduction of Council carbon emissions.

### **Options Available and considered**

There are no options to consider in this update report. The report is for information only.

### **Preferred Option and Why**

There is no preferred option in this update report. The report is for information only.

### **Comments of Chief Financial Officer**

This report is for information only and there are no direct financial implications that come out of it.

The Council has a procurement process (the 'Gateway process') that allows a high degree of flexibility in how and what we measure and assess when awarding contracts. Thus, TOM'S are now incorporated in the Gateway Process and are used for the collation of the results shown in this report.

The report clearly demonstrates that the Council is leveraging social value in its procurement exercises which contributes to meeting the well-being objectives set out in the Well-Being of Future Generations Act.

### **Comments of Monitoring Officer**

This report is for information only and there are therefore no legal implications arising directly from it. As is set out in the report and below, the measuring of social value outcomes against core TOMs will assist the Council in ensuring that it meets the well-being objectives set out in the Well-Being of Future Generations Act 2015 and delivers on the sections of the Corporate Plan identified above. Such monitoring will also assist the Council in ensuring that it is carrying out socially responsible public procurement with a view to complying with the requirements of the Social Partnership and Public Procurement (Wales) Act 2023.

### **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 the Council 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 them 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 in March 2023 has enabled us measure and improve well-being, social value, tackle climate change and contribute to community wealth building through the goods and services that we procure. This report demonstrates good progress over the first six-month period in securing measurable social value outcomes.

There are no direct human resources implications in this report.

## **Fairness and Equality Impact Assessment:**

For this report, a full Fairness and Equality Impact Assessment has not been undertaken. This is because this report is not seeking any strategic decisions or policy changes, with its purpose being to update Cabinet on the calculated social value achieved for the reporting period only.

## **Background Papers**

Corporate Plan 2022-27

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

Strategic Plan for Procurement 2020 – 2024



Newport City Council  
Proc Strat Final v3 for

**Dated: 17 January 2024**

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Contract Header	NTW Ref	Social Value Description	Calculated Social Value (Financial) by Supplier/Supplier Response
Infrastructure – Highways Management	NTW1.1	No. of direct employees (FTE) hired or retained that will work on contract, for the duration of the contract, that live within the Newport City Council boundary.	£84,274 based on average of 2.92 fte's
	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	£16,224 Based on current workload, it will not be necessary to employ any further staff to service the requirements of this contract, however we can reasonably expect to hire 1 additional member of staff during the period of 1 year and can commit to a recruitment programme that will target persons who have been unemployed for a period between 6 to 12 months
Environmental services – Play Area Refurbishment	NTW14	Total amount (£) spent in the supply chain through the contract, where goods or services are provided by businesses in the Cardiff Capital Region.	Tool Hire Newport £413 Tool Hire & Sales Newport £708 Skip Hire Newport £1,017 Recycling Newport £5,900 Building Materials Newport £442
Environmental services – Play Area Refurbishment	NTW14	Total amount (£) spent in the supply chain through the contract, where goods or services are provided by businesses in the Cardiff Capital Region.	Fencing Newport £390 Skip Hire Newport £545 Equipment Rentals Newport £283 Concrete Newport £959 Sports Grounds Works £21,240

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Environmental services – Play Area Refurbishment	NTW14	Total amount (£) spent in the supply chain through the contract, where goods or services are provided by businesses in the Cardiff Capital Region.	Tool Hire Newport £248 Tool Hire & Sales Newport £425 Skip Hire Newport £1,507 Building Materials Newport £443
Environmental services – Play Area Refurbishment	NTW14	Total amount (£) spent in the supply chain through the contract, where goods or services are provided by businesses in the Cardiff Capital Region.	Will utilise local sub-contractors for all installation works, including Garden Services, Fencing, Builders Merchants, Plant Hire. Estimated NTW14 value of £41,300
Housing & Communities – Delivery of Multiply	NTW1.1	No. of direct employees (FTE) hired or retained that will work on contract, for the duration of the contract, that live within the Newport City Council boundary.	£57,722 based on recruiting 2 fte's for the delivery of this Lot.
	NTW68	Total amount (£) spent with third sector and civil society organisations within your supply chain.	We will spend a minimum of £1000 on sponsoring local grassroots football clubs, Donate foodbank parcels and staff time for voluntary organisations.  £0.12 x £1,000 = £120
	NTW61	Percentage of staff on contract that is paid at least the relevant Real Living wage as specified by Living Wage foundation	We are a living wage employer and both staff members will be paid above this threshold within our pay structure.
	NTW18	£ spent with local partnerships to implement circular economy solutions	We will contribute at least £1000 into the local economy through venue hire, ensuring learning materials are printed and supplied within the local supply chain. Any events that need catering will be sources using local SME



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Housing & Communities – Delivery of Multiply	NTW1.1	No. of direct employees (FTE) hired or retained that will work on contract, for the duration of the contract, that live within the Newport City Council boundary.	£115,444 based on 4 fte's to fulfil this contract, employed from within the Newport Community.
	NTW18	£ spent with local partnerships to implement circular economy solutions	Our commitment to the environment and sustainable economic solutions is unwavering. We have earmarked a fund of £5,000 to foster local partnerships aimed at advancing circular economy practices. By redirecting funds into sustainable initiatives, we anticipate a reduction in resource waste and an increase in the longevity and usability of products and materials within the local community. This move demonstrates our dedication to merging education with environmentally-conscious economic practices.
	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.)	In our pursuit to make a lasting positive impact on the environment, our Newport Multiply Programme is set to contribute to a significant decrease in vehicular emissions. We project savings of 2,000 car miles, owing to our strategic approach to transportation. A quarter of our programme will be delivered online, not only making learning accessible but also cutting down on commute-based emissions.  2000 x £0.03 = £60
	NTW61	Percentage of staff on contract that is paid at least the relevant Real Living wage as specified by Living Wage foundation	We firmly believe in fair remuneration for all. As testament to our commitment, we're proud to be a Real Living Wage accredited employer.

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	NTW68	Total amount (£) spent with third sector and civil society organisations within your supply chain.	<p>Understanding the pivotal role that the third sector and civil society organisations play in community development, we have allocated £5,000 to collaborate with such entities in the delivery of our Multiply Programme. By partnering with Voluntary, Community, and Social Enterprises, we aim to ensure that our programme's reach and impact are maximised, and that we build on existing community networks and strengths.</p> <p>£0.12 x £5,000 = £600</p>
Housing & Communities – Delivery of Multiply	NTW1.1	No. of direct employees (FTE) hired or retained that will work on contract, for the duration of the contract, that live within the Newport City Council boundary.	1 fte full time tutor will be created, £28,861
	NTW61	Percentage of staff on contract that is paid at least the relevant Real Living wage as specified by Living Wage foundation	100% - All employees receive the National Living Wage as will any new employees.
	NTW68	Total amount (£) spent with third sector and civil society organisations within your supply chain.	£720 – We have earmarked £6,000 for room hire expenditures, prioritizing 3 <sup>rd</sup> Sector Organisations wherever possible.
Housing & Communities – Delivery of Multiply	NTW1.1	No. of direct employees (FTE) hired or retained that will work on contract, for the duration of the contract, that live within the Newport City Council boundary.	£115,444 based on 4 fte's to fulfil this contract, employed from within Newport.

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	NTW18	£ spent with local partnerships to implement circular economy solutions	Fundraise £500 per annum for local charities in Newport. Purchase supplies from local businesses – we commit to spending at least 80% of the contract value within Newport.
	NTW61	Percentage of staff on contract that is paid at least the relevant Real Living wage as specified by Living Wage foundation	100% - All employees receive the National Living Wage as will any new employees.
Housing & Communities – Delivery of Multiply	NTW1.1	No. of direct employees (FTE) hired or retained that will work on contract, for the duration of the contract, that live within the Newport City Council boundary.	Across all Lot's we will need to recruit 17 fte's and will look to the local community to fill these posts wherever possible. If this is successful then £490,637 will be achieved against this measure.
	NTW61	Percentage of staff on contract that is paid at least the relevant Real Living wage as specified by Living Wage foundation.	100% - All employees receive the National Living Wage as will any new employees.
<b>TOTALS FOR MAY TO OCTOBER 2023</b>	NTW1.1	<b>No. of direct employees (FTE) hired or retained that will work on contract, for the duration of the contract, that live within the Newport City Council boundary.</b>	<b>£892,382</b>
	NTW14	<b>Total amount (£) spent in the supply chain through the contract, where goods or services are provided by businesses in the Cardiff Capital Region.</b>	<b>£75,378</b>
	NTW18	<b>£ spent with local partnerships to implement circular economy solutions.</b>	<b>£6,500</b>
	NTW42	<b>Car miles saved on the project as a result of a green transport programme or equivalent (e.g.</b>	<b>£60</b>

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		<b>cycle to work programmes, public transport or car pooling programmes, etc.)</b>	
	<b>NTW50</b>	<b>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.</b>	<b>£16,224</b>
	<b>NTW61</b>	<b>Percentage of staff on contract that is paid at least the relevant Real Living wage as specified by Living Wage foundation</b>	<b>100% where this measure was included in the contract.</b>
	<b>NTW68</b>	<b>Total amount (£) spent with third sector and civil society organisations within your supply chain.</b>	<b>£1,440</b>
<b>TOTAL SOCIAL VALUE FOR THE PERIOD MAY TO OCTOBER 2023</b>			<b>£991,984.00</b>

Note – Social Value Measures were included in a number of additional contracts, but this data is still being collected and will be reported in due course. This is in line with the overall TOM's framework principles whereby tenderers appointed to a framework contract or an Approved List do not know at commencement of contract how much work they will get, so the data for these type contracts can only be collected retrospectively on the anniversary of the contract.