

Appendix 1

London Borough of Barnet

SOCIAL VALUE POLICY 2023- 2026

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Introduction

This is our updated Social Value Policy. The Council's intent in refreshing this policy is to enable our existing framework to grow by incorporating the best practices from organisations that have been successful with their social value journeys and to align social value with Our Plan for Barnet and our Reducing Poverty and Community Wealth Building approach. This policy sets out our renewed approach to sourcing goods and services that goes beyond the principles of competition and outstanding value-for-money.

Over the three-year period from 2018-2021, the council's supply chain equated to over 95% of the total emissions of the council itself. This policy will also work in unison with our Sustainability Strategy and Sustainable Commercial Strategy to address environmental concerns.

Furthermore, from January 2016 to September 2021, the council incurred £6 billion through its supply chain, and the total amount reserved for contracts in the council's Annual Procurement Forward Plan for 2022/23 exceeded £1.3 billion. There is clearly potential to generate significant positive outcomes for our communities by leveraging more social value from these contracts. The strategic additions we are implementing will enable us to maximise our potential of creating positive outcomes for the planet, places, and people of Barnet.

Additionally, the procurement team moving in-house will give the council more autonomy in how we evaluate, monitor and report on social value.

In our previous policy (2021-2025), we implemented:

- A maximum of 20% weighting for social value at the evaluation stage.
- A menu of social value themes outcomes and measures (TOMs) that will be made available to suppliers as part of a social value toolkit.
- Additional capacity in the council to ensure social value delivery was captured and monitored.

Following publication of this policy, we will further implement:

- A minimum expectation of 5% reinvested in Social Value initiatives by the supplier for every contract that is £214,904 or above.
- A minimum expectation of one employment outcome for each £1 million a contract is valued at.
- A new set of TOMs that are aligned with our new corporate objectives.
- A Social Value Matrix that will simplify the process for suppliers and make it easier for the council to objectively evaluate bids.
- A robust remedies process that enables Barnet Council to apply liquidated damages for non-delivery of commitments.
- A Social Value Impact Fund to ensure financial contributions and liquidated damages from undelivered social value commitments are reinvested back into the community.

Life in Barnet

The London Borough of Barnet is home to a population of around 389,300 people residents, making it the second most populous borough in the capital. The borough's overall population is projected to increase by around 5% by 2030, taking the number of residents to approximately 408,765.

Barnet has more than 26,000 registered businesses employing 134,000 people. The borough's economy is heavily dominated by small businesses, in particular micro-businesses, with 94% having fewer than nine employees. Around 17% of Barnet's workers are self-employed.

Barnet is one of London's least deprived boroughs but is not without disadvantage or challenge. Significant levels of deprivation can be found in the west of the borough, with pockets of disadvantage scattered elsewhere. In these neighbourhoods the life expectancy of residents can be 7.5 years less than in more affluent areas. Four wards in the west and south of Barnet's have a third or more of their children living in poverty after housing costs are considered¹. The COVID-19 pandemic and the rising cost of living have exacerbated these inequalities.

The COVID-19 pandemic had a significant impact on education, people's health and the economy. Three lockdowns, furlough, people losing their jobs and income, pushed more residents into hardship². The unemployment rate peaked at 8% in Barnet in 2021 – 2.2% higher than the London average at the time³. Additionally, as businesses were forced to close, many consumers diverted their expenditure to e-commerce, leading to less money being spent on Barnet-based businesses.

However, a key feature in the last couple of years, in Barnet, is the role the local voluntary community and faith sector (VCFS) has played in supporting residents affected by the pandemic and the rising cost of living. Working in genuine partnership with the council, Barnet Together and health services, the sector has shown that it is well-connected and has reach into the Barnet's diverse communities. This provides a firm foundation for an asset-based approach to improving communities, with many structures already in place where social value outcomes can be delivered.

This policy aims to confront deprivation and environmental issues in the borough by implementing a framework that will create more opportunities for residents, VCFSs and local businesses, and support our journey to Net Zero through our supply chain.

¹ End Child Poverty Coalition, data collected July–September 2017.

² Coronavirus pandemic: the impact on Barnet three years on (a news article reporting the latest figures from the UK coronavirus dashboard as per 24 March 2023).

³ Varbes: Economy of Barnet, 2022

Policy context

The council, at its core, develops people and places. It seeks to empower residents and the community to reduce the need for accessing council services whilst improving outcomes in the Borough.

In 2023 the council launched its new four-year strategy for the borough: Our Plan for Barnet. The plan provides the underpinning strategic direction for the Social Value Policy. It sets out the council's approach to work in genuine partnership with residents and partner organisations for the benefit of the borough and its communities. Key to this is a commitment to social value and ensuring that suppliers, as partners, play their part in contributing to social outcomes.

The council's vision, set out in the plan is:

We want everyone in Barnet to have a good quality of life; to be healthy and active, with access to excellent education, fulfilling employment, good housing, social connection and community. We will develop our town centres and neighbourhoods, creating safe, clean and welcoming places with quality homes people can afford. As a borough of fun, we will be a destination, a place to visit, live and enjoy ourselves, where people connect to each other and feel a sense of belonging. We will work together with local people, communities and businesses across the borough to become net zero carbon in Barnet by 2042, and for the council by 2030.

Our Plan for Barnet

Our Plan for Barnet is divided into four themes, which the council will focus on over the life of the plan:

- **Caring for people**
We will address inequalities and work to improve life chances for a good, healthy, happy and long life. We will work tirelessly to reduce poverty in our communities, boost incomes and reduce costs.
- **Caring for our places**
We will develop our town centres and neighbourhoods, create places that are clean, safe and welcoming. We will provide good quality homes in the right places that meet residents' diverse needs and are affordable. We will become a borough of fun.
- **Caring for the planet**
Put sustainability at the heart of everything we do. We will become a net zero council by 2030 and improve the quality of our local environment – enhancing our green and open spaces.
- **Engaged and Effective Council**
Collaborate, listen and build a dialogue with our residents and communities, working together to co-produce our strategies and services.

What is social value?

The Social Value Act

The Public Services (Social Value) Act 2012 came into force on 31 January 2013. Under the act, local authorities and other public bodies have a legal obligation to consider the social good that could come from the procurement of services as part of the commissioning cycle.

The aim of the Act is not to alter the procurement processes, it is designed to ensure councils give due consideration of the wider impact of their procurement and commissioning activities to enhance their outcomes and outputs from the services delivered.

It enables authorities to assess submissions not only based on selecting the most economically advantageous tender but also on the broader community benefits that the supplier commits to delivering.

Together, the Act and this policy provide an opportunity to integrate economic, environmental, and social sustainability into our procurement processes, delivering a cohesive yet flexible and innovative approach to generating social value through public procurement.

Barnet Council's definition of Social Value

The Social Value Act does not specifically define what is meant by social value. Therefore, the council will adopt the following definition of social value as set out by the UK Sustainable Procurement Taskforce:

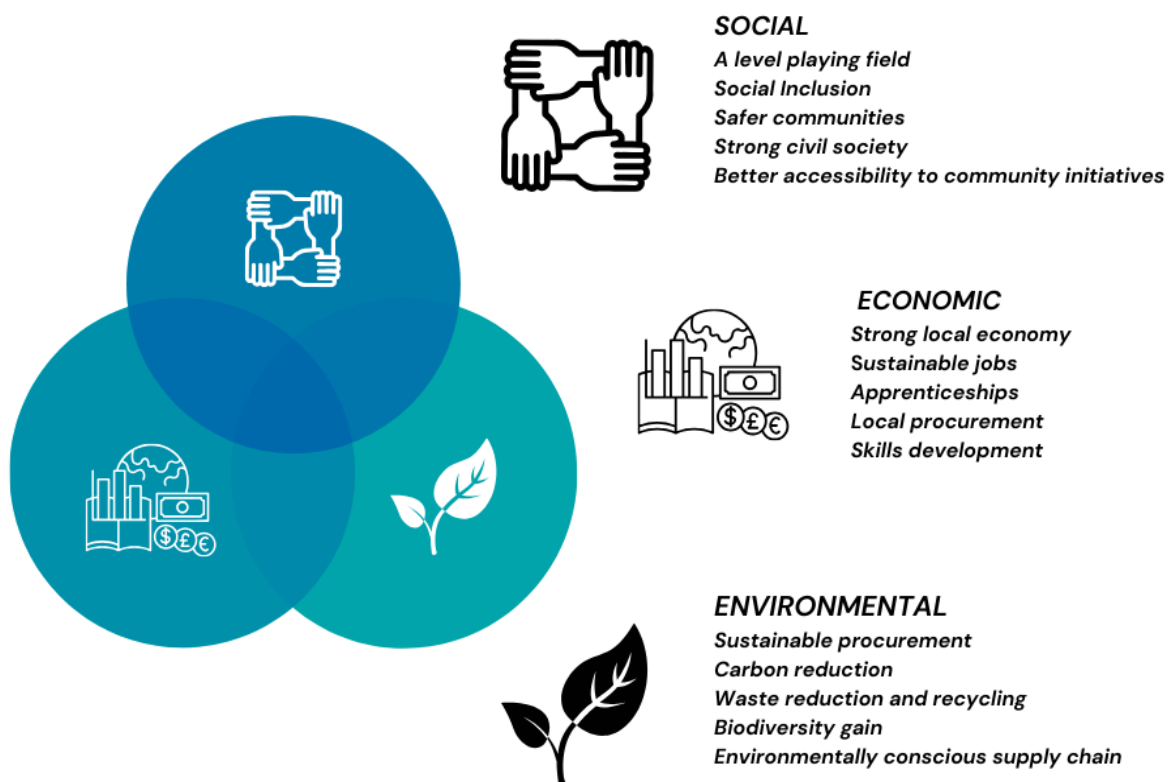
A process whereby organisations meet their needs for goods, services works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation but also to society and the economy whilst minimising damage to the environment.

Taking this further, the Local Government Act 2000 outlines that a local authority should have the fundamental objective of promoting and improving the area across economic, social, and environmental outcomes.

Therefore, as a council we must get the maximum possible value from every item of expenditure we can. Working to deliver this value in an integrated, coherent manner helps us to deliver Our Plan for Barnet priorities.

Underpinning sustainable procurement are economic, social, and environmental outcomes. They can be defined as meeting the needs of the present without compromising the needs of the future. Where an activity can deliver on multiple, or all, of these outcomes we will see greater sustainability and social cohesion in the Borough (although delivery against any is to be welcomed and encouraged).

Examples of these social value outcomes can be seen in the diagram below:



Outcomes needn't be confined to one of these areas and can intersect across several areas of work and types of benefit.

Social Enterprise UK offers the example where a mental health service is delivered by an organisation that actively employs people with a history of mental health issues to help deliver the service; a practice currently employed by our partners at Inclusion Barnet.

Not only does this approach guarantee a job for a local resident, but there is also further social value in that it enables a person with mental health issues to:

- Have a job where they may otherwise have been unemployed
- Become more socially included
- Potentially have a say in how mental health services are run

Through investing in a service to improve mental health, the council is also having a positive impact on two other strategic objectives: increased employment, and social inclusion. This will better promote an integrated, and coherent approach to the delivery of local priorities.

Some good examples of social value in our own borough can be found with BOOST, who are an employment, financial, and digital support service helping Barnet residents, and The Barnet Group.

BOOST: From September 2022 to September 2023, they collaborated with Barnet Council, 2econd Chance and Good Things Foundation to gift 85 laptops and tablets to residents and VCSEs in the borough. They also supported 47 homes with vulnerable residents to become better connected by installing high-speed fibre broadband.

The Barnet Group: They were able to secure a commitment from their gas contractors to donate £1 for every time they were given access to a property at the first request to conduct an annual safety check. This amounted to approximately £7000 in the first year of the contract. This money is made available for community groups to apply to fund local initiatives.

Social Value Principles

The council considers social value to extend to everything we do, across all services provided to residents and businesses, in order to support the delivery of Our Plan for Barnet.

We have developed the following set of principles that are the foundation of the Social Value Policy:

We seek to maximise opportunities to work with partners and stakeholders
Plans are designed to be inclusive with a focus on supporting future generations and reducing inequalities across the borough
We prioritise long-term improved outcomes over short-term 'fixes', prioritising prevention and targeted early intervention
We build stronger, safer communities with cohesive neighbourhoods, which have zero-tolerance for abuse or crime in any capacity
We create borough resilience to cope with future environmental and socio-economic stresses
We use our assets effectively to generate returns for the borough – both social and financial. This is underpinned by the council's Growth Strategy and Asset Acquisition Strategy.
We secure value for money in all we undertake and align this to our wider strategic and corporate objectives including the delivery of our medium-term financial strategy.

Aims and objectives of the Social Value Policy

- Delivery of real social value will be a default position in all our contracts, where it is relevant and appropriate.
- Ensuring our procurement activities will promote the local economy and reduce or remove barriers that prevent micro, small and medium sized businesses trading with the council.
- Promoting environmental sustainability through our social value outcomes. For example: waste reduction, positive decisions relating to climate change, reducing energy consumption and, wherever possible, procuring materials from sustainable, renewable sources.
- Advancing equalities, diversity and inclusion in the borough.
- Promoting the local voluntary, community, faith, and social enterprise sector (VCFSE) and supporting them in delivering the strategic outcomes they share with the council.
- Building capacity and sustainability in the local VCFSE through active support and engagement with the council's supply chain.
- Co-designing and co-producing social value outcomes with residents where it is suitable and appropriate to do so.
- Promotion of active citizenship and resident involvement to inform how we meet the needs of communities and actively deliver place-shaping outcomes.
- Creating and/or promoting local employment and training opportunities and using this to tackling local unemployment and drive inclusive growth.
- Providing training and skills to disadvantaged groups.
- Focussing social value outcomes on areas of highest deprivation
- Working with our supply chain to identify key roles and careers that may suffer skills shortages in the short to medium-term and/or those emerging sectors that require new entrants.
- Encouraging our supply chain to use local labour, i.e. from within the Borough's boundaries, and to pay a competitive wage to facilitate an increase in living standard and maximising their employees' access to entitlements and guidance.
- Supporting fair and ethical trading throughout our supply chain. We expect our suppliers, service providers and contractors to demonstrate similar levels of commitment to ensure the maintenance and improvement of local and global ethical practice.

How we will ensure social value is delivered

All suppliers wishing to bid for contracts with the council are required to state what social value measures they want to contribute to alongside the services they are bidding to provide, however the measures have been refined and aligned to our new corporate plan to ensure outcomes are directly linked with our objectives.

This menu of measures highlights to suppliers our priorities and enables us to monitor performance of the suppliers against their social value commitments. However, we are not entirely prescriptive, and we welcome offers that are not in the remit of the Barnet TOMs.

Usually, social value is calculated at the government's minimum weighting of 10% in tenders. Barnet Council will continue to have a 20% social value weighting when evaluating bids.

We are now implementing:

- A refined menu of social value themes outcomes and measures (TOMs) with defined monetary values for each measure and a guideline for evidence required.
- A minimum expectation of 5% reinvested in social value initiatives by suppliers on contracts that are £214,904 or above.
- A minimum of one employment outcome expectation for every £1 million in contract valuation, with options including:
 - a full-time contract
 - an apprenticeship
 - a supported internship
- A Social Value Matrix to simplify and clarify supplier commitments, and to make it easier for Barnet Council to objectively evaluate bids.
- A structure to remedy non-delivery of commitments from suppliers.
- A Social Value Impact Fund that will enable the council to redistribute financial contributions and liquidated damages.

Embedding social value in our procurement processes

At the beginning of every procurement exercise, the specifications and designs being procured are analysed to identify social value outcomes that might be sought. Contract managers are guided by our toolkit to determine relevant social value outcomes that meet key commitments in Our Plan for Barnet. Contract managers determine proportionality and weightings applied to social value on a procurement-by-procurement basis to maximise deliverability of both the core contract and social value commitments.

The council encourages, and will continue to encourage, organisations to provide opportunities for the delivery of direct social value that is impactful and measurable.

The council will encourage the scale of deliverable social value to be proportionate to:

- The length of the contract awarded
- The scale of the contract awarded

The council will ensure social value is referenced in the Local Plan to ensure positive social outcomes are generated wherever there is development in the borough.

The council has always been open to alternative delivery models where they represent added value to residents. Where arrangements such as social enterprises, mutuals or not-for-profit joint ventures may deliver greater social value, the council will consider these.

The council commits to ensuring all internal approvals and governance processes will document social value when undertaking a procurement exercise. Where, under exceptional circumstances, it is not appropriate to include social value this must be recorded prior to approvals being granted.

The council will apply a scoring methodology that ensures social value is considered on its own merits and importance. The council's default weighting to social value will be 20% of the overall assessment. The level of importance applied to social value can be amended both upwards and downwards, however. This will be done after considering the contract length, subject matter and whether there is sufficient competition to deliver core services at the default commitment. This will enable social value to be relevant and proportionate across all procurements.

Social Value Toolkit

To support the implementation of this refreshed policy, the council has produced a toolkit for suppliers that sets out our expectations and requirements of them in relation to social value and explains how we social value works in Barnet. At the heart of this is the Barnet's Social Value TOMs. This is a menu of the various ways that suppliers can fulfil their social value commitments. It sets out a range of activities and investments listed under the three themes in Our Plan for Barnet. These include things like the creation of apprenticeships, providing training or advice to unemployed young people or committing to carbon neutrality in the delivery of a service.

The TOMs are included as an appendix to this policy. They have been co-designed by the council's internal Social Value Task Group. This is a pan-Council group comprising representatives from various service areas across the council and its delivery partners. The TOMs are reviewed annually by the task group and the Social Value Panel. The members of the latter group will be council staff, residents, VCFS partners and local businesses. This is to ensure that they are regularly informed by the most up to date

insight into community needs and priorities.

The Social Value Matrix (SVM) has been introduced to ensure supplier commitments are quantifiable, making it easier for the evaluating panel to assess bids in an objective manner. It is a form embedded within the Invitation to Quote/Tender document that guides suppliers to produce clearly defined commitments where crucial information such as quantities, milestones and responsible person(s) are stated. This form must be used in tandem with the Barnet TOMs, and similarly to the TOMs, the SVM will be reviewed regularly to ensure it is serving its purpose of being a simplified evaluation method for both the supplier and the council, and is included as an appendix to this policy.

In addition to the TOMs and SVM, the toolkit includes guidance documents explaining how social value is calculated, assessed and monitored through our procurement systems. The toolkit is used in all procurement exercises and helps to ensure social value is embedded and implemented in how we do business. The whole toolkit is also reviewed annually.

Monitoring social value

The refreshed TOMs include a blend of weighting and monetary values for measures, to reflect the council's priorities and enables social value commitments to be quantified.

The monitoring tool that will be introduced will be used by the contract managers and suppliers, and will support both in tracking outcomes. Both parties will meet quarterly to review progress. Outcomes from each contract will feed into a large worksheet that holds data about all contracts. This data will then be used to demonstrate the impact our supply chain has had on our communities.

The Strategy and Engagement team holds the corporate relationship with the VCFSE and has overall responsibility for the council's community engagement and consultation functions. The recent Community Participation Strategy proposes that the council involve residents and community groups wherever possible in our work to improve the borough. This is particularly important to ensure the effectiveness of our Social Value Policy.

Community engagement will not only inform the TOMs, but we will also use it to provide richer evaluation of the outcomes - not just relying on monitoring data to report the success of social value, but to also record personal stories and case studies.

Evaluation of the council's approach

The council will produce an annual public report on the benefits secured and performance against social value proposals in our supply chain. This report will be presented to Cabinet. The first report will be published after the 2023/2024 financial year and will follow the same pattern in the proceeding years.

The council also aims to include benefits secured through our strategic partners within the borough to present a fuller picture of social value in the borough.

Transparent reporting through Cabinet allows the council to adjust our approach as we begin to receive feedback through the reporting process and our proposed annual reviews.

Within the annual public report, the following information will be made available (at a minimum):

- Performance monitoring information on all social value outcomes delivered through contracts in the financial year. This will include feedback from our communities, local education sector, providers, and other relevant stakeholders.
- Direct expenditure with businesses categorised as micro, small or medium-sized and our VCFSE. This expenditure will be measured against the in-year benchmarks agreed as part of the Procurement Forward Planning process.
- Evidence as to how we have engaged locally in determining our social value outcomes and that they represent value to our communities.
- Case studies of procurement process where this policy has been applied and a full view of outcomes achieved across quality, price, and social value.
- A cost-benefit analysis of the impact of the policy. The council aspires for this to be in the form of Gross Value Added.

In determining an organisation's size, we will use employee headcount as a proxy as follows:

Organisation Category	Number of Employees
Micro	0-9
Small	10-49
Medium	50-249
Large	250+

The council measures its local expenditure across postcodes in Barnet. Expenditure locally in 2019/20 was £38.2m (7.1%). The council will continue to use this as a baseline from which to measure future performance.

As part of our commitment to improving social value in the borough, the council will seek to share, and learn from, best practice with other local authorities. The council will be working as part of the pan-London Procurement Network and nationally through established networks such as the Local Government Association.

Social Value is a continuously evolving metric, and many organisations – both nationally and internationally – measure outcomes differently. As part of our drive to learn and improve, we will work with strategic partners, stakeholders, and our communities to refine how we measure and define social value.

As the council learns, we will embed continuous improvement into the heart of our social value methodology. The council will maintain a co-produced approach to social value as we improve and will ensure the voice of the communities we serve reflects the social value we define and measure.

Remedies (Liquidated Damages)

There may be genuine and justifiable reasons for the non-delivery of a social value offer from the winning supplier. In these circumstances, London Borough of Barnet will initially seek to engage with the winning supplier to determine what issues are impeding social value delivery. It will expect the winning bidder to have a coherent rectification strategy. This could include other social value proposals to a measure that has equivalent or higher monetary value.

In the event that the supplier is not able to deliver any or some of its social value obligations as per the commitments in the tender submission, or otherwise commits a breach in that regard during delivery of the contract; the London Borough of Barnet reserves the right to apply liquidated damages for the failure to deliver in whole or part of the social value commitments stated in the tender documents.

The Liquidated Damages for non-delivery of Social Value Commitments document will be made accessible for suppliers through the Social Value Toolkit. It will detail how liquidated damages are calculated.

It will be at the sole discretion of London Borough of Barnet, as to whether it grants relief to the supplier in respect of liquidated damages.

Social Value Impact Fund (SVIF)

The council will introduce a Social Value Impact Fund (SVIF) to ensure financial contributions and liquidated damages from undelivered social value commitments from suppliers are reinvested back into the community. With the agreement of the council, suppliers can:

- Offer financial contributions amounting up-to 10% of the total social value contributions.
- Make a cash contribution to the SVIF when unable to deliver on a social value commitment and all other equivalent or higher valued alternatives cannot be achieved. This will be considered liquidated damage.

The council will ensure expenditure incurred on the SVIF is linked to our core aims and objectives outlined in this policy and in the TOMs.

Governance arrangements will be transparent and ensure accountability to the council's stakeholders.

Annual reporting on the use of the SVIF will be published as part of reporting social value to Cabinet. It will include:

- A list of projects and initiatives that have received funding.
- The level of funding allocated to the projects and initiatives.
- Delivery reports and evaluation reports from successful projects.
- Tracker for ongoing projects.

Social Value Panel

To ensure ongoing coproduction of social value, the council will commit to the creation of a social value panel. This will be a multiagency group comprising residents, VCFS partners and businesses. The panel will enable the council to engage local micro and SME, voluntary and community sector groups and resident to allow for co-design of social value outcomes that matter to the community.

Working with the VCFS will be particularly important, as some organisations in the sector may be direct beneficiaries of social value from council suppliers. We will also seek to understand where strategic projects in the VCFS align to Our Plan for Barnet outcomes and, where these are unfunded or have match-fund requirements, publish them to our social value webpage for prospective bidders.

Community involvement is a vital part of place-based delivery, and the panel could be a vehicle for enabling community stakeholders to assist with shortlisting procurements that are specific to their local areas.

Communicating the Social Value Policy

The council will communicate this policy widely across all internal and external stakeholders; amongst staff; strategic partners and elected Members. In doing so, we will prepare and deliver a comprehensive programme of training and development to ensure our approach to social value is understood and that our approach and practice is transparent. We will ensure that social value expertise becomes embedded in evaluation panels and support contract managers to build robust evaluation criteria as they relate to social value.

Information about social value and the implementation of this policy will be communicated externally through the council website and social media channels. This will help promote the toolkit and TOMs and spread awareness of Barnet's commitment to a socially beneficial supply chain.

All information will be hosted on the council website, listing information about local suppliers and upcoming pan-London opportunities on the 33 portal and our own local procurement portal. As monitoring and evaluation takes place, we will add case studies and examples of good practice to the communications about social value.