

Appendix 1

London Borough of Barnet

# **SOCIAL VALUE POLICY 2021-2025**

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## Introduction

This is Barnet Council's first Social Value Policy. The Council's intent in developing this policy is to set out an approach to sourcing goods and services that goes beyond the principles of competition and outstanding value-for-money. This policy sets out the council's ambition to deliver meaningful social value through its supply chain, creating positive outcomes for the places and people of Barnet.

The council incurred £541m through its supply chain in 2019/20, and £1,467m over the 3-year period leading up to 31 March 2020. There is clearly potential to generate significant positive outcomes for residents by leveraging more social value from these contracts.

Following publication of this policy an implementation plan will be developed setting out how we will implement it. Our core deliverables will be:

- An increased minimum of 20% weighting for social value
- 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 is captured and monitored

## Life in Barnet

The London Borough of Barnet is home to a population of around 400,600 residents, making it the 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 419,200.

Barnet has around 23,000 registered businesses employing 132,000 people. The borough's economy is heavily dominated by small and, in particular, micro-businesses with 94% having fewer than nine employees. Around one-quarter 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 considered<sup>1</sup>.

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<sup>1</sup> End Child Poverty Coalition, data collected July–September 2017

Over a quarter of Barnet's resident are aged 0-19, and the population of children and young people in the borough is set to grow by 3% by 2025. While Barnet experiences much less gang-related youth violence than many other London boroughs this was a big concern among young residents when surveyed in 2019<sup>2</sup>. The potential impact of the COVID-19 pandemic on employment opportunities, and lost time in education are additional challenges this age group now faces.

Barnet's ageing population presents a growing challenge to public health and care services. Between 2020 and 2035, the estimated number of people aged 65 and over in Barnet living with a life-limiting long-term illness is projected to increase by 50%. The borough's population as a whole is growing too however, with the number of households in Barnet predicted to increase from 157,000 in 2018 to 192,000 by 2030 - a rise of 22%.

The impact of the COVID-19 pandemic on the borough will exacerbate these challenges and push more residents into hardship. A recent study by the West London Alliance (WLA)<sup>3</sup> predicts that Barnet's economy will have contracted by 9% following the lockdowns of 2020, with sectors such as education, construction, retail, and hospitality all seeing a significant decline. The consequent rise in unemployment will also place strain on the physical and mental wellbeing of residents and their communities.

A key feature of the last 18 months in Barnet is the role the local voluntary community and faith sector (VCFS) has played in supporting residents affected by the pandemic. Working in genuine partnership with both the council 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 through which social value outcomes can be delivered.

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<sup>2</sup> Barnet Young People's Perception Survey 2019. Most frequent concern: Crime 53%; biggest safety concern: Gangs 51%

<sup>3</sup> How might the coronavirus impact the West London economy? (A report for the West London Alliance June 2020)

## 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 2021 the council launched its new four-year strategy for the borough: The Barnet Plan. The plan provides the underpinning strategic direction for the Social Value Policy. It builds on the work underway to ensure the borough makes a successful recovery from the Covid-19 pandemic. It also sets out a new approach for the council in which it will 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 care about Barnet and want it to be a great place to learn, live, work and visit. Listening to and working with all our residents of any age and partners, we will provide the best possible services so that people have opportunities to live healthy and fulfilling lives in safe and thriving families and communities. We are committed to providing outstanding customer service in everything we do.*

## The Barnet Plan Themes

The Barnet Plan is divided into four themes, which the council will focus on over the life of the plan. These are underpinned by two cross cutting priorities: prevention and equalities that will be considered in all plan deliverables.

- **Clean, safe and well-run**  
A place where our streets are clean and anti-social behaviour is dealt with, so residents feel safe. Providing good quality, customer friendly services in all that we do
- **Family friendly**  
Creating a Family Friendly Barnet, enabling opportunities for our children and young people to achieve their best
- **Healthy**  
A place with fantastic facilities for all ages, enabling people to live happy and healthy lives
- **Thriving**  
A place fit for the future, where all residents, businesses and visitors benefit from improved sustainable infrastructure and opportunity

## 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 commissioning and procurement processes. The Act is designed to ensure councils give due consideration of the wider impact of their commissioning and procurement activities to enhance their outcomes and outputs from the services delivered.

It allows authorities, for example, to choose a supplier under a tendering process who not only provides the most economically advantageous tender, but one which goes beyond the basic contract terms and secures wider benefits for the community.

In 2019/20 the council spent approximately £541m via commissioned and procured expenditure routes on both capital and revenue items.

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:

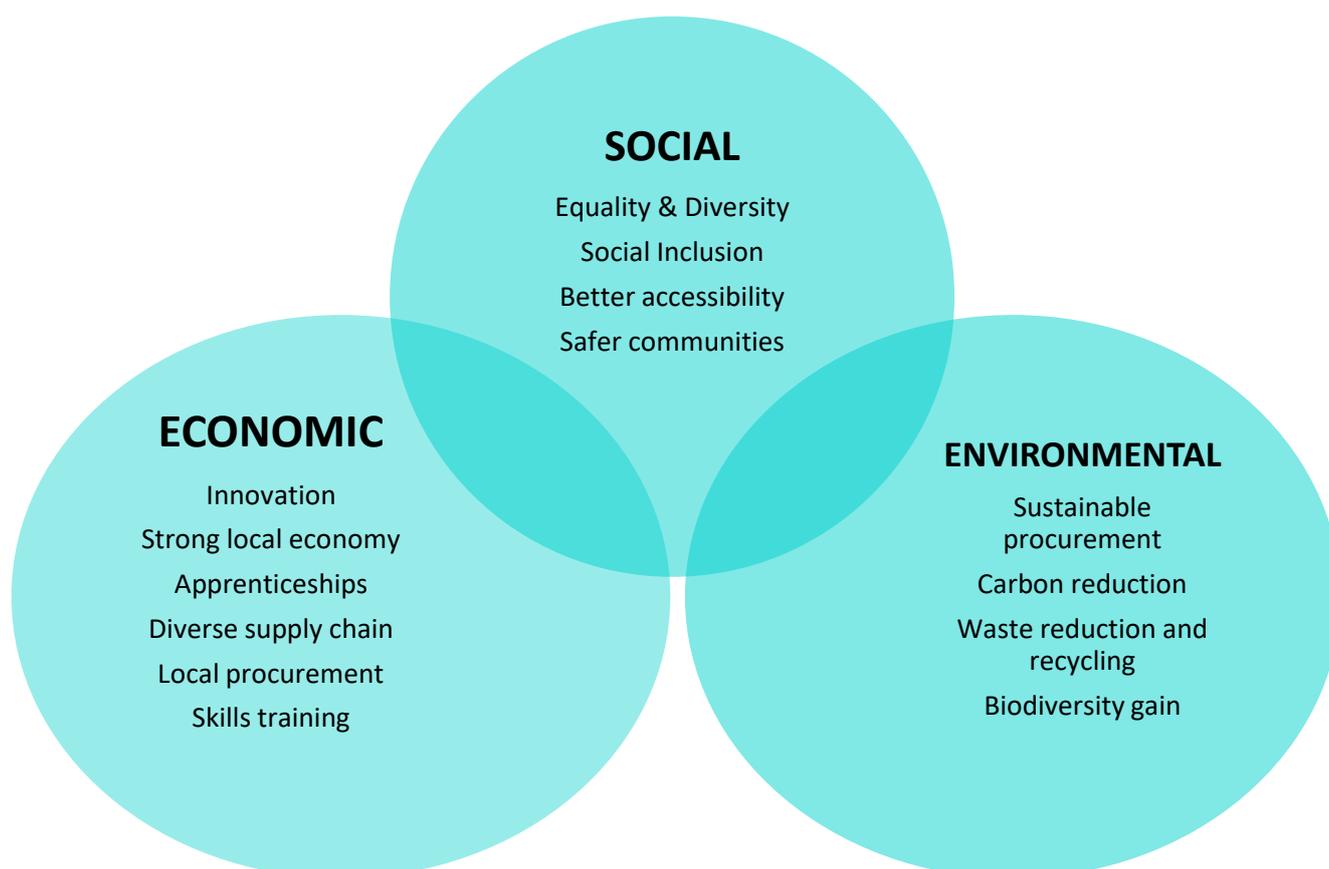
*A process whereby organisations meet their needs for goods, services works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation but also to society and the economy whilst minimising damage to the environment.*

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 the Barnet Plan 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 The Barnet Group who have had success in creating social outcomes from the suppliers they work with in maintenance contracts for the council's housing stock.

The Barnet Group 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 the Barnet Plan.

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 and faith sector (VCFS) and supporting them in delivering the strategic outcomes they share with the council.
- Building capacity and sustainability in the local VCFS 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 already required to state what social value they will contribute alongside the services they are bidding to provide. This is currently left up to the supplier to define, as the council does not provide a menu of social value themes and outcomes. Usually, social value is calculated at the government's minimum weighting of 10% of the quality criteria of the tender.

Without a prescribed menu of defined social value outcomes, it is difficult to monitor the performance of suppliers against their social value commitments. This also requires staff time, and there had not been capacity in the council to manage this closely.

We will therefore implement:

- An increased minimum of 20% weighting for social value
- 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 is captured and monitored

## Embedding social value in our procurement processes

At the beginning of every commissioning exercise, the specifications and designs being procured will be analysed to identify social value outcomes that might be sought. Commissioners will be guided by our toolkit to determine relevant social value outcomes that meet key commitments in our Barnet Plan. Commissioners will 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 commissioning 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 commissioned procurements.

## **Social Value Toolkit**

To support the implementation of this policy, the council will produce 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 will be 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 four themes of the Barnet Plan and its two cross-cutting priorities of prevention and equalities. 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.

This first set of 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 will be kept under constant review - both by the task group and ultimately the forthcoming Social Value panel. This will ensure that the TOMs are regularly informed by the most up to date insight into community needs and priorities.

In addition to the TOMs the toolkit will include guidance documents explaining how social value is calculated, assessed and monitored through our procurement systems. The toolkit will be used in all procurement exercises and help ensure social value is embedded and implemented in how we do business. We will review the whole toolkit annually, except in the first year where the initial review will take place after six months.

## **Monitoring social value**

Additional capacity in the council will ensure that social value can be assessed both in the tendering process and in its delivery through the contract.

The TOMs will include a proxy value or score for each measure, enabling the social value of the activities to be quantified. Some of the measures in the TOMS will be weighted to reflect not just the financial value but also the impact on the community. An outcomes measurement framework for the Barnet Plan is currently in development, and this will ensure that all Barnet Plan deliverables are accurately tracked and monitored. The social value TOMs will mirror this approach and where possible use the same system of measures.

The development and management of the toolkit is led by the Community Innovations and Funding Manager in the council's Strategy and Engagement team. This post is responsible for ensuring the best community and social outcomes for council resources. This includes managing the Community Innovation Fund grant scheme and the Crowdfund Barnet fundraising platform.

The Strategy and Engagement team also holds the corporate relationship with the VCFS 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 a bi-annual public report on the benefits secured and performance against social value proposals in our supply chain. This report will be presented to the Financial Performance and Contracts Committee.

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

Within the bi-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 VCFS. 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 commissioning 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 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.

## **Social Value Impact Fund (SVIF)**

The council will introduce a Social Value Impact Fund (SVIF) to ensure social value commitments are delivered. The intent for this fund is to act as a failsafe solution for instances where lifetime social value commitments on a contract will not be delivered by the relevant supplier. With the agreement of the council, suppliers can:

- Offer alternative social value outcomes
- Make a cash contribution to the SVIF. This will only be considered when all other alternatives have been clearly demonstrated as being exhausted.

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 Financial Performance and Contracts Committee. It will include at a minimum a list of projects and initiatives allocated funding, and state:

- 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 Barnet Plan 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 commissioners 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.