

## Newcastle's Social Value Commitment

February 2015

### 1. Introduction

- 1.1 The Newcastle Social Value Commitment is a set of guiding principles which Newcastle City Council is committed to applying to all of its commissioned and procured activity.
- 1.2 Through making this commitment, we seek to ensure that maximising Social Value becomes a fundamental part of everything that the Council does.
- 1.3 As a major city employer and investor, we recognise the significant impact that our own actions can have, and we also know that positive impact can be vastly increased if city stakeholders work together. We hope that partners will commit to join us in signing up to this commitment.

### 2. What is Social Value?

- 2.1 Social Value is, simply, value that accrues in our local communities. It is what city residents say is valuable to them, for example; sustainable employment, a decent place to live, and equal access to a range of quality services in the local area.
- 2.2 In making a Social Value Commitment, we want to help both **create** Social Value, and **recognise** its worth.
- 2.3 Social Value is not an 'add-on' to core business we will design and embed Social Value **into** the goods, works or services we procure in the first place.

### 3. Our Principles

- 3.1 In developing our local Commitment, we have talked with local partners from the city's Social Enterprise, voluntary, charitable and private sectors to find out what they and their stakeholders think Social Value is in Newcastle, and how they think it should be recognised. These partnership discussions have led us to set out the following principles:

#### 1. Think, Buy, Support Newcastle

We will value local spend and recognise that Social Value is a part of our core business.

Spending money locally generates value across our supply chain, and effectively delivers it to local people. For instance, research by the Federation of Small

Businesses<sup>1</sup> suggests that every £1 spent by a local authority with local SME's generated an additional 63p of benefit for the local economy.

It is therefore important that we place appropriate value on the spending of money in our local economy. To do this, where the market allows, we will prioritise targeting our procurement spend towards Newcastle-based organisations.

#### **Example – Local Procurement through NEPO**

In 2012, the Council began to purchase goods (and in 2013 works) via a 'Quick Quotes' system within the North East Procurement Organisation (NEPO). This system allowed us to specifically invite 4 organisations to bid (2 of which are Newcastle based) each time we issued a contract on a price-only basis under £50k.

## **2. Community Focussed**

We will seek to understand and deliver value that local people recognise. We will not assume that we know what people in the City want, but instead, we will ensure that we have mechanisms in place for local people and partners to feedback to us on a regular basis and use this feedback to shape our practice.

In doing this, we believe that we should – together with partners who have a common interest in the future growth, success and vibrancy of the city – push for greater recognition of, and response to, the specific local social challenges in everything we do.

For example, we could use our collective purchasing power to push for more jobs and apprenticeships in the city, or encourage businesses to offer a greater contribution to local people through Corporate Social Responsibility (CSR) activity.

## **3. Ethical Leadership**

We understand that Social Value is not just about CSR or legal obligations, but is integrally linked to our ethics and beliefs. We will therefore seek to work with businesses that employ high ethical standards within their practice, and those who want to work to improve their ethical approach.

For example, we will aim to contract with those organisations that pay their fair share of taxes, those that pay their staff a living wage, those that utilise environmentally sustainable practices and those that ultimately have a positive effect on our communities through the work that they do. We will also aim to

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<sup>1</sup><http://www.fsb.org.uk/policy/assets/local-procurement-2013.pdf>

procure Fairtrade products wherever possible, as part of the City's commitment to Fairtrade<sup>2</sup>.

#### **Example – Animal Cruelty Free Food Procurement Policy**

In 2009 an Animal Cruelty Free Food Procurement Policy was adopted in the Council which allowed us to trade with organisations that embrace the need for animals to be free of suffering, pain, disease, discomfort, hunger, thirst, fear and distress endured on farms, whilst protecting their need to be able to engage in natural behaviour.

To enable this, the Council has incorporated criteria into all of its contracts involving food products to ensure that they meet the 'Five Freedoms' standards of animal welfare.

#### **4. Green and Sustainable**

As part of our ethics commitment, we commit to using resources efficiently and protecting the environment by minimising waste and energy consumption. We want Newcastle to continue to be a great place to live, work and visit and we know that to do this we need to look after our environment.

As well as ensuring our own high performance in this area as part of our Climate Change Commitment<sup>3</sup>, and our commitment to prepare for its impacts<sup>4</sup> we will work with partners and providers to promote green and sustainable practice in the work that we commission and procure. For example, where applicable we will encourage recycling to reduce waste, minimise negative local impacts such as noise pollution, promote measures to reduce the City's carbon footprint, and ensure suppliers are considering how climate change will affect their business.

#### **5. Enabling Change**

To do all of this, we need to equip ourselves and others to create and recognise the broad selection of things which together deliver Social Value.

For our Commitment to be meaningful, we need to be very active in enabling both Council staff (particularly, but not only, Commissioning and Procurement staff), and also our local private, Social Enterprise and voluntary sector partners to respond to the challenge.

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<sup>2</sup>

[http://www.newcastle.gov.uk/sites/drupalncc.newcastle.gov.uk/files/wwwfileroot/business/fairtrade/2014\\_renewal\\_certificate\\_0.pdf](http://www.newcastle.gov.uk/sites/drupalncc.newcastle.gov.uk/files/wwwfileroot/business/fairtrade/2014_renewal_certificate_0.pdf)

<sup>3</sup><http://www.newcastle.gov.uk/wwwfileroot/legacy/ns/environment/THENEWCASTLECLIMATECHANGEGDECLARATION.pdf>

<sup>4</sup>[http://www.thebiggreenpledge.org.uk/sites/www.thebiggreenpledge.org.uk/files/Adaptation\\_research/Mayors%20Adapt%20Commitment%20-%20Newcastle%20upon%20Tyne%20-%20Signed%20-%202024.09.2014.pdf](http://www.thebiggreenpledge.org.uk/sites/www.thebiggreenpledge.org.uk/files/Adaptation_research/Mayors%20Adapt%20Commitment%20-%20Newcastle%20upon%20Tyne%20-%20Signed%20-%202024.09.2014.pdf)

This means ensuring people understand not only our high level principles, but also what Social Value might look like in their context and, critically, what they might personally do to create it. We will develop an appropriate, lean approach to assessing and measuring Social Value contributions that embeds it as part of what we do, day to day.

#### **4. How we will deliver Social Value**

- 4.1 Following the publication of the EU Public Contracts Regulations 2015 we will carry out further consultation with stakeholders to agree collaboratively how these principles will be embedded into our everyday practice.