**Have your say on Social Value: What should we consider when paying for services?**

**Let’s Talk Consultation Feedback**

June 2015

**Introduction**

The Council needs to think about the Social Value it gets from anything it buys that costs more than £5,000. “Social Value” means thinking not only about getting the cheapest price when we buy things, but also thinking about:

* The quality of what we buy
* The impact it will have on local people (for example, does it create jobs in Newcastle?)
* That the longer-term legacy for the city will be

As part of its commitment to getting as much Social Value for local people from the things it buys, the Council undertook an initial public consultation exercise to help it understand what is important to local residents, visitors, business-owners, students, and/or workers in the City in relation to how we spend.

**Who responded?**

76 people responded to the online survey. The majority were Newcastle residents (78%), with many of these also working, studying and/or owning businesses in the area.

|  |  |
| --- | --- |
| **Who are you?** | **% of Respondents** |
| I live in Newcastle | 34% |
| I live in Newcastle | I work in Newcastle | 32% |
| I work in Newcastle | 20% |
| I live in Newcastle | I work in Newcastle | I'm a Newcastle-based business owner | 5% |
| I live in Newcastle | Other please specify in the box below | 4% |
| I live in Newcastle | I work in Newcastle | I study in Newcastle | 1% |
| I'm a Newcastle-based business owner | 1% |
| I study in Newcastle | 1% |
| I live in Newcastle | I'm a Newcastle-based business owner | 1% |

**Local Spend**

In relation to local spend, respondents were asked to select one of the options below:

|  |  |
| --- | --- |
| **In relation to Council spend, which of the following statements do you most agree with?** | **% of Respondents** |
| I think we should look widely for the cheapest price for most things, but make sure we have a balance between local spend and spend elsewhere | 45% |
| Supporting local organisations is very important to me, this should be prioritised over getting the cheapest price | 37% |
| Other - please give details in the box below | 12% |
| I think we should always look for the cheapest price, regardless of where we end up buying from | 5% |
| N/A | 1% |

The majority (45%) of respondents supported looking for a cheap price, but also balancing this with investment in local organisations, while 37% said that supporting local organisations is more important that seeking the cheapest price.

12% of people selected the ‘other’ option. Many respondents highlighted in their answer the complex nature between price and value. A summary of these responses are below:

“Always best value, more complex than cheapest price”

“Consideration should be considered as to whether the expense is required at all. If it is essential as opposed to nice to have, then the cheapest price should be used.”

“Durability and lower running/maintenance costs are more important than capital costs. Supporting local manufacturing and craftsmen is also important but not local retail as much. Supporting good jobs is worthwhile but low paid jobs because they are local is not”

“I think that investment in infrastructure and capital spending, has potential to achieve far greater cost/benefit ratios than other categories of spend and is in itself an expenditure multiplier. As such purchasing locally, at the best price, is paramount to maintaining skills and jobs in Newcastle and therefore keeping our money in the region whilst adding to local wealth generation. When it is necessary to employ specialist companies from outside the region on high value and long term projects maintaining a majority % of their work force sourced locally should be a condition of a contract.”

“I think we should get the best value for money but that is not always the lowest price, so if you get much more for your money by paying a slightly more expensive supplier then you should do that”

“Price, quality and local are all important, but quality and price are most important”

“Supporting the local community by spending in the local area but also best value - not necessarily the cheapest option but one which will lower costs over the long term i.e. preventative or will not need replaced regularly.”

“The council should balance cost and quality to ensure value for money over time, i.e. buying cheap may mean using more in the long term and actually costing more.”

**Local Employment**

In relation to local employment, respondents were asked to select one of the options below:

|  |  |
| --- | --- |
| **In relation to local employment, which of the following is most important to you?** | **% of Respondents** |
| Jobs that pay a living wage, with fair terms and conditions | 49% |
| Apprenticeship opportunities for young people | 26% |
| Training opportunities for local people | 14% |
| Other - please give details in the box below | 5% |
| N/A | 4% |
| Being offered work experience which could help me to get a job in future | 1% |

The majority of respondents (49%) said that jobs which pay a living wage with fair terms and conditions were most important to them. 40% of respondents prioritised apprenticeships for young people and training for people in the local area.

5% of people selected the ‘other’ option. These respondents highlighted the importance of having a growing local economy which can support well paid jobs, training and apprenticeships. A summary is given below.

“A healthy economy- the rest should look after itself.”

“Encouraging new and existing business to expand. Business with work will automatically create jobs and train apprentices as their work load increases.”

“We desperately need to attract back the most talented individuals who have left over decades for the south east because of better prospects there. Only by doing this can we get a cascading down of opportunity and a broader based job creation. They will raise the standards for us all.”

**Environment**

In relation to the local environment, respondents were asked to select two of the options below:

|  |  |
| --- | --- |
| **In relation to the local environment, which of the following 2 of the following are most important to you?** | **% of Respondents** |
| Well maintained local greenspaces such as public parks | 27% |
| Clean air and less pollution | 24% |
| Reduced waste such as packaging or unnecessary paper | 24% |
| Use of renewable energy sources such as solar or wind power | 15% |
| Low levels of noise | 8% |
| Other - please give details in the box below | 1% |
| N/A | 1% |

The majority of people (75%) selected combinations of answers which included: well-maintained local greenspaces, clean air and less pollution, and/or reduced waste.

1% of respondents selected the ‘other’ option which broadly reflected the options selected in the table above. A summary of the responses is given below:

“Clean up the litter”

“Keep our greenspace”

**Social/ Community Issues**

In relation to the social and community issues, respondents were asked to select two of the options below:

|  |  |
| --- | --- |
| **When you think about social and community issues that affect your local area, which two of the following do you think are the most important at the moment?** | **% of Respondents** |
| N/A | 24% |
| Older people feeling isolated/ alone | 19% |
| Poor health/ obesity | 16% |
| Anti-social behaviour | 15% |
| Young people having nowhere to go outside of school hours | 14% |
| Lack of help for Carers who need support | 7% |
| Other - please give details in the box below | 5% |

Almost a quarter of respondents selected only one answer above (which is the 25% ‘N/A’ noted in the table).

Of those issues selected, 19% of respondents said that older people feeling isolated/ alone was a large concern for them, while another 45% selected a combination of issues including: poor health/ obesity, anti-social behaviour, and/or young people having nowhere to go.

5% of respondents selected the other option. These responses showed a desire for more greater community cohesion and community decision-making power. A summary of the responses given is shown below.

“A lack of practical support for communities to develop together to respond to their collective needs and aspirations.”

“Lack of council facilities caused by government cuts.”

“Local referendum on major developments.”

“Segregation in most community activities so that genuine mixing of the people who live in an area as a community is rare.”

**What is Social Value to You?**

Respondents were asked, in the context of the questions already answered, “What does social value mean to you”?

As anticipated there were a range of detailed responses which took a different view on what Social Value was. These could be broadly grouped into the following themes:

|  |  |
| --- | --- |
| **What does Social Value mean to you?** | **% of Respondents** |
| **Thorough cost benefit analysis approach, based on the long term impact on local area**  For instance: considering if we need to provide the service in the first place, considering what provision already exists in the city (not just Council funded), investing in local areas for a longer term return rather than a short-term cheapest price policy | 34% |
| **Encouraging local economic growth and investment**  For instance: Buying locally wherever possible, encouraging businesses to base their offices in areas of deprivation in the city and to provide local jobs/ training in those areas | 33% |
| **Inclusive community focussed policies**  For instance: Including a greater level of local decision making in the things that the Council does, enabling local communities to get together to take ownership of their local issues and integrating this approach into all Council decision making | 24% |
| **Other**  This included ignoring national government policy in favour of a more local approach to spending and reducing the amount spent locally on the political establishment | 7% |
| **Ethical purchasing**  For instance: where things cannot be purchased locally, favouring organisations that subscribe to kite marks such as Fairtrade and the World Wildlife Fund | 2% |

Some of the detailed responses are given below:

Social Value is…

“The interaction of different decisions on each other - it's very easy to contradict one activity by another choice made in a different arena.”

“Supporting ethical organisations - how staff are treated within organsiations, the values of organisations and their own environmental impact.”

“Everyone working together to achieve the maximum potential.”

“About so much more than the lowest spend: public sector spending should be positively impactful on the people on whose behalf the money is being spent.”

“Leading by example. Cheapest is rarely best. Quality does cost money but you need to ensure that you get what you pay for and don't just have a tick box approach to measuring the services received. It's about engaging with the people to understand what they need and that they receive the services they value.”

“Looking after the residents who after all pay for local services and amenities.”

“Keeping money in the city for the benefit of the city as well as getting value for money.”

“The mix of saving money but buying ethical products from local businesses so that the money goes back into the local economy.”

“Ensuring Newcastle remains a nice place to live/work/study.”

“Getting value for money. Considering the long term impact, not just taking short term measures. Ensuring that by using local services jobs could be created and sustained, engendering a more caring society through the involvement of local people.”

**Conclusions and next steps**

The results of this survey have shown that Social Value is a diverse issue, more broad than simply getting the cheapest price for the things we buy.

It is about spending in a way that invests in the long term outcomes of our communities, and using the things that people tell us they value most (fair jobs and a thriving local economy, well maintained neighbourhoods and green spaces, inclusive societies and decision-making) as a focus for the investment decisions that we make.

The responses provided have given a very useful starting point for some more detailed discussions with local communities, organisations, partners and other stakeholders to help us fully understand what local people value and build this into the way we make our investment decisions.

Thank you to all of those who took part in the survey.

If you have indicated that you are willing to be contacted for further research in this area we will be in touch to give details of further relevant engagement sessions on Social Value. If you would like to know more or get in touch, please contact [laura.choake@newcastle.gov.uk](mailto:laura.choake@newcastle.gov.uk)