**Social Value from Procurement**

**Introduction**

North Star regularly tenders for new suppliers of goods and services and makes high value purchases. As part of this process contractors and partners are asked to make commitments to maximise the social value of their work by contributing time, money, expertise or a combination of these to North Star’s Community Investment goals.

**Our Priorities**

Community Investment activity at North Star is focused on contributing to four of the UN’s sustainability goals. They are:

1. No Poverty: Access to basic human needs of health, education, sanitation

2. Good Health and Wellbeing: Better, more accessible health systems to increase life-expectancy

3. Quality Education: Inclusive education to enable upward social mobility and end poverty

4. Sustainable Cities and Communities: Making cities safe, inclusive, resilient and sustainable

**How we calculate social value contributions**

At North Star we calculate how much social value we expect our partners to deliver using a social value calculator that determines this based on the value of the work being delivered. We will discuss this with you ahead of any contractual relationship being formed or purchase agreed.

Some of these outcomes measure parts of the work that would happen regardless of whether we measured social value (e.g. number of jobs created or sustained) and some are activities that happen around the work (e.g. school visits and donations). Below is a list of activities and how much social value they generate according to the HACT Social Value Bank and our own calculations.

In order to ensure we are able to capitalise on each contractors particular strengths we offer them the opportunity to select the social value outcomes they wish to address based on list of possible activities informed by our Community Investment strategy.

|  |  |  |
| --- | --- | --- |
| Activity | Social Value Generated | Evidence required |
| 2 week work placement - To be sourced and filled by contractor. North Star can advertise/share this opportunity with local partners. (maximum of 5 unless agreed) | £108 per person per day\* | Evidence of number of people involved in delivery and time taken |
| Employing an apprentice as a direct result of winning the contract | £11,964 | Start date, name and job title of apprentice |
| Employing a full-time member of staff from the North East as a direct result of winning the contract | £12,876 | Start date, name, job title and hours of staff member |
| Employing a part-time member of staff from the North East as a direct result of winning the contract | £9,174 | Start date, name, job title and hours of staff member |
| Community labour day i.e. refurbishing a community garden, litter picking a park etc. | £108 per person per day\* | Evidence of number of people involved in delivery and time taken |
| 121 Career advice and mentoring incl. preparation | £108 per person per day\* | Evidence of number of people involved in delivery and time taken |
| Group Careers advice / presentation / workshop, incl. preparation | £108 per person per day\* | Evidence of number of people involved in delivery and time taken |
| Workplace visit, incl. preparation  (young people/beneficiaries attend workplace) | £108 per person per day\* | Evidence of number of people involved in delivery and time taken |
| 1% (expected) of contract value in-kind contribution to a community project. This can be materials or equipment donated to a project, items donated to good causes (e.g. raffle prizes) or cash donations. | Value to be decided by partner / bidder. | Evidence of spend / value of donation /materials. |

**Communication**

North Star expect the above outcomes to be delivered in the communities we work in wherever possible. We would also expect the proposed outcomes to be agreed as early in the relevant buying / procurement process as possible. A main contact for the delivery partner should be provided as early as possible to enable effective communication and monitoring.

The communities team keep a list of projects that may require support in the form of community labour days or donations. Please contact [commnuities@northstarhg.co.uk](mailto:commnuities@northstarhg.co.uk) to discuss details.

Any questions or clarifications should be sent to [communities@northstarhg.co.uk](mailto:communities@northstarhg.co.uk). We are more than happy to negotiate how outcomes are delivered (for example, should a partner be unable to deliver an outcome, it is acceptable to move the value to another outcome).

All evidence of outcome delivery and any questions about it should be sent to [communities@northstarhg.co.uk](mailto:communities@northstarhg.co.uk).

**In practice**

Below are three contracts of low, moderate and high values to illustrate how this approach will work in practice:

|  |  |
| --- | --- |
| **Low value contract:** | |
| Telephone Systems Hardware & Support Agreement  Value: £30,000  Baseline Social Value expectation: 6.5% / £1,950  In-kind contribution: 1% / £300  This level of contribution could be achieved by: | |
| 1% in kind contribution | Donation of mobile telephones to community project to the value of £450 |
| 2 week work placements | 1 |
| Workplace visit for one class | 1 |

|  |
| --- |
| **Moderate value contract:** |

|  |  |
| --- | --- |
| Electrical Servicing  Value: £345,000  Baseline Social Value expectation: 4.7% / £16,077  In-kind contribution: 1% / £3,450  This level of contribution could be achieved by: | |
| 1% in kind contribution | Rewire of a community building to a value of £3,450 |
| 2 week work placements | 1 |
| Employing an apprentice | 1 |
| Employing a full-time member of staff from the North East as a direct result of winning the contract | 1 |
| Employing a part-time member of staff from the North East as a direct result of winning the contract | 0 |
| Community labour day i.e. refurbishing a community garden, litter picking a park etc. | 0 |
| Career mentoring presentation to local job club | 2 |

|  |  |
| --- | --- |
| **High value contract:** | |
| Fuel Servicing  Value: £2,490,540  Baseline Social Value expectation: 3% / £76,709  In-kind contribution: 1% / £24,905  This level of contribution could be achieved by: | |
| 1% in kind contribution | In kind donations and work to a value of £24,905 |
| 2 week work placements | 5 |
| Employing an apprentice | 5 |
| Employing a full-time member of staff from the North East as a direct result of winning the contract | 2 |
| Employing a part-time member of staff from the North East as a direct result of winning the contract | 3 |
| Community labour day i.e. refurbishing a community garden, litter picking a park etc. | 3 |
| Career advice and mentoring 121 with a young person. | 2 |
| Workplace visit for a class of young people. | 1 |

**Monitoring and evaluation**

Given the quantitative nature of the contributions highlighted above, it will be much easier to include social value as a KPI from ITT stage. It may be beneficial to expect contractors to discharge their social value obligations during the first year of the contract.

In practice we would be asking contractors to report their progress to strategic meetings and submit evidence for the social values outcomes they are claiming. For example:

Contract value: £275,000

Baseline Social Value expectation: 5% / £13,640

Contractor has delivered:

* £1,500 of donations
* 2 work placements @ £1,512 each - £3,024

Total social value - £4,524 = 33.17% complete.

**Scoring at tender evaluation stage**

The following points award structure is used at the evaluation stage:

|  |  |
| --- | --- |
| Contractor makes no social value commitments | Fail/0 points |
| Contractor makes commitments below baseline percentage expectations | Fail/0 points |
| Contractor makes commitments equal to baseline percentage expectations | 3 points |
| Contractor makes commitments 1-9% greater than baseline percentage expectation figure. | 4 points |
| Contractor makes commitments 10%+ greater than baseline percentage expectation figure. | 5 points |

In practice:

Contract Value: £458,000

Baseline social value expectation: 4.3% / £19,465

Bidder A commitment = £15,000 score – 0 points Fail

Bidder B commitment = £20,632 (+6% of baseline) score – 4 points

Bidder C commitment = £21,606 (+11% of baseline) score – 5 points