

Cabinet

County Durham Pound Project Update

14 September 2022



Report of Corporate Management Team

Paul Darby, Corporate Director of Resources

Cllr Susan McDonnell, Portfolio Holder for Digital and Customer Services

Electoral division(s) affected:

Countywide.

Purpose of the Report

- 1 To provide Cabinet with an update on the progress and agree to the proposed next steps of the County Durham Pound project which was initiated following Cabinet approval of the Social Value and Wealth Building Report on 13 January 2021.

Executive summary

- 2 On 13 January 2021 Cabinet approved a report on Social Value and Wealth Building. This report set out a proposal to improve the social value and local wealth building outcomes for the community in support of the Council Plan and the response to the COVID-19 outbreak via restoration and recovery objectives. The proposal included 10 initiatives to enable the Council and its local partners to support the report objectives.
- 3 One of the key initiatives was the use of a County Durham Partnership to establish a 'County Durham Family' procurement network to improve place-based procurement and local spending, collaborative sourcing and social value impact.
- 4 To help facilitate this initiative the Head of Procurement, Sales and Business services put forward a bid to obtain funding from the Contain Outbreak Management Fund (COMF) in relation to Social Value and Local Wealth Development in County Durham, designated the 'County Durham Pound' project. The bid was successful and resulted in £260K of funding being awarded.

- 5 The funding was integral in providing the support and infrastructure necessary to initiate the County Durham Pound project in relation to the following critical elements:
 - (a) Professional services in relation to spend analysis across all partners
 - (b) Professional services to enhance knowledge and expertise in relation to social value, training/delivery of social value via procurement exercises and local needs analysis across County Durham.
 - (c) Appointment of collaborative resource to support all aspects of the programme
 - (d) Communications and marketing to promote the County Durham Pound programme
- 6 The funding opportunity and then subsequent funding availability was outlined to partners in a series of overarching County Durham Pound meetings. The first meeting in January 2021, set the scene with the next meeting in May 2021 allowing presentations from professional services partners, Social Value Portal (SVP) and Centre for Local Economic Strategies (CLES), with the programme then gathering pace as we moved from theory to practical implementation of the project. The Council has also held 1-2-1 meetings with partners to facilitate and encourage engagement and address any areas of concern.
- 7 The County Council has also been careful, however, to ensure that this is not seen as a Council led programme but a collective collaboration between willing partners for the benefit of the residents of County Durham. Partners have been increasingly engaged and are now active participants and leaders in the project and meetings as collaboration intensifies.
- 8 The current project partners includes public sector organisations plus Northumbria Water, and has specifically not included private sector companies, particularly those who commercially compete for business with the current partners, but a future consideration could be expanding the project to include County Durham based companies to be “Supporters” of the County Durham Pound, and also Federation of Small Businesses and discussions have already commenced with Amazon in this regard.
- 9 Appendix 2 provides an overview of the County Durham Pound Project Timeframe outlining outcomes and deliverables achieved and ongoing actions.

- 10 The following outcomes have been delivered or are anticipated to be finalised:
- (a) Spend analysis training was undertaken with each partner subsequently providing the requisite spend information across their top 300 suppliers for aggregated analysis by CLES. The analysis of a spend of almost £926 million provides the opportunity to identify local leakage and enhancement of local and regional supplier engagement. (CLES)
 - (b) Statement of Intent drafted and agreed ready for signature by relevant senior management across 12 partners to commit formally to the social value work we are collectively engaged in . Appendix 3 provides an overview of the 12 partners involved. (SVP)
 - (c) Local Needs analysis to identify the priorities of all the partners coordinated by SVP and Council colleagues. (SVP)
 - (d) Overarching Social Value Strategy for County Durham Pound has been developed to act as a tool to communicate what we all as partners are seeking to do and how (SVP)
 - (e) Appointment of a locally based Social Value Coordinator employed by SVP but based in the Council's procurement team to provide a collaborative resource across the project. (SVP)
 - (f) Development, and subsequent training on, new County Durham Family 'Themes Outcomes and Measures' toolkit for use in procurement exercises to extract social value from the procurement process (SVP)
 - (g) Knowledge Hub website to keep the people of County Durham informed of the project's progress and create a space for them to send us their ideas and feedback (SVP)
 - (h) Production of a series of promotional videos by a locally based provider, 3Point Media, highlighting social value delivery including those via collaborative projects involving collective engagement between partners (3 Point Media).
- 11 For the Council, it should be noted that the approach to the County Durham Pound Project complements the actions in the Poverty Action Plan and the Inclusive Economic Strategy

Recommendation(s)

- 12 Cabinet are recommended to:

- (a) note the progress made to date and support ongoing progression of the County Durham Pound project;
- (b) agree to the signature of the Statement of intent by the Council's Chief Executive; and
- (c) agree to development of appropriate communications via Communications and Marketing teams across the partners.

Background

- 13 On 13 January 2021 Cabinet approved the Social Value and Wealth Building Report. The report set out a proposal to improve the social value and local wealth building outcomes for the community in support of the Council Plan and the response to the COVID-19 outbreak via restoration and recovery objectives. The proposal included 10 initiatives to enable the Council and its local partners to support the reports objectives.
- 14 One of the initiatives was the use of the County Durham Partnership to establish a 'County Durham Family' network to improve place-based procurement and local spending, collaborative sourcing and social value impact.
- 15 To help facilitate this initiative the Head of Procurement, Sales and Business services put forward a bid to obtain funding from the Contain Outbreak Management Fund (COMF) in relation to Social Value and Local Wealth Development in County Durham, designated the 'County Durham Pound' project. The bid was successful and resulted in £260K of funding.
- 16 The funding was integral in providing the support and infrastructure necessary to initiate the County Durham Pound project in relation to the following critical elements:
 - (a) Professional services in relation to spend analysis across all partners
 - (b) Professional services to enhance knowledge and expertise in relation to social value, training/delivery of social value via procurement exercises and local needs analysis across County Durham.
 - (c) Appointment of collaborative resource to support all aspects of the programme
 - (d) Communications and marketing to promote the County Durham Pound programme

Partner Engagement

- 17 The funding opportunity and then subsequent funding availability was outlined to partners in a series of overarching County Durham Pound meetings. The first meeting in January 2021 set the scene with the next meeting in May 2021 allowing presentations from professional services partners, Social Value Portal (SVP) and Centre for Local Economic Strategies (CLES), with the programme then gathering pace as we

moved from theory to practical implementation of the project. The Council has also held 1-2-1 meetings with partners to facilitate and encourage engagement and address any areas of concern.

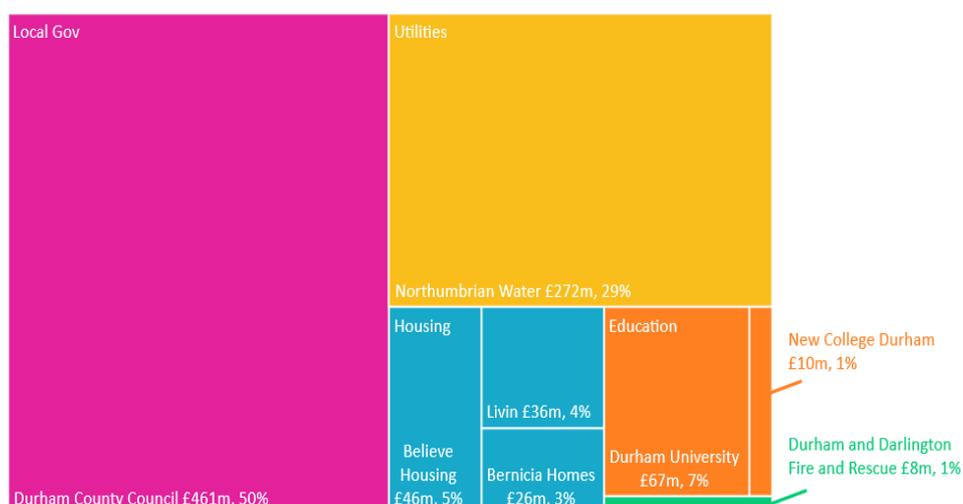
- 18 The County Council has also been careful, however, to ensure that this is not seen as a Council led programme but a collective collaboration between willing partners for the benefit of the residents of County Durham.
- 19 Partners have been increasingly engaged and are now active participants and leaders in the project and meetings as collaboration intensifies.
- 20 Appendix 2 provides an overview of the County Durham Pound Project Timeframe outlining outcomes and deliverables achieved and ongoing actions.

Outcomes and Deliverables

- 21 The following outcomes have been delivered or are anticipated to be finalised via the County Durham Pound Project.

Spend Analysis

- 22 Spend analysis training was undertaken with each partner subsequently providing the requisite spend information across their top 300 suppliers for aggregated analysis by CLES.
- 23 The analysis of a total spend of £926 million provides the opportunity to Identify local leakage and enhancement of local and regional supplier engagement.
- 24 The table below provides a breakdown of the spend by category and partners involved.



- 25 The project is now undertaking further reviews of the spend data in conjunction with Business Durham with the objective of:
- (a) **Market Analysis** - to understand the makeup of the County Durham supply base
 - (b) **Gap Analysis** - the collective spend analysis will be overlaid with the market analysis to allow us to identify the areas of spend leakage outside of County Durham to target
 - (c) **Sectoral Action Plans** – to identify a number of priority areas or subsectors that emerge from the analysis, each of which would then be subject to more detailed discussion with the County Durham Pound group. This would help to develop bespoke action plans to put in place practical ways for localising spend
 - (d) **Supply Chain Opportunities** – whilst the County Durham market may not be sufficiently developed to fully deliver major areas of spend there may be opportunities for tier 2 or 3 suppliers to engage with ‘Out of County’ main contractors
 - (e) **County Durham ‘Make Strategy’** – identify opportunities for companies to manufacture or supply locally

Statement of Intent

- 26 A Statement of Intent has been drafted and agreed ready for signature by relevant senior management across the 12 partners to commit formally to the social value work we are collectively engaged in. This is a major step in endorsing the work and approach of the County Durham Pound and is underpinned by the following 6 commitments:



Collaborate proactively

We will share ideas and learn from each other's experience and best practice in social value



Embed relevant processes

We will develop suitable processes to ensure high quality delivery and to meet the project's objectives



Involve and empower stakeholders

We will hear the concerns and ideas of community members and other stakeholders across the public, private and third sectors



Respond to local needs

We will ensure that our social value activities address local needs and priorities wherever possible



Be transparent and accountable

We will share what we intend to do and why, plus how we are progressing, so you can hold us accountable



Track, report, learn and improve

We will track and report what we are all doing using a consistent framework so that we can drive continuous improvement

Local Needs Analysis

- 27 Social value is maximised when activities and initiatives are directed towards addressing local needs and priorities. Therefore, in March 2022, SVP, as part of their brief, conducted a Local Needs Analysis in conjunction with Durham County Council using data from the Indices of Multiple Deprivation (IMD) and other public data sets. This data was mapped to show the areas of severe, high, mild, and low deprivation across County Durham.
- 28 The County Durham Pound project recognises the different business strengths and objectives of each partner and respects their autonomy in choosing geographical areas and themes to focus on for their social value contributions. As outlined later in the report the Local Needs Analysis was fundamental in identifying key areas of social value criteria for inclusion in the procurement process via the County Durham Family ‘Themes Outcomes and Measures’ (TOMS) toolkit.

Overarching Social Value Strategy

- 29 An overarching Social Value Strategy for County Durham Pound has been developed to act as a tool to communicate what all the partners are seeking to do via the project and how.
- 30 The strategy introduces the collective partners, maps out the strategy, and provides practical mechanisms to support the delivery of this place-based project. It contains guidance on how partners can maximise social value through various processes, provides examples of good practice and how to measure and report on social value through the County Durham Family Themes, Outcomes and Measures (TOMS) toolkit. An overview of TOMS is provided later in this report.
- 31 The strategy is an integral constituent of the project as it provides the framework and parameters under which partners will operate and the collective approach which is so important in maintaining our County Durham Family going forward.

Social Value Coordinator

- 32 A locally based Social Value Coordinator has been appointed. The coordinator has been employed by SVP but is based in the Council’s procurement team to provide a collaborative resource across the project. It is to be noted this resource is funded until March 2024 only.

County Durham Family ‘Themes Outcomes and Measures’ toolkit

- 33 In partnership with the National Social Value Taskforce (chaired by Darren Knowd, Head of Procurement, Sales and Business Services),

SVP developed the National Social Value Measurement Framework—known as the ‘National TOMs’ as it was built around a set of Themes, Outcomes, and Measures.

- 34 The National TOMs Framework provides a common language for measuring social value that enables consistency, comparability, and transparency. Endorsed by the Local Government Association, the Framework has been widely adopted across both public and private sectors including Durham County Council within its procurement processes.
- 35 This project required its own set of TOMs and using the National TOMs framework, the County Durham Family TOMs have been built. County Durham Family TOMs were selected as meaningful to the county by aligning them to the findings of the Local Needs Analysis, CLES analysis and the local knowledge and visions of the partners. They needed to be deliverable within the capacity of the partner organisations and proportionate to their underlying business activity.
- 36 The following activities have taken place or are due to take place in relation to the County Durham Family TOMs:
 - (a) User training on the TOMs for each of the partners
 - (b) Such TOMs training can then be utilised to include TOMs within partners procurement exercises where organisationally agreed
 - (c) Each partner has been provided with access to and training for the use of the actual Social Value Portal electronic system. An individual account has been set up for each partner to record their own organisational progress against the County Durham Family TOMs
 - (d) Following the training, the Social Value Coordinator will be on hand to support partners with their reporting. Each partner will be requested to report monthly, with a minimum requirement of quarterly, to facilitate a progress report being published for the collective project every quarter.

Knowledge Hub

- 37 The project has now developed a Knowledge Hub website to keep the people of County Durham informed of the project’s progress and create a space for them to send us their ideas and feedback. Going forward partners are determined the Knowledge Hub remains vibrant and dynamic with case studies outlining the progress of the County Durham Pound and the initiatives that will bring value to our communities.

- 38 Currently the Knowledge Hub contains:
- (a) An overview of each of the partners involved
 - (b) Our collective commitment and objectives in working together for the benefit of County Durham
 - (c) The Statement of Commitment as outlined earlier in the report, signed by all partners
 - (d) Case studies from partner organisations outlining their delivery of social value across the County
 - (e) An outline of the County Durham TOMs and training videos explaining how the TOMs are applied in practice
 - (f) Social Value guidance for those organisations bidding for contracts and tenders that include social value requirements
 - (g) Contact details to allow the sharing of ideas and case studies or to become a supporter of the County Durham Pound project
- 39 A link to the Knowledge Hub is provided to allow an exploration of the current information held [County Durham Pound – Social Value Knowledge Hub](#)

Internal Awareness and Coordination Across Durham County Council

- 40 Given the size and scale of the County Council itself, it is critical that the organisation is aware of the work being carried out via the County Durham Pound Project.
- 41 The Council's procurement team have therefore engaged across the following areas:
- (a) Inclusive Economic Strategy – regular engagement has taken place between officers involved in both projects to ensure synergy across the work being undertaken. Procurement will now be attending future Economic Inclusion meetings. This engagement has led to the potential of the NHS now joining the County Durham Pound project.
 - (b) A meeting has now been held with NHS Training & Development Business Partner at County Durham & Darlington NHS Foundation Trust who is now discussing internally with Directors regarding increased participation, and all recent engagement also represents a good opportunity to join up work being carried out on

the Inclusive Economic Strategy, Left behind Neighbourhoods as well as wider community wealth building across all partners.

- (c) The new build of Belmont Primary School has provided the opportunity to outline the Council's social value approach, including the County Durham Pound Project, with the Council's Principle Project Management Office and the Area Action Partnership.
- (d) Poverty Action Group (Workplaces Project) – the Councils procurement team attended a meeting on 2nd August 2022 to help develop a proposal to support Careers Education, Information, Advice and Guidance (CEIAG) in schools. The project will seek to provide students in Years 10 and 12 with a valuable insight into the world of work through organised visits to employers. This aligns with initiatives being developed via the County Durham Pound Project and activities will be coordinated going forwards.
- (e) It should be noted that the approach of the County Durham Pound Project is to complement the mitigating actions in the Poverty Action Plan and the Inclusive Economic Strategy.

Promotion and Celebration of the County Durham Pound Project

- 42 A series of promotional videos by 3Point Media, a locally based provider, have or are in the process of being developed which will highlight social value delivery including collaborative projects involving collective engagement between partners. Such videos include:
- (a) An overview of 200 hours of social value delivered by the Council's Digital Service's team following a successful tender exercise by the team at Bishop Chadwick Catholic Education Trust.
 - (b) Construction video has been produced which highlights the delivery of social value by the Council's supply chain, Chapter Homes and the Council itself.
 - (c) Wingate Primary School – a collaborative project, via the County Durham Pound Project, between Believe Housing and Durham County Council to deliver a community garden at the school (being finalised).
- 43 To ensure the continued progression of the County Durham Pound Project quarterly meetings of the County Durham Pound Working Group have been set up with representation by partners to ensure we meet the projects outcomes and deliverables.

- 44 A Communications and Marketing sub-group has been set up reporting into the Working Group to coordinate a communications strategy for the County Durham Pound Project. This will encompass a variety of events and activities to maximise the impact of the collective work under the project such as:
- (a) Collective 'meet the buyer' events with multi partner representation providing opportunities for County Durham suppliers to engage 'once' across major County Durham buyers
 - (b) Supplier training to prepare them for bidding for respective partner opportunities
 - (c) Skills and employment awareness events which will make sure that young people learn more about a variety of career opportunities before making crucial choices about their future options
 - (d) Engagement with Business Durham to maximise their skills and knowledge to support partner engagement with the County Durham supply base
 - (e) Delivery of grant opportunities across County Durham with a bank of multi partner social value opportunities able to fulfil grant submissions which one partner could not individually deliver
 - (f) Coordination of social media communications to ensure awareness of the work, activities and events which will be taking place under the banner of the County Durham Pound
- 45 The first role of the Communications and Marketing subgroup is to promote and celebrate the signing of the Statement of Intent by all 12 partner organisations and ensure awareness of the potential opportunities available via the project. Press statements and media activity will be coordinated via this group.

Recommendation(s)

- 46 Cabinet are recommended to:
- (a) note the progress made to date and support ongoing progression of the County Durham Pound project;
 - (b) agree to the signature of the Statement of intent by the Council's Chief Executive; and
 - (c) agree to development of appropriate communications via Communications and Marketing teams across the partners.

Background papers

- Cabinet Report - Social Value and Local Wealth Building (“The County Durham Pound”) 13th January 2021

Other useful documents

- None

Author(s)

Darren Knowd, Head of Procurement, Sales and Business Services

Peter Shuttleworth, Chief Procurement Officer

Appendix 1: Implications

Legal Implications

Current compliance with the Social Value Act 2012 and future compliance with the Procurement Bill 2023 considered in this approach.

Finance

Social Value delivery is additionality to the main contract delivery and is of no extra cost to contract budget holders.

Consultation

Consultation has taken place across service areas within the Council most notably Regeneration, Economy and Growth and Adult and Health Services. All partner organisations have been consulted in overarching meetings and 1-2-1 sessions with a working group now formed with representation by all partners.

Equality and Diversity / Public Sector Equality Duty

None.

Climate Change

Environmental and sustainability considerations are addressed within the TOMs outlined in the report which have been formulated in conjunction with the Low Carbon Team.

Human Rights

None.

Crime and Disorder

None.

Staffing

Procurement resource will be utilised to support ongoing and future social value delivery until April 2024 with a Social Value Coordinator appointed to support the County Durham Pound Project as outlined in the report.

Accommodation

None.

Risk

Social Value assessment criteria is managed with the procurement process risk profile.

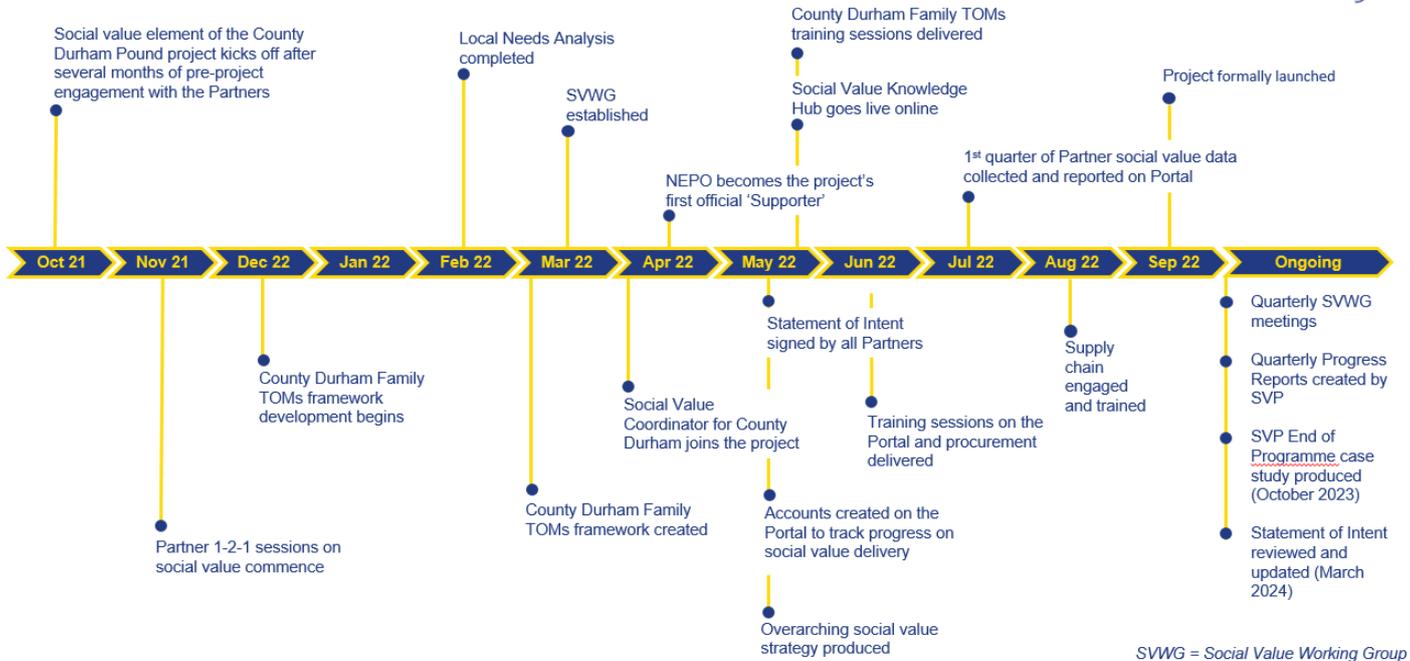
Procurement

Current compliance with the Social Value Act 2012 and future compliance with the Procurement Bill 2023 will be addressed via the County Durham Pound Project and the Council's own ongoing social value activities.

Appendix 2: The County Durham Pound Project Timeframe



The County Durham Pound project timeframe



Appendix 3: The County Durham Family Partners

The County Durham Family partners



One of the largest housing associations in the North East of England, with a primary focus in County Durham, managing 18,000 homes and employing 540 people



Provides property and estate services to over 60,000 customers. There are 4 social housing areas in County Durham



Established in 2016 there are 23 schools in the Trust with 6 in County Durham



Business Durham is the business support service for Durham County Council



Responsible for County Durham and the borough of Darlington, serving a population of over 620,000 people



Durham County Council is local authority governed and serves over 508,500 people who live in the county



The Durham Police and Crime Commission was elected by the public to make the communities in the force area safer, stronger, and more resilient to crime and anti-social behaviour



A public research university located in Durham. It is part of the Russell Group and has over 19,500 students enrolled



A housing association with almost 30,000 homes across the North East and Yorkshire



Local housing provider currently managing over 8,400 homes across County Durham



Further and higher education college and a sixth form college based in County Durham



Northumbrian Water provides water and wastewater services to 2.7 million people in the North East of England