



EMERGING DRAFT SOUTH YORKSHIRE SOCIAL VALUE CONTRACT

October 2021

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How to read this document

This document is an emerging draft of the South Yorkshire Social Value Contract. It has been written at a 'point in time' and brings together emerging thinking on what the Contract could cover and how it could be implemented. It builds on the work completed by Jason Heyes, Centre for Decent Work at Sheffield Management School over the summer, and draws on insights from:

- *A review of the Mayoral Mayoral Combined Authority's current programmes of grants and loans*
- *An understanding of the inclusive economy challenge in South Yorkshire*
- *Engagement with businesses, organisations and local authorities to date*

There has been good endorsement of the principles of the Social Value Contract and engagement so far has been helpful in highlighting the areas which require further work, namely the commitments and implementation. Some of the key messages from the conversations with stakeholders so far include:

- *The Contract should continue to be engaged on and codeveloped with a wide range of businesses and organisations to ensure that it has most impact when it is implemented*
- *The areas of focus and commitments in the Contract should address the main inclusive economy challenges in South Yorkshire, for instance around pay, health, poverty and deprivation*
- *The Contract may need to be tailored to the size of businesses with commitments that are flexible and adaptable to small businesses and organisations*
- *They should also be tangible, measured and monitored, as the Mayoral Mayoral Combined Authority and businesses need to be able to easily track progress against commitments*
- *It is important to highlight the benefits of the commitments to businesses, and businesses have offered to act as case studies to exemplify the positive impact*
- *Implementation should be a simple and accessible process to ensure that businesses and organisations that need financial support engage with Mayoral Mayoral Combined Authority grants and loans*

Suggested amendments for future iterations of the Contract include:

- *Reducing the number of focus areas and commitments*
- *Ensuring that the Contract is broader in scope for larger businesses and organisations, and more focused for SMEs*
- *Encouraging behavioural shift rather than mandating change*
- *Designing a proactive approach to implementation with monitoring built in*

Engagement with businesses, organisations and local authorities to codevelop the Contract is ongoing. The Mayoral Combined Authority is exploring how best to codevelop the Contract with local authorities as partners, so that both the Mayoral Combined Authority and local authorities lead the work and commit to social value principles (further detail is on page 14). The input and feedback from all conversations will continue to be integrated into the draft Contract, and there are a number of areas where further detail is being worked up.

This is not the final document which will be simple to follow and accessible.

Structure of the document

The document includes:

- *An overview of what the Contract is, its objectives and rationale*

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- *Content on the potential areas of focus and commitments*
- *An emerging approach and model for implementation*

It seeks to ensure that the commitments are relevant for the Strategic Economic Plan and the ambitions relating to a fairer, stronger and greener economy, and inclusive growth. These commitments aim to be practical and measurable with benefits for employees, businesses and the city region.

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What is the South Yorkshire Social Value Contract?

South Yorkshire has an opportunity to use its Renewal Fund of up to £860m (£360m for 2020/21) to deliver greater social value, creating sustainable, long-term value for residents, the economy and environment.

The Contract will be an agreement between the South Yorkshire Mayoral Combined Authority and businesses or organisations seeking funding and finance (e.g. investments, loans, grants or other assistance) from the Mayoral Combined Authority. It will set out a series of social outcome measures for businesses and organisations to sign up to.

The South Yorkshire Social Value Contract will support the delivery of the Mayoral Combined Authority’s mission to grow an economy that works for everyone, addressing inclusive economy challenges around low pay, progression, skills and training¹.

Why do we need a Social Value Contract?

Many communities across the country feel disconnected and do not feel benefits of economic growth. The Government’s plan to “level up” the country is driven by growing spatial inequalities within the UK, where economic opportunity is determined by where people live. Improving economic and social inclusion can respond to many of the key challenges that our communities face in South Yorkshire around pay, health, poverty and deprivation.



25% workers in South Yorkshire earn below the Real Living Wage compared to 20% UK average



1/3 of the workforce in South Yorkshire is employed in the 4 sectors most strongly associated with in-work poverty: wholesale & retail, accommodation & food, admin & support, and residential care



29% of working age people in South Yorkshire are economic inactive due to temporary ill-health or long-term illness, compared to 25% nationally



Over 20% of neighbourhoods in each local authority area are in 10% most deprived in England

Moreover, inequality is bad for growth; more unequal economies have lower levels of social mobility and often have lower levels of productivity. Poverty is not just a cost to individuals; it is also a drain on public resources. It is estimated that poverty in the UK costs the public purse £78 billion.

In 2021, it is an unfortunate fact that having a job no longer assures a route out of poverty. A growing proportion of jobs in the SCR economy in sectors associated with higher levels of in-work poverty and those in low pay jobs can be trapped in insecure jobs that offer no prospects for progression.

The Social Value Contract will not address all of the challenges but will be designed encourage good employer behaviour and bring benefits to businesses through improved productivity and profitability, reputation, staff motivation and retention.

Why sign up?

¹ Sources: Real Living Wage – ONS Annual Survey of Hours & Earnings; employment and economic inactivity – Sheffield City Region Strategic Economic Plan (2021); and deprivation – MHCLG Index of Multiple Deprivation (2019)

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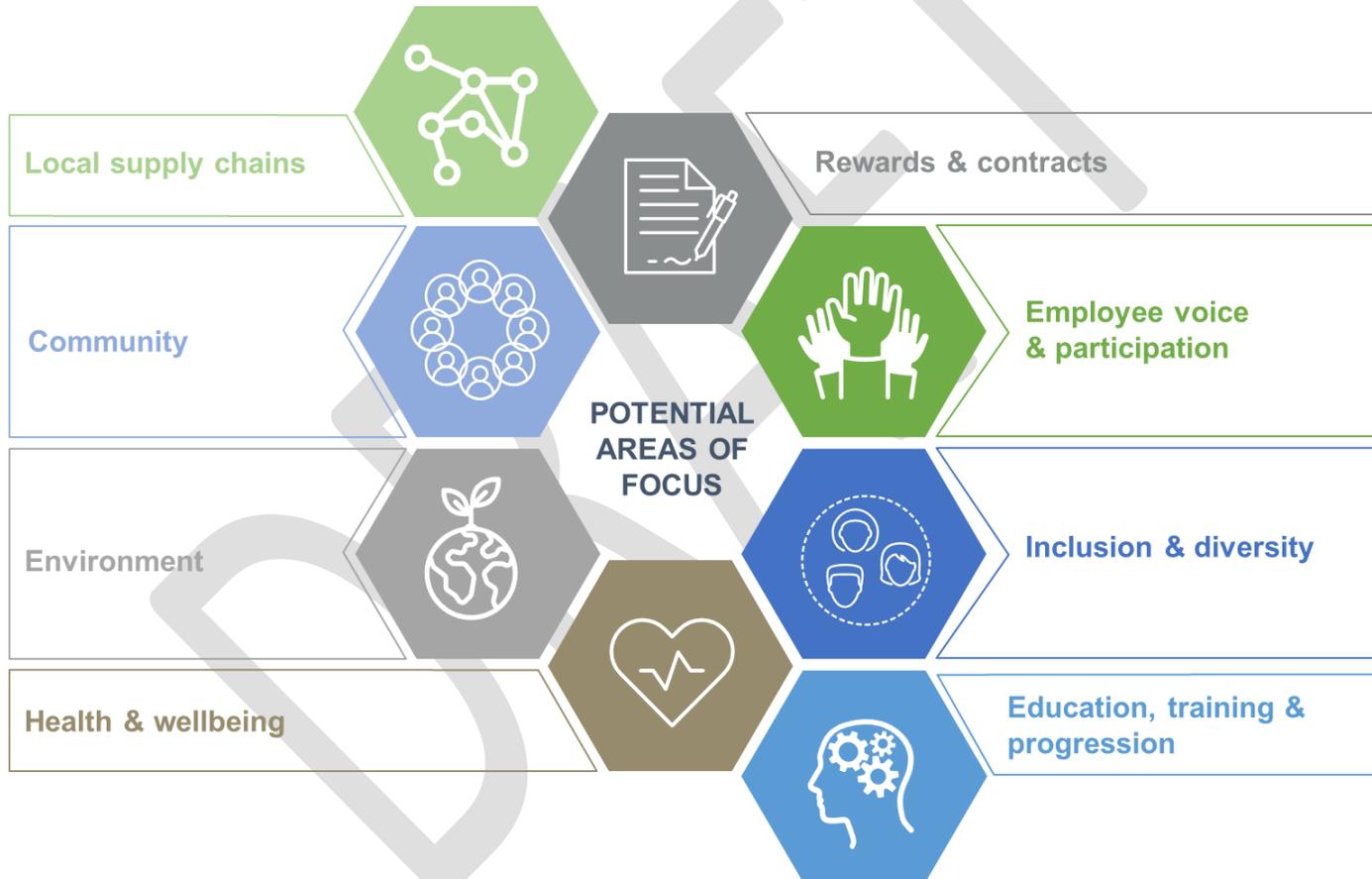
In signing up the South Yorkshire Social Value Contract, businesses and organisations can receive significant sums of funding and finance to help grow, innovate and flourish. Other benefits could include: (TBC - depends on several factors; resourcing and viability)

- Access to trade missions.
- Promotion through SY MCA videos, case studies and social media.
- A demonstrable impact report.
- Access to additional training and skills to help meet commitments as well as wider productivity issues.
- Entry to local business awards.
- TBC

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Our potential areas of focus

There are eight potential areas of focus (which will change as the work moves forward). The following pages will describe each area of focus, why it is important, the benefits for employers, potential commitments, and available support and advice. These areas and commitments are currently being tested in the engagement and will be further developed and refined. Case studies from a range of businesses of different sizes and from different sectors will be used to demonstrate best practice in each area.





Rewards & contracts

Ensuring that employees have fair pay and secure hours of work

Why is this important – for employers, employees and South Yorkshire?

South Yorkshire has been described as the 'low pay capital of the UK' with the highest proportion of workers on low pay compared to all other city regions². Prior to Covid-19, average wages were 15% below the national average with almost 1 in 3 people employed in low wage jobs³. This is a concern for young people, who tend to work in low pay sectors.

Insecure contracts and unpredictable work schedules contribute to anxiety and financial insecurity⁴. Workers in fixed-term or casual employment are more likely to drop out of the labour market⁵. Low pay and financial insecurity increase in-work poverty and reduce spending in local communities.

This will bring benefits to employers, including higher levels of retention, improved staff motivation and higher productivity.

Emerging commitments

- Pay every employee the Real Living Wage or higher, including apprentices, regularly contracted staff and self-employed workers.
- Use zero hours contracts ultimately only for those who want them.
- Ensure that employee contracts accurately reflect the hours that they regularly work, that they are paid for all hours that they work, and all overtime is paid at the Real Living Wage or higher.
- Commit to providing regular and stable shift patterns where possible. Changes to patterns of work should be provided with no less than 4 weeks' notice of any changes, and provide full payment for any work that is cancelled within this timeframe.

What help is available?

- Utilising the support from the [Living Wage Foundation](#) can help understand more about the impact of paying the Real Living Wage but also signing up to become a Living Wage employer can unlock further human resourcing, commercial, CSR and promotional advantages.
- The [Zero Hours Contracts | CIPD Factsheet](#) sets out best practice guidelines for using zero hours contracts, including providing comparable pay and employment

² In 2019. TUC (2020) Tackling Labour Market Injustice and Organising Workers: The View from a Northern Heartland.

³ Sheffield City Region (2020) Renewal Action Plan.

⁴ Heyes, J. et al. (2018) 'Living with uncertain work', *Industrial Relations Journal*, 49, 5/6: 420-437; Thomas, P. et al. (2020) *Tackling Labour Market Injustice and Organising Workers: The View from a Northern Heartland*. TUC.

⁵ Heyes, J. et al. (2018) 'Living with uncertain work', *Industrial Relations Journal*, 49, 5/6: 420-437.

conditions, and providing compensation if pre-arranged work is cancelled with little or no notice.

- [Acas](#) provide impartial advice on workplace rights and best practice to employees and employers. This includes employment contracts, pay and wages, and working hours.

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Employee voice & participation

Supporting positive employee and employer interactions

Why is this important – for employers, employees and South Yorkshire?

Providing employees with a voice at work and empowering them to participate in decision-making is an important component of good employment relations. This can create trust, co-operation and a sense of common purpose, and lead to higher job satisfaction⁶. It can also boost productivity and provide employers with information and ideas from the workforce that can help them to solve problems⁷.

Emerging commitments

- Empower employees to be involved in decision-making and take on board their views by putting in place a forum for communication and consultation, and involve employees in the design of the forum. This could also include:
 - Provide adequate facilities for employees or trade unions.
 - Inform new employees of their options and the possibility of joining a trade union.
- Engage positively with external bodies such as trade unions and sector bodies. This could involve granting access to trade unions seeking to organise and recruit members or signing a Recognition Agreement.

What help is available?

- The [Employee Engagement & Motivation | CIPD Factsheet](#) includes helpful advice on how to build an engaged and motivated workforce through employee engagement, as well as how this can be assessed and measured.
- The UK Government has a [list of trade unions](#) that are active in the UK.

⁶ Marchington (2015)

⁷ https://www.cipd.co.uk/Images/ice-guide-full_tcm18-73473.pdf



Inclusion & diversity

Creating pathways into work for people from all backgrounds and having fair and respectful processes in place

Why is this important – for employers, employees and South Yorkshire?

There are some areas of South Yorkshire with high levels of deprivation. In each of the four boroughs, over 1 in 5 neighbourhoods are amongst the 10% most deprived in the country⁸. In these neighbourhoods, often many people are out of work. The rate of young people living in workless households is 5.7% higher than the national average⁹, creating barriers to realising aspiration for young people. Developing opportunities for people into work widens the pool to recruit from and by supporting young people, employers create a pipeline for future recruitment.

Supporting inclusion and diversity is beneficial to employers in terms of attracting and retaining staff, bringing new views and perspectives into the workplace, and boosting the reputation of the business or organisation.

Emerging commitments

- Offer opportunities into work, including for young people, those from deprived areas and disadvantaged groups, such as work experience, (graduate) apprenticeships, internships and mentoring
- Ensure recruitment, review and appraisal processes are fair and inclusive, and support equality & diversity
- Ensure grievance and disciplinary processes are in line with Acas guidance
- Encourage workforce diversity, including people with mental and physical disabilities, and neurodivergence
- Appoint a named manager to take responsibility for equality, diversity and inclusion issues at the workplace

What help is available?

- **SY MCA to provide an accessible document to allow businesses and organisations to target people from deprived areas and disadvantaged groups**
- The [Inclusion & Diversity | CIPD Factsheet](#) is a useful resource, setting out what inclusion and diversity mean in the workplace and how businesses can develop effective strategies.
- CIPD produced a report in 2019, [Building Inclusive Workplaces](#), on the benefits of workplace inclusion and diversity. This includes a chapter on how behaviours, practices and values can build inclusion.
- [Acas](#) provide impartial advice on workplace rights and best practice to employees and employers. This includes inclusion and diversity matters.

⁸ MHCLG Index of Multiple Deprivation (2019)

⁹ Sheffield City Region Strategic Economic Plan (2021)

- Employment support services: TBC
- Apprenticeship Levy and support: TBC

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Education, training & progression

Supporting people to develop the skills they need for work and providing opportunities for employees to upskill and grow in their roles

Why is this important – for employers, employees and South Yorkshire?

South Yorkshire has lower skills levels than the national average with 17.5% of working age people with either no or low qualifications, compared to the 16.2% UK average, and 37.2% with higher qualifications, compared to 43% across the UK¹⁰. The proportion of staff receiving training over the last 12 months is slightly higher in South Yorkshire (61.3%) than the English average (59.8%), showing there is a strong basis to build on¹¹.

Providing training for young people improves their employability and work readiness, and is beneficial for employers in developing a pipeline of talent. Ensuring that employees have clear progression pathways and access to training in the workplace improves productivity, employee motivation and retention, quality of goods and services, and profitability.

Emerging commitments

- Engage with the Careers and Enterprise Company or local schools and colleges, promoting career opportunities and supporting skills development
- Develop a training plan, with allocated resource, to ensure that all employees receive appropriate training
- Promote job opportunities for local people and ideally focus upon the most deprived areas of South Yorkshire
- Provide all employees with individual objectives and clear development opportunities to support aspirations for progression

What help is available?

- The [South Yorkshire Careers Hub](#) at the MCA can support employers to access students or become an [Enterprise Adviser](#) to create pathways for young people into the workplace.
- [Sheffield City Region Growth Hub](#) offers a range of business support, including direct support and sign posting, which is tailored to the needs of the business. Skills is one of the services offered by the Growth Hub. The [Skills Bank](#) can help your organisation invest in its workforce and improve their productivity by matching private sector investment with public funding.
- The [Good Youth Employment Charter](#) provides a toolkit, guidance and support to learn about the principles of good youth employment, including creating opportunities for young people, recognising talent, providing good quality employment, developing people and giving young people a voice.

¹⁰ ONS Annual Population Survey (2020). Low qualifications refers to NVQ Level 1 (equivalent to an entry level certificate) and higher qualifications refers to NVQ Level 4 plus (approximately equivalent to a university degree or higher)

¹¹ ONS Employer Skills Survey (2019)

- Local training providers: TBC
- Employment support services: TBC

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Health & wellbeing

Encouraging good physical and mental health in all employees

Why is this important – for employers, employees and South Yorkshire?

The Covid-19 pandemic has shone a spotlight on poor health outcomes and inequalities. In South Yorkshire, many people live significant parts of their lives in poor health, impacting their ability to work. For one third of people who are economically inactive, this is caused by long-term sickness.¹² Healthy life expectancy for men and women is significantly lower in South Yorkshire than the national average. It is lowest for men in Doncaster and Barnsley at 57.5 years, compared to the English average of 63.4 years, and lowest for women in Barnsley at 56.3 years, compared to 64 years in England¹³.

Maintaining the physical and mental health of employees is important for keeping people in work and ageing well. Flexible working arrangements can help employees balance work and family responsibilities, which can enhance wellbeing¹⁴. Improved employee health and wellbeing can bring productivity benefits, as well as support employee motivation and retention.

Emerging commitments

- Monitor the wellbeing of every employee, by including this as a topic in line management conversations, and act on feedback received
- Signpost employees to internal and/or external health and wellbeing support services
- **Commit to creating a mentally healthy workplace which includes the following support:**
 - Supporting staff with mental health problems
 - Seek to be proactive and identify workers under stress potentially using the Work Positive tools.
 - Training and establishing mental health first aiders
- Sign up to the Be Well@Work scheme, or consider joining a health focused charter, such as the Workplace Wellbeing Charter or Mindful Employer
- Offer flexible working and remote working, where possible

What help is available?

- Use [Be Well@Work](#), a free service in South Yorkshire to improve health and wellbeing in the workplace. They offer a free workplace visit and Workplace Health

¹² Sheffield City Region Strategic Economic Plan (2021).

¹³ ONS (2012-14) Healthy Life Expectancy at birth.

¹⁴ Fagan, C. (2003) *Working-time Preferences and Work-Life Balance in the EU: Some Policy Considerations for Enhancing the Quality of Life*. Dublin: Eurofound.

Needs Assessment to prioritise areas for change, and provide training and information to help with improvements.

- The [Workplace Wellbeing Charter](#) has a range of information on the benefits of a healthy workplace. Signing up to the Charter brings reputational gains, reduced absenteeism and higher productivity. The Charter helps create a programme of support tailored that is tailored to the workplace, and offer training in several areas, including mental health, healthy eating and physical activity.
- An alternative Charter to consider is [Mindful Employer](#), which supports employers with mental health at work. Their website provides information and evidence on the importance of mental health and the benefits of good mental health to employees and employers, as well as ten practical steps for employers to take.
- The [Health and Safety Executive](#) provides guidance on health and safety, first aid, accidents and illnesses, and insurance.
- [Acas](#) provide impartial advice on workplace rights and best practice to employees and employers. This includes employment contracts, pay and wages, working hours and flexible working.
- Utilise [Work Positive](#) resources and services to support wellbeing in the workforce and get the most from people.



Environment

Making the transition to net zero and protecting the environment

Why is this important – for employers, employees and South Yorkshire?

Climate change, environmental degradation and sustainability are global challenges, which are likely to have a substantial impact on the future of work¹⁵. Currently, a large proportion of SMEs in South Yorkshire are not improving their energy efficiency, the size of the green economy is lower than other city regions, and there are 28 Air Quality Management Areas¹⁶.

The UK has a target to reach net zero by 2050, requiring decarbonisation of all sectors in the economy, and South Yorkshire has plans to reach this target by 2041. Employers, regardless of their size, all have a crucial role to play in supporting progress towards these goals. Key priorities include reducing carbon emissions, generating low carbon energy, improving the energy efficiency of building, and accelerating the transition to ultra-low or zero-emission transport¹⁷.

Emerging commitments

- Seek to formalise and understand carbon impact of organisation.
- **Sign up to the UK Climate Hub Commitments.**
- Take steps to:
 - Reduce travel as far as possible by holding meetings online or using public transport to travel to meetings.
 - Reduce consumption, especially of non-renewable resources
 - Encourage recycling
 - Encourage employees to use low carbon transport to and from work, including public transport, car sharing and active travel
 - Ensure that any vehicles operated by the business are low or no emission vehicles
 - Use a renewable energy provider
 - Provide appropriate training and information to employees and ensure that they understand and work towards the achievement of green objectives

What help is available?

- A helpful first step for any business or organisation is to calculate their carbon footprint. This will help understand and benchmark their performance, and then understand where changes can be made. Resources to consider using include the [Carbon Trust SME Carbon Footprint Calculator](#) and the [Carbon Fund Business Calculator](#).
- The [UK Business Climate Hub](#) has a useful set of tools and resources for small businesses to reduce their carbon emissions. Consider making the SME Climate

¹⁵ Montt, G., Fraga, F. and Harsdorff, M. (2018) *The Future of Work in a Changing Natural Environment: Climate Change, Degradation and Sustainability*, International Labour Office – Geneva: ILO, 2018.

¹⁶ Sheffield City Region Strategic Economic Plan

¹⁷ Sheffield City Region Strategic Economic Plan

Commitment to halve greenhouse gases by 2030, achieve net zero by 2050 and disclose progress on a yearly basis as part of the United Nations Race to Zero campaign.

- Access funding to reduce carbon emissions via the [UK Government website](#).
- [Travel South Yorkshire](#) has bus, tram and train timetables; a journey planner; ticket finder and information on travel passes; and information on active travel.
- Consider signing up for a Cycle to Work scheme to help employees make healthier and lower carbon choices when they travel to work. See this guidance from the [Department of Transport](#).

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Community

Building strong and resilient communities in South Yorkshire

Why is this important – for employers, employees and South Yorkshire?

There are some communities in South Yorkshire facing significant disadvantages, with over one in five neighbourhoods in each borough in the 10% most deprived in the country¹⁸. Employers have a role to play in their local communities and by supporting voluntary and community-based organisations. This can have reputational benefits for businesses, expand their customer base and attract new employees. Empowering communities can result in improvements to local areas and pride of place. Volunteering can create progression and development opportunities for employees.

Emerging commitments

- Provide time (e.g. hours or days) for employees to participate in volunteering
- Engage with community groups and VCSE sector, providing support, resources and expertise, and acting as Board Members or Trustees
- Promote and support community projects, either through donations, time or resources
- Coach job seekers or local students from South Yorkshire's most deprived areas
- Use public consultation on large projects and investment

What help is available?

- **SY MCA to provide an accessible document outlining most deprived areas and disadvantaged groups, as well as organisations to contact, to target commitments.**
- Take part in volunteering by looking at opportunities in your local community on the [UK Government website](#).
- [South Yorkshire's Community Foundation](#) help companies to invest in local communities to make an impact. This could be a long-term, strategic or short-term, responsive investment.
- Engage with [Business in the Community](#) to learn about responsible business practice through their support and resources. There is an opportunity to become a member and benefit from being part of a network of progressive businesses.
- The [Disability Confident](#) scheme could be an initiative to consider when looking to benefit from inclusive recruitment.

¹⁸ MHCLG Index of Multiple Deprivation (2019)



Local supply chains

Supporting local businesses and VCSE organisations in South Yorkshire

Why is this important – for employers, employees and South Yorkshire?

South Yorkshire has a large SME base (99.6% of businesses) with 88.3% of businesses with less than 9 employees. There is also a strong VCSE sector. Supporting local businesses and VCSEs by buying goods, services and works locally has benefits for creating strong, resilient local supply chains. This can attract investors and has the potential to create new opportunities. It also creates a vibrant local economy where local people are employed and are able to spend money locally.

Prompt payment of bills is important for SMEs to ensure that they are able to remain profitable. A third of payments to small businesses are late, causing 37% of small businesses to have cash flow problems, 30% to use overdrafts and 20% to experience slowing profits, often meaning that small firms fail¹⁹.

Emerging commitments

- Calculate the proportion of annual expenditure on produce, goods, services and works from suppliers in South Yorkshire, including SMEs and VCSE, and seek to increase this share
- Review and simplify purchasing processes
- Pay bills promptly, ideally within 30 days, and no more than 60 days

What help is available?

- The [Sheffield City Region Growth Hub](#) can provide advice on business operations, supply chain and business operations.
- Businesses and organisations may wish to consider signing up to the [Prompt Payment Code](#) by committing to paying suppliers on time, giving clear guidance to suppliers, and supporting good practice in the supply chain.
- **Supply chain support: TBC**

¹⁹ FSB (2016) Time to Act; Fair Pay Fair Play

Outcomes

TBC on basis of themes and commitments chosen. Aligning to Social Value Portal measures.

Theme	Measure	Delivery	Responsible for monitoring
Local Supply Chains			
Community			
Environment			
Health & Wellbeing			
Rewards & Contracts			
Employee Voice & Participation			
Inclusion & Diversity			
Education, Training and Progression.			

Implementing the Contract

This section sets out how the Contract could be implemented, including a set of guiding principles, process, potential model, and options for delivery with local authority partners. This is currently being codeveloped and will be further developed and refined.

Guiding principles

Based on the engagement with stakeholders to date, there are for principles which will guide the approach to implementation:

- **Proportionate** – to the size of grant/loan and the size of business/organisation
- **Balanced** – robust with monitoring, but not a burden to businesses and organisations
- **Accessible** – a simple process with clear language and communications
- **Connected** – linked to other support and Mayoral Combined Authority and Council initiatives

Process

The process for businesses and organisations to access finance differs depending on the funding stream. It will be important that the Contract process is consistent across all finance distributed by the Mayoral Combined Authority. The strong steer from the engagement so far is that this process should be as simple and accessible for businesses and organisations as possible.

The diagram below sets out a high-level process for businesses and organisations. As the implementation process is developed in further detail, this will be expanded on, alongside a thorough review of resource requirements, and the development of application forms.



Potential model

A transparent scoring system will be used to help with assurance. The potential model is being codeveloped and the feedback from the engagement will be fed into its design. The requirements of the Contract will be applied proportionately to the size of business and organisation, as well as the size of the grant/loan. Other considerations could include the sector and type of funding.

It is assumed that some commitments will be mandatory, whilst other commitments will have a score, but this is being tested in the engagement. For instance, businesses and organisations that:

- Are already meeting the commitment will be given a score of 2
- Signal their intent towards meeting the commitment will be given a score of 1
- Do not signal their intent towards meeting the commitment will be given a score of 0

The scores will be summed, and each business/organisation will be given a total score. The size of the business or organisation and the size of the grant or loan will determine a target score that they are required to reach to receive 100% of the grant or loan. Their total score will be calculated as a proportion of the target score, and this will determine the proportion of the grant or loan that they are allocated.

Worked example

The thresholds in the table below are indicative. These include four categories for the size of business (micro, small, medium and large) and five categories for the size of grant or loan (< £50k, £50-100k, £100-500k, £500k-1m and > £1m). Other considerations could include the sector and type of funding. The final thresholds used in the scoring system will be determined through a thorough analysis of the distribution of loans and grants, and the business base in South Yorkshire.

The target scores are also indicative and are used here for illustrative purposes. These will vary depending on the number of commitments included in the Contract. In this worked example, they are based on there being:

- 8 focus areas
- 2-3 commitments per focus area
- A maximum score of 2 per commitment

Therefore, the maximum score is 36 (based on scoring 2 on 18 commitments). This would be the target score given to a large business with over 250 employees on a grant/loan of over £1m. The minimum score will be 8 (based on scoring 1 on 8 commitments). This would be the target score given to a micro business with less than 9 employees on a loan of less than £50k.

		Size of business/organisation (no. of employees)				
		Micro < 9	Small 10-49	Medium (I) 50-100	Medium (II) 101-249	Large > 250
Size of grant or loan	< £50k	8	12	16	17	20
	£50k – £100k	12	16	20	21	24
	£100k – £500k	16	20	24	25	28
	£500k – £1m	20	24	28	29	32
	> £1m	24	28	32	33	36

Example scenario

A small business is applying for a grant of £200k. Their target score is 20. They achieve a score of 16. Therefore, they receive 80% of the grant, equivalent to £160k.

Monitoring

A clear steer from the engagement so far has been that the Contract should have clear monitoring in place to determine the scale of impact. This will likely require resourcing by the Mayoral Combined Authority. The systematic capturing of data will be designed from the beginning and will be shared with businesses and organisations to show what is and is not working. This in turn will feed back into the design of the Contract.

All businesses and organisations in receipt of finance will be required to capture information for monitoring purposes. It is important that this process provides robust information to determine the outcomes and impact of the Contract, but without being an administrative burden for businesses (in particular micro and small businesses).

A way forward could be to identify one metric per commitment. Baseline data could be captured when businesses and organisations apply for finance, potentially with several check points, and a full review at the end of the delivery period. Note, this will differ depending on the funding stream.

Linkages to Policy and Existing frameworks:

Economic and social inclusion is one of the three pillars (policy objectives) adopted by the MCA and LEP in the Strategic Economic Plan (SEP) and Renewable Action Plan (RAP), which outlines the plan for stronger, greener and fairer economic growth.

The SEP also sets out several aspirations around establishing social value policies to govern both “stakeholder behaviours and policy outcomes” through the vision to “grow an economy that works for everyone..... and enhance quality of life for all” and to work to ensure that all residents have a fair opportunity to participate in and benefit from growth. The Strategic Economic Plan also confirmed that inclusion is a central objective of the MCA highlighting that our investment decisions: “must better harness the benefits for local economies, following principles of community wealth building”

The RAP also highlights the importance of social value in recovering from the economic fallout of the pandemic, and the MCA has committed to the principle that investment has to return good social and economic value. Delivering the SEP and RAP objectives, and achieving economic change for South Yorkshire, will not be successful without embedding inclusion and social value in all our thinking and actions.

This work will align with the work which is being undertaken to establish a social value framework and links directly to the procurement reform work. The work to date aligns with the National Social Value Measurement Framework but differs where further rigour or lighter touches should be sought.

Next steps

The next steps of this work are to:

- Continue to engage with businesses, organisations and local authorities on the design and implementation of the Contract.
- Integrate feedback from consultation into a draft Contract.
- Based on the consultation and LEP discussion a further draft and suggested implementation process will be brought to the January LEP Board and to the MCA for debate, consideration and decision making.
- Exploring what resources are available to support implementation and the work which will influence the breadth and depth of monitoring.

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