



Embedding Social Value into the Commissioning and Procurement Cycle

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Social Value

Social Value UK definition

- **People experience changes (outcomes/impact) in their lives that contribute to their wellbeing**
- **Some changes are more important to people than other changes**
- **Social Value is quantifying the relative importance that people place on change**

Social Value

British Standards Institute BS8950:2020

“Social value is created through the generation of personal and collective wellbeing over the short and long term. As part of the economy, all organizations (including corporations, partnerships etc.) can convert resources into wellbeing, through the creation (or destruction) of social value. The net outcome can be positive or negative.”

“Social value is the result and purpose of sustainability. Sustainability concerns the achievement of optimal societal wellbeing (social value) over the short and longer-term (including future generations).”

Where does it come from?

Public Services (Social Value) Act 2012

- A way of thinking about how scarce resources are allocated and used.
- It involves looking beyond the price of each individual contract and looking at what collective benefit to a community there is when a public body chooses to award a contract.
- Social value asks the question ***'If £1 is spent on the delivery of services, can that same £1 be used to also produce wider benefit to the community?'***
- The Bill asks public bodies by law – for the first time – to consider the ways that it most benefits society as part of each decision.
- It applies to Local Authorities, Government departments, NHS, fire and rescue services and housing associations - on **contracts above £111,676 for Government and £172,514 for other bodies.**
- It applies to all public services contracts and those public services contracts with only an element of goods or works. But it encourages all public bodies to consider social value in their contracts.
- The Act sits alongside other procurement laws (value-for-money: how this is calculated, whole life cycle requirements).

New Government Procurement Measures



Government departments are required in their procurements to **consider** social values, including:

- Helping access for small businesses;
- Helping access for businesses from under-represented groups;
- Increased representation of disabled people in the workplace;
- Reducing environmental impact;

Procurement Policy Note – Taking Account of Social Value in the Award of Central Government Contracts starting in January 2021

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/921437/PPN-06_20-Taking-Account-of-Social-Value-in-the-Award-of-Central-Government-Contracts.pdf

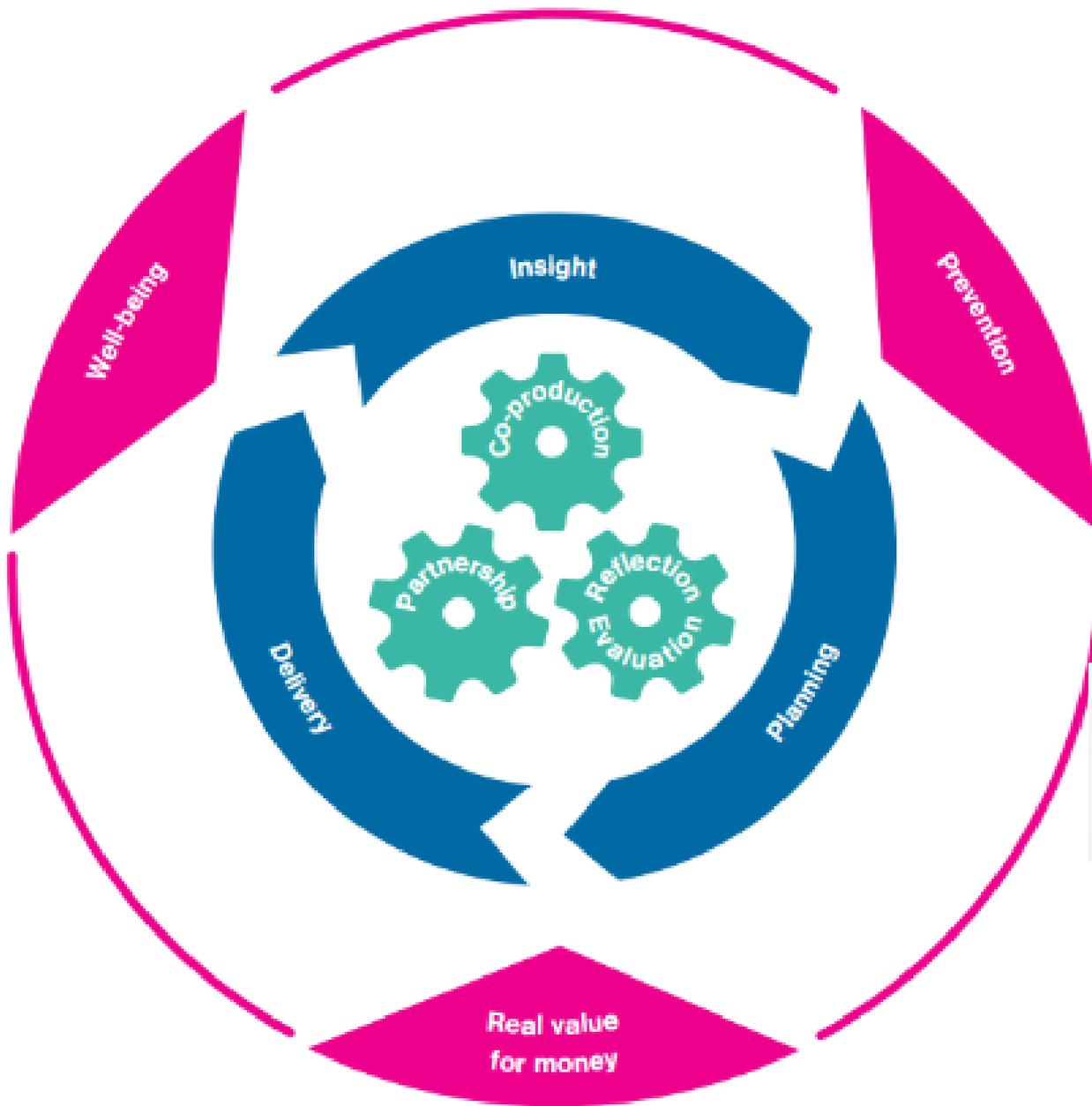
- Social value should be **explicitly** evaluated in all central government procurement, where the requirements are related and proportionate to the subject-matter of the contract, rather than just ‘considered’ as currently required under the Public Services (Social Value) Act 2012.
- Cabinet Office and the Department for Digital, Culture, Media and Sport (DCMS), working with Claire Dove, the Government’s Crown Representative for Voluntary, Community and Social Enterprises (VCSEs), have designed a social value delivery model

Social Value in Commissioning and Procurement



- Build social value into the service specification
- Clear vision of the social value aims of the organisation as a whole
- Social value as the golden thread throughout the whole cycle
- Pilot project with NETpositive Futures





Components: Co-production, partnership, and reflection and evaluation are applied consistently throughout commissioning



Phases: the three phases of 'Insight', 'Planning' and 'Delivery' structure the commissioning cycle



Aims: prevention, well-being and real value for money are the objectives of commission, and are supported and strengthened by the components and phases

A staged approach

Stage 1

Project Proposals

Bidders complete a social value annex

A drop down of themes and outcome categories

Each theme offers up to 12 outcomes including TOMs and other values in the engine

A list of evidence that is required

Volume of outcome over the life of the contract

Stage 2

Project Selection

The person/team incurring the expenditure consider the social value annex giving an appropriate weighting to it within the overall selection process

Stage 3

Contracting

The winning proposal is provided with a social value annex as part of the contract

The social value annex contains a reporting framework for each outcome measure agreed including regularity of data and the evidence required

The contractor fills in a spreadsheet which the team then use to enter the details into the engine

Stage 4

Monitoring and Reporting

On receiving the spreadsheet (quarterly) and evidence the project officer enter the information into the engine

The reported outcomes are checked against evidence to validate them

The claim for the quarter is entered to provide a running total of input costs

The officer generates a quarterly spreadsheet from the engine setting out progress

Stage 5

Review

Annual review of progress with contractor with reference to the engine outcomes and agreement of any refinements to performance



Social Value Engine



- Developed over a 7-year period by Rose Regeneration and East Riding of Yorkshire Council.
- An online tool **accredited by Social Value UK** that **systemises the process of measuring social value**— particularly to help VCS and public sector organisations – to forecast, plan and evaluate activities.
- **200+ peer-reviewed financial proxies**, derived from reliable sources and regularly updated.
- Scope to customise and/or add new financial proxies.
- A description of how a project creates value and a ratio that states how much social value (in £) is created for every £ of investment.
- **‘Place based’**: providing an overview of how activities are making a place better to live in and the community more sustainable.



**SOCIAL
VALUE
ENGINE**



The **Bristol Accord** is a UK/EU wide framework for building sustainable communities. All of the outcomes and financial proxies in the SVE are tagged against one of the 8 sustainability domains contained in the Accord. This means you can also report how you are **making a place more sustainable** through your activities.

Reports

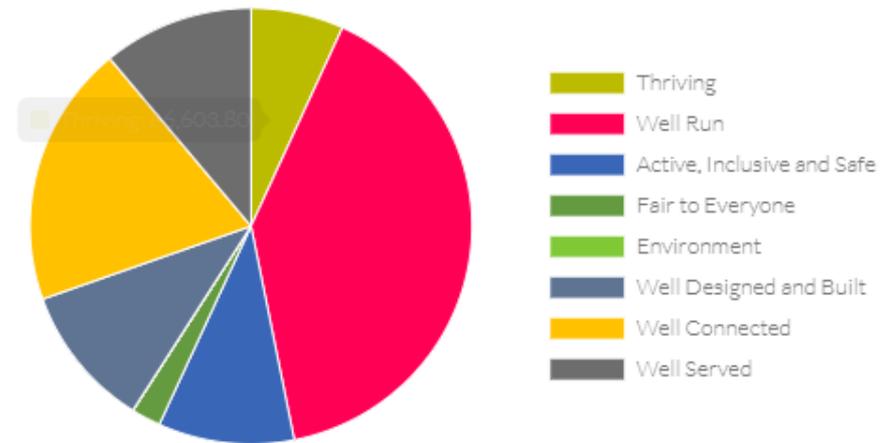


	OUTCOME	PROXY	QUANTITY	DURATION	VALUE	LEAKAGE	ATTRIB'TN	DDW'GHT	DISPL'MNT	DRP-OFF	IMPACT	SOURCE
Number of people who feel safer	1f. Reduction in crime and the perception of crime	Fear of crime, emotional cost of crime	2 Residents	1 years	£2,540.00	0%	25%	20%	5%	25%	£2,895.60	Home Office, The Economic and Social Costs of...
Number of people who access physiological support	5b. Improved health and well-being for local residents	Improving mental health by accessing psychological therapies for adults and the elderly	1 Residents	1 years	£105.00	0%	60%	20%	0%	40%	£33.60	PSSRU (Personal Social Services Research Unit...

BRISTOL ACCORD	
Thriving	£6,603.80
Well Run	£38,985.84
Active, Inclusive and Safe	£9,682.80
Fair to Everyone	£2,093.80
Environment	£13.53
Well Designed and Built	£10,302.07
Well Connected	£18,862.18
Well Served	£10,737.97
Total	£97,281.99

£5.17 per £1
 Net Present Value: £89,245.93

BRISTOL ACCORD



Social Value Engine Practical Example



Social Value Engine Demonstration

If you would like to see how the Social Value Engine works please book onto this demonstration session in April

8 April 10am-11am

<https://www.eventbrite.co.uk/e/137394363239>

We look forward to seeing you



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