

Evolve UK

# Guide to Social Value in Procurement



# Foreword

Enterprise Ireland have commissioned Bidwriting.com to develop this 'Guide to Social Value' to help Irish companies to understand the importance of social value in responding to UK tenders and frameworks when selling to UK local authorities and public sector bodies. It will explain why social value is important, how to respond effectively to social value requirements and how social value will affect the ability to win work in the United Kingdom. Where appropriate, this guide makes reference to sourced information and where it is obtained from.

Enterprise Ireland co-ordinates a cluster of Irish companies who are selling products and services to UK local authorities and the public sector. These companies are addressing the challenges of councils by delivering innovation and value and supporting them to improve the lives of citizens. Enterprise Ireland companies are trusted partners to UK local authorities in many areas including infrastructure, transport, roads and highways, smart cities, housing, waste & recycling and digital transformation.

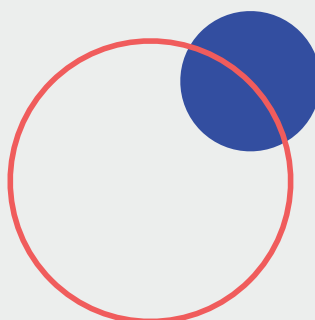
## Contact details:

Laura Brocklebank  
UK Local Authorities Lead  
Enterprise Ireland  
+44 7483 060 079  
laura.brocklebank@enterprise-ireland.com

Kevin Fennelly  
Market Executive  
Enterprise Ireland  
+44 7483 060 146  
kevin.fennelly@enterprise-ireland.com

Enterprise Ireland  
Bloc  
17 Marble Street  
Manchester  
M2 3AW  
United Kingdom

[www.enterprise-ireland.com](http://www.enterprise-ireland.com)  
<https://globalambition.ie/markets-opportunities/uk/>



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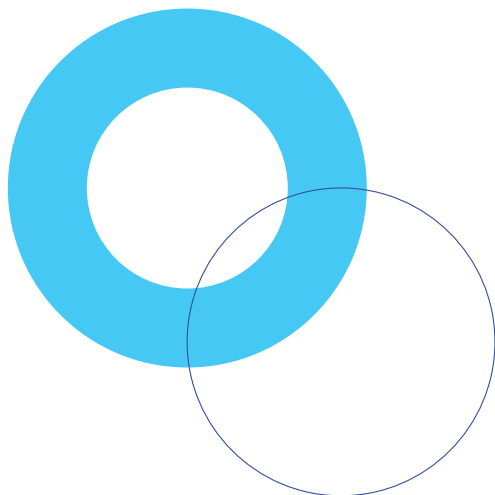
# Introduction

This guide will be useful for organisations who are new to selling to UK local authorities and the public sector, or who are already working in the public realm but need to improve their capability and win work. When it comes to suppliers delivering social value in contracts there is no “one size fits all approach” and when considering social value, it needs to be a commercial decision by the individual company. *“The huge power of some £290 billion pounds of public procurement every year in the UK must support Government priorities: to boost growth and productivity, help our communities recover from the COVID-19 pandemic, and tackle climate change”*<sup>1</sup>. This is why social value plays such a key role.

Local authorities and public sector bodies commissioning tenders and frameworks now have to consider the economic, environmental and social benefits of their approaches before the tender process starts. The Social Value Act 2012 applies to the pre-procurement stage of contracts because that is where social value can be considered to the greatest effect. Increasingly, local authorities and the public sector will need to identify more innovative and radical service delivery solutions, which is why it is important to drive this in your service delivery.

Although the use of social value in procurement has been pioneered by the public sector, it is important to note that the private sector is quickly catching up as private corporates increasingly apply pressure on their supply chains to demonstrate environmental and ethical good practice.

An example of over-arching social value in action in the global corporate world is the UN’s (United Nation) Sustainable Development Goals (SDGs). They use 17 different environmental and social agendas for businesses, governments, and the wider international community to work towards. These include zero hunger, gender equality, quality education, clean water, and climate action. These SDGs are basically a Social Value Charter for the planet that is swiftly being adopted by the biggest companies around the world.



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<sup>1</sup> Transforming public procurement, Green Paper, December 2020.

# Social Value

## What is Social Value?

**Social Value** in this context is a term used to capture the total net value that an organisation provides to society.

This means that social value can be measured across both market prices and a broader definition of value by using the principles of social value as separately described below.

The requirements of the Public Services Social Value Act 2012<sup>2</sup> oblige public contracting authorities to have regard to economic, social and environmental wellbeing in connection with public services contracts and for connected purposes. The authority must consider the following:

- (a) how, what is proposed to be procured might improve the economic, social, and environmental wellbeing of the relevant area, and
- (b) how, in conducting the process of procurement, it might act with a view to securing that improvement<sup>1</sup>.

Public procurement is undertaken in accordance with the Public Contracts Regulations (PCR) 2015. The Public Services Social Value Act 2012 is a separate and complementary tool to help those commissioning a project to get more value for money out of the procurement process. In these tight economic times, it is particularly important that maximum value in public spending is achieved<sup>3</sup>.

The pandemic and particularly the recovery from the pandemic has now made this even more relevant, and we, therefore, believe that social value considerations will become the norm no matter the size of the contract being delivered.

This creates an opportunity for bidders to demonstrate the social value benefits they can deliver to public service commissioners, who assess which potential service providers and suppliers would deliver maximum public benefits to the local community.

### Minimum contract 'Threshold' values

The Act only applies to the procurement of public services contracts, or 'mixed contracts' where services are the dominant element of the contract and which are above the 'Threshold Levels'.

### Procurement Threshold Levels

In the future, the minimum value of a contract that must be procured under the regulations will be set by the minister for the Cabinet Office rather than the EU Commission. The thresholds will next be changed in January 2022 and will remain aligned to those in the World Trade Organisation (WTO) Government Procurement Agreement (GPA).<sup>4</sup>

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2 Public Services (Social Value) Act 2012 <https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources>

3 Procurement Policy Note –The Public Services (Social Value) Act 2012 – advice for commissioners and procurers Information Note 10/12 20 December 2012 <https://www.gov.uk/government/publications/procurement-policy-note-10-12-the-public-services-social-value-act-2012>

4 [www.gov.uk](http://www.gov.uk)

## Contracts Regulations

The Contracts Regulations set out detailed procedures for the award of contracts whose value equals or exceeds the procurement thresholds. Details of the Regulations are given below.

England, Wales & Northern Ireland	Scotland
<a href="#">The Public Contracts Regulations 2015</a>	<a href="#">The Public Contracts (Scotland) Regulations 2015</a>
<a href="#">The Utilities Contracts Regulations 2016</a>	<a href="#">The Utilities Contracts (Scotland) Regulations 2016</a>
<a href="#">The Concession Contracts Regulations 2016</a>	<a href="#">The Concession Contracts (Scotland) Regulations 2016</a>
<a href="#">The Defence and Security Public Contracts Regulations 2011</a>	

### Public Contracts (Thresholds exclusive of VAT)

Awarding Body	Supply, Services & Design Contracts	Works Contracts	Social & Other Specific Services
Central Government	£122,976/€139,000	£4,733,252/€5,350,000	£633,540/€750,000
Other Contracting Authorities	£189,330/€214,000	£4,733,252/€5,350,000	£633,540/€750,000
Small Lots	£70,778/€80,000	£884,720/€1,000,000	N/A

NB - A Small Lot is a contract, or part of a contract, that is exempt from the public procurement rules.

### Utility Contracts (Thresholds exclusive of VAT)

Awarding Body	Supply, Services & Design Contracts	Works Contracts	Social & Other Specific Services
Utility Authorities	£378,660/€428,000	£4,733,252/€5,350,000	£884,720/€1,000,000

### Concession Contracts (Thresholds exclusive of VAT)

Awarding Body	Concessions Contracts
Authorities	£4,733,252/€5,350,000

## Defence and Security Contracts (Thresholds exclusive of VAT)

Awarding Body	Supply, Services & Design Contracts	Works Contracts	Social & Other Specific Services
Defence & Security Authorities	£378,660/€428,000	£4,733,252/ €5,350,000	N/A

It does apply to Framework Contracts, but not the Contracts subsequently called off under the Framework Agreement.

It does not apply to the procurement of public contracts that are exclusively for goods and/or works.

Embodying social value in your organisation's strategy and delivery is very much a modern-day requirement under Corporate Social Responsibility. Therefore, you should be looking to voluntarily deliver social value even on contracts where the Social Value Act 2012 does not apply.

## The Principles of Social Value

The list given below describes the fundamental principles of developing good social value over a broader definition of value and what should be considered:

**The involvement of stakeholders** – They inform what gets measured, how this is measured and how it is valued in an account of social value with their involvement.

**Understanding what changes** – Explain how change is both created and evaluated via the evidence gathered. It should also recognise the positive and negative changes as well as those that are intentional and unintentional.

**Valuing the things that matter** – Decision making about allocating resources between the different options should recognise stakeholder values. 'Value' refers to the relative importance of the different outcomes and is informed by the stakeholders' preferences.

**Only include what is material** – You should determine what information and evidence need to be submitted in the accounts to give a fair and accurate picture so that stakeholders can draw reasonable conclusions about the impact they will have.

**Do not over-claim** – You should only claim the 'Value' that these activities are responsible for creating.

**Transparency** – You need to demonstrate the basis upon which the analysis can be considered to be both honest and accurate. You also need to explain how it would be reported to and then discussed with the stakeholders.

**Verify the result** – Ensure you have provided the appropriate independent assurance.

An example of what this means is to think of it as a social and environmental Return on Investment (RoI). For every £1 that is generated, how many pounds in wider value are created for society?

## Why is Social Value so important in society?

Social value is important because it includes quantifying the relative importance that people place on the changes they experience in their lives. However, some of this value, but certainly not all of it, is captured in market prices. Therefore, it is important to consider and measure this social value from the perspective of those affected by an organisation's work.

However, currently some commissioners miss opportunities to secure both the best price and meet the wider social, economic and environmental needs of the community. Commissioners and procurers should be taking a value for money approach - not lowest cost - to assessing contracts and the Act complements that approach<sup>5</sup>.

## Who will deliver Social Value?

'Central government and local government is at the heart of delivering social value, driving real change for communities across the UK'. This includes Police & Fire Authorities and other publicly financed and controlled organisations.

Social value benefits come from the public sector working with a diverse set of service providers and suppliers, including small businesses, social enterprises and charities. They are commonly referred to as SMEs (Small Medium Enterprises) and VCSEs (Voluntary, Community & Social Enterprises). These organisations tend to be locally based and bring innovation, local knowledge and a deep commitment to social justice to the services they supply to the public sector<sup>6</sup>.

Central and local government act in the best interests of local people, mindful of the specific local demands, as evidenced by stakeholder involvement. However, it is appropriate to say that they generally prioritise and promote local employment, training and the environment.

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5 Procurement Policy Note –The Public Services (Social Value) Act 2012 – advice for commissioners and procurers Information Note 10/12 20 December 2012 <https://www.gov.uk/government/publications/procurement-policy-note-10-12-the-public-services-social-value-act-2012>

6 [www.nationalsocialvaluetaskforce.org.uk](http://www.nationalsocialvaluetaskforce.org.uk)



# Social Value in Tenders

## The importance of Social Value when tendering for work

This element of bidding has gained great traction over the past ten years and cannot be ignored. Both the Central Government and Local Government advocate its importance, plus increasingly by private sector clients, especially the larger ones.

Public sector tender documents will need to maximise the potential for social value. This will include scored social value questions. Tender documents will clarify the scoring mechanism and the weighting criteria to be attributed to the bid's social value element. The bid will also detail any contractual elements concerning social value and, importantly, Key Performance Indicators (KPIs).

We suggest that you check the tender documents for the requirements for KPI's before you start writing any social value answers. It is often buried deep in an appendix but will provide you with the targets that the client is expecting you to meet. Hence the importance of recording your current KPI's across your existing contracts to provide factual evidence rather than unsubstantiated claims. When reviewing tender answers, we often find that the evidence supplied is below the standards that the local authority or public sector body will be judging you against.

## Social Value link to Sales and Marketing

It is important that you understand the stance that potential buyers will take in assessing the total social value aspect of bids. This is an opportunity for the sales and marketing team to gather the relevant information for inclusion in the answer. For example, if you are bidding for a contract with a particular council, make sure you research the priorities of that council, so that you can aim to address social value in line with the individual priorities of that particular council (local jobs, apprenticeships, skills and training etc.). This information can be found in the Industrial Strategy on council websites.

It needs to be explained in clear language that a lay reader can understand as they often form part of the marking panel. An example of this would be a resident representative on a public sector housing project. It is vital that your sales and marketing team understand your company's corporate stance on embedding social value in your business and contracts and have a clear idea of how much financial support your organisation is prepared to provide. It is important to state that it is a commercial decision for individual companies as to how much money is included in the tender to help provide the required social value outcomes.

## The Effect of Covid-19 on Social Value

Social value was steadily on the rise before the outbreak of COVID-19, but the current pandemic crisis has now propelled it into the spotlight. It will continue to have wide-ranging economic, social, and environmental implications as the economy is rebuilt.

We are now in the recovery phase. The UK government and other public sector institutions and corporates will be under pressure to ensure their investments reflect a genuine value to society.

There is a Covid-19 'Plug-in' for The National TOMS Framework Social Value Tool to help manage the way out of the pandemic crisis<sup>7</sup>. This 'Plug-in' contains:

- COVID-19 contract management provisions for managing existing contracts where the National TOMs 2020 have been already applied; and
- A set of new COVID-19 measures for new tenders which can be added to or substituted for National TOMs 2020 measures.

<sup>7</sup> <https://socialvalueportal.com/national-toms/>  
<https://socialvalueportal.com/national-toms/#covid19>

COVID-19 is an unprecedented global crisis that is placing tremendous pressure on people, communities and businesses. Dealing with the social and economic effects of COVID-19 calls for both immediate and longer-term responses, so social value at this time is more important than ever. However, COVID-19 has also completely changed the priorities for organisations and the resources available to them. The intention behind the COVID-19 plug-in is to ensure a focus on social value is retained but that the unusual and challenging situation in which both suppliers and commissioners find themselves is recognised.

## Assessing Social Value and the National TOMs Framework

Local authorities and the public sector bodies use specific web sites for assessing social value submissions as part of a tender, such as The Social Value Portal's National TOMs Framework Social Value Tool.

The aim of the National TOMs Framework is to provide a minimum reporting standard for measuring social value. For those organisations (private and public) just starting out on their journey to embed social value into their procurement and management processes, it provides an easy-to-use solution that is immediately available, and may be applied to any project.

The principal benefits of a minimum and consistent reporting standard for social value are that it:

- Provides a consistent approach to measuring and reporting social value.
- Allows for continuous improvement.
- Provides a robust, transparent, and defensible solution for assessing and awarding tenders.
- Allows organisations to compare their own performance by sector and industry benchmarks and understand what good looks like.
- Reduces the uncertainty surrounding social value measurement for businesses, allowing them to make informed decisions based on robust quantitative assessments and hence embed social value into their corporate strategies.

The National TOMs Framework has been designed around five principal issues, 20 Core Outcomes and 48 Core Measures:

**Themes** – The overarching strategic themes that an organisation is looking to pursue.

**Outcomes** – The objectives or goals that an organisation is looking to achieve that will contribute to the Theme.

**Measures** – The measures that can be used to assess whether these Outcomes have been achieved. For the National TOMs Framework, these are reaction-based and represent activities that a supplier could complete to support a particular desired outcome<sup>8</sup>.

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<sup>8</sup> <https://socialvalueportal.com/national-toms/>

## Social Value Outcomes

These are generally categorised into the following main themes with associated outcomes:

### Economic Outcomes

- Create jobs for local people.
- Progress towards paying a living wage to employees.
- Support young people into apprenticeships.
- Support local people to maximise their knowledge and skills and access employment opportunities.
- Promote opportunities to work with SMEs and VCSEs.
- Secure inward investment.

### Social Outcomes

- To build stronger and deeper relationships with the voluntary and social enterprise sectors whilst engaging and empowering citizens.
- Innovation: Promoting Social Innovation: To promote new ideas and find innovative solutions to old problems.
- Consider equality and diversity in the provision and operation of services, including a workforce that is representative of the communities served, where relevant and proportionate.
- Provide opportunities for all, including the most vulnerable, to make a valuable contribution.
- Promote the safeguarding and welfare of children, young people and vulnerable adults.
- Improve the health and wellbeing of local residents, including employees.
- Reduce health inequalities.

### Environmental Outcomes

- Decarbonising and Safeguarding our World: To ensure the places where people live and work is cleaner and greener, to promote sustainable procurement and secure the long-term future of our planet.
- Promote initiatives that retain, protect, enhance, and/or promote the natural environment's character to benefit local people and wildlife.
- Efficient use of resources and minimising waste.
- Reduce energy consumption.
- Effective and improved environmental performance.

## Harnessing the Supply Chain

As part of your Corporate Strategy, you will need to devise a method of engaging with your supply chain to help your organisation deliver social value. This will then need to be developed into a Social Value Plan for individual projects, which will deal with how you will act locally and harness local resources.

## The role of SMEs and VCSEs

There will always be a role for these organisations to work directly with the public sector and local authorities through existing support arrangements. For example, an SME or VCSE may provide refurbished furniture to residents who cannot afford it, which then means a client has the opportunity to insist a Service Provider uses the same VCSE as part of a new contract. However, it is important that SMEs and VCSEs are wholly engaged in contributing to overall social value when working indirectly through service providers and suppliers. Almost two thirds of UK public sector contracts are won by SME's.

## The allocation of scoring to Social Value

As the public sector and local authorities have matured in their outlook to social value, they have reinforced their approach by allocating part of the Quality score in bids to social value. The amount allocated can vary greatly but is generally between 10% and 40% of the amount allocated to the Quality section.

For example: If a bid is split 60% Quality and 40% Price and then Social Value is allocated, say 30% of the Quality element, then overall the social value is worth 12% of the overall score. The following simple chart shows this effect when bidding:

### Quality Element Assessment

Bid Section	Question Type	Score	Bidder 1	Bidder 2
<b>Quality Element</b>		<b>Overall 60%</b>	<b>Score</b>	<b>Score</b>
<b>Question 1</b>	Quality Systems	10%	10%	10%
<b>Question 2</b>	Environmental Systems	15%	15%	15%
<b>Question 3</b>	Social Value Plan	10%	8%	10%
<b>Question 4</b>	Completion of TOMs Schedule	15%	10%	15%
<b>Question 5</b>	Additional Social Value	5%	3%	4%
	<b>Total Scores</b>	<b>60%</b>	<b>46%</b>	<b>54%</b>
	<b>Ranking</b>		<b>2nd</b>	<b>1st</b>

You can see how both Bidders achieved similar scores on Questions 1 & 2 and then Bidder 2 had a more comprehensive social value submission for Questions 3, 4 & 5 (representing 30% of the Quality score) placing them as 1<sup>st</sup> Ranking.

This indicates how important social value is in helping to achieve a winning score. Imagine if social value were awarded even more of the score.

## The use of Social Value Portals and Data Entry

As part of your tendering process, you will likely be expected to enter details on The National TOMS Framework Social Value Tool. This will feature your commitments to delivering social value on a project and calculate the actual social value you say you will deliver and against which you will be monitored. The social value you state as part of your bid will likely become a contractual commitment.

### Sample of TOMs Social Value Commitment (As of 3/8/2021)

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#### Typical Example

Theme	Ref	Question	Units	Proxy Value	£Target Social Value
JOBS	NT1	No. of local people (FTE) employed on contract for one year or the whole duration of the contract, whichever is shorter.	no. people FTE	£0.00	
JOBS	NT2	% of local people employed on contract (FTE)	%	£0.00	
JOBS	NT3	No. of employees (FTE) taken on who are long term unemployed (unemployed for a year or longer)	no. people FTE	£0.00	
JOBS	NT4	No. of employees (FTE) taken on who are not in employment, education, or training (NEETs)	no. people FTE	£0.00	
JOBS	NT5	No. of employees (FTE) taken on who are rehabilitating young offenders (18-24 y.o.)	no. people FTE	£0.00	
JOBS	NT6	No. of jobs (FTE) created for people with disabilities	no. people FTE	£0.00	
JOBS	NT7	No. of hours dedicated to supporting unemployed people into work by providing career mentoring, including mock interviews, CV advice, and careers guidance -(over 24 y.o.)	no. hrs*no. attendees	£0.00	
JOBS	NT8	Local school and college visits, e.g. delivering careers talks, curriculum support, literacy support, safety talks (No. hours, includes preparation time)	no. staff hours	£0.00	
JOBS	NT9	No. of training opportunities on contract (BTEC, City & Guilds, NVQ, HNC) that have either been completed during the year, or that will be supported by the organisation to completion in the following years - Level 2,3, or 4+	no. weeks	£0.00	
JOBS	NT10	No. of apprenticeships on the contract that have either been completed during the year, or that will be supported by the organisation to completion in the following years - Level 2,3, or 4+	no. weeks	£0.00	
JOBS	NT11	No. of hours dedicated to supporting young people into work (e.g. CV advice, mock interviews, careers guidance) - (under 24 y.o.)	no. hrs*no. attendees	£0.00	
JOBS	NT12	No. of weeks spent on meaningful work placements or pre-employment course; 1-6 weeks student placements (unpaid)	no. weeks	£0.00	
INNOVATION	NT13	Meaningful work placements that pay Minimum or National Living wage according to eligibility - 6 weeks or more (internships)	no. weeks	£0.00	
GROWTH	NT14	Total amount (£) spent with VCSEs within your supply chain	£	£0.00	
GROWTH	NT15	Provision of expert business advice to VCSEs and SMEs (e.g. financial advice / legal advice / HR advice/HSE)	no. staff expert hours	£0.00	
GROWTH	NT16	Equipment or resources donated to VCSEs (£ equivalent value)	£	£1.00	
GROWTH	NT17	Number of voluntary hours donated to support VCSEs (excludes expert business advice)	no. staff volunteering hours	£0.00	

Theme	Ref	Question	Units	Proxy Value	£Target Social Value
GROWTH	NT18	Total amount (£) spent in LOCAL supply chain through the contract.	£	£0.00	
GROWTH	NT19	Total amount (£) spent through contract with LOCAL micro, small and medium enterprises (MSMEs)	£	£0.00	
GROWTH	NT22	Percentage of procurement contracts that includes commitments to ethical procurement, including to verify anti-slavery and other relevant requirements.	% of contracts	£0.00	
GROWTH	NT23	Percentage of contracts with the supply chain on which Social Value commitments, measurement and monitoring are required	% of contracts	£0.00	
SOCIAL	NT24	Initiatives aimed at reducing crime (e.g. support for local youth groups, lighting for public spaces, private security, etc.)	£ invested including staff time	£0.00	
SOCIAL	NT25	Initiatives to be taken to tackle homelessness (supporting temporary housing schemes, etc)	£ invested including staff time	£0.00	
SOCIAL	NT26	Initiatives taken or supported to engage people in health interventions (e.g. stop smoking, obesity, alcoholism, drugs, etc) or wellbeing initiatives in the community, including physical activities for adults and children.	£ invested including staff time	£0.00	
SOCIAL	NT27	Initiatives to be taken to support older, disabled, and vulnerable people to build stronger community networks (e.g. befriending schemes, digital inclusion clubs)	£ invested including staff time	£0.00	
SOCIAL	NT28	Donations or in-kind contributions to local community projects (£ & materials)	£ value	£0.00	
SOCIAL	NT29	No hours of volunteering time provided to support local community projects	no. staff volunteering hours	£0.00	
SOCIAL	NT30	Support provided to help local community draw up their own Community Charter or Stakeholder Plan	£ invested including staff time	£0.00	
ENVIRONMENT	NT31	Savings in CO2 emissions on contract not from transport (specify how these are to be achieved).	tCO2e	£0.00	
ENVIRONMENT	NT32	Car miles saved on the project (e.g. cycle to work programmes, public transport or carpooling programmes, etc.)	hundreds of miles saved	£0.00	
ENVIRONMENT	NT34	Voluntary time dedicated to the creation or management of green infrastructure, to increase biodiversity, or to keep green spaces clean	no. staff volunteering hours	£0.00	
ENVIRONMENT	NT35	Percentage of procurement contracts that includes sustainable procurement commitments or other relevant requirements and certifications (e.g. to use local produce, reduce food waste, and keep resources in circulation longer.)	% of contracts	£0.00	
INNOVATION	NT36	Other measures (£) - please describe any additional initiatives that you would like to make and £ to be invested	£	£0.00	
INNOVATION	NT37	Other measures (hrs) - please describe any additional initiatives that you would like to make and hrs to be committed (No. expert hrs)	no. staff expert hours	£0.00	
INNOVATION	NT38	Other measures (hrs) - please describe any additional initiatives that you would like to make and hrs to be committed (No. voluntary hrs)	no. staff volunteering hours	£0.00	

## Working with Social Value Officers

It is common for public bodies to appoint a Social Value Officer who will:

- Review your Social Value Themes
- Review your Contribution to Social Value Outcomes
- Agree on the Measures to assess the success of the Outcomes
- Approve your Social Value Plan

It is possible for you to meet with a Social Value Officer prior to a tender being issued and entering the 'Closed Period', when you are not allowed to contact any client officer.

Public benefits are assessed across the following key areas:

**Jobs:** Promoting local skills and employment for all

**Growth:** Supporting the growth of responsible local business

**Social:** Fostering healthier, safer, and more resilient communities

**Environment:** Providing cleaner and greener spaces, promoting sustainable procurement, and safeguarding the planet

**Innovation:** Promoting new ideas and social innovation

It is important to note that when considering social value and tendering, the value you describe doesn't just have to be "social" related. You can demonstrate environmental, benevolent, economic or employment-related values<sup>9</sup>. For example, broadly speaking, the below are all examples of social value in one form or another:

### **Benevolent:**

- Charitable donations
- Allowing your employees voluntary days
- Team building days at charities/non-profit organisations.
- Sponsored events
- Supporting local charities in other ways

### **Social:**

- Upskilling employees
- Rewards and benefits schemes for employees
- Encouraging and participating in community schemes
- Ethical supply chains – i.e. Fair Trade
- Engaging with local community groups such as sports clubs, schools and social groups.
- Community engagement – mobilising and involving the community.
- Promoting social integration.
- Providing/facilitating opportunities for disabled people
- Supporting local heritage and culture

### **Employment:**

- Having flexible working and lieu days
- Mindfulness, counselling and therapy sessions in the workplace
- Introducing additional learning opportunities in the workplace to enhance employees' careers.

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<sup>9</sup> <https://www.tenderconsultants.co.uk/social-value-and-tendering/>



## Economic:

- Extra employment opportunities
- Recruiting locally
- Introducing work experience and apprenticeship opportunities
- Engendering additional value for money by introducing cost-saving techniques
- Local investment
- Taking people out of unemployment

## Environmental:

- Reducing carbon footprint
- Introducing processes to monitor energy and water usage.
- Promoting sustainable practices in the community
- Using environmentally friendly techniques and supplies
- Efficient use of equipment, people and resources.
- Picking suppliers who can supply multiple products and services to cut down on transport costs and times.

## Localism

It is common for awarding bodies to consider an organisation's:

- Local presence
- Use of the local supply chain
- Supporting VCSEs
- Leaving a lasting legacy

It is important to mention a UK government Policy Procurement Note known as Action Note PPN 11/20 Dec 2020 regarding guidance for reserving below threshold procurements and so do fit with the local agenda.

As ever, the procuring authority must maintain a balanced approach and have considered:

- *Ensure value for money.*
- *Assess the sector/market.*
- *Identify and manage associated risks, including fraud and corruption.*
- *Ensure a budget is available and approved at an appropriate level(s).*
- *Use suitable model contracts.*
- *Develop simple and proportionate KPI and data reporting mechanisms.*
- *Undertake supplier due diligence checks.*
- *Ensure final approval is obtained at an appropriate level(s).*
- *Keep suitable records of commercial decisions.*
- *Publish transparency notices on contracts finder as appropriate in a timely manner.<sup>10</sup>*

Local Authorities have always had the local agenda in mind on both big and small tenders, and they have been keen for companies to have a local base.

It is important to note that whether you are an Irish company bidding for UK contracts or a UK company based in London, bidding for UK contracts in Scotland; the local supply chain is also a challenge for UK based companies.

If there is an opportunity in the UK market for Irish companies, you should consider setting up a UK presence and a UK registered office. This 'local presence' is also a theme seen in the recent Green Paper: Transforming Public Procurement (more below). Enterprise Ireland UK can support you to set up a UK presence.

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<sup>10</sup> Cabinet Office – Procurement Policy Note – Reserving Below Threshold Procurements – Dec 2020  
Green Paper: Transforming Public Procurement



## Social Value Innovation

A key aspect of social value is to work with stakeholders who will receive a service, to seek innovation and find new ways to deliver more and better wide-ranging social value. Benchmarking your performance against your peers can be undertaken by sharing data on the Social Value Portal's website.

## Examples of Social Value Questions

Here are some typical examples of social value questions that can be found in Public Tenders. These types of questions are used to assess your approach to delivering social value and will be scored as part of the Quality element.

These questions are posed as part of the Asset Management Contract for a Social Housing Organisation

### Question 1

Please provide a detailed Social Value Plan describing how you intend to deliver the social value requirements as set out in the client's specification. As part of your response, please detail who in your organisation will be responsible for delivering social value activities, including any additional offers you make and the approximate number of hours per month that will be spent on this.

Page Limit – 4 Pages  
Marks Available – 5.0

### Question 2

Please provide details of any additional social value that you wish to offer the client over and above the minimum requirements that are unique to your company's approach and demonstrating innovation. (Anything additional social value you propose to offer in this response will be taken as a firm commitment and will form part of the contract).

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Marks Available – 4.0

### Question 3

Please provide details of your environmental processes and how you intend to improve your environmental impact throughout the duration of the contract.

Please list your current corporate environmental targets and performance statistics.

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# Actions Required by Companies to Respond Effectively to Social Value

We list below the actions required in preparing your organisation to respond effectively to social value requirements in tenders

## Allocation of a Person responsible for Social Value

It is more effective for your organisation to appoint a person as your Social Value Officer on projects. It is common for this person to carry out other roles within companies. If you do not have this resource available you can appoint an external consultant.

## Social Value Training

Your organisation must embed social value in its actions by delivering training to all those responsible for delivering social value to ensure attendees understand:

- Social Value and the benefits to be gained and by whom
- The corporate Promises and Commitments you have made
- How to harness the local supply chain partners so they can act in harmony with your Social Value Plan and deliver enhanced social value

## Social Value Policy & Procedures

You must produce a Social Value Policy and procedures required to compliment the delivery of both your and the local authorities and public sector bodies Themes, Outcomes and Measures.

## Social Value Plan

This project specific plan must be generated and provided to the local authority or public sector body for their approval.

Your Social Value Plan is a key document that reflects the project themes and actions to be undertaken, the desired outcomes and the measures to assess your achievements.

The Social Value Plan must act in harmony with your Procurement Policy, Sustainability Policy and Environmental Policy.

## Social Value Evidence Locker

The Cabinet Office published a Green Paper on 'Transforming Public Procurement' in December 2020. As part of this, the UK Government proposes establishing a single place for suppliers to submit the common data needed for procurements in an evidence locker to allow suppliers to 'tell us once' across the public sector. All contracting authorities would be required to use this data in their procurements<sup>11</sup>.

The service would allow suppliers to register once, providing all the basic information needed to qualify for a public sector procurement. The credentials in the "tell us once" evidence locker would be similar to the current Standard Selection Questionnaire. Subject to the evidence being provided, suppliers would be able to bid for public sector competitions without duplicating their information with each bid they submit, having only to confirm that their data in the locker was current and correct.

In addition, tenderers will still need to answer the public sector bodies specific Quality questions.

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<sup>11</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/943946/Transforming\\_public\\_procurement.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/943946/Transforming_public_procurement.pdf)

We anticipate that companies themselves will remain responsible for the evidence being current and appropriate.

It is imperative that you capture all relevant evidence in an Evidence Locker for examination by public sector bodies as part of their due diligence in checking that you are delivering to your promises and commitments.

## Complimentary Policies

It is essential to have other policies and procedures which act complementary to your Social Value Policy. Wherever possible, these should be supported by gaining active accreditation. These policies include:

**Environmental Policy** – To guide and set standards regarding the effects of human activities on the environment, particularly those measures that are designed to prevent or reduce the harmful effects of human activities on ecosystems. This is becoming even more important as local authorities have committed to net zero targets.

**Sustainability Policy** - Sustainability is the capability to equitably meet the vital human needs of the present without compromising future generations' ability to meet their own needs by preserving and protecting the area's ecosystems and natural resources. The concept of sustainability describes a condition in which human use of natural resources, required for the continuation of life, is in balance with Nature's ability to replenish them.

**Procurement Policy** - A responsible procurement strategy will help achieve Value for Money by ensuring that every item, service, and project procured leads to reliable outputs and responsible outcomes. It will ensure compliance with international, national, regional and organisational policies and regulations. The strategy can be radical in terms of the extent of positive change it intends to drive.

## Value for Money (VFM)

In essence, value for money means seeking the best price for the quality the client requires. Important quality criteria include efficiency, longevity, production methods and added social value.

## Summary

In delivering this guide, we have positioned the importance of social value and its outcomes in today's modern world.

Embodying social value in your organisation's strategy and delivery is very much a modern-day requirement under Corporate Social Responsibility. Therefore, you should be looking to voluntarily deliver social value even on contracts where the Social Value Act 2012 does not apply.

We realise that 'no one size fits all' and have provided some simple advice to Irish companies looking at opportunities for working in the public sector.

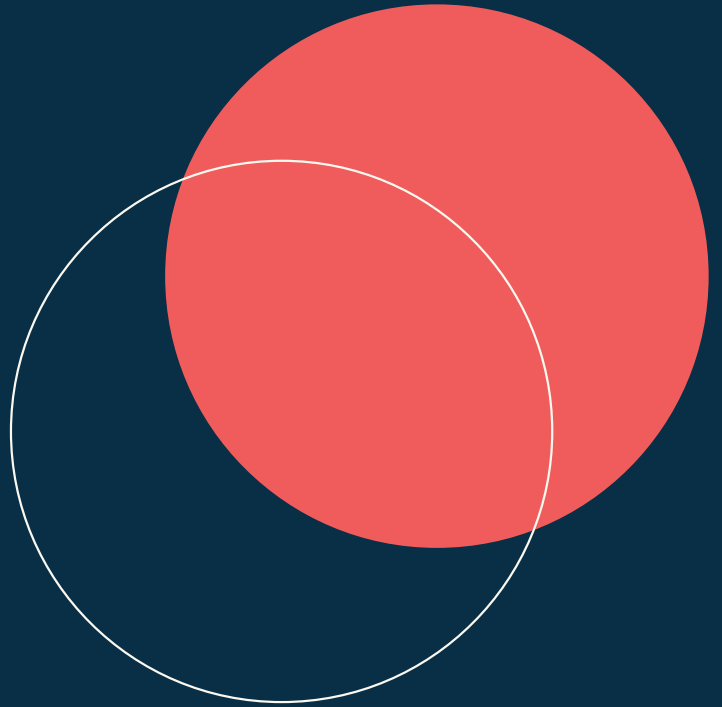
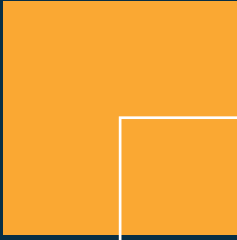
We hope you find some useful tips and hints regardless of whether you are new to tendering or are already established in the tendering process.

**Bidwriting.com** is an industry leading professional bid writing and consultancy company who provide a premium service with proven results and have over 30 years' experience of writing winning bids and have developed a methodology that is proven to win.

If you need further help in establishing your approach to social value, then please contact Enterprise Ireland UK or Bidwriting.com

**Steve Oldbury**  
Founder & Director  
Bidwriting.com  
sjo@bidwriting.com  
+44 (0)7775 686436

**Martyn Curley**  
Founder & Director  
Bidwriting.com  
mjc@bidwriting.com  
+44 (0)7795 283338



## Contact

**Laura Brocklebank**  
UK Local Authorities Lead  
Enterprise Ireland  
+44 7483 060 079  
[laura.brocklebank@enterprise-ireland.com](mailto:laura.brocklebank@enterprise-ireland.com)

**Kevin Fennelly**  
Market Executive  
Enterprise Ireland  
+44 7483 060 146  
[kevin.fennelly@enterprise-ireland.com](mailto:kevin.fennelly@enterprise-ireland.com)

Enterprise Ireland  
Bloc  
17 Marble Street  
Manchester  
M2 3AW  
United Kingdom

[www.enterprise-ireland.com](http://www.enterprise-ireland.com)  
<https://globalambition.ie/markets-opportunities/uk/>

