

What are tried, tested and verified methods for ensuring that social value is captured during the contract phase, in other words, that tenderers deliver on promises?

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Introduction

- What legal requirements and guidance apply to contracting authorities in respect of social value?
- What approaches are being adopted to capture social value during the contract phase?

Social value requirements

Regulations	Relevance
Policy Note 05/21 and the National Procurement Policy Statement	<ul style="list-style-type: none"> Requires consideration of national priority outcomes and any additional local priorities: creating new businesses, new jobs and new skills; tackling climate change and reducing waste; improving supplier diversity, innovation and resilience Contracting authorities with an annual spend of >£200m to publish procurement pipelines from April 2022. Those with an annual spend of <£200m to publish from April 2023.
Public Contracts Regulations 2015	<ul style="list-style-type: none"> Allows contracting authorities to assess social and environmental aspects as part of evaluation of the 'most economically advantageous tender', provided they are linked/related to the subject matter of the contract
Social Value Act and Policy Note 06/20	<ul style="list-style-type: none"> Requires key ESG related themes to be evaluated expressly in all UK central government procurement from 1 January 2021, through the use of Social Value Model A minimum weighting of 10% must be given to ESG objectives in each procurement
Social Value Model	<ul style="list-style-type: none"> Increases level of threshold from "considering" to "accounting for" Priorities and policy outcomes: Covid-19 recovery; tackling economic inequality; fighting climate change; equal opportunity; and wellbeing Only applies to procurements within the scope of the PCR, and not the Utilities Contracts Regulations 2016, Concession Contracts Regulations 2016 or the Defence and Security Public Contracts Regulations 2011
Policy Note 06/21	<ul style="list-style-type: none"> As a selection criteria, Bidding suppliers to provide a Carbon Reduction Plan (and current emissions) report confirming the supplier's commitment to achieving Net Zero by 2050, in the UK, and set out the environmental management measures that they have in place and which will be utilised during the performance of the contract

Capturing social value

Local Government TOMs

Theme	Outcome	Measures	Units	Value per Unit
Jobs: Promote local skills and employment	More opportunities for disadvantaged people	No. of mothers returning to work hired on the contract	No. people	£18,965
Growth		No. of disabled people	No. people	£15,166
Social	Improved skills	No. site visits for school children or local residents	No. visits	£64.28
Environment		No. of weeks of apprenticeships on the contract	No. weeks	£207.40
Innovation				

Total Social Value = Sum for all Measures: {Units x Value}

Capturing social value

Central Government Social Value Model

Social Value Model

- Refer to the UK Government’s Social Value Model and Guidance
- Minimum 10% of the overall bid evaluation score is assigned to the bidder’s social value proposal
- 8 policy outcomes across the key themes set out below
- Qualitative assessment of the tenders on a scale from “Excellent” to “Fail”
- **“Excellent”** means a response which **“exceeds what is expected for the criteria”** and **“leaves no doubt as to the capability and commitment to deliver what is required”**

Themes		Policy Outcomes
Theme 1	COVID-19 recovery	Help local communities to manage and recover from the impact of COVID-19
Theme 2	Tackling economic inequality	Create new businesses, new jobs and new skills
		Increase supply chain resilience and capacity
Theme 3	Fighting climate change	Effective stewardship of the environment
Theme 4	Equal opportunity	Reduce the disability employment gap
		Tackle workforce inequality
Theme 5	Wellbeing	Improve health and wellbeing
		Improve community cohesion

Capturing social value

Central Government Social Value Model

Theme 2: Tackling economic equality		Policy Outcome 2: Create new businesses, new jobs and new skills	
Model Evaluation Question	Model Award Criteria (MAC)	Sub-Criteria / Model Response Guidance	Reporting Metrics
<p>“...describe the commitment your organisation will make to ensure that opportunities under the contract deliver the Policy Outcome and Award Criteria. Please include:</p> <ul style="list-style-type: none"> • your ‘Method Statement’, ..., and • a timed project plan and process, including how you will implement your commitment and by when. Also, how you will monitor, measure and report on your commitments/the impact of your proposals. ... “ 	<p>MAC2.2: “Create employment and training opportunities particularly for those who face barriers to employment ...”.</p>	<p>Activities that demonstrate and describe the tenderer’s existing or planned:</p> <ul style="list-style-type: none"> • Understanding of employment and skills issues, and of the skills and employment shortages of high growth sectors relating to the contract. Illustrative examples: demographics, skills shortages, new opportunities in high growth sectors, groups under-represented in the workforce (e.g. prison leavers, disabled people), geographic/local community and skills/employment challenges. <p>...</p>	<p>“... Number of apprenticeship opportunities (Level 2, 3, and 4+) created or retained under the contract, by UK region.</p> <p>Number of training opportunities (Level 2, 3, and 4+) created or retained under the contract, other than apprentices, by UK region. ...”</p>

Capturing social value

Central Government Social Value Model

- Tried, tested and verified?
- A different tack from TOMS for contractual commitments.
- Effectiveness TBA, but more Social Value to come !