Working with the Social Value Model

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Panel

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Working with the Social Value Model

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Navigating the Social Value Model

Kate Clarfelt
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What is social value in procurement really about?

- The **Public Services (Social Value) Act** came into force on 31 January 2013. It requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits.

- Commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could **secure these benefits for their area or stakeholders**.

- The **Act is a tool to help commissioners get more value for money out of procurement**. It also encourages commissioners to talk to their local provider market or community to design better services, **often finding new and innovative solutions to difficult problems**.

"Social Value is a broader understanding of value. It moves beyond using money as the main indicator of value, instead putting the emphasis on engaging people to understand the impact of decisions on their lives. The people’s perspective is critical."

Social Value UK
Navigating the Social Value landscape can be confusing

...and it’s hard to know where to start....

DON’T PANIC
What is PPN 06/20 & what is The Social Value Model?
Procurement Policy Note – Taking Account of Social Value in the Award of Central Government Contracts

Action Note PPN 06/20  September 2020

Issues

1. The Procurement Policy Note (PPN) introduces a new model to deliver social value through government’s commercial strategies.Central government organisations should ensure that decisions to take account of the addition social benefit that can be achieved in the delivery of contracts (social value) are embedded into the procurement process.

Action

1. Social value should be ‘written in’ to all central government procurement projects for contracts above £150,000. Necessary changes to the procurement channels of organisations and procedures will be made to enable the use of this model. The Social Value Act will be used as legal basis for inclusion of social value in contract award.

2. In some organisations, where it is not currently feasible to use the Social Value Act, the above principles can be applied via social value clauses in contracts. This requires that social value is considered at the time of award. The Social Value Act will be used as legal basis for social value clauses.

3. Further guidance on applying the model will be published on GOV.UK by the Autumn 2020. Procurement officers are encouraged to make their policies and procedures more consistently approach the Government’s Social Value Act.

Definition and Scope

This Procurement Policy Note (PPN) applies to all government departments, the National Health Service and related organisations including CPNOs. Together these are referred to in this PPN as “Government Departments”. Those organisors who are not part of central government can also use the principles in this note.

Timing

This PPN is effective from the date of publication. The social value model should be applied to all new procurements from 1st January 2021.

Background

1. Voids the existing practice for the Government’s commercial activities, to remain achieving the best commercial outcomes but in a way that the Government applies its
Social Value is becoming an increasingly important evaluation factor:

**Minimum 10% Evaluation weighting**
The Social Value Model

Developed by the government in support of the implementation of PPN 06/20, the Social Value Model (the Model) sets out Government’s Social Value priorities for procurement.

It also maps Social Value requirements to the United Nations SDGs.
# The Social Value Model

## Themes and Policy Outcomes

<table>
<thead>
<tr>
<th>Themes</th>
<th>Policy outcomes</th>
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<tbody>
<tr>
<td>Covid-19 recovery</td>
<td>Help local communities to manage and recover from the impact of COVID-19.</td>
</tr>
<tr>
<td>Tackle economic inequality</td>
<td>Create new businesses, new jobs and skills. Increase supply chain resilience and capacity.</td>
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<tr>
<td>Fighting climate change</td>
<td>Effective stewardship of the environment.</td>
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<tr>
<td>Equal opportunity</td>
<td>Reduce the disability employment gap. Tackle workforce inequality.</td>
</tr>
<tr>
<td>Wellbeing</td>
<td>Improve health and wellbeing. Improve community cohesion</td>
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How the Social Value Model is applied in procurement

1. Choose from the menu:
   Authorities should select which Themes, Policy Outcomes and Model Award Criteria (MAC) from the ‘SVM menu’ that they want to focus on for the procurement.

2. Check the matrix:
   The evaluation of submissions is qualitative only and based on the authority’s own scoring matrix.

3. Choose KPIs:
   Once awarded, the procurer and supplier should use the MACs and Reporting Metrics in the procurement documentation and in the tenderer’s proposals to establish Social Value KPIs.
Central Government : TOM System
Mapping Tool
Why create and use the tool?

The Social Value Model

Social Value Model:
- Only for setting priorities during tender phase
- *Does not measure* Social Value

National TOM System:
- Useful in both tenders and contract management
- *Measures* Social Value

**SVM + National TOM System (CGTMT):**
- Many structural similarities
- Brings the benefits of the National TOM System to the Social Value Model
- Compatible with Social Value reporting across public sector
- Helps to fulfil Social Value commitments in tender phase & allows for continuity into contract management phase

Why create and use the tool?
How does the mapping work?

Themes
- Covid-19 Recovery
- Tackling Economic Inequality
- Fighting Climate Change
- Equal Opportunity
- Wellbeing

Policy Outcomes
- Create new businesses, new jobs and new skills
- Increase supply chain resilience and capacity

MACs
- Entrepreneurship, growth and business creation
- Employment
- Education and training

National TOM System Measures
- NT1b...
- NT3...
- NT4...
- NT5...
- ...

Social Value Model
How to prepare your response
Focus on initiatives that meet your Social Value sweet spot
Remember these steps

✓ Answer the question
✓ Ask questions
✓ Adhere to the principles of Social Value
✓ Provide a qualitative method statement on delivery
✓ Choose your methodology
✓ Use information released during pre-tender stage
✓ Show market experience
✓ Make a relevant and proportionate offer
✓ Identify delivery partners
✓ Show evidence of capability to deliver
✓ Prove knowledge and insight
Social Value in procurement doesn’t work when it’s treated as an afterthought. It needs to be baked in from the start.

Charlene Maginnis, Head of Policy Delivery, Supply Chain and Service Offering, Crown Commercial Services.
In practice
Example question

Buyer chosen Theme:
Equal Opportunity

Buyer chosen MACs:
6.1: Demonstrate action to identify and tackle inequality in employment, skills and pay in the contract workforce
6.2: Support in-work progression to help people, including those from disadvantaged or minority groups, to move into higher paid work by developing new skills relevant to the contract.

Buyer instruction:
Please include:
- your ‘Method Statement’, stating how you will achieve this and how your commitment meets the Award Criteria, and
- how you will influence staff, suppliers, customers and communities through the delivery of the contract
Case study response

- **Answers the question**
  
  Responds to the MAC on supporting disadvantaged or minority groups into new skills and employment: advertises job roles for the contract on ‘Ethnic Jobsite’

- **Shows additionality**
  
  Proposes dedicated staff volunteer time to mentor unemployed people and provide interview practice through identified partners, if they win the contract.

- **Has timescales in the near-term**
  
  Provides a gantt chart for each proposed activity for first 12 months of the contract
It is a virtuous circle, success breeds success. Social Value delivery for one contract strengthens the story for the next.

Léyoh Goodhall, Sales Director, Social Value Portal
Planning your response to the Social Value Model Question

Snowia Hussain
Social Value Lead, Ministry of Justice
Policy Procurement Note (PPN) 06/20

- PPN 06/20 Action Note
- The Social Value Model
- Guide to using the Social Value Model
- Social Value Model Quick Reference Table
Evaluating Social Value

- Social value is over and above the core requirements of the contract – it is additional value.

- All suppliers are treated equally, to ensure a fair and equal process.

- Evaluations must be evidence based, considering only the content of the supplier proposals.

- Supplier responses are evaluated independently, not in comparison, against the questions and award criteria.

- Evaluators and suppliers must comply with the requirements set out in the Invitation to Tender (ITT).

- 10% is the minimum % evaluation but always check the award criteria set out in the ITT.
Evaluating Social Value

Demonstrate your understanding of the Model Award Criteria

How do your smart commitments effectively meet the policy outcome?

Confidence of delivery
The assessment is qualitative, we are assessing the quality of your response against the evaluation question.

We want to see clear plans that detail what will be delivered, when, how it will be evidenced, monitored and measured.

- is a detailed method statement included,
- is a detailed project plan included,
- are their specific measurable commitments,
- are the commitments specific to the contract

The level of score achievable will be in relation to these points.
Thank you
Working with the Social value model: Insights on using the model

Gary Young
Strategy & Operations Director, Fujitsu UK
SV submission development
A journey in 3 parts…

Part 1: Confusion… the Early months of 2021

Confused customers
What it is? | What does it mean to me? | How to manage it?

Reactive responses
“Can you have a look at this… it’s the last question in the bid”

Misguided overconfidence
“We invest loads into responsible business…”
Part 2: Clarity and measurement

- First IT Service integrator to invest in SVP.
- Formed the Fujitsu TOMs (49 measures across the 5 categories).
- Comprehensive awareness training for all staff:
  - What is Social Value?
  - The Fujitsu TOMs: How and where to apply them.
  - Delivering social impact vs. virtue signaling.
- A measurable commitment to social value delivery on every contract.
SV submission development
A journey in 3 parts...

Part 2: Clarity and measurement

“Where Fujitsu can differentiate most strongly is on the maturity of its approach to measuring social value. It is enabling the company to quantify – and therefore promote much more effectively – the positive impact it is having. Other suppliers to central government appear far less advanced in their investment in social value measurement and the appropriate tooling”

Georgina O’Toole, Chief Analyst
SV submission development
A journey in 3 parts...

Part 3: Impact and commitment

Informed customers
Focused on relevance, impact and evidence of delivery.

Creative competitors
Social value – A route to innovation.

Delivering real impact
Deliberate choices on commitment, geography, ecosystem and areas of focus.
So how does this translate on a day-to-day basis

Proactively engage → Understand your customer → Develop & test the solution → Document the commitment → Evidence our delivery

Raise aspirations | Ensure credibility | Think impact
Thank you