

SUPPLY CHAIN SUSTAINABILITY

SCHOOL

# Embedding Social Value in Procurement: A Practical Guide for SMEs



# About the Authors



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# Acknowledgements

This guidance document was developed by the [Supply Chain Sustainability School](#) in collaboration with [Cardiff Business School](#).

We would like to thank all Partners of the Social Value Leadership Group; thank you for your efforts in shaping this document, your contributions to the Group and for your wider impact in delivering and promoting social value.



# Purpose of this Guide

The growth of small and medium-sized enterprises (SMEs) plays a critical role in developing the UK economy. SMEs are the lifeblood of economic growth in the UK supplying public, private, and third sectors while also managing considerable numbers of supply-chain partners.

The [Federation of Small Businesses](#) (FSB) reported in 2023 that SMEs accounted for 99.9% of the total number of businesses in the UK - with approximately 5.6 million businesses registered. SMEs account for three-fifths of the employment and around half of the turnover in the UK private sector.

While SMEs play a clear role in supporting the UK economy, their contribution to delivering social value is often underestimated. SMEs also face an array of barriers when attempting to deliver and embed social value within their organisations. **This guide aims to identify these barriers and provide solutions to them, to facilitate the embedding and delivery of social value.**

This guide is a collaboration between the Supply Chain Sustainability School and Cardiff Business School and is intended to:

1. Support SMEs who are looking for solutions to work on social value and win more work with public and private sector organisations.
2. Provide guidance to public and private sector procurement authorities on how social value should be included within the procurement process, to engage more effectively and efficiently with SMEs.

## This guide explores:

- A checklist to assist SMEs to incorporate social value into their operations
- Understanding social value and its importance for SMEs
- Examining common challenges for SMEs when embedding social value
- Strategies for overcoming these common challenges and embedding social value
- Social value practices in devolved nations

*Click on the headings above to navigate to the corresponding section*



In this report, the “**procurement authority**” is used to refer to any party involved in the purchasing process, whether it is a large organisation, a contractor or anyone buying from SMEs.



In this report, the term “**SME**” is used throughout to encompass Small, Medium, and Micro Enterprises, as well as VCSEs (Voluntary, Community, and Social Enterprises).



In this report, a “**VCSE**” refers to Voluntary, Community, and Social Enterprise: organisations that operate independently of the government and focus on social, charitable, or community missions. These organisations include charities, grassroots-community groups, and social enterprises that reinvest profits to achieve social goals.



For the purpose of this report, the UK government's definition of an SME is used. This is defined as follows:

Size of Business	Staff Headcount	Annual Turnover	Balance Sheet Total
Medium	Under 250	Under € 50m	Under € 43m
Small	Under 50	Under € 10m	Under € 10m
Micro	Under 10	Under € 2m	Under € 2m

*Table 1: The main factors defining SMEs.*

## Methodology Information

This report is the result of the collaborative efforts of the [Supply Chain Sustainability School's Social Value Leadership Group](#) and [Cardiff Business School](#). It is based on the following research activities:



Focus group discussions with SMEs and first-tier contractors from the Supply Chain Sustainability School network.



A survey gathering data from 83 SMEs, including VCSEs, across various industry sectors, including Civil Engineering, Rail, Infrastructure, Building and Civil, Grounds and Landscaping, Waste Management, Manufacturing, and Professional Services.

Limitation = Over half the respondents were from medium-sized businesses which may have slightly influenced the outcomes of the survey.



Secondary research and a literature review to identify best practices in the industry.



Action Sustainability's consultancy experience, observations, and discussions with industry experts.

# Our Social Value Impact



**86**

No. of partners in the Social Value Leadership Group.



**Event Attendance:**

Over **6,400** attendees to social value related events (webinars, workshops, etc.) since 2019.



**Resource Views:**

Over **156,000** views on social value related resources since 2019.



**No. of workshops and webinars delivered:**

Over **100** workshops and webinars delivered on social value since 2019.



**Social value impact measured through our 2023 Impact Survey:**



**57%**

increased community engagement

**13%↑**

**46%**

agree the School helped achieve this

**7%↓**



**69%**

increased understanding of FIR

**5%↑**

**54%**

agree the School helped achieve this

**14%↓**



**43%**

increased apprentice numbers

**12%↑**

**25%**

agree the School helped achieve this

**0%**

# A Summary Checklist to Further Embed Social Value

Want to understand how you can embed social value more effectively into your business? Have a look at our checklist below, which outlines actionable steps you can make as either an **SME** or a **procurement authority**.

## **Considerations for SMEs:**

- How can an SME create added value in contract delivery compared to other suppliers?
- What activities can an SME undertake to align with the social value that procurement authorities are seeking?
- What methodology will an SME use throughout the contract delivery?
- How will the SME document and report its social value activities?
- Is the social value the SME is offering relevant and proportional to the contract's value?

## **Top Recommendations:**

### **Foundation:**

- » Define what social value means for both the business and procurement authorities.
- » Conduct an internal analysis to identify existing social value practices within the business. These practices can serve as a strong starting point when presenting to clients and procurement authorities.

### **Tender & Procurement:**

- » Carefully review the questions in PQQ/RFI and ITT/RFP documents.
- » Engage with procurement authorities to fully understand their expectations.
- » Reference your (SME's) policies on environmental practices, social well-being, and employment opportunities. Ensure your responses align with the values, goals, or specific targets outlined in these policies.
- » If procurement authorities and the business's client's social value policy includes a commitment to spending more with SMEs, highlight how being awarded the contract to the business can help them meet this goal.
- » Leverage the strengths and collaborate with third parties such as NGOs, local schools, and job centres to fulfil the business's social value commitments.
- » Prioritise quality over quantity in social value initiatives.

### **Embedding Social Value:**

- » Refer to the policies and frameworks suggested in this report to design and implement practical applications.
- » Communicate the social value requirements to the supply chain.
- » Take incremental steps to measure and report on social value, demonstrating progress over time.
- » Integrate the social value proposition into business's brand and core values.

## **Procurement Authorities Check-list:**

Procurement authorities are interested in the value their procurement spending will generate through collaboration with their suppliers.

### **Foundation:**

- » Understand what social value means for the organisation and identify the procurement categories where it can be effectively implemented.
- » Focus on achievable outcomes rather than just ticking boxes.

### **Tender & Procurement:**

- » Ensure that social value is relevant to the contract and proportional to its value.
- » Clearly communicate the business's social value priorities and the criteria used for evaluation.
- » Seek synergies with SMEs instead of pursuing opportunities beyond their capabilities.
- » Simplify the PQQ/ITT or RFI/RFP process to make it more understandable and accessible.
- » Define appropriate contract lots and avoid bundling contracts to increase opportunities for SMEs.

### **Embedding Social Value:**

- » Commit to fair payment practices and consider incorporating these requirements into contract terms to ensure that Tier 1 contractors pay Tier 2 contractors fairly, extending fair payment throughout the supply chain.
- » Encourage Tier 1 contractors to source from SMEs and request upfront details of Tier 2 spending to promote transparency and accountability.
- » Provide detailed written feedback to unsuccessful SMEs after each tender evaluation, pointing out any missing elements of social value.
- » Invest in upskilling the SME's supplier base through training and workshops.
- » Host supplier engagement events to offer feedback, clarify expectations, and better understand the strengths of SMEs.





# Why is Social Value Important for SMEs?

Social value was first adopted in the UK following the Social Value Act which was published in 2012. A more recent extension of this, PPN 06/20 has been adopted by central, devolved, and local governments as a new procurement requirement and is only expected to become more widely adopted.

Due to their size, SMEs are often more closely connected to their communities, making social value a more inherent part of their business models as they engage directly with those around them: SMEs tend to hire locally, for example.

SME's also know their communities better, are typically the flagbearers when it comes to engaging with local businesses, and have local supply chains (where possible). This places them in a strong position to understand the challenges faced by local communities and how social value can support to address these challenges.

This is evident as a high percentage of survey participants (79%) reported having a strong or moderate understanding of social value and only a few surveyed reported having no understanding of it at all.

“

*Social value is something we care passionately about, and we need to do better at sharing with our clients all the amazing things we do.*

*- Survey Participant*

”

## What is Social Value?

There is no legal definition of social value which can add to the complexities of working with the concept: See more [here](#). Social value should however consider additional local benefits and topic areas such as those covered under PPN 06/20. More developed organisations may also address social value under a wider sustainability approach that covers global impacts as well as risks, with themes such as resource use, modern slavery, and climate change.



### Did you know?

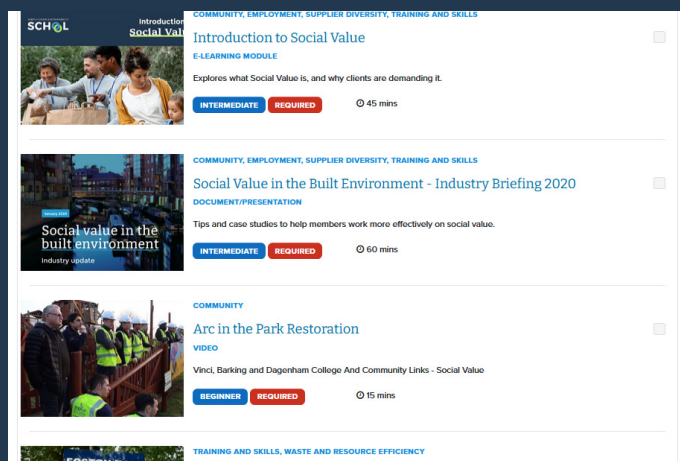
Councils across the UK and private sector firms now include standalone social value weightings within their procurements of at least 10% and, in some cases, over 20%. This is typically in addition to their sustainability ambitions.

## New to Social Value? Looking to upskill?

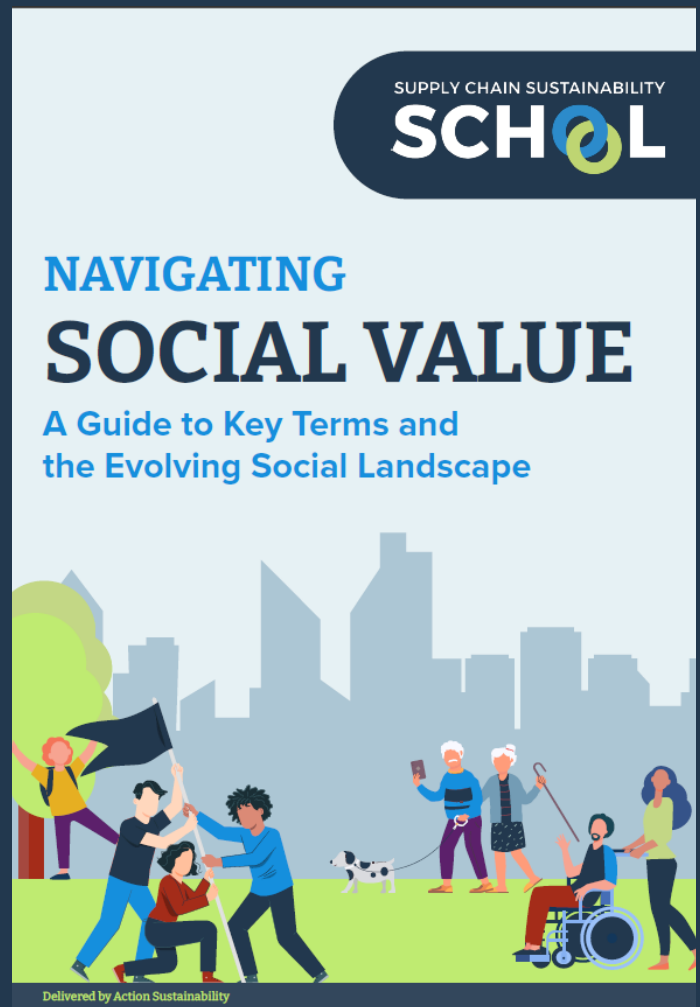
If you're new to the topic and want to understand more about social value, then here are some suggested resources:



Watch our [Social Value Short](#)



Complete our [Learning Pathway](#)



Review our [Navigating Social Value Guide](#)



### Tip:

Public Procurement Notes (PPN) are a good starting point and should be considered a foundation when working with social value; it is important to also consider the current wider social landscape and the local social challenges when delivering social value, as social value is an evolving area, PPNs may not fully address the latest social requirements.

# Social Value: Analysing Survey Results and Driving Insights

Integrating social value into one's organisation presents exciting opportunities, although there are several barriers to navigate. By understanding these challenges, your organisation can proactively prepare to overcome them, enabling effective delivery of social value for long-term benefits. Some of the key barriers identified through the survey and focus group discussions include:

## *Understanding of Social Value*

The concept of social value is ever changing, reflecting the shifts seen in the social landscape of the UK and the communities where social value is delivered. There is no official definition of social value which also contributes to several challenges when attempting to understand what social value actually is.

**One of the greatest challenges with social value is understanding the concept as is required by individual procurement authorities.** That is, procurement authorities will have their own definitions and understanding of social value and these may not align with our understanding or other clients'.

Organisations with a progressive commitment to social value may also interpret it differently. In practice, many organisations with a more advanced sustainability approach often address social value within the broader framework of sustainability, which includes core risks such as modern slavery and climate change; while social value is seen as providing additional benefits, such as connecting people to the environment, skills development, and more.

Social value is often incorporated into strategies using measurement frameworks that may not be the most appropriate approach. This can lead SMEs to lose the uniqueness of their business and the communities they serve. To create an effective social value strategy, a top-down approach should be adopted.

## **When developing a social value strategy, the following elements should be considered within the business:**

1. Understanding what social value means to an organisation and whether it fits into its wider sustainability strategy
2. Strengths and unique qualities of your organisation
3. Sphere of influence in implementing the strategy
4. Social value priorities, considering:
  - How certain social value priorities can help the business address some of its key challenges e.g. skill shortages or conflicts with the community, etc.
  - The challenges in the sector and community, and how social value could help. For example, high levels of unemployment in a community and skills shortages in the sector could provide opportunities for skills development & accessibility for under-represented society groups.
  - Your diverse client base.
5. Available resources
6. Approach to measurement

If you'd like to find out more, visit our [Social Value webpage](#) for additional resources.

## Skills and Resources

All organisations struggle with skills and resource shortages. **However, this is particularly prevalent for SMEs, which face multiple resource and skill challenges with sustainable or green innovation initiatives.** SMEs and micro firms simply do not have the resource and capacity to develop in-house teams or champions like larger organisations; and although there is a desire to understand more about social value, there is also an understanding that this needs to be in an efficient way that works for the organisation.

“

*We are not very aware of social value as a micro company; however, are interested in improving in social value areas in a time and cost-efficient way.*

*- Survey Participant*

”

## Cost vs Value

Procurement's usual obsession with lowest cost rather than highest [social] value is one of many barriers for SMEs. **There is a perception that starting out on the social value journey will add additional costs to the business. In reality, the cost of doing nothing is considered to be even higher in the longer term** for business and if the business identifies the right social value the overall business can also benefit.

For example, if an organisation is facing a skills shortage, upskilling the local community through apprenticeships can provide social value and opportunities to address this. As significant weightings are being applied to social value, they can also be the key differentiator to whether the business wins the bid.

One organisation - Cwmpas - based in Wales is a development agency with a mission for improving the social, economic, and environmental outcomes for people living and working in Wales and the wider UK. They report that social value doesn't need to cost the business more - important changes can be made for little, if any, additional cost.

For example, allowing employees to work flexible hours or allowing employees to work from home some days will enable a better work-life balance and can actually reduce business overheads. This is where small changes can lead to much larger and longer-term benefits delivering social value, and have little cost on the business.



### Did you know?

SMEs are often geographically embedded into the heart of local communities, engaging with local people this means that they are typically also more likely to have a deepened understanding of community needs. Discussions revealed however that a key concern for SMEs was whether their inherent social value impact would be recognised and assessed by procurement authorities. Typically, in public sector procurement contracts social value must relate to what will be **specifically delivered for the contract**. Therefore, if a business already does volunteer days, then an explanation must be provided as to how these will provide social value specifically for the contract; for example, it may use the volunteer days to provide skills workshops to local schools.

## Procurement Process

Survey responses reflected another barrier reported by SMEs: the need to navigate public procurement and the administration-heavy process typically outlined by public sector organisations.

“

*Procurement generally is a nightmare for micro-SMEs and is getting worse with increased use of 3rd party multi-client procurement intermediaries\* who have no knowledge or understanding of Social Value and frustrate attempts to discuss this with end-clients.*

*- Survey Participant*

”

*\*Multi-client procurement intermediaries - external parties who are involved in supporting procurement.*

“

*There is nothing standard and everything seems to have a cost. We were once told by a client to bill them for our social value monitoring. How is that social value?*

*- Survey Participant*

”

## Access to Finance

Throughout the research of this report, it became clear that limited access to finance deepens the other reported barriers, hindering SMEs' ability to scale up and effectively deliver social value. Without proper planning by procurement authorities that considers these costs, and without adequate access to finance, SMEs are constrained in their ability to deliver social value. Limited access to finance can also constrain an SME's ability to implement a comprehensive measurement framework, which can require resources.

This may not always be the case, however, as public sector organisations may ask for an outline of how the organisation will measure social value using methods that are relevant and proportionate to its business and may not cost more.

# Steps to Address Barriers in Embedding and Delivering Social Value for SMEs

Building on the barriers identified in the previous section, this section addresses how to overcome the barriers associated with delivering social value as perceived by survey respondents and through focus-group discussions.

Challenges	Proposed Solution
Costs incurred to deliver social value outcomes	<ul style="list-style-type: none"><li>● <b>Missed Opportunity:</b> SMEs should consider the long-term effect and missed opportunity of not embedding social value, such as losing contracts due to the inability to demonstrate social value impact. Also consider low-cost options to deliver social value and address key business barriers. (Please, see Appendix A for examples of these.)</li><li>● <b>Market Research:</b> Social value should be carefully considered and doesn't always need to be expensive. Look into what other organisations in a particular area or industry are doing to discover low-cost initiatives or opportunities for collaboration and cost-sharing.</li></ul>
Lack of resources to deliver social value	<ul style="list-style-type: none"><li>● <b>Identify Existing Opportunities:</b> SMEs should understand key business and community challenges and explore how they can leverage existing resources and approaches to deliver social value. They should assess ongoing social value initiatives and community activities to identify opportunities for adding value in procurement. Many SMEs contribute to social value without recognising or labelling it as such, and procurement requirements may not always account for these efforts in the evaluation processes.</li><li>● <b>Embedded Activity:</b> Social value can be integrated with other activities and should not be seen as standalone. E.g. recruiting from under-represented groups when filling open positions creates social value. (Please, see Appendix A for additional examples.)</li></ul>

Challenges	Proposed Solution
Lack of understanding of social value	<ul style="list-style-type: none"> <li>● <b>Scope of Social Value:</b> Clearly define what you mean by social value. It is acceptable to have different definitions depending on the category of spend or geographical challenges, but ensure your definition is clearly communicated within the organisation. If bidding with a procurement authority, make sure to understand how they are defining social value. Ideally, you should have a social value strategy outlining your scope and ambitions. <b>Tip: Embed your social value objectives within your organisational strategy.</b></li> <li>● <b>Supply Chain Sustainability School</b> - The <a href="#">School</a> provides numerous free resources on social value and related sustainability topics.</li> </ul>
Lack of skills to deliver social value	<ul style="list-style-type: none"> <li>● <b>Delivering Social Value Inherently:</b> Take a pragmatic approach. As an SME, identify what the business is already doing to deliver social value. Develop a social value plan based on its current activities and organisational strengths. Also identify business challenges that it can address through delivering social value.</li> <li>● <b>Prioritisation:</b> Rather than trying to address everything at once, focus on specific challenges or elements of social value to use resources efficiently. To identify relevant challenges, engage with the local community or identify how the business, procurement or peers approach social value.</li> </ul>
Lack of alignment with local needs	<ul style="list-style-type: none"> <li>● <b>Collaboration and Partnerships:</b> Consider the strategic priorities of the local community and determine which ones SMEs can deliver. Collaborating with third-sector organisations can be beneficial, as they can support the delivery of organisational objectives. Reach out to third parties, explain the organisation's ambitions and explore opportunities for collaboration. Make sure to also outline the benefit that will be delivered from the collaboration as part of that specific contract.</li> </ul>
Complexities around measuring social value	<ul style="list-style-type: none"> <li>● <b>Small Steps:</b> Before measuring social value, define the aspects relevant to the procurement, business, and the communities the organisation serves. This should be captured in a sustainability or social value strategy. SMEs can start recording data by using a simple spreadsheet to track the value they have delivered and the impact they have made on individual lives by working on social value initiatives and the outcomes of their efforts.</li> <li>● <b>Qualitative vs Quantitative:</b> Social value reporting requires a mixed-method approach, incorporating both quantitative and qualitative data. Quantitative reporting communicates impact clearly, using units such as £ or proxy values. However, qualitative reporting is equally as important, as social value is about people, and it provides a more complete picture of the impact.</li> </ul>

*Table 3: Barriers and how to overcome them*

## Overcoming Barriers Associated with the Measurement of Social Value Outcomes

Two additional challenges were highlighted in the survey: **A lack of clarity from procurement regarding measurement and reporting and the perception that different social value frameworks and tools promote a 'box ticking' approach rather than exploring how to maximise social value.** SMEs felt challenged and confused by procurement using various measurement tools, and there was also concern about the costs involved in measuring and reporting social value. This process can be time consuming and requires specific knowledge on how to effectively measure and report.

“

*The benchmark is different for each company against corporate strategy, so it's difficult to measure and monetise impact.*

*- Survey Participant*

”

When it comes to measuring social value outcomes, the survey respondents and focus-group discussions identified the most common challenges. Over half of the respondents reported difficulty in selecting an appropriate social value framework and using it correctly.





## How to Overcome the Measurement Barriers

Based on the survey and the focus group discussions, we asked SME leaders “what is needed to overcome some of the most common barriers?” The proposed solutions are outlined below, categorised by whether the solution is relevant to the procurement authority or SME

Barriers to measurement	Proposed solution – Procurement authorities	Proposed solution – SME
Understanding which social value framework to use and the complexity of using them	A good starting point to understand the various social value offerings is the <a href="#">Social Value Tools Report</a> . Conduct thorough research to determine specific needs and how they align with the features each tool offers.	Begin by using a simple spreadsheet to track social value initiatives and recording simple quantitative and qualitative information on progress and value delivered.
Clients use different measurement tools	Evaluate the different measurement tools available and choose the one that best meets the organisation’s needs. When selecting a measurement system, consider both the user-friendliness of the tool and the financial impact it may have on its suppliers.	Prioritise the social value areas where you can make an impact, along with measurement and reporting, and discuss these with procurement.  One could look at frameworks like <a href="#">PPN 06/20</a> to start with; for public sector contracts following PPN 06/20 you may be asked to submit a social value action plan and this is an opportunity to set out how to measure the social value progress and benefits delivered.
Costs in measuring and reporting social value	Foster a more collaborative process with industry peers to redefine value, considering qualitative aspects that impact people and communities. Engage in discussions with clients to identify opportunities to deliver social value more effectively.	Avoid committing to a measurement tool without first understanding what it needs to measure and which platform it is right for. Research all available options in the market, considering both the requirements and cost-effectiveness <a href="#">See the Social Value Tools Report for more details</a> .

Barriers to measurement	Proposed solution - Procurement authorities	Proposed solution – SME
Missing clarity from the client on measurement and reporting	Use market engagement or pre-supplier discussions to understand what the market could deliver including SMEs and VCSEs. This approach can help set more realistic expectations, which may also increase the number of SMEs participating in your tenders.	Discuss your social value priorities and measurement in pre-supplier meetings to gain clarity on client expectations, which will guide your choice of measurement tool, if one is needed.
Limitations created by different social value frameworks and tools	Collaborate with industry peers to consider standardising the frameworks and tools used across procurement processes. Engage with SMEs to understand their challenges with existing frameworks and adjust your requirements to better align with their capabilities. This approach can create a more inclusive and effective measurement process, benefiting both procurement authorities and SMEs.	Engage in pre-tender discussions or pre-engagement events held by procurement authorities to provide input on the questions and criteria used in tenders. Use these opportunities to highlight how to add value to the organisation’s unique strengths and suggest improvements to the tendering process that reflect the organisation’s capabilities.  Participating in these discussions can influence the questions and frameworks used, ensuring they better align with strengths and the social value the organisation offers.
Limited knowledge on how to measure and report social value	Improve the knowledge of social value measurement within an SME’s base, the broader supply chain and within its organisation, ensuring key stakeholders in the business are applying the approach consistently. It can do this by offering a training program in consultation with your tool provider. This training should be provided at no additional cost to the SME’s base.	If the client requires the use of a specific framework or tool, request training on how to measure and report outcomes using that tool or framework. If training is not provided, take the time to familiarise with the tool needed for reporting.

**Table 5: Barriers to measurement and how to overcome them.**

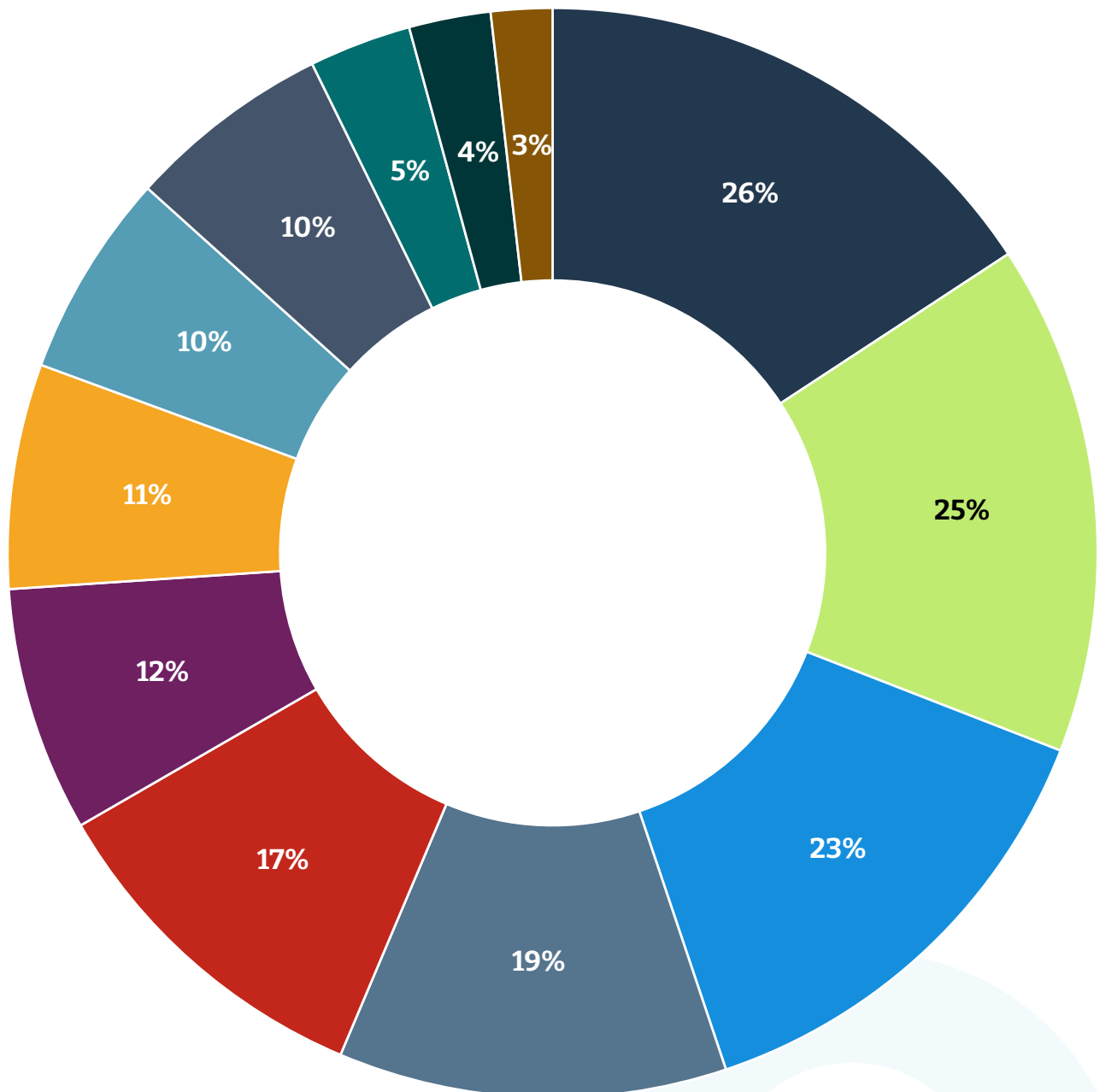
# Pre-activities to Embed Social Value into Business Operations

To illustrate what social value activities look like in practice and explore how SMEs can contribute, the table below categorises different social value examples into social, economic, and environmental types. Additionally, [Figure 1](#) highlights the most popular social value activities identified in the survey.

	People	Economic	Environment	Communities
<b>Examples</b>		Hosting work placements		
		Creating apprenticeships		Community outreach and engagement
		Creating jobs		Working with schools and colleges
	Flexible working policies for staff	Employing local people and spending with local suppliers	Reducing energy, water use and carbon emissions	Use of local suppliers
	Ethics and equality	Improving supplier diversity	Supporting improvements to public spaces and parks	Working with charities
	Supporting health and well-being of employees	Mentoring and providing career advice to young people	Using sustainable products and materials	Volunteering in the community
		Local employment		Hosting community events at the business
		Apprenticeships		
		Case donations		

# Social Value Activities Reported by Survey Respondents

Figure 1: Most Popular Types of Social Value Activities



- Environmental/Decarbonisation/Waste Management activity
- Local Employment
- Apprenticeships
- Ethics and Equality, Diversity and Inclusion
- Community Outreach and Engagement
- Working with schools and colleges
- Cash donations
- Use of local suppliers
- Volunteering
- Supporting health and wellbeing of employees
- Accreditation and certification
- Working with charities

# Delivering Social Value in Devolved Nations

The following guidance is intended to help SMEs navigate the main requirements for each devolved nation.

Following the UK's departure from the European Union, UK procurement law has been rewritten. The [Procurement Act 2023](#) is expected to transform public procurement, enabling greater transparency, compliance and efficiency between the supply market and public procurement authorities.

*The Procurement Act 2023 does not directly mention social value, but it does include features that could encourage its consideration in the procurement process:*

- **Most Economically Advantageous Tender (MEAT) to Most Advantageous Tender (MAT) Evaluation** - The Act encourages pre-market engagement and MAT evaluation, which can help with understanding the potential for social value and increase flexibility.
- **Accountability** - The Act can help drive accountability, which can lead to more innovative social value.
- **Visibility** - This section requires authorities to publish annual key performance indicator statistics for suppliers on contracts worth more than £5 million. Some say this could encourage the inclusion of social value.
- **Sustainability and Social Value** - The Act requires contracting authorities to consider social value and environmental sustainability when making procurement decisions. This encourages the selection of bids that demonstrate a positive social and environmental impact.

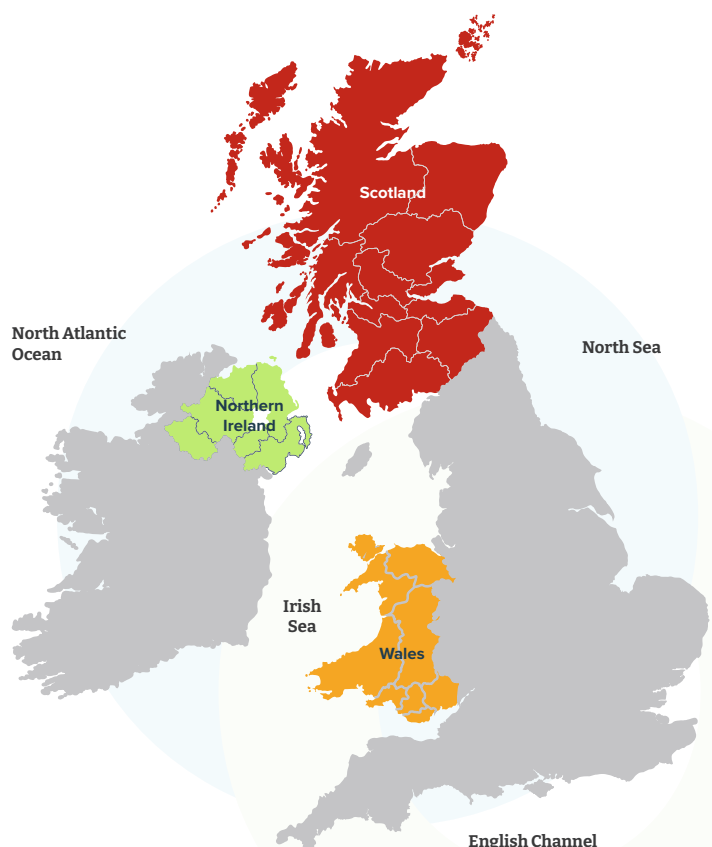
However, feedback from the survey confirms that the term “social value” and its application vary from company to company, region to region, and nation to nation.

“

*The benchmark is different for each company against corporate strategy, so difficult to measure and monetise impact.*

*- Survey Participant*

”



## Wales

Despite being a small nation (3.1 million), the United Nations notes that Wales is one of the leading nations globally when it comes to delivering sustainability. There is a much higher mandate on social principles in Wales, given that it is the first country worldwide to legislate sustainability with the Well-being of Future Generations (Wales) Act 2015.

The legislation applies to 44 public bodies in Wales, which are required to embed the principles of the Act, including the seven well-being goals<sup>1</sup> and five ways of working<sup>2</sup>. There are three broad sustainable priorities in Wales that SMEs should be aware of when bidding for contracts.

1. First in line with the Act, the language in Wales for tenders focuses more on well-being than social value - i.e., social well-being, environmental well-being, and economic well-being.
2. The importance of fair work which has now been mandated with the launch of the Social Partnership and Procurement (Wales) Act 2023 (SPPP)<sup>3</sup>.
3. The Climate Change agenda by 2050. Wales has introduced ambitious interim targets for 2030 and 2040.

The Procurement (Wales) Regulations 2024 are part of the Transforming Public Procurement (TPP) programme which aims to improve public procurement regulations. The new regime is expected to go live on 28<sup>th</sup> October, 2024, and will consolidate current procurement rules into a single public procurement regime. The new regime is intended to simplify the system, open up public procurement to new entrants, and embed transparency.

## TECHNICAL MARKETING & PR CONSULTANT



Marketing enterprise, **TMPR** is a boutique Business to Business (B2B) public relations and marketing agency based in South Wales. Working with several education technology clients, TMPR believe in the value of education and have become aware of many challenges in the system including a digital divide and equity of access.

### Embedding Social Value

Social value has been embedded through providing pro bono public relations and marketing support to education related charities. One of these charities is **NAACE**, which is an education technology charity that supports teachers with using technology more effectively in the classroom. Public relations and marketing support to education-related charities, the first of these was in collaboration with NAACE which is an education technology charity that supports teachers with using technology more effectively in the classroom.

A second collaboration has been with **Learning with Parents**. By the time children reach age 11, those from disadvantaged backgrounds are roughly nine months behind their more affluent peers. Research suggests that 49% of the achievement gap is down to childhood experiences at home and just 14% is down to childhood experiences at school. The aim of working with schools is to level up education opportunities and to narrow the disadvantage group.

TMPR has also offered university student internships. Here they have actively sought out candidates who 'need a break' - this has been recognised and reflected through feedback from the placement coordinator - and closed the gap in some instances by giving the students projects relating to charity work.

1 A Prosperous Wales; A Healthier Wales; A More Equal Wales; A Resilient Wales; A Wales of Vibrant Culture and Thriving Welsh Language; A Wales of Cohesive Communities; A Globally Responsible Wales.

2 Collaboration; Integration; Involvement; Long term; and Prevention.

3 [Social Partnership and Public Procurement \(Wales\) Act | GOVWALES](#)

Cwmpas was established in 1982 and has a long history of sporting co-operatives and social enterprises. Cwmpas was founded in Wales, but it now has an increasing footprint across the UK, including Northern Ireland. Cwmpas believes that how they do business is just as important as what they offer in business. The values of Cwmpas include:

- Working collaboratively for mutual benefit.
- Being supportive in terms of time, expertise, and encouragement.
- Being fair to address inequality and value diversity and democracy.
- Having integrity by striving to be open and honest in everything it does.
- Being positive by investing energy in achieving outcomes.
- Being inspirational by empowering people, communities and businesses to take control and reach their full potential.

## Embedding Social value

One category where Cwmpas has developed expertise is Social Care. Cwmpas supports commissioners and procurers to promote social value models of delivery and has sought to move beyond the requirements of the Public Contract Regulations to embed the principles of the Well-Being of Future Generations (Wales) Act 2015, and through models of co-production, collaboration, and contract management to deliver better outcomes for children in care. They distinguish between policy driven objectives and commissioning activities to better shape the market.

## Impact

This case is important because not every aspect of social value can be quantified immediately and sometimes the impact is not realised until later. At the end of this project, Cwmpas offered a set of recommendations for public bodies and suppliers in the Social Care market. The guidelines are very much in line with the survey conducted for this report and include:

- **Recommendation 1** - Develop a set of 'how to' guidance
- **Recommendation 2** - Develop a Community of Practice (CoP) for Social Care Commissioning
- **Recommendation 3** - Design a structured programme of Social Value Reporting Training



## Scotland

Scotland applies social value as part of the broader strategic agenda to ensure positive impact from all spend. In public contracts, the focus has traditionally been on sustainable procurement and community benefits with clauses more commonly referred to and applied since 2008.

For SMEs when tendering, this largely relates to employment opportunities and skills development. The [Procurement Reform \(Scotland\) Act 2014](#) is also reviewed as a social reform agenda. The Scottish government is most concerned with assigning a monetary value to social value to understand its impact. Social impact relates to the effects on people and communities that happen as a result of public spend.

## Northern Ireland

Northern Ireland is currently catching up with the rest of the UK, with considerable progress being made since June 2022. Higher-value public contracts are now awarded based on quality, cost, and social value (with a weighting of over 10%). This applies to service contracts valued above £426,000 and construction contracts valued above £5.3million. Public contracts are subject to PPN 01/21<sup>4</sup> Scoring social value. To facilitate this, SMEs leaders should be aware of a social value toolkit<sup>5</sup> that has been published for guidance.

Social value is scored based on the following themes:

1. increasing secure employment and skills;
2. building ethical and resilient supply chains;
3. delivering zero carbon; and
4. promoting well-being.

A key priority set by government for SMEs in Northern Ireland<sup>6</sup> includes reducing environmental impact (77.2%). However, an ERC report (2023) confirms that only 56% of smaller businesses have started their Net Zero commitment. Only a quarter of businesses always consider social responsibilities with medium sized businesses more likely than micro firms. These trends are no different from any other part of the UK.

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4 [PPN 01/21 - Scoring Social value | Department of Finance \(finance-ni.gov.uk\)](#)

5 [SNI - Social value Toolkit.pdf \(sustainableni.org\)](#)

6 [\(enterpriseresearch.ac.uk\)](#)



“

Turn honey into money

- Survey Participant

”

**2Benterprising** is a business start-up with an entrepreneurial team who recognise the gap in careers provision in schools. Their focus is on building our future workforce - and encouraging children to be responsible citizens - the values of which they then take into the workplace when they are older. They build skills in communication and creativity.

2Benterprising has found that five-year-old children acquire these skills naturally from birth, but they lose

confidence at secondary school. Collaboration and cooperation are key elements of its Bumbles of Honeyworth programme, and it commits to supporting colleagues and the local community to add value wherever possible.

## Embedding Social Value

2Benterprising has written and published a series of creative and thought-provoking books entitled *The Bumbles of Honeywood* for children - themes include sustainability, well-being, inclusion, and diversity. The storybooks are accompanied by physical and digital resources for teachers to support the development of enterprise skills in the classroom. The company partners with businesses from a range of industry sectors. These not only help to financially support the programme, but they also bring enterprise skills into the classroom. The business leaders want and need to do something to improve their social value, so the programme brings mutual benefit.

## Impact

The programme has reached over 14,000 children in over 220 schools across England and Wales supported by over 120 businesses - 40% of which are in the construction industry.

Businesses benefit from supporting the programme by enhancing their own brand reputation.

**Find out about additional social value initiatives being delivered by 2B Enterprising below**



2B Enterprising and FleetEV Partnership - The Bumbles of Honeywood Programme



The Bumbles of Honeywood: Principality launch

## Guidance for Devolved Nations:

Table 7 provides a summary of links to guidance for each of the devolved nations. This includes guidance on the public procurement process, information on social value, SME-specific guidance, and where to find contracts open for tender.

Devolved Nation	Procurement Process	Social Value	SME Specific	Contracts Advertised
UK	<a href="#">Procurement Act 2023</a>	<a href="#">PPN 06/20</a>	<a href="#">Guide for SMEs</a>	<a href="https://www.gov.uk/contracts-finder">https://www.gov.uk/contracts-finder</a>
Wales	<a href="#">Journey Starts - CYD Procurement</a>	<a href="#">Social value review: summary report   GOV.WALES</a>	<a href="#">FSB-Wales-What-We-Value (1).pdf</a> <a href="#">Welsh Procurement Policy Note WPPN 07/21: Small and Medium sized Enterprises (SMEs)-friendly procurement</a>	All contracts over <a href="#">Search for Notices – Sell2Wales</a>
Scotland	<a href="#">Home   Procurement Journey</a>	<a href="#">Social value - Community Empowerment (Scotland) Act 2015</a> <a href="#">Measuring social impact in public procurement: SPPN 10/2020</a>	<a href="#">Support and advice for businesses in Scotland – Scottish Enterprise</a> <a href="#">SME and third sector organisations access to public contracts - Public sector procurement</a>	<a href="#">Home - Public Contracts Scotland</a>
Ireland	<a href="#">gov.ie - Public procurement guidelines for goods and services</a>	<a href="#">PPN 01/21 - Scoring Social value   Department of Finance</a>	<a href="#">gov.ie - New circular to assist SMEs in Public Procurement</a>	<a href="#">eTendersNI   Department of Finance</a>

Table 7: Guidance on procurement in devolved nations

# Appendix

## *Appendix A*

1. Using volunteer days to support benefits delivered for a contract.
2. Unused storage space used to store possessions or furniture for homeless people, or suitcases for children in care or homeless people moving to accommodation, etc.
3. Skills shortages/community conflicts, etc. Think perhaps in an appendix could list some examples of no/low-cost options,2) Social Value approach can be the differentiate as to whether the business wins a bid or not.



## Contact Us

This report was crafted by the Supply Chain Sustainability School (“the School”), facilitated by Action Sustainability. It represents the collaborative effort of the Social Value Leadership Group, comprising 86 Partner organisations in the built environment sector, all working together through the School. These Partners span across construction, facilities management, transportation, and related industries. The group’s collective goal is to advance the integration of social value, striving to enhance its promotion and implementation



For further information regarding the Social Value Working Group at the Supply Chain Sustainability School, please reach out to [info@supplychainschool.co.uk](mailto:info@supplychainschool.co.uk)



To enquire about becoming a Partner organisation of the Supply Chain Sustainability School, [contact the Partner Team directly.](#)



For support with your Social Value strategy, [book a complimentary discovery call with Action Sustainability](#)