

# A beginners' guide to social value and PPNo6/20

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# AGENDA



## Definitions

Understand what social value is and why it matters



## PPN 06/20

All you need to know about PPN 06/20

## Measurement and reporting

Learn about managing social impacts and insights on measurement and reporting



## Resources

Case Studies  
Top tips  
Best Practices  
School Platform





# What is Social Value?



What is value?



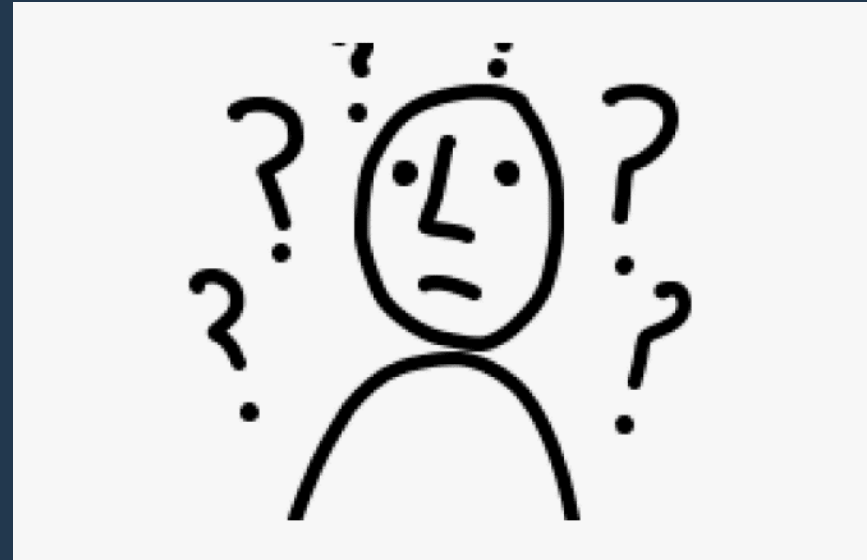
# Value is....?

*the monetary worth  
of something*

*principles or  
standards of  
behaviour;  
one's judgement of  
what is important in  
life.*



Bamboozled by the many phrases used to refer to Social Value?



# Defining Social Value

Public Services (Social Value) Act 2012: consider... “public authorities to have regard to **economic, social and environmental well-being.**”

Sustainability  
Pillars

Measurement

Simetrica: “the **total impact on people’s quality of life.**”

Social Value UK: “the **quantification** of the relative importance that people put on changes they experience in their lives”

“

For **Network Rail**, Social Value is about delivering societal benefits over and above the core rail functionality we are funded to deliver. It’s about adding value, not cost.

Liz Holford

”



What **Social Value** means to you? → Ask your **client** what they mean by **Social Value**? → **Understand the needs of local community** where you plan to deliver Social Value



**Figure 2:** Business activities that have implications for social value, mapped to the 3 dimensions of sustainable development (environmental, economic, and social)



# Social Value – why does it matter?

## Improve Wellbeing

- Boost **wellbeing** and **quality of life** for **local communities**
- Directly address **meaningful societal issues** for stakeholder groups and affected areas
- **Minimise negative impacts** to stakeholder groups as a result of project activities.



## Business Benefits

- Improved **workforce satisfaction** and engagement (and retention)
- Helps to **win tenders** and **new business**
- Enhances **reputation**
- **Attracts investors**
- Improved **relationship** with **communities**

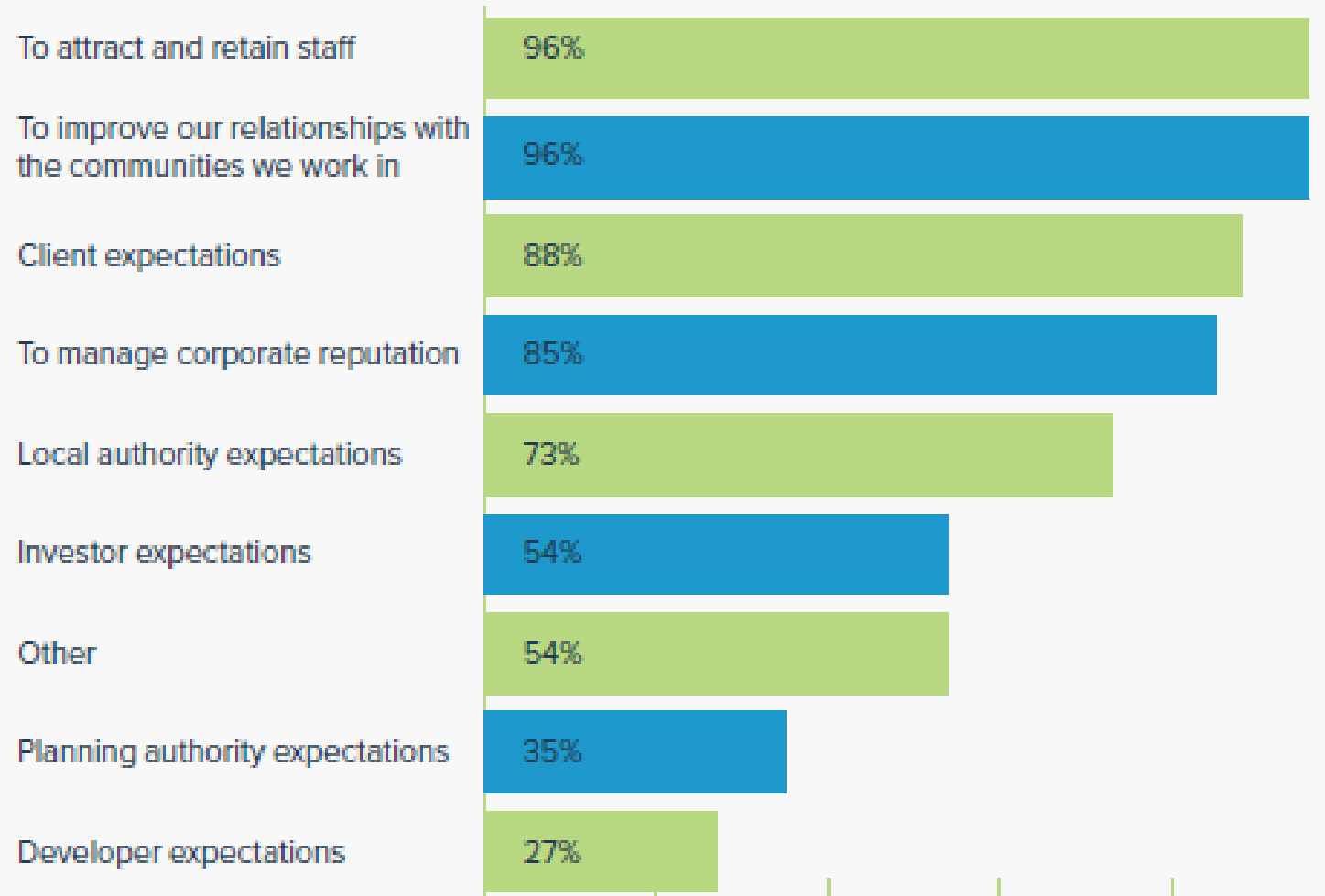


## Help Clients

- Meeting **legislative requirements**
- Helping to meet **business objectives** – client policy
- To **address stakeholder concerns**
- **Doing the right thing**



**Figure 3:** School Partner responses to question “Why is your business interested in social value?”



# Business Benefits of Social Value

Businesses who **take action** and are able to clearly **demonstrate progress** they are making on environmental and social issues benefit

**83%**

will be more inclined to invest in you

**87%**

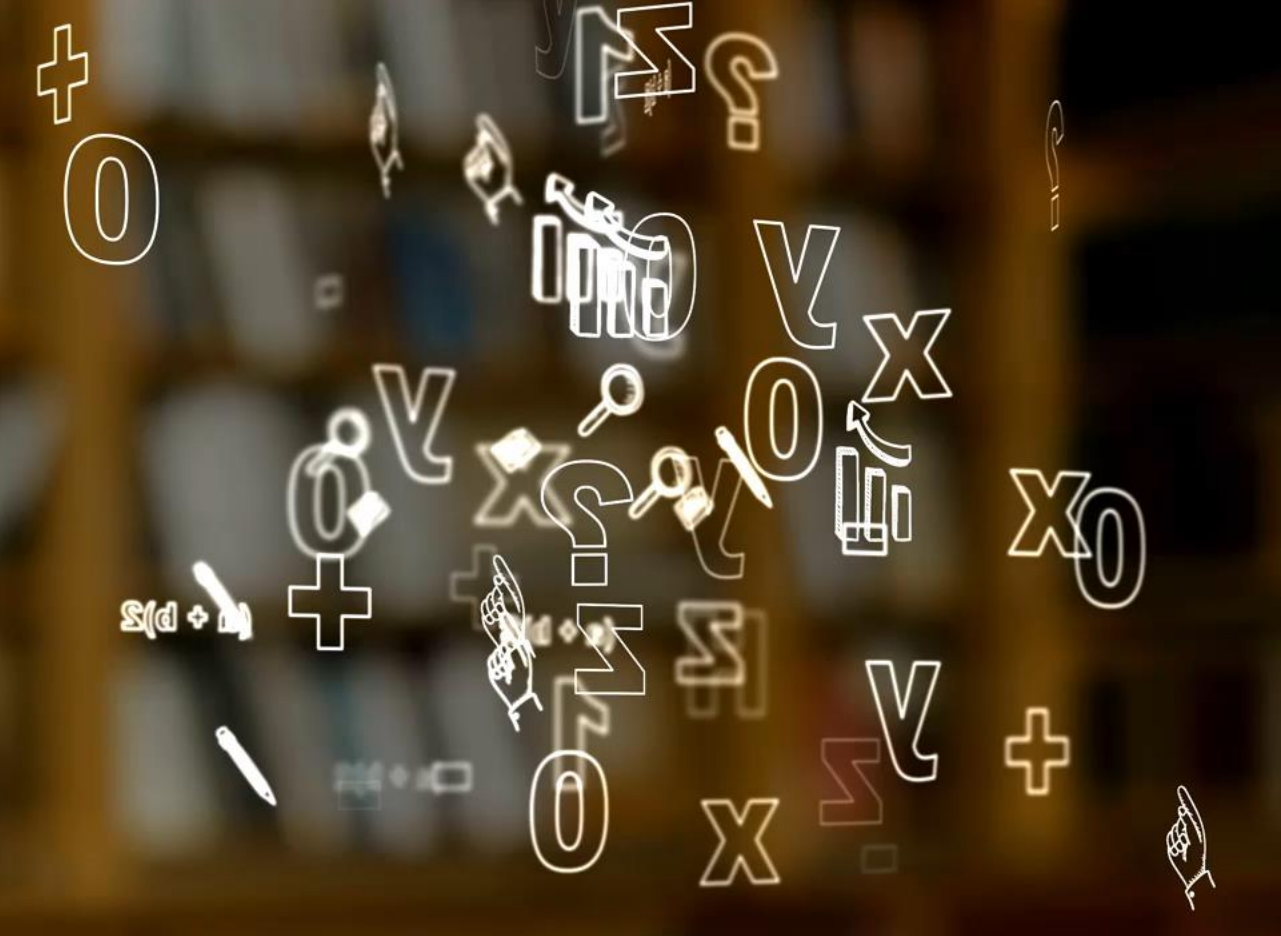
of people are more likely to spend more money with you

**83%**

will be more likely to work for you

Source: Oracle

PPN 06/20



## Public Services Act 2012



### Public Services (Social Value) Act 2012

#### 2012 CHAPTER 3

An Act to require public authorities to have regard to economic, social and environmental well-being in connection with public services contracts, and for connected purposes.

[8th March 2012]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

#### 1 Contracts of relevant authorities

(1) If a relevant authority proposes to procure or make arrangements for procuring the provision of services, or the provision of services together with the purchase or hire of goods or the carrying out of works, by—

- (a) entering into a public services contract that is not a contract based on a framework agreement, or
- (b) concluding a framework agreement as regards which public services contracts are likely to constitute the greater part by value of the contracts based on the agreement,

it must comply with the requirements in subsections (3), (6) and (7) before starting the process of procurement.

(2) The authority is to be treated for the purposes of subsection (1) as having started the process of procurement as regards what is proposed to be procured as soon as it takes whichever of the following steps is the first to occur—

- (a) sending a notice to the Official Journal of the European Union for the purpose of inviting tenders, requests to be selected to tender or to negotiate or requests to participate in relation to a public services contract or framework agreement relating to what is proposed to be procured;
- (b) publishing an advertisement seeking offers or expressions of interest in relation to such a contract or framework agreement;

or, if the authority is not required to do so, as soon as it begins to seek an offer or expression of interest in relation to such a contract or framework agreement.

(3) If a relevant authority receives an unsolicited offer or expression of interest in relation to such a contract or framework agreement, it must respond to that offer or expression of interest in relation to such a contract or framework agreement.

(4) If a relevant authority is to enter into such a framework agreement, it must—

(a) consider whether such an agreement might improve the economic, social and environmental well-being of the area or areas in which the authority operates;

(b) if it does so, and if it considers that such an agreement might improve that well-being, it might act with a view to securing that improvement.

(5) The area or areas in which the authority operates means the area consisting of the area or areas of the one or more relevant authorities on which the authority is acting, or contracts based on a framework agreement are, intended to be made.



## Procurement Policy Note 06/20:

### Procurement Policy Note – Taking Account of Social Value in the Award of Central Government Contracts

Action Note PPN 06/20

September 2020

#### Issue

1. This Procurement Policy Note (PPN) launches a new model to deliver social value through government's commercial activities. Central government organisations should use this model to take account of the additional social benefits that can be achieved in the delivery of its contracts, using policy outcomes aligned with this Government's priorities.

#### Action

2. Social value should be explicitly evaluated in all central government procurement, where the requirements are related and proportionate to the subject-matter of the contract, rather than just 'considered' as currently required under the Public Services (Social Value) Act 2012. Unnecessary burdens should not be placed on commercial teams or suppliers.

3. In scope organisations must:

- Familiarise themselves with the social value model at Annex A, including the menu of priority policy themes and outcomes that can be applied in new procurements.
- Ensure all those involved in commercial activity in the organisation complete the e-learning on social value which can be accessed via the [Government Commercial College](#).

4. Further detailed guidance on applying the model will be published on GOV.UK. Procurements related to construction, capital investment and infrastructure projects above £10m should use the priority themes and outcomes in applying the Balanced Scorecard for Growth (PPN 09/16) and the guidance on this will be updated.

#### Dissemination and Scope

5. This Procurement Policy Note (PPN) applies to procurements covered by the Public Contracts Regulations 2015, and applies to all Central Government Departments, their Executive Agencies and Non Departmental Public Bodies. Together these are referred to in this PPN as 'In-Scope Organisations'. Please circulate this PPN within your organisation, drawing it to the attention of those with a commercial and procurement role.

#### Timing

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

#### Background

7. Whilst the overarching objective for the Government's commercial activities is to achieve the best commercial outcome, it is right that we should also consider the wider social benefits that can be achieved through our commercial activities.

Consider

Mandate –  
10% min  
weighting

## - “In-scope organisations”

- Central Government Departments, Executive Agencies and Non-Departmental Public Bodies) – e.g. Network Rail, Ministry of Justice etc..

## - Applies to procurements covered by the **Public Contracts Regulation 2015**.

## - **Construction, Capital Investment and Infrastructure projects >£10mill** to use social value model in applying the **Balanced Scorecard for Growth (PPN 09/16)**.

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- Must explicitly evaluate social value with a **minimum weighting of 10%** of total score
- Evaluation of the social value aspect of the bids should be **qualitative**
- Commercial teams **choose** which social value themes **are relevant and proportionate** to the procurement and apportion weighting accordingly

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



### COVID-19 recovery

Help local communities to manage and recover from the impact of COVID-19



### Tackling Economic inequality

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



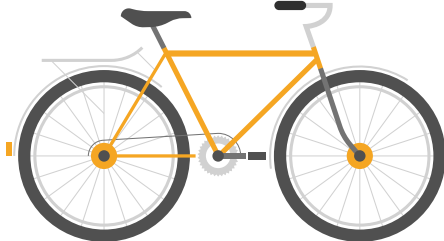
### Flighting Climate change

Effective stewardship of the environment



### Equal Opportunity

Reduce the disability employment gap  
Tackle workforce inequality



### Wellbeing

Improve health and wellbeing  
Improve community integration



# PPN 06/20 in a Nutshell...

5 Social Value Themes

8 Policy Outcomes

24 Model Award Criteria

Model Evaluation Questions

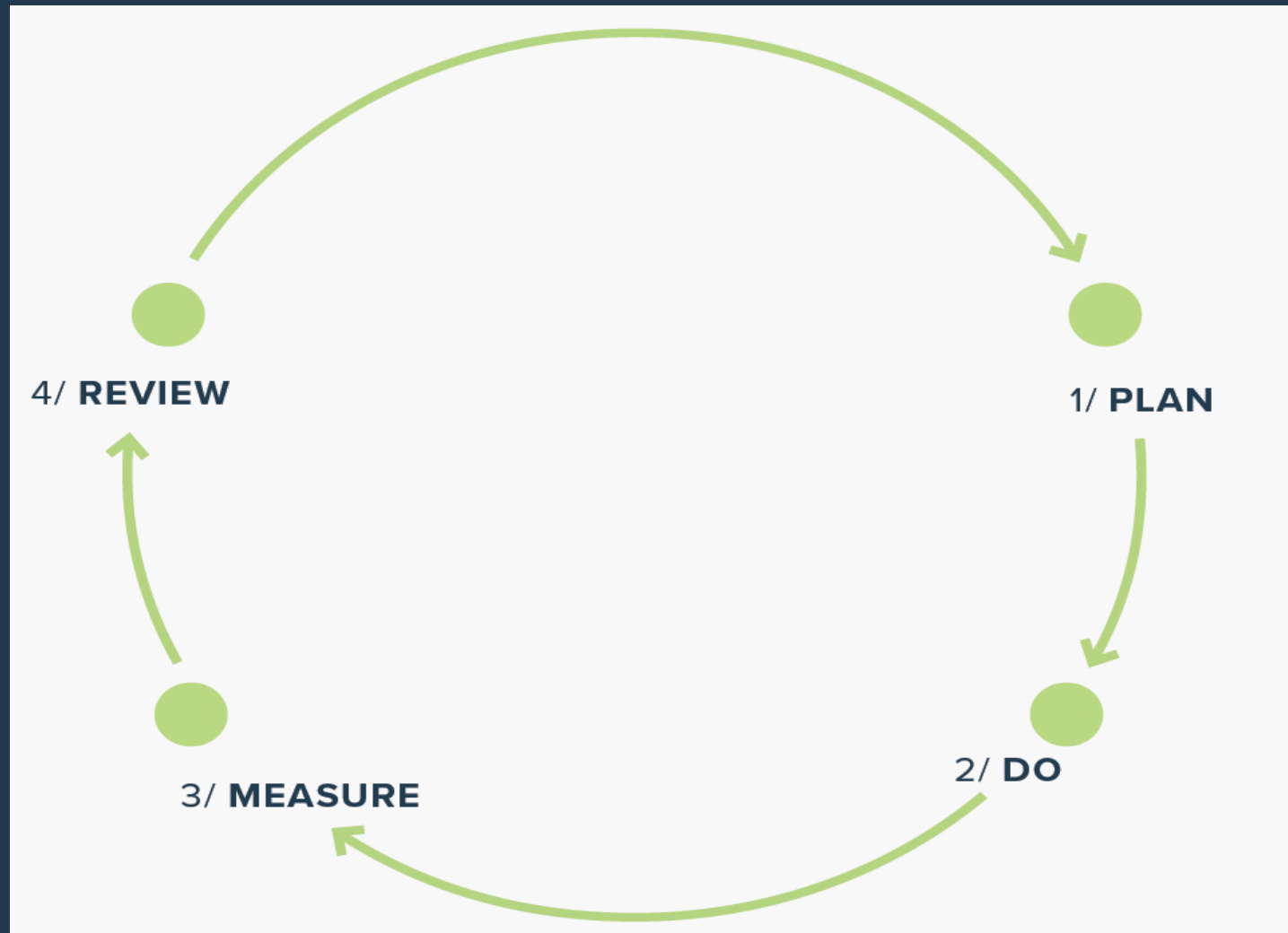
Model Response Guidance

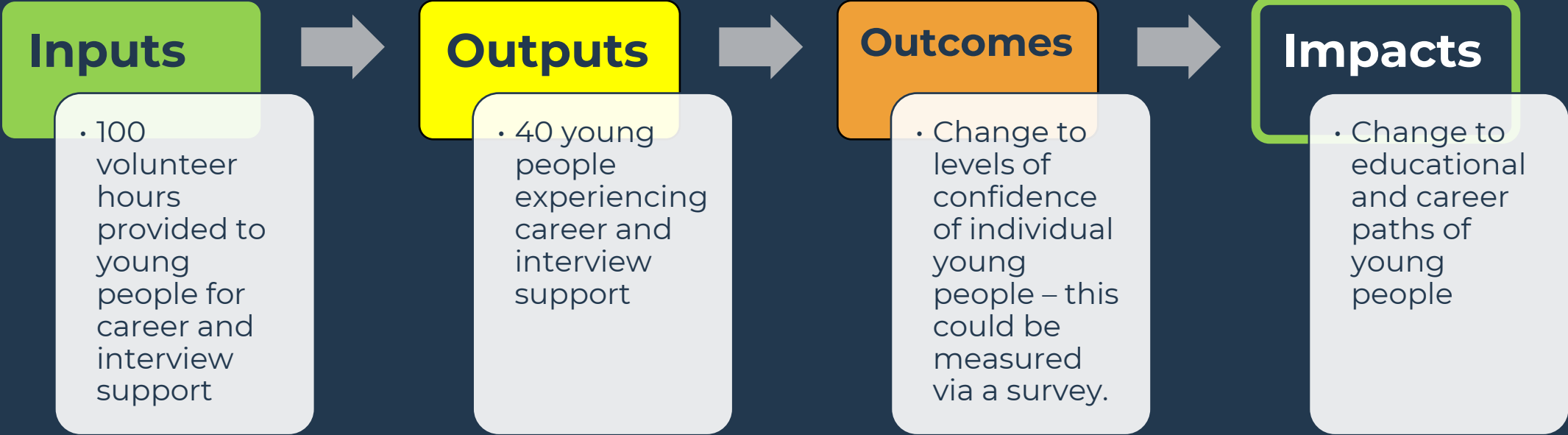
Reporting Metrics



# In Practice



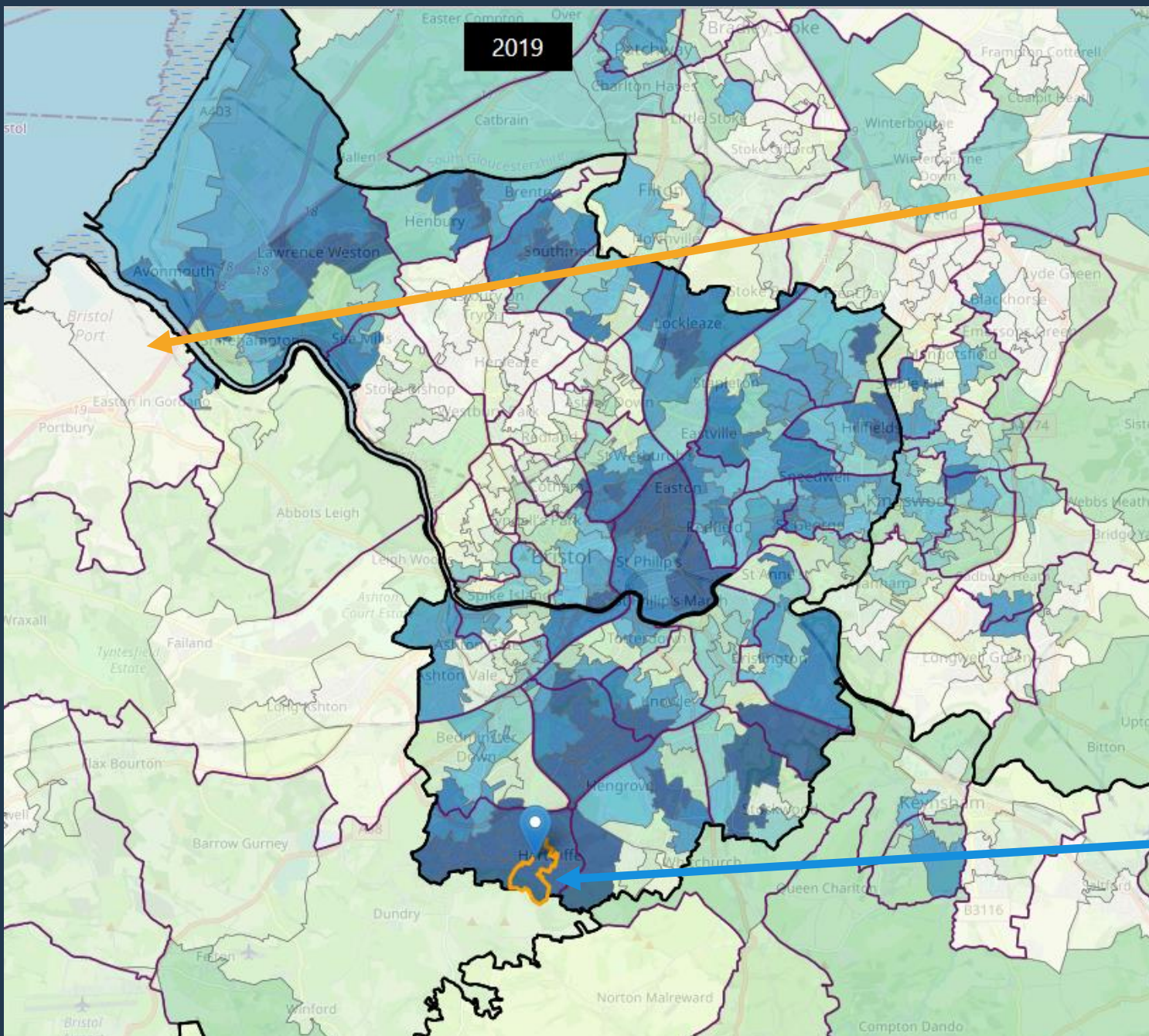




**Who does what to who? How?**  
**Who benefits?**



2019



Ranked 32,306 out of 32,844 in England for overall deprivation (1 being the most deprived).

Ranked 91 out of 32,844 LSOAs in England for overall deprivation (1 = the most deprived).

- 348/32,844 for employment
- 22/32,844 for education skills and training





**Impact metric**  
(net inputs, outputs or outcomes)

**X**

**£ "Monetised value"**

**= Monetised social value**

# The difference we are making

Reporting our 2019 social value achievements



## The IMPACT of our activities in the community





# Supply Chain Sustainability School



**VIEW PATHWAY >**



## Social Value: What is it and Why is it Important? 2021

This self-enrol learning pathway contains beginner-level resources that will help to understand what social value is and why it is important. The content will introduce you to relevant social value legislation, policy and the current industry landscape. It will also cover drivers for social value as well as the business case for addressing this topic. It is the perfect place to start if you want to know more about social value, but don't know where to begin.

- COMMUNITY, EMPLOYMENT, SUPPLIER DIVERSITY, TRAINING AND SKILLS

**Introduction to Social Value**

E-LEARNING MODULE

**INTERMEDIATE** **REQUIRED** 45 mins
- COMMUNITY, EMPLOYMENT, SUSTAINABILITY STRATEGY

**Social Value in the Built Environment - Industry Briefing 2020**

DOCUMENT / PRESENTATION

**INTERMEDIATE** **REQUIRED** 45 mins
- COMMUNITY

**Social Value Act: Introductory Guide**

DOCUMENT / PRESENTATION

**INTERMEDIATE** **REQUIRED** 60 mins
- COMMUNITY, EMPLOYMENT, TRAINING AND SKILLS

**Social Value in the Built Environment: Webinar Recording**

VIDEO

**BEGINNER** **REQUIRED** 90 mins
- COMMUNITY, TRAINING AND SKILLS

**The Business Case for Social Value in FM**

VIDEO

**BEGINNER** **REQUIRED** 5 mins



# SOCIAL VALUE TOOLS REPORT

Prepared by: Vaishali Baid  
Supported by: Samuel Walker

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**Special thanks to:**





**TRAINING AND SKILLS, WASTE AND RESOURCE EFFICIENCY**

HMP Foston Hall streetlamp project

**DOCUMENT / PRESENTATION**

Learn how a project to decommission 14,000 streetlamps delivered £34,262 of social value



What Social Value means to Network Rail

Find out about Network Rail's approach to delivering ...



Case Study: Rail Outreach Project

Network Rail Supporting Rough Sleepers



Network Rail Social Value Framework

Proactively and positively managing impacts on people and ...



Reducing air pollution via a development partnership

Case Study from TfL



**TRAINING AND SKILLS**

HMP Elmley: Ready for the Gate Drylining Academy

**VIDEO**

A case study on delivering social value



STEM Education Programme Creates The Next Generation Of Engineers

Discover how Osborne is tackling the training and skills



## Introduction to Social Value

Explores what Social Value is, and why clients are ...



Part funded by **Citb** FIR: Recruiting people, fairly and inclusively

### EMPLOYMENT

FIR: Recruiting people, fairly and inclusively

### E-LEARNING MODULE

All stages of the recruitment process and where you should consider fairness and inclusion



## Eliminating Waste & Delivering Social Value - Case Study Lunch 'n' Learn

A 1 hour case study Lunch 'n' Learn with PPE and workwear ...

Friday, 11 February 2022, 11:00 AM - 12:00 PM



## Community Engagement

The what, why and how of community engagement



### COMMUNITY

## Community Engagement – insight from Skanska

### VIDEO





### Eliminating Waste & Delivering Social Value - Case Study Lunch 'n' Learn

A 1 hour case study Lunch 'n' Learn with PPE and workwear ...

Friday, 11 February 2022, 11:00 AM - 12:00 PM



### Wages Business Bytes

17.1 % of employee jobs in the UK (4.8 million jobs) ...

Thursday, 10 March 2022, 10:00 AM - 12:00 PM



### Community Engagement

The what, why and how of community engagement



### Social Value & Design of the Built Environment

DOCUMENT / PRESENTATION

How social and community sustainability can be achieved through creative design

Expert

🕒 60 minutes



### Social Value Model Quick Reference Table

Model Evaluation Question, Model Award Criteria, Model ...



### Wellbeing In The Built Environment



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