



NET **positive**
FUTURES

Social Value Project 2020

FINAL REPORT



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S O C I A L V A L U E

EXPLORE

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Introductions

...to the project:

In early 2020 NETpositive Futures and the Social Value Engine joined forces to help an elite group of public sector procurement leaders explore practical ways to consider and measure social value.

With an ambition to learn from peers and critically explore emerging practice, this group embarked on a programme of team and collective activity. A commitment to communicate their learning with the wider sector was about to be realised when Covid-19 became the priority.

Progress paused and the world was suddenly a different place.

However, leaders adapt and as the teams reshaped their institutional approaches, they also made space for different conversations about social value, about resilience and about community. This resulted in a fresh understanding and a renewed commitment to share insights and learning with other procurement professionals.

Although sharing these insights is later than we intended it also examines some very topical reflections. During this time of significant social and economic change the group believe it is more important than ever to consider how social value can be delivered through procurement.

Introductions

...to the group:

NETpositive Futures works extensively with leading public sector procurement teams and invited a small number to be part of this facilitated action learning project:

Anglia Ruskin University

Barnsley Metropolitan Council

Durham University

Newcastle University

The University of Birmingham

The University of Manchester

Yorkshire and Humber Police

The **Social Value Engine (SVE)** is one of a range of tools and techniques for measuring social value that have emerged since 2014.

The SVE team bring considerable, practical social value impact measurement expertise to the project. Accessing the SVE tool provided opportunity for the group to critically review its use in a procurement context.

Introductions

....to Social Value:

The Social Value Act (2012) requires public bodies to think about how social, environmental, and economic benefits are secured through procurements. The extent to which this happens across all public procurement is difficult to determine. Measurement of social value is challenging and progress towards the ambitions laid out in the legislation remains patchy.

Our experience has also been that the language associated with 'social value' is often an additional barrier. Procurement teams have long considered and embedded environmental, social, and economic considerations but using terms such as sustainable or responsible procurement.

'Social value' discussions have tended to focus on the question 'if £x is spent on delivering an activity, what is the value of that same £x in terms of wider social impact?'. For some public sector procurement teams, the link to a specific community or place is clear but this is not universal.

We wanted to help procurement practitioners get to grips with all of this in a very practical way and design their own approaches in ways that made sense to them.



Our 3-step approach to understanding social value



The group committed to sharing the approach and their learning and reflections with the intention of informing other teams wishing to adapt in their own context.

EXPLORE

Step 1: Explore

Exercises, discussions, and training have supported exploration of social value...

.... with the project leads

Embedding social value in procurement requires all members of the procurement team (and wider stakeholders) are engaged and empowered. However, a dedicated project lead with a mandate for delivery has been an important part of ensuring progress is driven effectively with the organisational teams.

We have worked with project leads individually, and as a group to develop knowledge and provide peer support and collective learning. Confidence has been built and accessing social value networks (increasingly relevant for procurement practitioners) will enable this collective learning and horizon-scanning across sectors to continue.

Key Learning: Identifying a social value 'lead' provides focus and ownership for this activity. This must be appropriately resourced to be effective. There is considerable work involved in raising awareness, understanding and disseminating learning.

Networking to promote the agenda, share good practice and learn from peers is beneficial.

EXPLORE

Step 1: Explore

Exercises, discussions, and training have supported exploration of social value...

... with the individual procurement teams

Tailored training with the teams has provided time and space for detailed and practical exploration of social value. This has been central to this project.

Each of the teams has been provided with opportunity to consider social value broadly; its relationship with existing agendas and organisational priorities and examine how their own context and practice provides opportunities for them to deliver it.

Beyond understanding the legislative requirements, the teams have come to understand what it means in their context, how they can build it into their process and practice and the benefits (and challenges) of doing so.

Key learning: Social value needs to be understood in context for it to be delivered effectively. Providing tailored training is essential.

Procurement practitioners need to understand how social value relates to excellent procurement practice so they can include it appropriately and measure impact.

There is no 'one-size-fits all' to delivering social value in procurement. Each of the teams has developed its own approaches with different mechanisms, focus and delivery.

Tools are needed to support procurement teams; different tools will be used by different teams depending on their ambition, approach, and activity.

EXPLORE

Step 1: Explore

Exercises, discussions, and training have supported exploration of social value...

.... with the group

The group has shared its learning freely as each has grappled with what social value means in their organisational context. The complexity, practical challenges and more recently, what social value means against a backdrop of a global pandemic have been part of these conversations.

Early explorations revealed that all of the teams were already delivering social value, even if that was not the term being used. It was also clear that the legislative requirements were different (or interpreted differently) by different public sector organisations. Exploring the differences and similarities between responsible or sustainable procurement and social value was an important early conversation.

Sharing this document to outline key learning is to contribute to emerging social value narratives for public sector procurement practitioners. It reflects a commitment by this group to ensure their procurement activity has a positive impact on the communities they serve.

CHALLENGE

Step 2: Challenge

Going beyond exploration, this second step was designed so teams could bring social value theory into their professional practice, especially in relation to measurement and impact.

However, first some general challenges that surfaced during the exploration phase needed to be addressed. Common across all teams was a better understanding of the scale and scope of social value and the complexity of understanding this across large organisations.

The teams came to understand that:

Social value activity was happening elsewhere in the organisation

Organisational strategies and priorities provided a focus for social value in procurement

Regional/local activity was influencing approaches to considering social value

Navigating this complexity and learning from it to inform practice was always intended to be part of this project. It is a relevant skill for delivering social value as understanding the nature of *value* to communities is a dynamic exercise. For some teams, building flexibility into their approaches to delivering social value was the most valuable learning from the project.

Likewise, *context and place* are central to understanding social value; what is valued by one place or community can be different to another. So, although 'progress' looked different across the teams, this helped the broader group to understand the nuance of delivering social value.



CHALLENGE

Step 2: Challenge



Key learning: Social value is probably being considered and/or delivered elsewhere in your organisation. Identifying this activity can support the delivery of greater impact.

Understanding the organisational drivers and priorities should be central to building social value into procurement. Taking time to align the approach of the procurement team with organisational strategies strengthens both.

It is also likely that considering local and regional approaches to social value will benefit the procurement team. Social value is likely to be more impactful, and the narrative stronger, if there is a consistent local or regional approach.

CHALLENGE

Step 2: Challenge

... existing activity and approaches

In terms of procurement process and practice, this step involved the teams challenging their own internal approaches, testing them to see where social value was already embedded and in particular identifying ways this could be better measured.

The teams involved in the project were potential participants because of their existing leadership activity in relation to sustainable procurement. They already understood sustainability in a broad sense and had all worked to achieve at least Level 4 of the Flexible Framework.

Key learning: An existing foundation of strong sustainable procurement knowledge, systems and processes helps teams grasp the potential for measuring social value.

Embedding within procurement process and practice is easier where these are already in place and functional. Understanding the procurement process/cycle as a 'whole' is what enables teams to identify the most appropriate points at which to consider social value.

CHALLENGE

Step 2: Challenge

.... tools and techniques

The involvement of the SVE team meant that each of the teams had the opportunity to interrogate the concepts, assumptions, and proxies as well as test the tool in their own context.

Some of the teams were already using social value metrics as part of their activity; both the SVE and other similar tools. Their learning was shared with the group.

Key learning: The SVE in its current form was initially designed for use in service planning and delivery settings, rather than by procurement professionals. It has powerful functionality and can provide an almost endless number of social value calculations, but with the limited information that is available in the context of tender scoring activity this can be difficult to harness effectively.

For meaningful social value scoring at the procurement stage, social outcomes need to be built into service design and specifications at an earlier stage of the commissioning cycle, and this is where a tool such as the SVE would be most beneficial. In addition, the SVE (or similar) can be helpful in the monitoring of social value outcomes during contract delivery, which can then inform future procurement specifications.



APPLY



Step 3: Apply

Each of the teams involved in this project took a slightly different approach when considering social value through their procurement. This is unsurprising given the nature of the organisations which have a different focus and teams of differing sizes with different spend profiles. They each have different interpretations of what is socially impactful activity in their context.

The following pages are an overview of the ways the procurement teams involved are intending to apply their learning from this project.

APPLY

Anglia Ruskin University (ARU)

About the team:

- The procurement team has 4.5 full-time members of staff and is responsible for procurements over £40m
- The organisation has an overall (non-staff) spend of £67m
- Sustainability has been a focus since 2016 (using the term Responsible Procurement) and the team has achieved Level 4 on the Flexible Framework

About the organisation:

- Overall institutional ambitions and values link to Community and Responsibility
- Sustainability activity is focused around ISO14001 (Environmental Management)
- ARU is currently updating its sustainability strategy, which will include sustainable procurement

Procurement process and practice:

- Sustainability and social value are built into the category management approach
- Sustainability and social value questions are included in tenders
- Key social value metrics will continually be built in and developed into significant, place-based procurements (primarily construction) in future

Key learning/reflections:

A deep dive into social value re-affirmed the teams commitment to sustainable procurement and added a new dimension to our thinking. It has been useful to understand the potential of the specific social value metrics and in particular when to deploy them given the resource implications for a small team.

“ARU is committed to give both students and staff the ability and an understanding to make their lives, and the life of the world sustainable and build upon procurement success so far. The participation in this group has allowed exploration/challenges within this arena along with how to apply social value collaboratively and practical ways on how to measure and monitor, with emerging thinking around social value.”

APPLY

Barnsley Metropolitan Council

About the team:

- The procurement team has 19 full-time members of staff and is responsible for procurements over £70k total contract value
- The organisation has an overall (non-staff) spend of £389.4m
- The team developed a Social Value Policy in early 2019 with an aim to embed social value into 'business as usual'

About the organisation:

Council priorities relate strongly to social value: thriving and vibrant economy, people achieving their potential, strong and resilient communities

Procurement process and practice:

- The team has developed a Social Value toolkit of enablers and solutions for internal customers and suppliers
- The team was already using the Social Value Engine and has also recently bought the Social Value Portal, these form part of the Social Value Toolkit
- The Social Value Engine has been used in their Communities Team and links have been made to maximise impact and value

Key learning/reflections:

The team is always interested in working collaboratively for wider benefit. Sharing the practicalities of delivering social value in a procurement context and how to link with other teams across the organisation has been of particular interest.

APPLY

Durham University

About the team:

- The procurement team has 19 full-time members of staff and is responsible for all procurement
- The organisation has an overall (non-staff) spend of £251m
- The team has a well-established and robust approach to responsible procurement, which has been in place since 2008 with expectations for internal customers and suppliers clearly outlined.
www.dur.ac.uk/procurement/suppliers/cser/

About the organisation:

Durham is a global university rooted deeply in the fabric of its city and region. A key contributor to the local economy with responsible procurement that ensures spend supports jobs and employment locally (at the same time as ensuring value for money).

Procurement process and practice:

- Responsible procurement is built into all procurement process and practice and has been for many years
- Social Value has been specifically included as a consideration since the legislation was established

Key learning/reflections:

The team is an established leader in delivering responsible procurement. This comes from being pro-active about ensuring best practice is built into its approach.

“Responsible procurement is at the heart of everything we do at Durham. Not only do we look to maximise Value for Money to the University throughout purchasing activities, we also look to develop and nurture our supply chains to ensure sustainability and longevity is maintained.”

APPLY

Newcastle University

About the team:

- The procurement team has 8.6 full-time members of staff and is responsible for procurements over £50k for goods and services and £250k for works.
- The organisation has an overall (non-staff) spend of £194.6m.
- The team has been embedding sustainability into procurement since 2015 and achieved Level 4 of the Flexible Framework to demonstrate delivery of this August 2016.

About the organisation:

The University is one of the biggest spenders and employers in our city region and wishes to maximise its social value through its supply chains when procuring works and services. We aspire to work with suppliers, of all sizes, that can support the University's objectives and help measure and maximise the social value created.

Newcastle University's Dean of Social Justice is involved in developing and advising on a social value direction for the University.

Procurement process and practice:

- The team builds sustainability into procurement at a category level, aligned with organisational ambitions.
- The team used the social value engine to explore measurement of impact in relation to construction projects and to inform conversations with academics.

- The team is also aware of the Newcastle City Council model and is looking how it might contribute to it.

Key learning/reflections:

The team has used the project to explore and develop social elements of sustainability more comprehensively. The environmental (and economic) elements have always been well considered so this has been useful and practical learning for the team. Conversations with academics and the University Sustainability Office have also been stimulated by the project and establishment of social value metrics.

“Reviewing the Social Value Engine (SVE), The Newcastle City Council model, and the insights provided by the SVE Team and NETpositive Futures, has been beneficial in improving understanding of how social value is being measured beyond TOMS in other organisations. The next stage will be to establish metrics that are relevant to Newcastle University and could be relevant to the wider HE sector.”

APPLY

The University of Birmingham

About the team:

- The procurement team has 43 staff and is responsible collectively for a supplier spend of over £230 million per annum
- The organisation has an overall (non-staff) spend of £350 million per annum (including payments to other institutions etc.)
- The University's Procurement Strategy places "sustainable procurement" and "procurement excellence" at the heart of our procurement ambitions. Our ambition and vision are underpinned by the Procurement Strategy Forum (PSF), which is formed of senior stakeholders, academics, and directors.
- The team achieved Level 5 of the Flexible Framework in 2018 and is recognised as a sector leader in relation to sustainable procurement.

About the organisation:

The University is firmly rooted in its region and committed to working with partners to take on the big questions, find and implement solutions, and make a difference locally, nationally, and globally.

Procurement process and practice:

- The team tested the Social Value Engine and have explored suppliers' use of the Social Value Portal.

- Optimising the Net Positive Futures Supplier Engagement Tool:

The team's Net Positive Futures Supplier Engagement Tool captures social value aspects as part of supplier sustainability action plans.

- Regular engagement with 50-60 suppliers on social value aspects during supplier engagement. Over 850 suppliers have signed up to the Net Positive Futures Supplier Engagement Tool.
- Prospective suppliers are encouraged to sign up to the Net Positive Futures Supplier Engagement Tool.

Key learning/reflections:

Through the University's Sustainability Task Group key areas of the University are brought together (academia, transport, procurement, utilities, waste collection, student representatives, and facilities management) to co-ordinate and optimise all the good work taking place across the campus; this supports the development of new initiatives and innovations. The team have identified routes to engaging further on embedding social value into the economic impact studies carried out by the University.

"Seeking to create social value opportunities by an approach of targeted interventions will help to drive greater overall impact for the sector"

APPLY

The University of Manchester

About the team:

- The procurement team has 11 full-time members of staff and is responsible for procurements over £100k
- The organisation has an overall (non-staff) spend of £720m (2019)
- The team were the first from a UK university to achieve Level 5 of the Flexible Framework in 2015. They are recognised trailblazers in relation to sustainable procurement.

About the organisation:

The University has 3 core goals, one of which is social responsibility.

www.manchester.ac.uk/discover/vision/

This ambition is high-profile and delivered very practically through partnerships locally and regionally.

Procurement process and practice:

- The team embeds sustainability throughout procurement process and practice, they take a category approach and social value is a key consideration alongside value for money
- The team shares its journey and approaches widely for the benefit of procurement peers.
- The team has recently signed up to use the Social Value Portal as it is used by other local partners in the Greater Manchester area.

Key learning/reflections:

This pro-active team is always horizon scanning for opportunities to deepen knowledge and improve its approach. They have been supporting a number of apprentices and using their learning journey to test and critique social value in practice.

“Having social responsibility as a core goal has been a real positive allowing procurement to explore different means of adding value through our spending. Whilst we do not typically deliver the services for which the Social Value Act was written we recognise that we do deliver many of the same benefits when we spend money and using a common approach to measuring and reporting this makes a great deal of sense. Sharing and learning with peers across sectors has been a really useful experience.”

APPLY

Yorkshire and Humber Police

About the team:

- The procurement team has 37 full-time members of staff and is responsible for procurements over £50k
- The organisation has an overall (non-staff) spend of £297m
- The team has been developing a suite of Social Value resources including a Social Value Statement, which will be going live later this month.

About the organisation:

Supporting the ambition of the 4 regional Police and Crime Commissioners puts this team and its activity at the very heart of the communities it serves.

Procurement process and practice:

The team has developed a suite of Social Value resources to ensure social value is well understood by internal customers and suppliers alike

The team has explored using the social value engine in key category areas and is initiating a collaborative project with other interested forces to develop a shared approach

Key learning/reflections:

Social value is a key consideration for this team. They have embarked on a significant development project to improve process and practice in this area, updating strategic and operational documents and training the team to better understand social value and its importance.

“Our priorities are aligned with the Police and Crime Plans for each of the four Forces and delivering Social Value is identified as part of how we deliver excellent procurement and make a positive contribution to the communities we serve. We are committed to developing our supply chains and supporting suppliers in delivering social value.”

