

Learning from past experiences to embed Social Value in the future

APSE Event – ‘Embedding Social Value’

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Agenda

- A Social Value and Procurement Journey (2007 onwards)
- Top Tips in embedding Social Value into the Cycle of Procurement
- Where the Social Value and Procurement Agenda may go next

The Starting Point – 2007/08 – APSE Research

Creating resilient local economies: 
exploring the economic footprint of public services



Result from Swindon 6 – LM3 of Street Scene

$$\text{LM3} = \frac{\text{Round 1 (£8,321,483.33)} + \text{Round 2 (£3,914,808.90)} + \text{Round 3 (£1,374,350.89)}}{\text{Round 1 (£8,321,483.33)}}$$

Round 1 = (Total Spend - £8,321,483.33)

Round 2 = (Spend on Local Suppliers - £523,524.35 + Spend on National Organisations with Local Branch - £555,312.93 + Spend on Local Direct Employees - £2,835,871.62)

Round 3 = (Re-spend by Local Suppliers - £161,096.30 + Re-spend by National Organisations with Local Branch - £104,190.53 + Re-spend by Sub-Regional Suppliers - £11,942.28) + (Local Re-spend by local employees - £1,075,706.45 and Local Re-Spend by non-local employees - £21,415.33)

LM3 = 1.64

Wider Thinking – 2009 – CLES

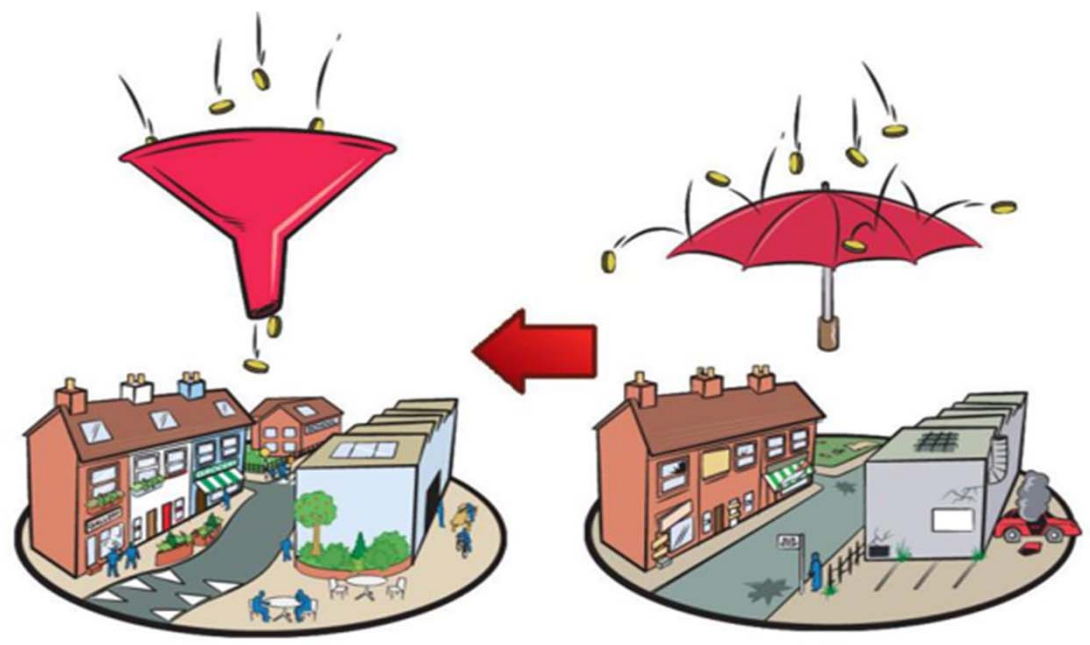
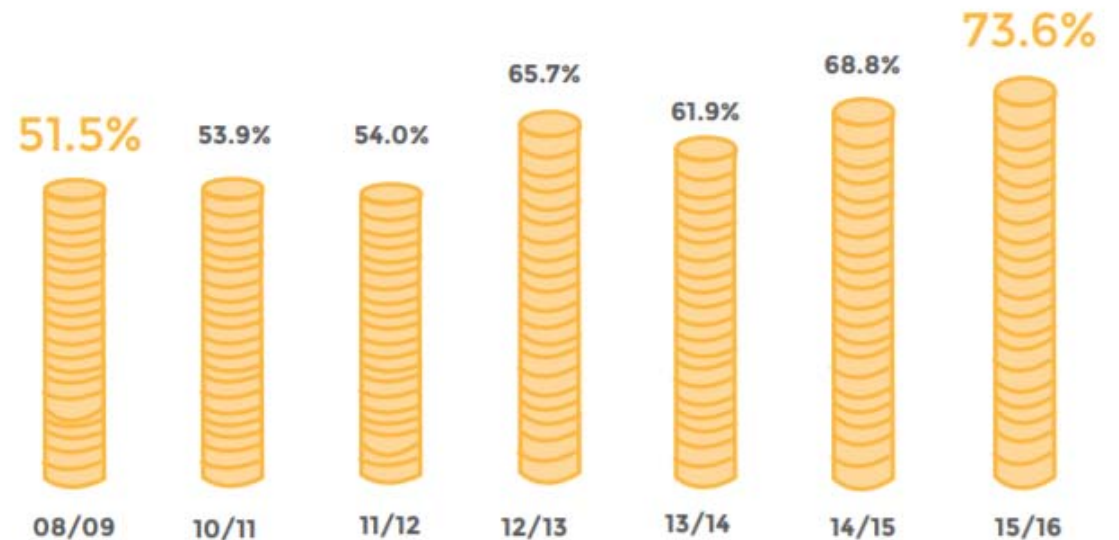


Illustration by Rory Seaford of The Creative Element,
www.pluggingtheleaks.org/resources/plm_ptl_images.htm

A programme of work around Public Procurement – Manchester City Council (2009 onwards)

- Measuring where Procurement Spend goes
- Changing Procurement behaviours and cultures
- Influencing suppliers to deliver local economic, social and environmental benefits



A whole host of activities – Manchester City Council (2009 onwards)

1. Procurement process change
 - a. streamlined documentation
 - b. embedded priorities into documentation
 - c. started to weight on Social Value
2. Supplier engagement change
 - a. Enhancing relationships with economic development
 - b. Pre-market engagement
3. Wider impact measurement
 - a. Understanding wider impact of supply chain

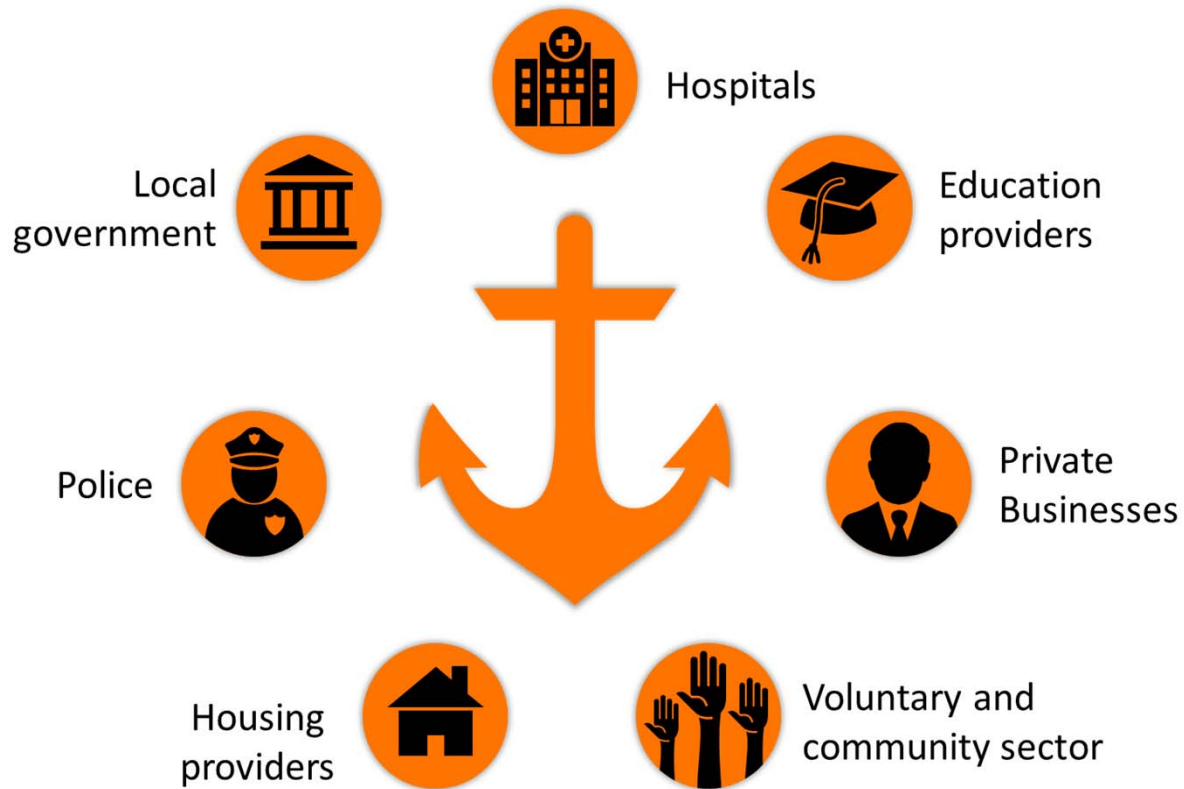
The Public Services (Social Value) Act (2012)

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.

Before they start the procurement process, 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.

Going further – Community Wealth Building and Anchor Institutions - 2013



A whole host of wider work

- Greater Manchester Social Value Network (2014)
- EU URBACT Programme (2015) – embedding Social and Environmental considerations in Procurement
- Lancashire Local Authorities Social Value Review (2019)
- South Ribble Community Wealth Building Action Plan (2020)
- East Lothian Local Economy Strategy (2023)
- North East Combined Authority – Social Value Framework (2024)

Top Tips (1)



1. Spend Analysis

- Analyse where procurement spend goes directly:
 - Geographically
 - Sectorally
 - In business type terms
- Understand where procurement spend goes indirectly:
 - Employee re-spend
 - Supplier re-spend

Top Tips (2 and 3)



2. Identifying Outcomes and Governance

- Have a Procurement Strategy that
 - Details clearly the Social Value outcomes you want to achieve
 - Links to wider strategy
 - Details the thresholds at which Social Value outcomes apply

3. Commissioning

- Place emphasis on Commissioners
- Identify Social Value commitments from previous Procurement
- Identify relevance of Social Value Outcomes to good, service or work being procured
- Engage with the market about Social Value expectations
- Use Policy Specialists

Top Tips (4, 5 and 6)



4. Tendering

- Ask specific Social Value Questions
- Use
 - Technical Specifications
 - Award Criteria
 - Labels

5. Decision-Making

- Weight Social Value on a Case by Case basis
- Evaluate quantitatively and qualitatively

6. Monitoring

- Collect Quantitative Output data
- Explore Qualitative Impact

Consistent key questions

- How do we broker more effective relationships between Suppliers and VCSE Sector organisations?
- How do we ensure that Suppliers don't charge us for their Social Value commitments?
- How do we ensure that Social Value does not disadvantage SMEs?
- How do we demonstrate the impact of Social Value commitments?
- How do we avoid legal challenges around Social Value evaluation?

Where next for Social Value?

- Procurement Act (2023) appears to bolster role of Social Value
- BUT guidelines not out until February 2025
- Social Value will continue to grow in importance but:
 - It cannot be restricted to Procurement
 - It cannot be restricted to local authorities
 - It cannot be top-down
 - It cannot be a replacement for public services

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