

Understanding Social Value and Wellbeing

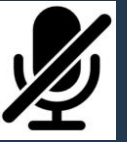
October 2023



Housekeeping



Be present in the room - cameras on please if possible and please mute your mic if not speaking



Talking is good! Please participate, and feel free to ask questions



Slides and poll results will be shared



Leave your phones on for the MENTI polls (no app needed)

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Sustainable Procurement, Social Value,
Social Sustainability



“The world must change, but we cannot change it by throwing money at old ideas that no longer work. We need a new path to a new world where inequality is shrinking, where natural resources are regenerated, and people can benefit from shared prosperity.” – *Sir Ronald Cohen*

A stylized illustration of a globe with buildings and plants. The globe is the central focus, surrounded by various buildings and plants. The background is a light blue sky with yellow clouds. The globe is rendered in shades of blue and green, with a central vertical axis. Buildings are depicted in red and white, some with windows. Plants are shown in green and yellow, with some having small flowers. The overall style is simple and illustrative.

What is Social Value?

Defining Social Value

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

WHAT IS SOCIAL VALUE?

Social value can be interpreted in many different ways, but this is what we mean when we use the term at National Highways:

The benefits that National Highways and its supply chain deliver for people, the environment and the economy.

Wellbeing

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”

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**



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 should be applied to all new procurements from 1 January 2021.

Background

7. Whilst the overarching objective for the Government's commercial activities will remain achieving the best commercial outcome, it is right that the Government applies its

PPN 06/20

PPN 01/21



Cabinet Office

Procurement Policy Note – Procurement in an Emergency

Information Note PPN 01/21

February 2021

Issue

1. This Procurement Policy Note (PPN) reminds contracting authorities of the options available to them when undertaking procurements in an emergency. This includes extremely urgent procurements required by the ongoing response to the COVID-19 pandemic and this PPN builds on the guidance in "PPN01/20 - Responding to COVID19". It includes further information on the commercial risks inherent in direct awards without competition.

Dissemination and Scope

2. This PPN is applicable to all contracting authorities, including central government departments, executive agencies, non-departmental public bodies, local authorities, NHS bodies and the wider public sector. Together these are referred to in this PPN as 'contracting authorities.'

3. Please circulate this PPN across your organisation and to other relevant organisations that you are responsible for, drawing it to the specific attention of those with a commercial and procurement role.

Timing

4. With immediate effect.

Background

5. There will be a range of commercial actions that must be considered by contracting authorities in responding to an emergency. In exceptional circumstances, authorities may need to procure goods, services and works with extreme urgency and without competition. This is permissible under current public procurement regulations using regulation 32(2)(c) of the Public Contracts Regulations 2015 (PCRs) but there are inherent commercial risks which authorities should take into account.

6. This PPN and accompanying guidance covers options that may be considered in relation to procurements under the PCRs (for the current financial thresholds, see PPN 06/19) including:

- call off from an existing framework agreement or dynamic purchasing system;

Well-being of Future Generations (Wales) Act 2015

The Essentials



Llywodraeth Cymru
Welsh Government

www.gov.wales



Well-being of
Future Generations
Act 2015

Social Value

Theme 1 - Covid 19 Recovery

- Employment
- Community Support
- Support SMEs, VCSEs & Minority Owned Businesses

Theme 2 - Tackling Economic Inequality

- Diverse Supply Chain
- Innovation
- Collaboration throughout Supply Chain
- Apprenticeships
- Training
- Fair Pay

**Theme 3 - Fighting Climate Change**

- Decarbonisation
- Circular Economy
- Environmental Impact
- Biodiversity Net Gain

Theme 4 - Equal Opportunity

- Diversity and Inclusion
- Tackling Modern Slavery | Labour Standards
- Tackling Inequality in the Supply Chain Workforce

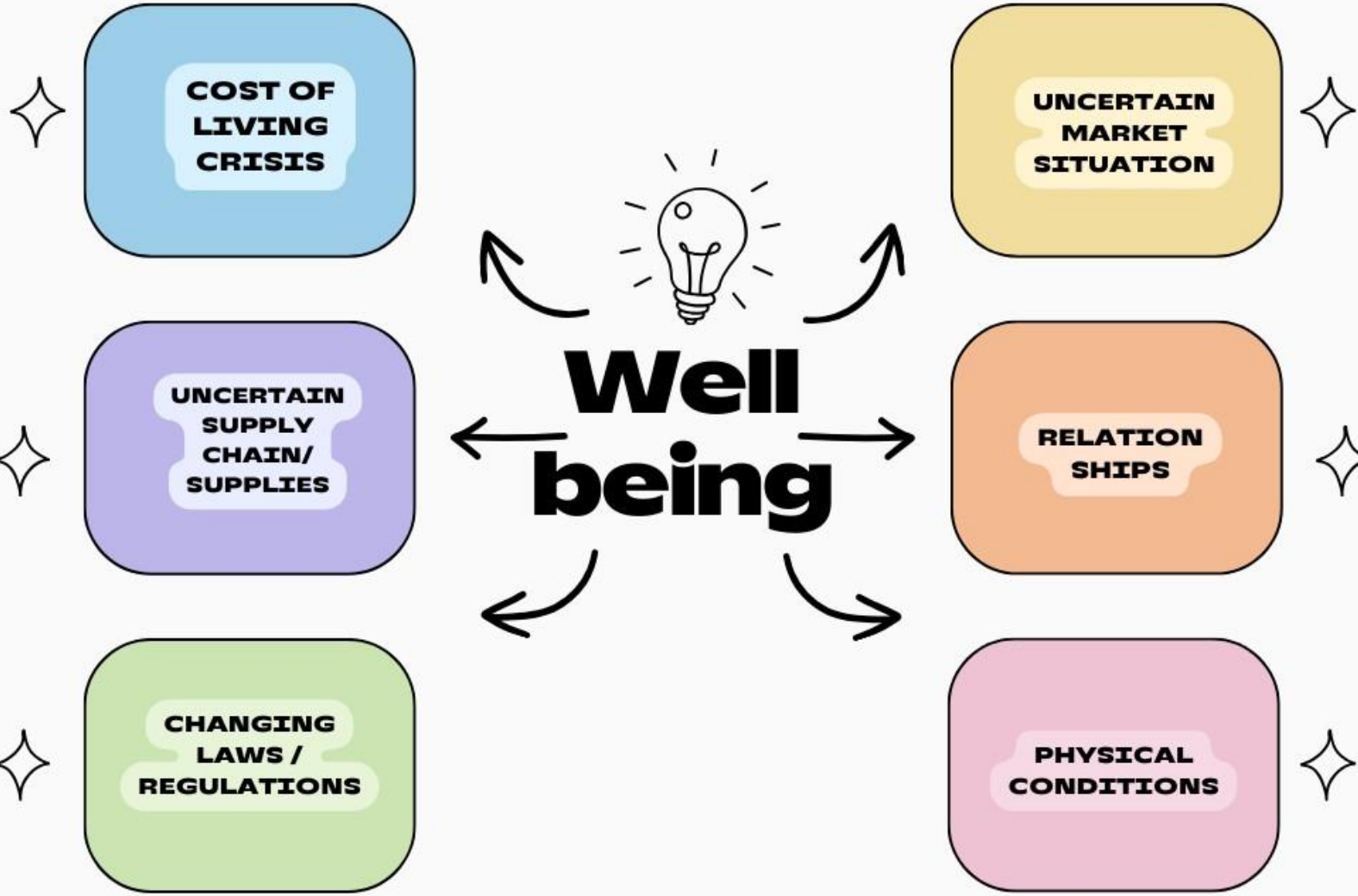
Theme 5 - Wellbeing

- Wellbeing of Workforce & Communities
- Air Quality & Biodiversity Net Gain
- Improve community integration

*Themes are from PPN06/20

Wellbeing







The World Health Organisation states that wellbeing is “a state of **complete physical, mental, and social wellbeing**, and not merely the absence of disease or infirmity.”

COMMUNITY WELLBEING CASE STUDY - SKANSKA







OUR FOUR PILLARS

The table below sets out how each of our four pillars contributes value. Collectively, they align with Government's themes of tackling economic inequality, equal opportunity, fighting climate change, and wellbeing. They also feed into key policy drivers such as the Levelling Up agenda and the Net Zero plan.

OUR SOCIAL VALUE FRAMEWORK PILLARS



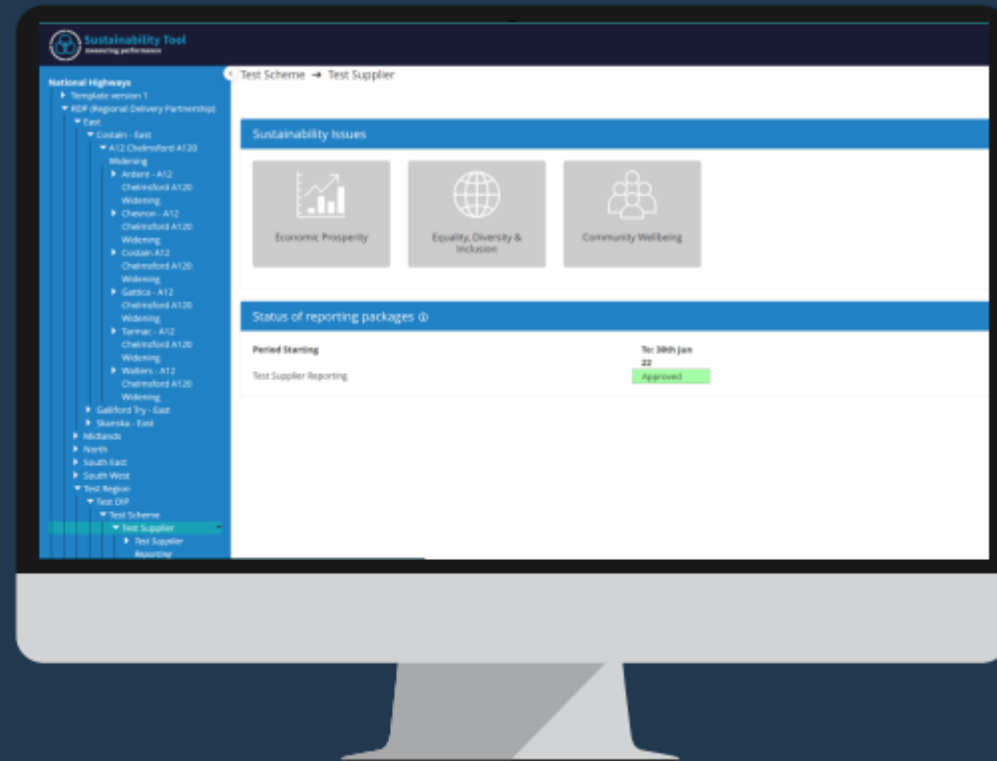
Economic prosperity 	Improving the environment  <small>(See our Net Zero Highways plan and Environmental Sustainability Strategy, due for publication in 2023)</small>	Community wellbeing 	Equality, diversity and inclusion 
<p>Directly contributing to economic growth including suppliers, local spend, new businesses, small-to-medium-size enterprises, micro, voluntary, charitable and social enterprises/mutuals</p> <p>Improving productivity by improving the strategic road network</p> <p>Contributing to apprenticeships, skills and education, and regional economic prosperity</p>	<p>Working toward net carbon zero emissions from corporate activity, road users and construction</p> <p>Enhancing the natural environment through improving ecosystems and biodiversity; and protecting our natural resources</p> <p>Respecting neighbouring communities by reducing our impact on air quality, noise and water quality; supporting a healthier society</p>	<p>Healthier and safer communities</p> <p>Promoting safe, active travel and non-motorised users improving health from issues related to the strategic road network</p> <p>Improving community amenities</p> <p>Improving connections within and between communities</p> <p>Contributing to the process of creating quality places that people want to live, work, play, and learn in</p> <p>Supporting community education and heritage programmes</p>	<p>Contributing to employment and opportunities for women; ethnic minorities; the long-term unemployed; veterans; people with disabilities; the LGBTQ+ community; care givers; school leavers; young people not engaged in education, employment or training; ex-offenders; the homeless; maternity returners; new to industry; flexible workers</p> <p>Contributing opportunities to create a more equal society</p> <p>Creating a more inclusive and accessible strategic road network</p>

ISSUES WE REPORT ON

ECONOMIC
PROSPERITY

EDI

COMMUNITY
WELLBEING



Social Value Issue	Indicator Name
Economic Prosperity	Number of full-time equivalent employment opportunities, within your direct employees, supported under the contract
	Number of national Skills Academy for Construction roles (excluding apprenticeships)
	Number of weeks of apprenticeships (excluding National Skills Academy for Construction roles)
	Number of apprenticeships completed (excluding National Skills Academy for Construction roles)
	Number of hours dedicated to educational/career engagement events (excluding work placements)
	Number of weeks of work placements
	Number of hours of accredited training delivered
	Number of registered qualifications gained
	£ value of contract opportunities awarded under the contract (start-ups and micro)
	£ value of contract opportunities awarded under the contract (Small and Medium Enterprises)
	£ value of contract opportunities awarded under the contract (Voluntary organisations, Charities, Social Enterprises and mutuals)
	Total £ value of spend with diverse suppliers
	Number of local employees (full-time equivalent) on contract
	Number long-term unemployed (>12 months) (full-time equivalent), excluding Not in Employment Education or Training (NEETs), working on scheme
Equality, Diversity and Inclusion	Number of employees not in Employment Education or Training (full-time equivalent) working on a scheme
	Number of people 'other new to the industry' (full-time equivalent) working on a scheme
	Number of hours Equality Diversity Inclusion / Fairness Inclusion Respect training delivered
	Number of women (full-time equivalent) working on a scheme
	% of full time women employees working on a scheme
	Number of B.A.M.E employees (full-time equivalent) of those employees who self-declared this, working on a scheme
	% of full time B.A.M.E employees working on a scheme
	Number of LGBTQ+ employees (full-time equivalent), of those employees who self-declared this, working on a scheme
	% of full time LGBTQ+ employees working on a scheme
	Number of armed forces veterans (full-time equivalent) working on a scheme
	% of full time armed force veteran employees working on a scheme
	Number of disabled people (full-time equivalent) working on a scheme
	% of full time disabled employees working on a scheme
	Number of people who have been cared for children (care leavers) (full-time equivalent) working on scheme
	% of full time care leaver employees working on a scheme
	Number of rehabilitating or ex-offenders (full-time equivalent) working on a scheme
	% of full time rehabilitating or ex-offender employees working on a scheme
	Number of people classified as homeless (full-time equivalent) working on a scheme
% of full time employees classified as homeless working on a scheme	
% of companies with gold level Defence Employer Recognition Scheme (ERS)	
% of companies with silver level Defence Employer Recognition Scheme (ERS)	
% of companies with bronze level Defence Employer Recognition Scheme (ERS)	
% of companies with no Defence Employer Recognition Scheme (ERS) level	
Community Wellbeing	Number of maternity leave/returners (full-time equivalent) working on scheme
	Number of employees who have the options to work flexibly included in their contract terms
	% companies in supply chain with measures in place to improve the physical and mental health and wellbeing of employees
	Number of hours delivered to volunteering and community project initiatives

Social value risks?? And opportunities



Attracting customers,
competitive
advantage, innovation



Risk management,
supply chain security



Licence to operate:
stakeholders, regulation,
public policies



Investors confidence,
rating agencies



Personal leadership,
organisational
ethics/raise profile

Supply Chain Sustainability School



SOCIAL VALUE TOOLS REPORT



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SOCIAL VALUE TOOLS REPORT

Prepared by: Vaishali Baid
Supported by: Samuel Walker

Special thanks to:



Measuring Social Value

Client Requirements

Many client requirements ask about fulfilling minimum standards such as Modern Slavery, Diversity and Inclusion, Labour Standards and so forth; however, Social Value requirements are beyond the minimum expectation. Clients should ask their suppliers to take into account the additional social benefits that can be achieved in the delivery of contracts, using policy outcomes aligned with this government's priorities (PPN 06/20) and extend thinking into more than just commercial value.

These include, but are not limited to:

■ **Regulatory requirements** – PPN 06/20 states that "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" with a minimum of 10% weighting in the overall assessment of the project.

■ **Pre-qualification requirements** – Certain UK contracting authorities use Constructionline for pre-qualified contractors and consultants. For a fee, it collects, assesses, and monitors standard company information through a question set that is aligned to PAS 91, the standardised pre-qualification questionnaire developed by BSI to reduce duplication within the construction industry. The pre-qualification questionnaire includes a range of questions specifically focused on Social Value.

Some contracting authorities use different PQQ systems or their own bespoke solutions.

■ **Specifications** – For example, HS2 Ltd.'s works information contains requirements for equality, diversity, and inclusion (EDI); labour relations; skills, employment and education (SEE);

community engagement; and environment and sustainability.

■ **Sustainable Procurement Charter** – SERCO includes Social Value within their procurement charter – a call to action for their suppliers that brings various Social Value priorities together to enable an integrated enterprise approach. The charter includes various elements of Social Value as diverse and local suppliers, wellbeing, modern slavery and human rights, working with local communities etc.

■ **Alignment with ESG objectives** – Growing interest on the holistic impact of investments on society has placed Social Value on the radar of the organisation strategy as well. An ESG lens considers issues of environmental, social, and governance level and working on Social Value will contribute towards the ESG requirements in future for the organisations.

Reasons* to measure Social Value

1. To measure progress against the organisational objectives.
2. To understand the impact made on people and communities.
3. To communicate the social benefits to clients and other internal and external stakeholders.
4. To demonstrate own (or client) compliance with legislation and regulation.
5. To drive improvements in the processes and delivery.
6. To include data in company reports, to enhance reputation and attract new clients and customers.

*These reasons are based on various Supply Chain Sustainability School workshops, interactions with Partners and discussions in Social Value Group.



Think about the key reasons why your organisation wants to measure Social Value and to which stakeholders you need to report the outcomes.

- What is Social Value
- Measuring Social Value
- Client requirements
- Difference between Social Value Framework and Tool
- Study on Tool Providers – along with parameters
- Glossary

Introduction to Social Value - [Introduction to Social Value](#)



Social Value

Theme 1 - Covid 19 Recovery

- Employment
- Community Support
- Support SMEs, VCSEs & Minority Owned Businesses

Theme 2 - Tackling Economic Inequality

- Diverse Supply Chain
- Innovation
- Collaboration throughout Supply Chain
- Apprenticeships
- Training
- Fair Pay



Theme 3 - Fighting Climate Change

- Decarbonisation
- Circular Economy
- Environmental Impact
- Biodiversity Net Gain

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*Themes are from PPN06/20

[Upcoming Social Value Webinars](#)



- **Embedding Social Value in Procurement: National Highways** on Tuesday 7th November at 13:00 (three hour workshop) Sign up [here](#).
- **Integrating Social Value within ESG Frameworks: A Lendlease perspective** on Thursday 16th November at 14:00 (two hour workshop). Sign up [here](#).
- **Social Value for Highways: Embedding Equality, Diversity and Inclusion SDF** workshop on Tuesday 12th December at 13:00 (2.5 hour workshop). Sign up [here](#).

Latest community resources

Here are a selection of featured community resources. To view more, please visit our full resource library:

[ALL RESOURCES >](#)

[BACK TO ALL TOPICS >](#)



COMMUNITY
Arc in the Park Restoration
VIDEO
Vinci, Barking and Dagenham College And Community Links - Social Value

Beginner ⌚ 15 minutes

[LEARN MORE](#)



COMMUNITY
Community Engagement Social Value Case Study: Kings Cross Zone B
CASE STUDY
Community Engagement - Kings Cross Zone B - BAM Social Value case study.

Beginner ⌚ 10 minutes

[LEARN MORE](#)



WELLBEING
Large Scale Regeneration With Large Scale, Long-Lasting And Sustainable Social Value
CASE STUDY
Poplar HARCA's £600m regeneration project of Teviot Estate

Intermediate ⌚ 5 minutes

[LEARN MORE](#)



WELLBEING
Social Value Exchange
WEB LINK
Putting Community needs at the heart of public sector tenders

Intermediate ⌚ 10 minutes

[LEARN MORE](#)



Delivering social value, through offsite construction
Report from the Supply Chain Sustainability School, Akerlof and the University of Salford.

TRAINING AND SKILLS
Delivering Social Value through Offsite Construction Report

DOCUMENT / PRESENTATION
Guidance report from the Supply Chain Sustainability School, Akerlof and the University of Salford.



Our social value plan: 2022-2024
National Highways

WELLBEING
National Highways Social Value Plan 2022-2024

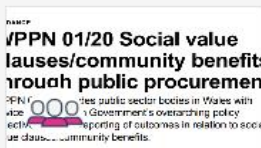
DOCUMENT / PRESENTATION
What National Highways is doing for its people, suppliers, the environment, economy, communities and the country.



The Rail Social Value Tool

WELLBEING
The Rail Social Value Tool (RSVT)

TOOL
Online tool to enable industry to monitor and measure social value.



WPPN 01/20 Social value clauses / community benefits through public procurement

WPPN 01/20 Social Value Clauses / Community Benefits through Public Procurement

WELLBEING
WPPN 01/20 Social Value Clauses / Community Benefits through Public Procurement

DOCUMENT / PRESENTATION
Advice for public sector bodies in Wales on reporting of social value outcomes.

Social Value Sustainability Short

Our new animated short video provides an introduction to what [#SocialValue](#) is, its importance and benefits, and examples of how to best deliver social value."





Q&A

Thank
you!



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