

Annual National Construction Conference

Using Social Value to your commercial advantage

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www.countydurhampound.co.uk

#CountyDurhamPound

What we will cover...

- What is Social Value?
- Why does it matter?
- How do we measure it?
- What does a good Social Value proposal look like?
- County Durham Pound Project – a place-based approach to Social Value

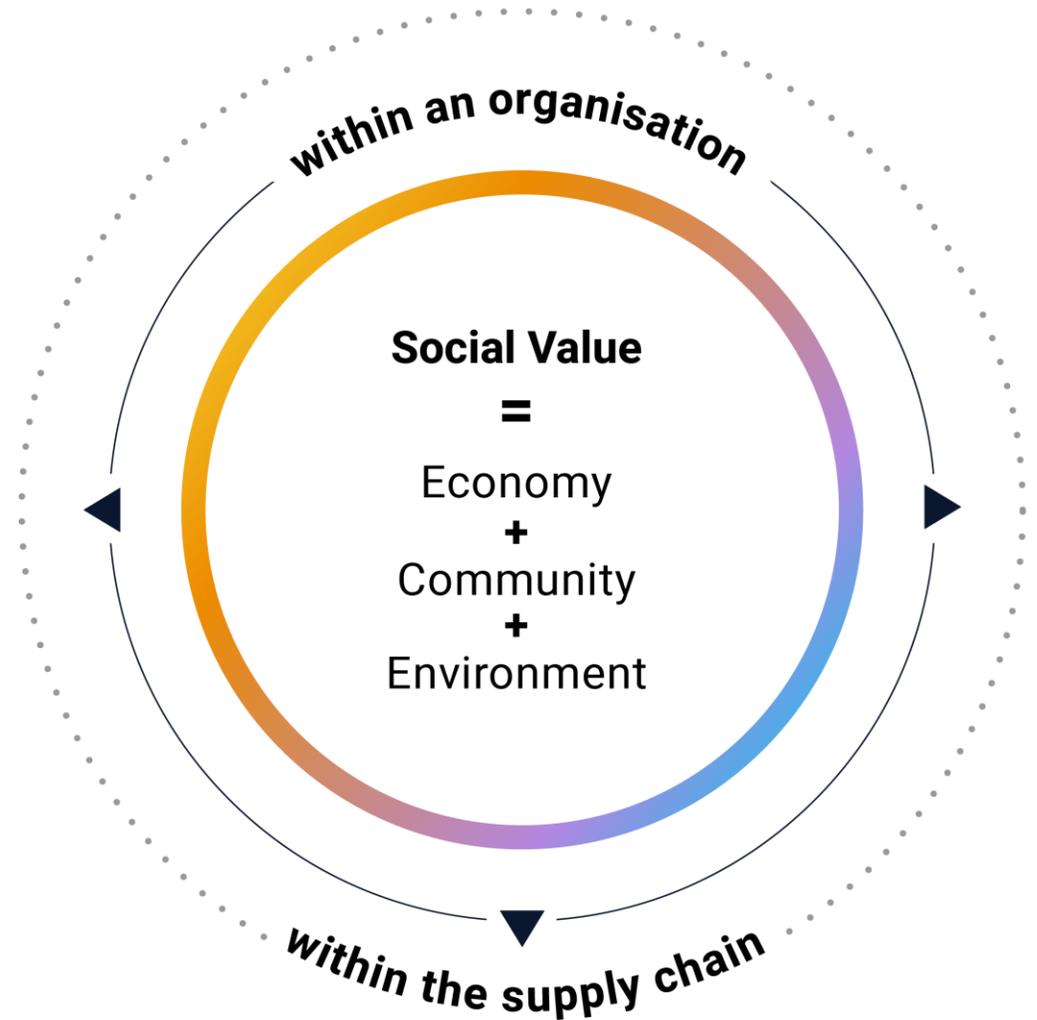
What is Social Value?

Social Value is the currency for conducting responsible, sustainable business.

In simple terms, it is the value an organisation contributes to society beyond business as usual.

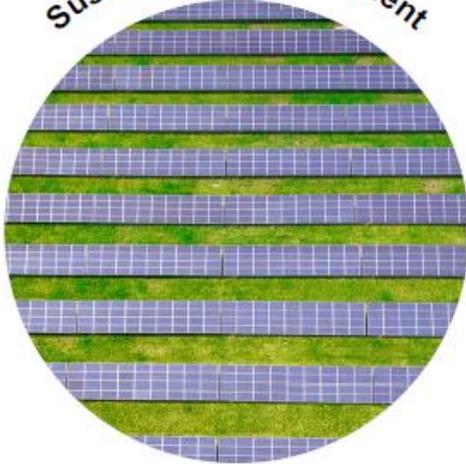
We quantify Social Value in terms of benefit to the economy, the community and the environment.

Social Value can be generated from within an organisation or from the wider supply chain so that it directly benefits communities.



What is Social Value?

Sustainable procurement



Training & apprenticeships



Buying locally



Reducing carbon emissions



Volunteering



Employing locally



A Social Value timeline

1950s



CSR

A theme to create focus outside of profit

1987



Sustainable Development

A concept to bring greater attention to the environment

2004



ESG

A yardstick by which to minimise risk and ensure compliance

2006



B-Lab

A non-profit network mobilising businesses to be a force for good

2012



Social Value

A concept brought about by the Public Services (Social Value) Act in relation to public sector contracts

2016



UN SDGs

The United Nations Sustainable Development Goals. A set of 17 globally agreed goals to help improve our world.

2016



National Social Value Taskforce

A network facilitating good practice in the public and private sectors

2017



Social Value measures

The frameworks by which organisations can quantify their Social Value contribution. Most notable the National TOMs.

2020



PPN 06/20

A requirement to deliver Social Value through all commercial activities for Government procurement

2020



The Social Value Model

A model for Central Government to follow in order to generate Social Value

2021



PPN 05/21

Further reforms to renew the Government's focus on and commitment to Social Value

2022



PPN 06/21

Focus on suppliers' Net Zero Carbon Reduction plans in Government contracts.

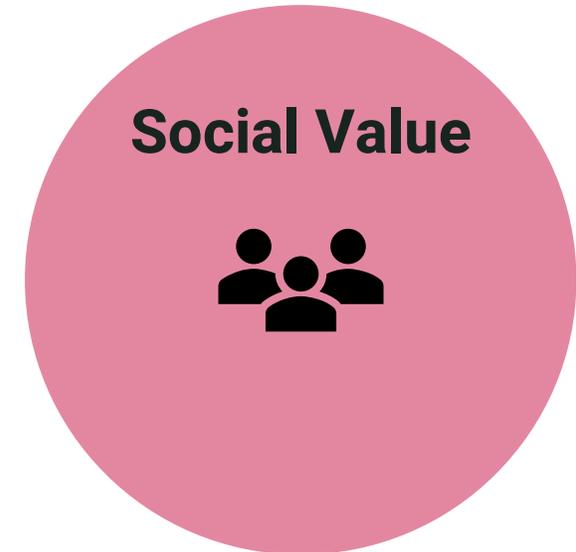
How is Social Value being applied - Central and Local Government

- The Social Value Act requires social value to be considered in all public sector procurement all tenders over the agreed threshold
- Public authorities have to have “regard to **economic, social and environmental well-being**”
- In June 2020 the Cabinet Office updated central government requirements (PPN06/20) – social value is now compulsory on ALL procurements at 10% weighting
- The Construction Playbook refers to all central government construction and FM contracts and requires 10% weighting on procurements
- The new Procurement Bill, which is currently going through Parliament, is expected to formalise the shift toward the awarding of contracts based on Social Value



Why does it matter?

The new holy trinity ...



Why Social Value matters for public sector

Make your budget go further

Drive impactful benefits for your community at the same time as getting more meaningful leverage from your public spending.



Pain-free compliance

Meet compliance requirements and manage risks more easily. Compare your performance with peers.



Align your supply chain

Integrate Social Value into supplier selection and management to extend the reach of your Social Value delivery



Why Social Value matters for suppliers

x14

Businesses with a purpose beyond making money, outperform the market by a factor of 14.

[Firms of Endearment](#)

x4

Customers are four times more likely to buy from a company with a strong purpose.

[Zeno Group](#)

49%

People who say they feel that companies who do not prioritise social issues, so not care.

[Harvard Business School](#)

6 in 10

Businesses believe sustainability to be as, or more than important than financial success.

[Grant Thornton](#)

89%

Executives who believe strong purpose provides competitive advantage

[Porter Novelli](#)

76%

Customers who are more likely to trust a company that leads with purpose.

[Porter Novelli](#)

Why Social Value matters for suppliers

Be proud & accountable

It is no longer acceptable for businesses to just think about the bottom line. Social value is the new currency to help you demonstrate the value of your positive impact on society to all your stakeholders.



Win more work

The cheapest contract is no longer the most attractive. Evidence your Social Value contribution within your bids and contracts to stand out from your competition and win more work.



Align with client goals

Demonstrate commitment in a way which meets with your clients' processes and compliance requirements, helping you forge strong, lasting relationships.



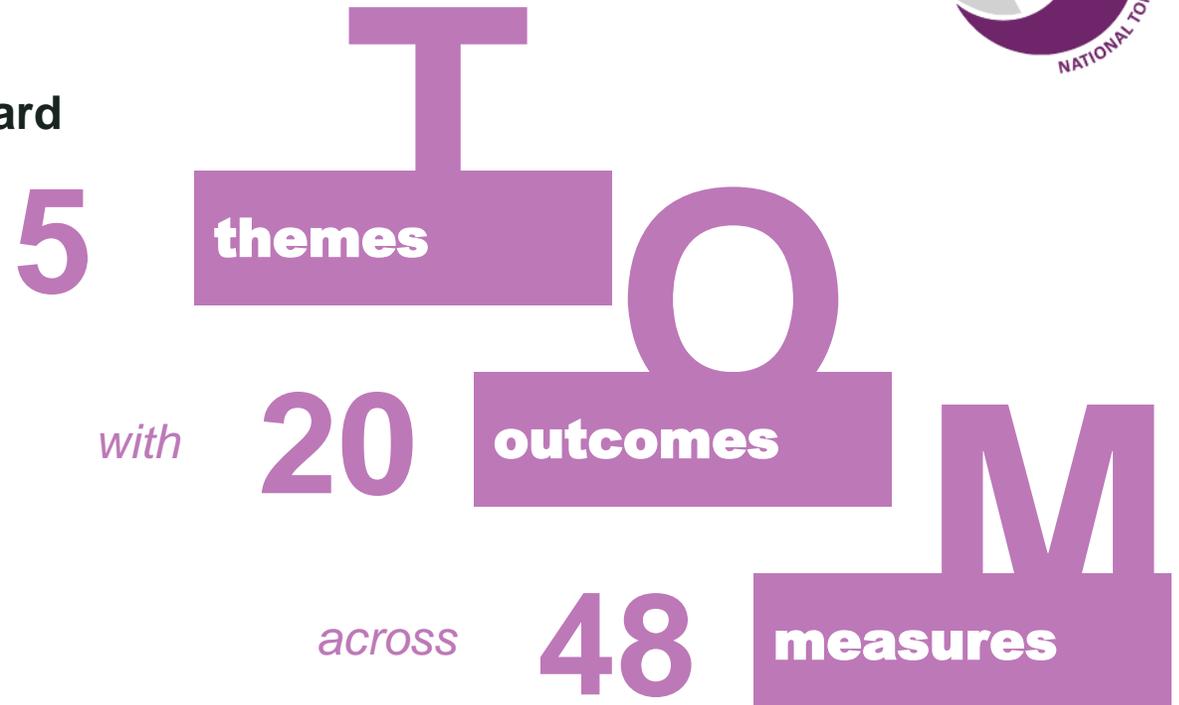
How do we measure Social Value?

National TOMs Framework



One social value measurement and reporting standard

- **Consistent measurement solution** that creates a level playing field for businesses
- Designed to **embed social value into procurement** or measurement activities
- Allows **benchmarking** and **comparability**
- Gives **practical ways of creating more social value** for communities
- Themes of **visionary social value creation**



Measuring Social Value

The key themes



Jobs

Promoting local skills and employment 'for all'



Growth

Supporting responsible regional businesses



Social

Fostering healthier, safer and more resilient communities



Environment

Providing cleaner, greener spaces and promoting sustainability



Innovation

Promoting new ideas and social innovation

Such as

Employing local or disadvantaged people, improving skills

Creating opportunities for micro businesses and social enterprises

Supporting older or vulnerable people, volunteering and donations

Reducing carbon emissions, reducing waste, conservation volunteering

New and innovative schemes which create more value for communities

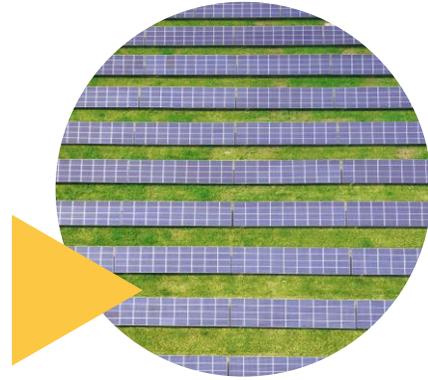
National TOMs Framework

Example application of the National TOMs

THEME	OUTCOME	MEASURE	UNIT	VALUE
 JOBS: Local skills and employment	More opportunities for disadvantaged people	No. ex-offenders employed	No. people	£24,269/pp
 GROWTH: Responsible and local business	More opportunities for local SMEs and VCSEs	Spend in local supply chain	£ spent	Local Spend
 SOCIAL: Healthier, safer & more resilient communities	Vulnerable people are helped to live independently	No. voluntary hours	No. hrs	£16.93/hr
 ENVIRONMENT: Decarbonising and safeguarding our world	Carbon emissions are reduced	Tonnes CO ₂ e reduced	tCO ₂ e	£244.63/tCO ₂ e
 INNOVATION: Social innovation	Safeguarding the natural environment			

TOTAL SOCIAL VALUE = SUM (MEASURES x VALUE)

Examples of Social Value ...



Sustainable procurement

Per kilo plastic reduction: **£158**



Training

1 week level 1,3,4+ training: **£317**



Apprenticeships

1 week of T-Level 2.3 or 4 apprenticeships **£251**



Reducing carbon emissions

Removal of 1 tonne of CO2 emissions: **£244**
Of Social Value



Volunteering

50 hrs of community project volunteering: **£846**
Of Social Value



Employing locally

Employing a long term unemployed person: **£20k+**
Of Social Value

**What does a good
Social Value bid
look like?**

Think ...

Credible

Additional

Proportional

Specific

TOMs Requirements- What are the general expectations?

Quantitative

A Social Value 'target' is the amount of Social Value you intend to deliver

Top Tips

- The target entered must be consistent with the 'unit' for the measure i.e. hours
- Check accuracy and calculations
- Be ambitious whilst considering proportionality

Qualitative

A description which demonstrates how the 'target' initiative will be delivered

Top Tips

- Use the 'target guidance' to help you
- Keep it simple and succinct
- Remember consistency

An excellent description includes ...

1

Specific and relevant details of the initiatives

2

Calculation breakdowns

3

Understanding of TOMs methodology

4

Supporting evidence and examples

Creating a narrative

▶ Consider the impact

Ask for quotes

Take pictures

Post on socials

Discuss narrative with Contract Manager



Why create a narrative?



Influences stakeholders' opinions



Opportunity to be case studied by the procuring body



Provide evidence for qualitative submissions



Opportunity to be seen as an innovator

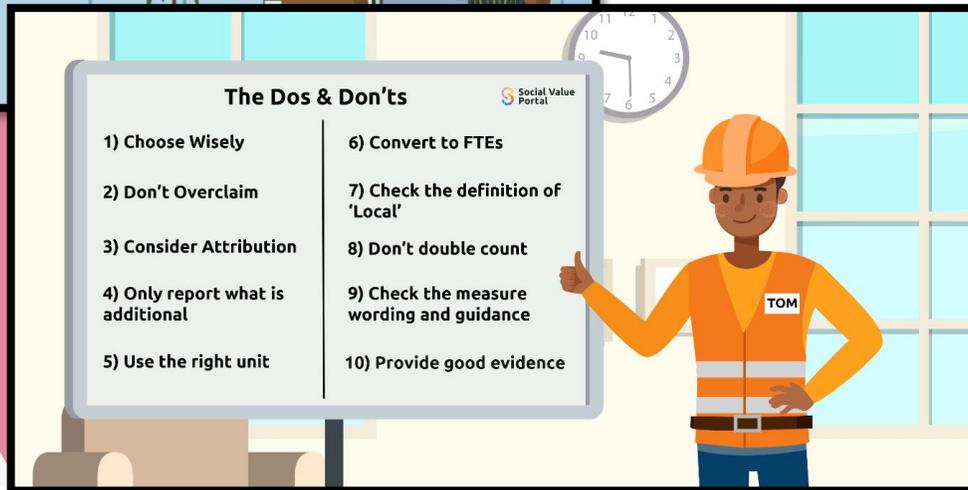
What do I do to prepare as a business?

Social Value
Maturity Index

Social Value
Policy/Statement &
Social Value Action
Plan

Further learning

National TOMs – Dos & Don'ts



- | The Dos & Don'ts | |
|-----------------------------------|---|
| 1) Choose Wisely | 6) Convert to FTEs |
| 2) Don't Overclaim | 7) Check the definition of 'Local' |
| 3) Consider Attribution | 8) Don't double count |
| 4) Only report what is additional | 9) Check the measure wording and guidance |
| 5) Use the right unit | 10) Provide good evidence |

- A simple, infographic video to explain the Dos & Don'ts principles
- Also available in 10 shorter videos

[Watch here](#)

Social Value 101

▶ Find out all you need to know to get up to speed with the sustainability and Social Value agenda so you can start creating real impact and meaningful change in your organisation.

SVP have created the Social Value 101 Guide to help explain:

What exactly is Social Value?

Why does Social Value matter?

How do you measure it?

And where do you go to get started?

Download your copy [here](#)

Your Social Value journey starts here...





County Durham Pound Project

– a place based approach to

Social Value

The County Durham Pound partners



County Durham and Darlington
Fire and Rescue Service



County Durham Pound Project core objective

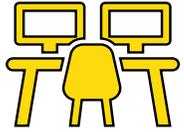


Operating as a collective, the partners will ensure their buying and employing power and social value contributions work to benefit the people and communities of County Durham



Aims and objectives for County Durham Pound project

Together with the core objective, the following aims and objectives have been identified as ones to aspire to for the local businesses and people of County Durham:



Create more jobs for local people



Prioritise better health and wellbeing



Focus on equality, diversity and inclusion



Reduce our impact on the environment



Support with meaningful training and upskilling



Help communities, groups and charities



The Commitments of the collective



1

Collaborate proactively

We will share ideas and learn from each other's experience and best practice in social value



2

Embed relevant processes

We will develop suitable processes to ensure high quality delivery and to meet the project's objectives



3

Involve and empower stakeholders

We will hear the concerns and ideas of community members and other stakeholders across the public, private and third sectors



4

Respond to local needs

We will ensure that our social value activities address local needs and priorities wherever possible



5

Be transparent and accountable

We will share what we intend to do and why, plus how we are progressing, so you can hold us accountable



6

Track, report, learn and improve

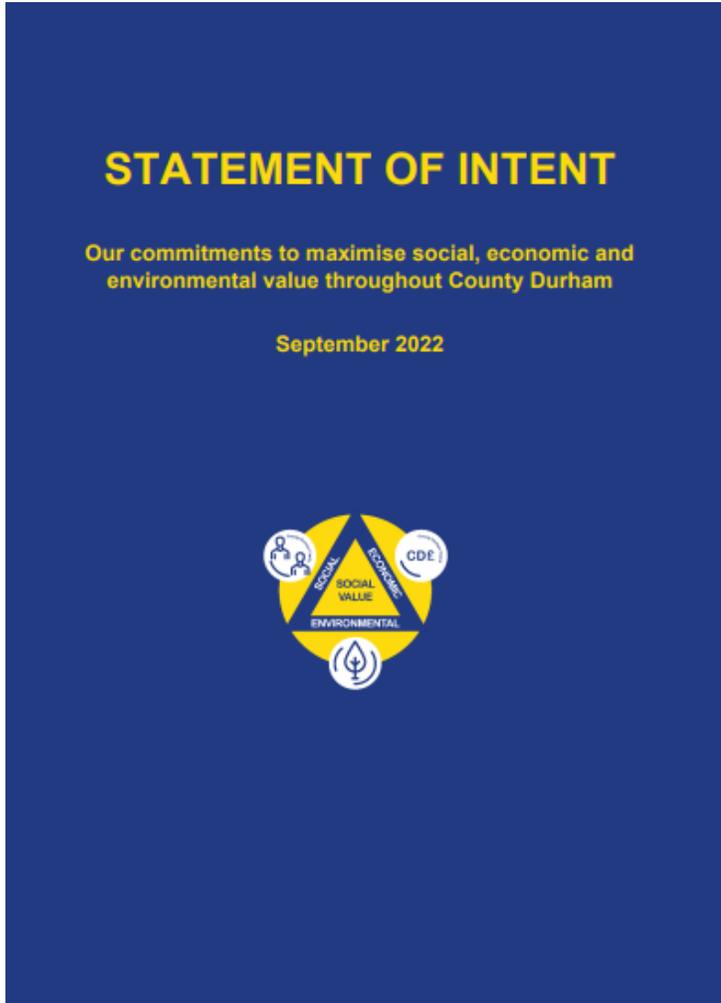
We will track and report what we are all doing using a consistent framework so that we can drive continuous improvement

Statement of Intent

The Statement of Intent shows the commitment of the partners to collaboratively to maximise every pound spent in County Durham to improve local social value.

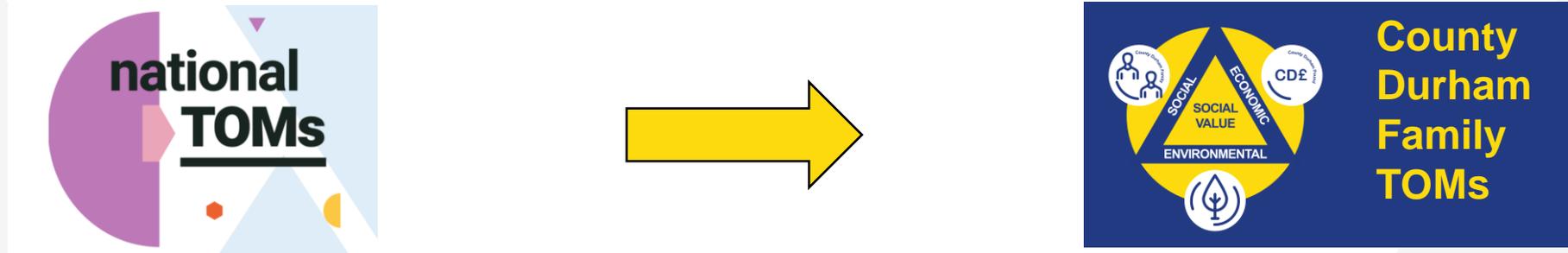
It presents the six commitments of the project.

The Statement of Intent was signed by the partners in September 2022 and will be reviewed by them in March 2024.



What are the County Durham Family TOMs?

Using the National TOMs framework as a starting point, the County Durham Family TOMs were built by selecting specific Measures that reflect the current activities and initiatives being undertaken by the partners that are generating social, economic and environmental value. Proxy values were assigned to each Measure where possible turning the Framework into a Social Value Calculator.



County Durham Family TOMs were selected as meaningful to the county by aligning them to the findings of the Local Needs Analysis, CLES analysis and the local knowledge and visions of the partners. They needed to be deliverable within the capacity of the partner organisations and proportionate to their underlying business activity.

County Durham Family Social Value (TOMs) Framework

THEMES	OUTCOMES
<p>Jobs: Promote Local Skills and Employment</p>	<p>More local people in employment More opportunities for disadvantaged people Improved skills Improved employability of young people</p>
<p>Growth: Supporting Growth of Responsible Regional Business</p>	<p>More opportunities for local MSMEs and VCSEs Improving staff wellbeing and mental health</p>
<p>Social: Healthier, Safer and more Resilient Communities</p>	<p>Communities are safer and stronger regarding crime and anti-social behaviour Creating a healthier community Vulnerable people are helped to live independently More working with the Community</p>
<p>Environment: Decarbonising and Safeguarding our World</p>	<p>Carbon emissions are reduced Air pollution is reduced Resource efficiency and circular economy solutions are promoted</p>
<p>Innovation: Promoting Social Innovation</p>	<p>Social innovation to create local skills and employment Social innovation to support responsible business Social innovation to enable healthier safer and more resilient communities Social innovation to safeguard the environment and respond to the climate emergency</p>

- **5 Themes**
- **17 Outcomes**
- **37 (core) Measures**



Social Value Data – some outcomes



13,779 weeks of apprenticeships (49 by New College Durham and 13,730 by DCC)

£3.4m in social value



712 hours of volunteering in local schools including 618 hours from CDDFRS



45,940 car miles driven using low or no emission staff vehicles by believe housing, DCC and Livin



£6.6m local economic value from spending locally and with MSMEs, including over £250k by Bernicia



£169,348 donations or in-kind contributions to local community projects



2,834 weeks of traineeships delivered by believe housing



2,872 local people employed

£76m in local economic value



3,150 hours of volunteering by Northumbrian Water and CDDFRS, generating £53k in social value

The Social Value Knowledge Hub - www.countydurhampound.co.uk



The Social Value Knowledge Hub is a public website for anyone to use if they wish to read about the project or its progress

Information and resources available include:

- Case studies
- FAQs
- News and events
- Key documents
- 'Contact us' Form



COUNTY DURHAM POUND

Social Value Knowledge Hub

County Durham is an area that spans 882 square miles and over half a million people call home. As we all continue to recover from COVID-19 and focus on creating a future that is more equal and sustainable, there is an opportunity to accomplish a seismic shift in the way that people, organisations and communities work together for the collective benefit of County Durham.

Through the County Durham Pound project, the ability to drive long-term social, economic and environmental benefits – or social value – is huge. This Social Value Knowledge Hub aims to keep the people of County Durham informed of the project's progress and create a space for you to send us your ideas and feedback.

COMPANIES INVOLVED

CONTACT US



THE POWER OF THE COLLECTIVE

Who We Are

The County Durham Pound project involves a number of organisations committed to working together to maximise social, economic and environmental value throughout the county. This could be via procurement decisions and the way our suppliers are selected; how we operate as responsible and ethical employers; or, how our grant funding is allocated.

So what?

- How can this help as a Tier 1 supplier?
- How can this help as a Tier 2/3/4 supplier?
- What can I do as a Local Authority to generate a Social Value impact?
- Lessons learnt

Any Questions?



Thank You

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