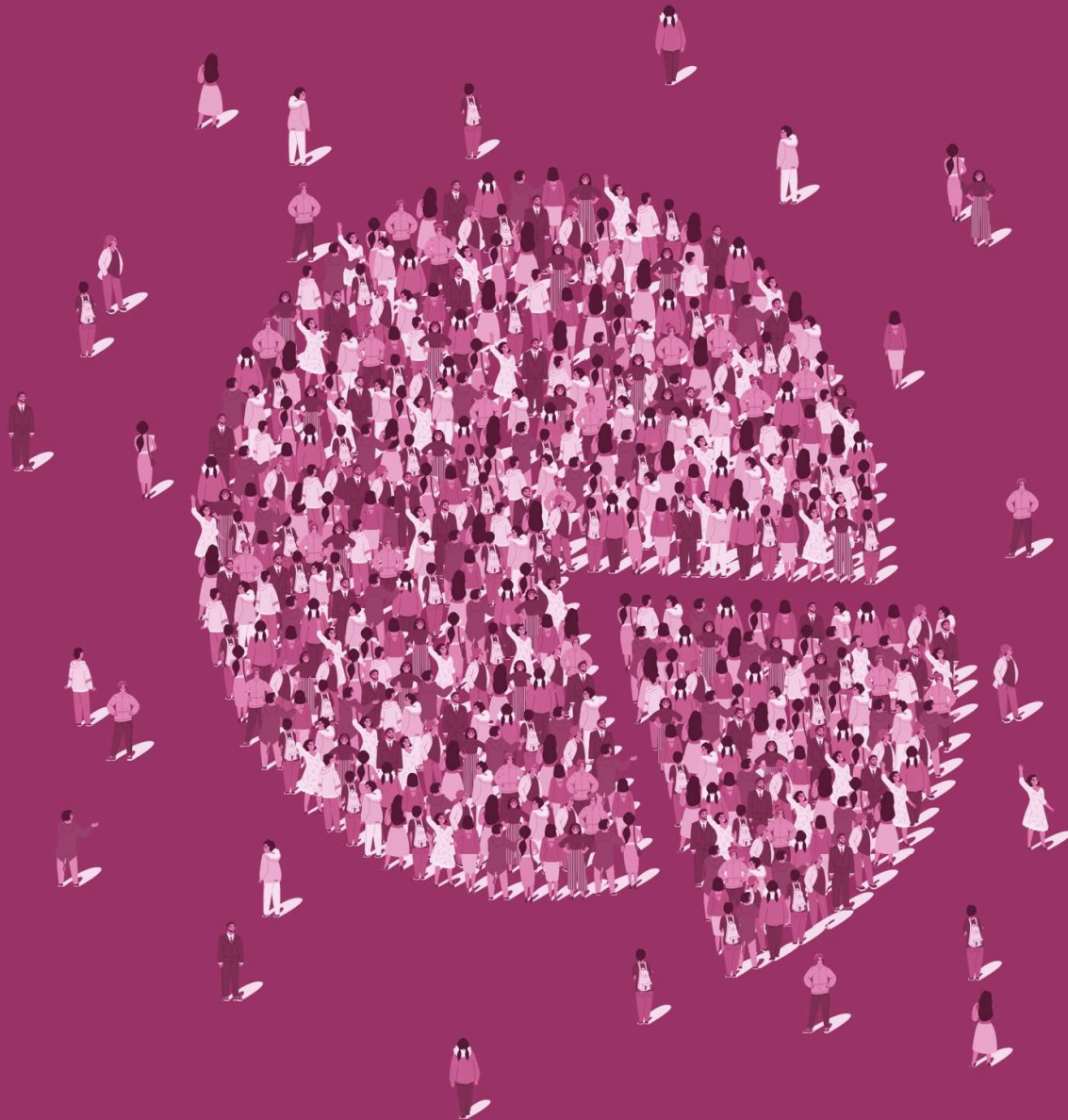




SOCIAL VALUE POLICY IN UK GOVERNMENT RESEARCH PROCUREMENT

MRS Guidance



Introduction

Measuring social value is a key part of research procurement for public sector projects in the UK. The aim of this guidance is to help practitioners to understand the UK Government's approach to social value and to help to demonstrate social value when undertaking procurement processes.

What is Social Value?

Social Value refers to the impacts that projects or policies have on society and the value that these impacts have, both positive and negative. The social value of a project is the net value generated to society (e.g., net of negative impacts).

According to the [Social Value Portal](#), in plain terms, Social Value is the value an organisation contributes to society beyond a reported profit. Where profit is measured in standard accounting terms, Social Value is measured by actions. The term 'social' refers to the aggregation of the individuals that make up society and not – as it is often framed – to a type of impact. Social value captures a myriad of impact, including on the economy, the environment, health, education – these are all valuable products vital to the society and to human lives.

'Social value' requires a re- thinking about how scarce resources are allocated and used. It involves a paradigm shift – from valuing the contract to giving greater value to the societal and collective benefit to society.

Most public services refer to the [UN Sustainable Development Goals](#) as a model for social value and to urge commissioners and suppliers to widen their positive impacts through investment, transformation and regeneration. Social value does not compete with value for money, it is an essential element of it.

Some examples of social value include:

Prosperity

- Promoting UK innovation and growth.
- Providing employment and training for disadvantaged groups.
- Supporting Small to Medium Enterprises (SMEs) and Voluntary, Community and Social Enterprises.

People

- Supporting community and workforce health and wellbeing (e.g., availability of mental health first aiders within an organization).
- Diversity, inclusion, equality and accessibility (e.g., not discriminate on the basis of any legally protected status or characteristic).
- Promoting labour and consumer rights (e.g., gender & ethnicity pay balance, real living wage, training up young and disadvantaged people)

Planet

- Reducing consumption, waste and pollution (e.g., Corporate Social Responsibility aimed at reducing our environmental impact and contributing to our local and national communities through volunteering and fundraising).
- Using sustainable energy, water and resources.
- Protecting and regenerating biodiversity.

Social Value in the UK Government

Legislation

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 and/or improve 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.

Policy

In June 2018, the UK central government announced it would begin to explicitly evaluate social value when awarding most major contracts. Government departments are expected to report on the social impact of their major contracts.

To help departments implement this change and following a public consultation, Cabinet Office and DCMS worked with departmental commercial and policy teams and supplier representative bodies to develop a Social Value Model. The UK Government has defined social value through a series of priority themes and policy outcomes which are important to deliver through government's commercial activities.

Social value is predominantly evaluated based on qualitative responses from bidders, however it is possible that, in some, cases, evaluations can be based on volumes and monetary values. This means that larger suppliers are not able to win on scale alone; all bidders must set out what they will deliver and how they will deliver it and it is this information that will be scored in bid evaluations. The minimum weighting that should be applied to social value is 10%.

The Cabinet Office has created guidance on how to use the Social Value Model which have been applied to all new procurement activities since January 1st, 2021.

In January 2021, the UK Government strengthened the way it measures and incorporates social value into its procurement process with the introduction of the Procurement Policy Note (PPN)

The PPN identifies five themes that are considered in the UK Government's procurement process: Covid-19 recovery; tackling economic inequality; fighting climate change; equal opportunity and wellbeing.

Organisations can also propose activities that improve health, wellbeing and community integration within the workforce. These are the generic themes that the UK Government is addressing, however there are several sub-themes and criteria that are designed to benefit society.

Commissioners must identify one of the umbrella areas for their research brief and build out a project that meets the criteria. Critically, the social-value proposal must be relevant and proportionate to the overall subject or theme of a specific tender.

Implementation

The UK Government is training approximately four thousand commercial buyers across government to take account of social value and procure successfully from across all types and sizes of businesses and organisations including charities and social enterprises.

Example of a social value project:

Lambeth Council had £20,000 to spend on youth offending services. Instead of taking the traditional approach of buying in a youth offending service, they decided to bring together young offenders to work with the council on a grant fund. The young people decided the outcomes for the grant, evaluated bids, and selected the winner – a project that would involve the whole community in a talent competition.

There has to be a rigorous measuring process to identify and qualify the value of a procurement process against its social value objective. This must be dependent and consistent on the project in question. For example, under the criteria 'tackling economic inequality', some of the reporting metrics include [with reference to education, training, and employment]:

- Number of full-time equivalent (FTE) employment opportunities created under the contract, and, for larger organizations, by UK region.

- Number of apprenticeship opportunities (Level 2, 3, and 4+) created or retained under the contract, by UK region.
- Number of training opportunities (Level 2, 3, and 4+) created or retained under the contract, other than apprentices, by UK region.
- Number of people-hours of learning interventions delivered under the contract, by UK region.

It is useful to distinguish between Corporate Social Value and Environmental, Social, and Corporate Governance. The latter refers to data that reflects the externalities organisations are generating with respect to the environment, to society and to corporate governance. This data is often used by investors to analyse and identify material risks and growth opportunities.

Social Value is the collaboration of an organisation with society to improve the community, economy, and environment around it. It embraces both CSR and ESG but works in a way which embeds community needs at the heart of an organisation's activities. Social Value demonstrates, in simple monetary terms, positive impacts within an organisation and across supply chains.

Market and Social Research Procurement

Procurement in market and social research provides information that is critical to developing meaningful and effective procurement strategies. When the UK Government procures market and social research, it is procuring intellectual capital and evidence which is important to decision-making. Market and social research enables procurement to better understand, among other things, how the supply market works, the direction in which the market is going, the competitiveness and the key suppliers within the market.

Questions to consider:

- What can we learn from successful research procurement bids?
- Integrating social value into market and social research across all levels of the project – from the field/ground and high-level?
- Engage with researchers and others involved on the ground? How can we provide more value to the community?
- Acknowledge already successful projects, e.g., recruitment and training processes/apprenticeship schemes, etc.

MRS provides support to research organisations wanting to include social value in their approach by signing up to the [MRS Inclusion Pledge](#) and [MRS Net Zero Pledge](#); plus other resources such as the MRS ED&I training and the development of the Market Research apprenticeship.

In November 2021 Crown Commercial Services (CCS) launched its new Research and Insight Marketplace Dynamic Procurement System (DPS) for the procuring of research and insight across the public sector. The

new Research and Insight DPS includes the MRS Net Zero Pledge as one of the options for suppliers to demonstrate their social value and carbon neutral plans.

By including the Pledge in this way, CCS raises the profile of the MRS Net Zero Pledge among the hundreds of suppliers who are expected to register on the new DPS plus the public sector commissioners who procure from it.

Although the selection questionnaire itself does not mention MRS pledge as an option (due to the procurement policy regulations CCS are unable to do this) CCS have informed all suppliers and interested parties that they are welcome to offer the MRS NetZero Pledge as an option and that the CCS team will accept it as a compliant answer.

Appendix A

CCS: Theme Covid 19 Recovery

The below is an illustrated example the Crown Commercial Service' social value model.

Within the PPN and social value model there are 5 Priority Themes outlined

Theme 1: COVID-19 Recovery

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

Each theme has 1 or 2 policy outcomes - setting out what the overall aim is for that theme, in terms of deliverables.

Theme 1: COVID-19 Recovery

- **Why is this a priority?** ← The social value model gives an overview of why each theme is a priority

The COVID-19 pandemic has exacerbated existing economic and social challenges, and created many new ones. Social value provides additional benefits which can aid the recovery of local communities and economies, especially through employment, re-training and return to work opportunities, community support, developing new ways of working and supporting the health of those affected by the virus. Government will monitor delivery of a number of related outputs to assess the effect of these commercial interventions.

- **United Nations Sustainable Development Goals**

← This policy supports Goal 1: No poverty, Goal 2: Zero Hunger, Goal 3: Good health and well-being, Goal 4: Quality education, Goal 5: Gender equality, Goal 8: Decent work and economic growth, Goal 9: Industry, innovation and infrastructure, Goal 10: Reduced inequalities, Goal 11: Sustainable cities and communities, Goal 12: Responsible consumption and production, Goal 16: Peace, justice and strong institutions, Goal 17: Partnership for the goals

For each theme the model details which UN Sustainable Development Goals are relevant.

Relevance & proportionality

The social value model gives pointers on when and where each outcome is relevant and proportionate to use

This Policy Outcome and its related Model Award Criteria and Reporting Metrics are potentially relevant and proportionate to the subject matter of the contract when:

- the contract involves the recruitment, re -training and other return to work opportunities for those left unemployed by COVID -19, as part of a contract workforce.
- the contract relates to a sector where there are high levels of unemployment as a result of COVID-19, and/or there are skills gaps, particularly in high growth sectors, which are relevant to the contract.
- the contract involves engagement, or provides opportunities for engagement, with people and communities recovering from the impacts of COVID -19, which are relevant to the contract.
- the contract offers opportunities to support organisations and businesses to manage and recover from the impacts of COVID-19, including where new ways of working are needed to deliver services, which are relevant to the contract.
- the ability to support the physical and mental health of people affected by COVID -19, including reducing the demand on health and care services, is relevant to the contract.
- workplace conditions that better support the COVID -19 recovery effort, including effective social distancing, remote working, and sustainable travel solutions, are relevant to the contract.

Resources

<https://www.gov.uk/government/news/new-measures-to-deliver-value-to-society-through-public-procurement>

<https://www.cips.org/knowledge/procurement-topics-and-skills/sustainability/social-value/>

<https://www.gov.uk/government/collections/the-green-book-and-accompanying-guidance-and-documents>

<https://www.mrs.org.uk/pdf/MRS%20Third%20%20procurement%20report.pdf>

More Information about the MRS Inclusion and Net Zero Pledges

[MRS inclusion Pledge: https://www.mrs.org.uk/resources/ceo-inclusion-pledge](https://www.mrs.org.uk/resources/ceo-inclusion-pledge)

[MRS Net Zero Pledge: https://www.mrs.org.uk/topic/sustainability-in-research](https://www.mrs.org.uk/topic/sustainability-in-research)

-